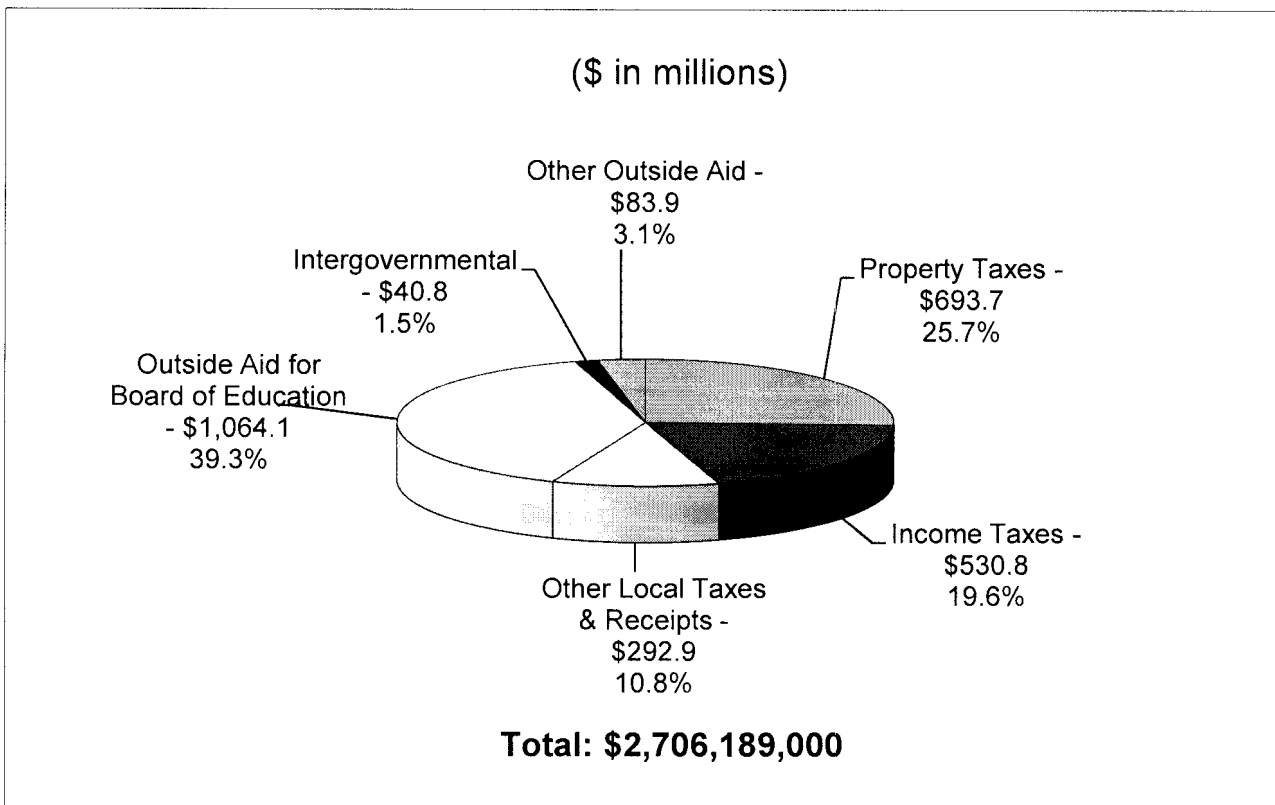


FY 2014 REVENUES AT A GLANCE

GENERAL FUND REVENUE OVERVIEW

- The approved FY 2014 General Fund budget is \$2,706,189,000, which represents a \$28.9 million or 1.1% increase from the FY 2013 approved budget.
- Outside aid for the Board of Education, Community College and Memorial Library increases by \$35.4 million, or 3.2%. County source revenues decrease by \$6.5 million or 0.4% from the FY 2013 approved budget.



INTERNAL SERVICE FUNDS REVENUE OVERVIEW

- The approved FY 2014 Internal Service Funds budget is \$46,178,300, a decrease of \$4.9 million or 9.5% under the FY 2013 approved budget.
- Fleet Management decreases by \$5.3 million or 30.2% under the FY 2013 budget as a result of eliminating the public safety vehicle recovery charge, and Information Technology increases by 1.2% primarily due to Institutional Network (I-Net) projects.

ENTERPRISE FUNDS REVENUE OVERVIEW

- Stormwater Management revenues increase by 3.5% over the FY 2013 budget due to an increase in the use of fund balance for water quality programs offset by a decrease in assessment values for property taxes.
- Solid Waste revenues in FY 2014 decrease by 1.9% under the FY 2013 budget due to decreases in clean lot, tipping fees and interest income.

- Local Watershed Protection and Restoration Fund is created in FY 2014. Total revenues are projected to reach \$8.0 million in FY 2014.

SPECIAL REVENUE FUNDS OVERVIEW

- Special Revenue Funds decrease by 2.1% in FY 2014.
- Debt Service revenue decrease by 3.2%. The debt incurred by the County pays for various capital projects throughout the County, such as school construction and renovations, road improvements and repairs and the new library in Bowie, among other projects.
- FY 2014 is the third year for the County's new Economic Development Incentive fund. This fund is used to improve opportunities for businesses around the County and promote economic development.

GRANT PROGRAM FUNDS OVERVIEW

- Grant Program Funds increase by \$10.5 million or 5.4% in FY 2014. This is primarily due to the funding for the National Mortgage Settlement and the Health Enterprise Zone program within the Health Department.

GENERAL FUND REVENUES

INTRODUCTION

The revenue table that accompanies each revenue source compares three years of data. In every instance, the dollar and percent change is from the prior year actual or approved amount. (Numbers in this document may not add due to rounding.)

REAL PROPERTY TAXES are the taxes levied on both land and improvements of taxable real property. Taxes are levied annually and each quarter of the fiscal year as new properties are added to the base. Real Property Tax is the largest tax revenue of the County. The revenue yield is dependent on the following variables:

- The State's triennial assessment process
- Assessment growth caps for owner-occupied property (also called Homestead Tax Credit)
- The assessment percentage
- The housing market and the economy in general
- The tax rate - including changes in the Municipal Tax Differential rates
- Delinquencies and the required reserves
- Appeals and adjustments in assessments
- State funding of State credits

the homestead tax credit, municipal tax differential, delinquent tax payments and incremental tax revenues from Tax Increment Financing (TIF) districts that are designated for debt service.

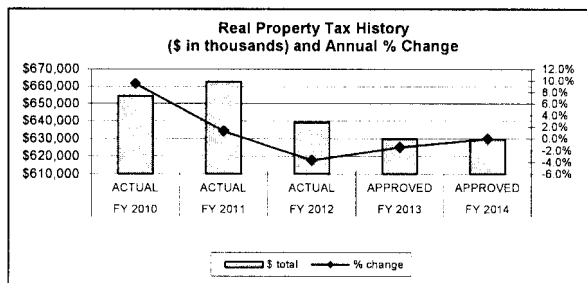
The County's Real Property Tax rate will remain at \$0.96 per \$100 of assessable value in FY 2014. The County is subject to the Tax Reform Initiative by Marylanders (TRIM). Based on this charter provision, the General Fund County Real Property Tax rate could not exceed \$2.40 per \$100 of assessable value before FY 2002, and cannot exceed \$0.96 per \$100 of assessable value since FY 2002, when the real property assessable value was adjusted from 40% to 100% of market value.

The State Department of Assessments and Taxation (SDAT) projected in February 2013 that the County's real property base will fall by 3.0% in FY 2014 before the homestead tax credit cap and other deductions. Net taxable base including adjustments and credits is projected to increase by 0.9% from the FY 2013 budgeted level.

Each year, one third of each County's real property base is reassessed by the SDAT. The reassessment growth is phased in over the next three years; a decrease, however, is realized immediately. The downward reassessments experienced by the County in the previous two years is expected to continue in FY 2014, with Group 1 of the County's real property base's reassessment value dropping by 10.6%, according to the SDAT.

REAL PROPERTY TAXES (\$ in thousands)				
	FY 2012 ACTUAL	FY 2013 APPROVED	FY 2013 ESTIMATED	FY 2014 APPROVED
YIELD	\$639,315	\$629,901	\$628,800	\$629,835
\$ CHG	-23,399	-9,414	-10,515	-66
% CHG	-3.7%	-1.5%	-1.6%	0.0%

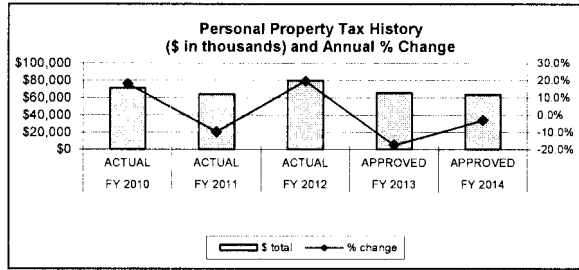
The County's real property tax revenue capacity is not fully realized due to the structure of the County's Homestead Tax Credit. The credit, tied to the Consumer Price Index growth for the 12 months ending in June, caps the growth of owner-occupied property assessment for tax purposes at 2% in FY 2014. According to the SDAT's estimate in November 2012, this tax credit is estimated to cause a County revenue loss of approximately \$28.1 million in FY 2014.



In FY 2014, the County's Real Property Tax revenues are projected to be \$629.8 million, unchanged from the FY 2013 budget. The projection is based on the tax rate, tax base and adjustments made to factor in reductions due to

The municipal tax differential also reduces the County's property tax revenues. Each year, the County reduces its property tax rates (both real and personal) to recognize governmental services and programs that municipal governments perform in lieu of similar County services, to the extent that such services are funded through property tax revenues. In FY

2014, County real property tax revenue is reduced by \$23.5 million for the municipal tax differential program, compared with \$25.8 million in FY 2013. FY 2014 marks the third year since the program's inception that the value of the credit decreased year-over-year. This is due to the drop in assessable value within the municipalities and budget cuts to some County services due to the fiscal constraint.



PERSONAL PROPERTY TAXES are the taxes levied on tangible personal property and commercial and manufacturing inventory of businesses. The assessment is made annually at fair market value and determined from annual reports filed with the SDAT.

The Personal Property Tax base is influenced by the:

- Business cycle
- Availability of commercial credit
- Public utilities' income performance
- Replacement of equipment
- The State law on personal property assessment and depreciation
- Tax rate - including changes in the Municipal Tax Differential rates

The FY 2014 Personal Property Tax revenue is expected to decrease by 3.0% from the FY 2013 budget. The tax rate will remain at \$2.40 per \$100 of assessed value. The tax base has remained relatively flat in the past few years. Similar to real property revenue, the loss of Personal Property Tax revenues due to the municipal tax differential program increased for some years because of expanding municipal services (such as police patrol, public works, etc.) until FY 2012, when tax differential credits started to decrease.

INDIVIDUAL INCOME TAXES are distributions made by the Maryland Comptroller's Office for the local tax on individual income. The State distributes the taxes to the County on a quarterly basis based on withholdings, declarations and estimated returns filed by employers and taxpayers. The State distributions are net of reserves for refunds, administrative costs, unallocated taxes (taxes for which no return has been filed) and municipal corporation shares. Municipalities receive a share of their residents' local income tax liability based on the greatest of 8.5% of the State income tax liability, 17% of the county income tax liability or 0.37% of the Maryland taxable income of municipal residents. Tax tables are usually adjusted at the beginning of the calendar year when any tax law changes take effect.

The following variables influence the annual tax yield:

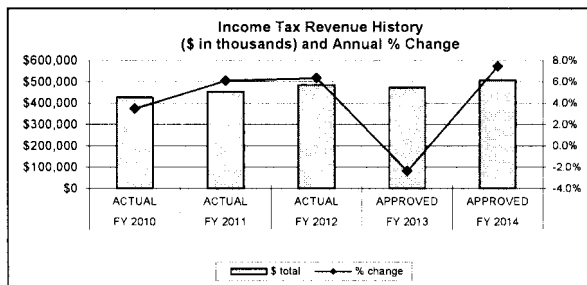
- County income tax rate
- Economy
- Federal and State tax changes
- Employment growth
- Population growth
- The share to municipal governments
- Other State distribution policy changes
- Taxpayer behavior
- Capital gains realization rates
- Disparity Grant

PERSONAL PROPERTY TAXES (\$ in thousands)				
	FY 2012 ACTUAL	FY 2013 APPROVED	FY 2013 ESTIMATED	FY 2014 APPROVED
YIELD	\$79,822	\$65,890	\$64,463	\$63,890
\$ CHG	15,669	-13,932	-15,359	-2,000
% CHG	19.6%	-17.5%	-19.2%	-3.0%

INCOME TAXES (\$ in thousands)				
	FY 2012 ACTUAL	FY 2013 APPROVED	FY 2013 ESTIMATED	FY 2014 APPROVED
TAX RECEIPTS	\$485,232	\$473,788	\$497,429	\$509,066
\$ CHG	30,889	-11,443	12,197	35,278
% CHG	6.4%	-2.4%	2.5%	7.4%
DISPARITY GRANT	\$15,596	\$21,695	\$21,695	\$21,695
TOTAL YIELD	\$500,828	\$495,483	\$519,124	\$530,761
\$ CHG	24,791	-5,344	18,296	35,278
% CHG	4.9%	-1.1%	3.7%	7.1%

The County's income tax revenue includes both income tax receipts and a State Income Disparity Grant. FY 2014 income tax receipts are projected to increase by 7.4% from the FY 2013 budget. The strong growth compared to the FY 2013 budget is based on a better than expected FY 2013 performance. FY 2013 income tax receipts are estimated to exceed the budgeted level significantly, partly due to stronger than anticipated FY 2012 actual receipts, and partly due to changes in the calculation formula used by the State to distribute income tax revenues. As a result, the reconciliation amount for prior years is expected to decrease in FY 2013 and FY 2014, causing a slowdown in revenue growth in both years. Baseline income tax growth (excluding one-time impact) is expected to reach 3%, close to the historical average level, assuming a slow recovery in the local job market and regional economy. FY 2013 and FY 2014 income tax projections also include estimated gains from the General Assembly's recent adjustments of income tax exemptions effective January 1, 2012, including retroactive impact from the second half of FY 2012.

According to the Maryland Department of Labor, Licensing and Regulation, the County's average unemployment rate improved from 7.0% in calendar year 2011 to 6.7% in calendar year 2012, but remained relatively high historically.



In FY 2014, the County is projected to receive a \$21.7 million State Income Disparity Grant, unchanged from the FY 2013 level. This grant is provided to counties where per capita local income tax revenue falls below 75% of the State average. The FY 2014 disparity grant is calculated by the State Department of Budget and Management based on calendar year 2011 income and population data. Despite an improved performance, the overall growth in the County's income tax receipts continued to fall below the State average.

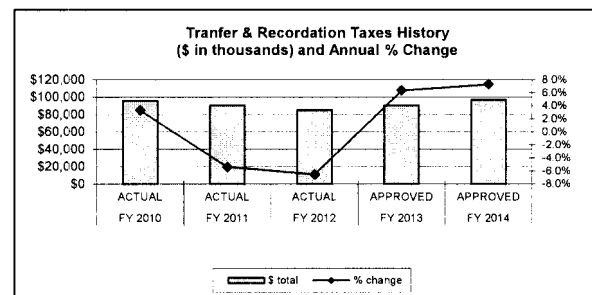
TRANSFER TAXES are taxes imposed upon recordation of instruments conveying title to real property, or any other interest in real property. All transfer tax revenue is dedicated to the Board of Education. The tax rate is unchanged at 1.4% for FY 2014.

RECORDATION TAXES are taxes on the recordation of written instruments conveying title to real or personal property, conveying leasehold interests in real property or creating liens and encumbrances on real or personal property. In FY 2014, recordation tax rate stays unchanged at \$2.75 per \$500 of instrument of writing subject to this tax.

Transfer and recordation taxes are usually the most volatile major revenue source for the County due to the strong correlation between the revenue collection and the activity of the local housing market. The variables influencing Transfer and Recordation Taxes include:

- Tax rate
- Business cycle
- Interest rates
- Availability of credit
- Real estate market

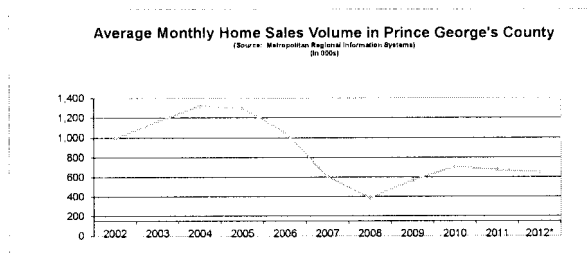
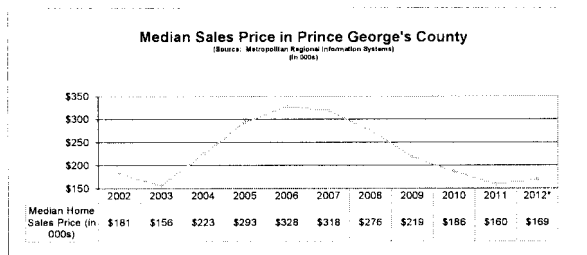
TRANSFER AND RECORDATION TAXES (\$ in thousands)				
	FY 2012 ACTUAL	FY 2013 APPROVED	FY 2013 ESTIMATED	FY 2014 APPROVED
YIELD	\$85,069	\$90,470	\$94,225	\$97,056
\$ CHG	-5,576	5,401	9,156	6,586
% CHG	-6.6%	6.3%	10.8%	7.3%



In FY 2014, Transfer Taxes are projected to increase by 10.2% from the FY 2013 budget, as the housing market shows marginal but steady improvements from previous years. Recordation Taxes are projected to remain flat from FY 2013.

Reports from the Metropolitan Regional Information Systems, Inc., indicate that the County's median home sales price in 2012

increased by 6.7% from 2011 and reached \$170,000, approaching the 2002 level. Sales volume decreased by 4.7%.



Although the number of foreclosures in the County has been decreasing, the County continues to account for almost one-fourth of the State's total foreclosure events. Also, there are still a large number of pending foreclosure cases, which could slow down the recovery of local housing market. The level of foreclosures is believed to have contributed to the significant decrease of home sale prices in the County in recent years.

	Total Foreclosure Events	Qtr/Qtr % Change	Yr/Yr % Change	% of State Total
Q1 2009	3,071	-15%	-7%	33.1%
Q2 2009	3,427	12%	20%	36.8%
Q3 2009	4,455	30%	60%	30.1%
Q4 2009	5,116	15%	41%	30.5%
Q1 2010	3,816	-25%	24%	25.7%
Q2 2010	4,331	13%	26%	27.7%
Q3 2010	4,116	-5%	-8%	29.2%
Q4 2010	1,736	-58%	-66%	29.0%
Q1 2011	2,005	15%	-47%	42.0%
Q2 2011	1,499	-25%	-65%	33.3%
Q3 2011	892	-40%	-78%	27.4%
Q4 2011	1,035	16%	-40%	29.5%
Q1 2012	1,129	9%	-44%	27.0%
Q2 2012	1,228	9%	-18%	28.3%
Q3 2012	1,295	5%	45%	31.2%
Q4 2012	1,438	11%	39%	22.5%

Source: DHCD Quarterly Report

OTHER LOCAL TAXES include Energy Taxes, Telecommunications Taxes, Hotel/Motel Taxes, Admissions and Amusement Taxes, Penalties

and Interest on Delinquent Taxes, and Trailer Camp Taxes.

	FY 2012 ACTUAL	FY 2013 APPROVED	FY 2013 ESTIMATED	FY 2014 APPROVED
YIELD	\$117,143	\$122,678	\$113,192	\$109,013
\$ CHG	-9,214	5,535	-3,951	-13,665
% CHG	-7.9%	4.7%	-3.4%	-11.1%

In FY 2014, the total revenue from other local taxes is expected to decrease by 11.1% from the FY 2013 approved budget, primarily due to decreases in revenue generated from Energy and Telecommunications Taxes.

The Energy Tax comprises approximately half of the total FY 2014 revenue in this category. This revenue is projected to decrease by 17.7% in FY 2014, continuing the downward trend in recent years. Among the different energy tax components, two thirds of the tax receipts are from the sale of electricity and approximately one third of the receipts are from the sale of natural gas. The Energy Tax unit rates for a certain fiscal year are determined by the total consumption and sales of the calendar year two years prior to that fiscal year. For example, the FY 2014 rates are based upon calendar year 2012 data. The formula divides total calendar year 2012 sales (by type of energy used) by total 2012 consumption, which is then multiplied by 7.5%, the current effective tax rate, to arrive at the FY 2014 unit charge per kilowatt hour, thermal, gallon or other unit. The FY 2014 rates compared to FY 2013 are shown below:

	FY 2013 Rates	FY 2014 Rates	% Change
Electricity (KWH)	0.006489	0.005908	-9%
Natural Gas (Therm)	0.059719	0.061328	3%
Fuel Oil (Gal.)	0.233019	0.261097	12%
Propane (Gal)	0.276350	0.282846	2%

	FY 2012 ACTUAL	FY 2013 APPROVED	FY 2013 ESTIMATED	FY 2014 APPROVED
YIELD	\$59,652	\$65,347	\$56,205	\$53,797
\$ CHG	-4,229	5,695	-3,447	-11,549
% CHG	-7.1%	9.5%	-5.8%	-17.7%

Fluctuations in energy usage due to weather conditions and price instability of fuels such as natural gas and oil can cause major deviations in rates between fiscal years. Rate changes granted to the major utilities by the Public Service Commission also influence the yield from this revenue source.

The law exempts energy tax payment for Federal, State and local governments and provides refund for certain qualifying residents based on income, age and other criteria. The entire Energy Tax is earmarked for the Board of Education.

Another major revenue item is the **Telecommunications Tax**, which represents about 32% of the FY 2014 approved revenues generated by "Other Local Taxes." The telecommunication tax revenue has declined five years in a row due to the economic downturn as well as a market shift from landlines to wireless services (some of which are non-taxable). The FY 2014 projection reflects a 5.6% decrease from the FY 2013 budget based on year-to-date collections in FY 2013 and to align with the declining trend experienced in past years.

TELECOMMUNICATIONS TAXES (\$ in thousands)				
	FY 2012 ACTUAL	FY 2013 APPROVED	FY 2013 ESTIMATED	FY 2014 APPROVED
YIELD	\$37,827	\$37,081	\$37,113	\$35,001
\$ CHG	-4,155	-746	-714	-2,080
% CHG	-11.0%	-2.0%	-1.9%	-5.6%

The State mandated that the net proceeds of this tax be used only for expenditures of the County's school system. An administrative fee of one percent of collections remitted to the County is shared equally between vendors and the County to cover the cost of collecting, remitting and administering the tax. The tax rate has remained at 8% on the gross receipts for telecommunications service in the County.

Starting in FY 2005, the County started implementing the provisions of Chapter 187 of the 2004 Laws of Maryland (HB 589) that authorized the County to utilize up to 10% of the net proceeds from the Telecommunications Tax for school renovation and systemic replacement projects. As a result, the Telecommunications Tax revenue in the general fund does not include the up to 10% of receipts dedicated for capital budget expenditures.

The **Hotel/Motel Taxes** are expected to increase by 3.7% in FY 2014 and the revenues from **Admissions and Amusement Taxes** in FY 2014 are projected to remain flat from the FY 2013 budget. The Admissions and Amusement Tax rate will remain at 10%. The Hotel/Motel tax rate will be maintained at 5%, with municipalities receiving 50% of the revenue received from hotels located within their corporate limits. Occupancy and average room rates are expected to increase slightly in FY 2014. (The revenue impact of the National Harbor project is not factored in primarily due to the dedication of hotel/motel taxes in the Special Taxing District to fund bonds issued for infrastructure and the convention center.)

STATE SHARED TAXES consist of highway user revenues and corporate transfer taxes that are shared between the State and the County.

STATE SHARED TAXES (\$ in thousands)				
	FY 2012 ACTUAL	FY 2013 APPROVED	FY 2013 ESTIMATED	FY 2014 APPROVED
YIELD	\$3,463	\$2,588	\$2,588	\$2,809
\$ CHG	1,479	-875	-875	221
% CHG	42.7%	-25.3%	-25.3%	8.5%

State-Shared Taxes, primarily Highway User Revenue, used to be one of the major resources of the County. In FY 2009, the County received \$24.8 million in highway user revenues. Since then, this revenue source has experienced severe reductions each year, until it stabilized at \$2.5 million in FY 2013. FY 2014 Highway User Revenue is projected to increase by 8.7% to \$2.8 million but the recovery remains low. The highway user revenues are restricted State monies and can only be used to construct or maintain roads, including payment of road debt.

LICENSES AND PERMITS include revenue derived from a number of licenses and permits issued for regulatory purposes. They include Building Permits, Street Use Permits, Business Licenses, Liquor Licenses and Permits (authorized by the State), Animal Licenses, Health Permits and various other permits.

LICENSES AND PERMITS (\$ in thousands)				
	FY 2012 ACTUAL	FY 2013 APPROVED	FY 2013 ESTIMATED	FY 2014 APPROVED
YIELD	\$17,849	\$18,001	\$18,183	\$18,394
\$ CHG	-472	152	334	393
% CHG	-2.6%	0.8%	1.9%	2.2%

The largest portion of these revenues is related to the building sector of the economy, and as such is subject to year-to-year changes as the amount of construction in the County varies.

Building permit revenues experienced strong growth during the housing market boom. In late 2006, the growth in residential building permits began to moderate. With a continuously weakening housing market, the number of single family residential permits issued declined by 34% in FY 2012, according to the County's Department of Environmental Resources. While no significant improvement in the real estate market has occurred yet, it shows signs of stabilization and recovery.

USE OF MONEY AND PROPERTY includes revenue derived from the investment of idle County cash and the lease of certain County owned or leased properties. Most of the County's idle cash is invested in short-term vehicles in the money market. A smaller portion is for intermediate term investments.

USE OF MONEY AND PROPERTY (\$ in thousands)				
	FY 2012 ACTUAL	FY 2013 APPROVED	FY 2013 ESTIMATED	FY 2014 APPROVED
YIELD	\$4,804	\$7,300	\$6,123	\$6,123
\$ CHG	602	2,496	1,319	-1,177
% CHG	12.5%	51.9%	27.4%	-16.1%

Interest income is the largest component of this category. FY 2013 interest income is estimated to be \$3.4 million, or \$2.4 million lower than the FY 2013 budgeted level based on FY 2012 actual and FY 2013 year-to-date performance. FY 2014 interest income is projected to stay close to the FY 2013 estimated level, anticipating no interest rate changes by the Federal Reserve. The central bank has indicated its intention of keeping the federal funds rate near historic lows until late 2014. The Federal Reserve raised the federal fund rate 17 consecutive times from 3.25% in the middle of 2005 to 5.25% in June 2006. With the subprime mortgage crisis, the related turmoil on Wall

Street and various concerns about a potential recession, the Federal Reserve started to cut the rate aggressively in September 2007. In July 2009, the federal reserve reduced the target rate for U.S. Federal Funds to a historically low 0.00%, which has remained at nearly 0% since.

CHARGES FOR SERVICES are typically known as user fees. These fees include fees from tax collection services provided to various agencies for whom the County levies taxes, animal control charges such as fines and user fees related to the County shelter and animal control services, fees and charges levied by the Health Department for health-related services, cable franchise charges from Comcast Cable Communications, the 9-1-1 fee allocated to the 9-1-1 emergency system costs, emergency transportation fee, and contractual police service fees for additional police services for events and entities.

CHARGES FOR SERVICES (\$ in thousands)				
	FY 2012 ACTUAL	FY 2013 APPROVED	FY 2013 ESTIMATED	FY 2014 APPROVED
YIELD	\$37,797	\$35,535	\$36,606	\$37,018
\$ CHG	777	-2,262	-1,191	1,483
% CHG	2.1%	-6.0%	-3.2%	4.2%

In FY 2014, sheriff charges are projected to decrease by 5.3% to align with FY 2012 actual collections, and Local 9-1-1 fees are projected to decrease by 11.7% from the FY 2013 budget to align with FY 2012 actual collections. Other services charges are projected to increase by 48.3%. The relatively strong growth in Other services charges revenues is based on FY 2012 actual and FY 2013 estimated revenues. Overall, charges for services in FY 2014 are expected to increase by 4.2% from the FY 2013 budget.

INTERGOVERNMENTAL REVENUES include State restricted grants, transfers and reimbursement from the Maryland-National Capital Park and Planning Commission (M-NCPPC) for service provided by the County, along with a small portion of federal monies related to emergency preparedness. In FY 2006, three State grants – anti-violence, drug and public safety – were converted from revenues to non-competitive grants by the State.

INTERGOVERNMENTAL REVENUES (\$ in thousands)				
	FY 2012 ACTUAL	FY 2013 APPROVED	FY 2013 ESTIMATED	FY 2014 APPROVED
YIELD	\$30,610	\$38,896	\$37,886	\$40,820
\$ CHG	-26,986	8,286	7,276	1,925
% CHG	-88.2%	27.1%	23.8%	4.9%

In FY 2014, the County will continue to receive \$9.6 million in Teacher Retirement Supplemental Grants from the State to partially offset the estimated \$24.8 million impact in the second year of the phased-in sharing of teachers' pension cost that started in FY 2013. The Police Aid Grant is projected to be \$11.1 million in FY 2014, an increase of \$1.4 million from the FY 2013 budget level. Federal grants are expected to remain flat. The intergovernmental revenues from the Maryland-National Capital Park and Planning Commission decrease by \$1.3 million in FY 2014 based on the Commission's adopted FY 2014 budget. The reduction reflects an attempt to better match project charges with services in line with the Commission's mission and to address its long-term fiscal sustainability.

Total intergovernmental revenues will decrease by 4.9% in FY 2014, largely due to the reductions in miscellaneous M-NCPPC revenues.

MISCELLANEOUS RECEIPTS are used to encompass a number of relatively smaller County revenues. The principal sources are fines and forfeitures (primarily from red light cameras and speed cameras) and sales of surplus County properties.

In FY 2012, the County started implementing an Automated Speed Enforcement (ASE) program to help reduce speed-related traffic accidents. The program took a phased-in approach. As of September 2012, 72 speed cameras were installed. This program is estimated to provide \$12.7 million gross revenues in FY 2013 and \$9.6 million in FY 2014, before excluding payments to vendors and administrative costs. Fines per camera have experienced a significant decrease in the past several months as road commuters have changed their behavior.

Total miscellaneous receipts are projected to decrease by \$19.0 million or 57.1% in FY 2014.

MISCELLANEOUS RECEIPTS (\$ in thousands)				
	FY 2012 ACTUAL	FY 2013 APPROVED	FY 2013 ESTIMATED	FY 2014 APPROVED
YIELD	\$18,098	\$33,346	\$17,444	\$14,300
\$ CHG	12,546	15,247	-654	-19,046
% CHG	69.3%	84.2%	-3.6%	-57.1%

OTHER FINANCING SOURCES include use of fund balance and transfers-in from other County funds. In FY 2014, other financing sources are primarily used to fund one-time PAYGO spending for Capital Improvement Program (CIP) projects in Transforming Neighborhoods Initiative (TNI) areas and support IT systems in Prince George's Community College and Memorial Library System.

OTHER FINANCING SOURCES (\$ in thousands)				
	FY 2012 ACTUAL	FY 2013 APPROVED	FY 2013 ESTIMATED	FY 2014 APPROVED
YIELD	\$66,762	\$24,599	\$48,499	\$8,205
\$ CHG	66,762	-42,162	-18,262	-16,394
% CHG	0.0%	-63.2%	-27.4%	-66.6%

In the FY 2013 budget, \$24.6 million was appropriated for one-time expenditures, including \$10 million for the Board of Education's retirement incentives, \$5.1 million for one-time salary enhancements, \$4 million for reducing the accumulative deficit in the Risk Management Fund, \$3 million to the Redevelopment Authority, \$1 million to the Alice Ferguson Foundation, \$1 million for various Council adjustments, and \$0.5 million for relocation costs. The FY 2013 estimated amount includes an additional \$8.9 million due to the arbitration agreement results for the Fraternal Order of Police (FOP) and \$15 million to fund a Retirement Incentive Program.

The County will maintain the Charter mandated 5% (restricted) reserve and fiscal policy required 2% (committed) reserve in FY 2013 and FY 2014.

BOARD OF EDUCATION SOURCES are expected to increase overall by 3.2% in FY 2014 from the FY 2013 budget. State aid, which is the major source of outside aid to the Board of Education, is 3.9% higher than the FY 2013 budget. Federal aid is projected to remain the same, while the Board's own source is expected to decrease by 23.9%. The Board anticipates no use of its own fund balance in FY 2014.

BOARD OF EDUCATION SOURCES (\$ in thousands)				
	FY 2012 ACTUAL	FY 2013 APPROVED	FY 2013 ESTIMATED	FY 2014 APPROVED
YIELD	\$1,013,537	\$1,031,373	\$1,031,373	\$1,064,064
\$ CHG	2,822	17,836	17,836	32,691
% CHG	0.3%	1.8%	1.8%	3.2%

COMMUNITY COLLEGE SOURCES are projected to increase by \$2.4 million or 3.4% from the FY 2013 budget. The revenue mostly comes from tuition, fees, charges and formula-driven State aid. State aid for the community college is expected to increase by 10.9% in FY 2014. Tuition and fees are projected to decrease by 0.8%. The college continues to receive \$1.5 million in project charges from the M-NCPPC in FY 2014. The FY 2014 budget also includes \$3.5 million use of fund balance of the College, compared to \$3.1 million in FY 2013.

COMMUNITY COLLEGE SOURCES (\$ in thousands)				
	FY 2012 ACTUAL	FY 2013 APPROVED	FY 2013 ESTIMATED	FY 2014 APPROVED
YIELD	\$69,062	\$73,031	\$67,286	\$75,480
\$ CHG	-257	3,969	-1,776	2,449
% CHG	-0.4%	5.7%	-2.6%	3.4%

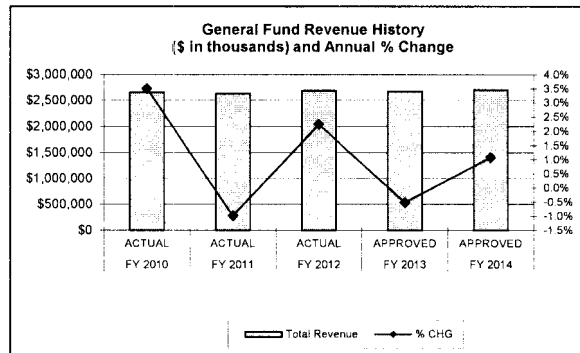
LIBRARY SOURCES are projected to increase by \$0.2 million or 2.9% in FY 2014, primarily due to a 3.7% growth in State Aid. Fines, fees and other revenue generated by the Library system are expected to remain unchanged from FY 2013.

LIBRARY SOURCES (\$ in thousands)				
	FY 2012 ACTUAL	FY 2013 APPROVED	FY 2013 ESTIMATED	FY 2014 APPROVED
YIELD	\$7,186	\$8,184	\$7,845	\$8,419
\$ CHG	-523	998	659	235
% CHG	-7.3%	13.9%	9.2%	2.9%

SUMMARY: The County's total General Fund revenues are projected to increase by \$28.9 million or 1.1% in FY 2014 from the FY 2013 budget. Excluding the impact of other financing sources, General Fund revenues increase by \$45.3 million or 1.7% in FY 2014. The increase is primarily due to the growth in State Aid to the Board of Education by \$37.4 million.

The fiscal challenges present in the past few fiscal years will continue for the upcoming fiscal year, considering the weak job growth, the stabilized but not yet strong real estate market, and uncertainties regarding potential negative impacts from the federal government or the State government given their own structural imbalances.

TOTAL GENERAL FUND (\$ in thousands)				
	FY 2012 ACTUAL	FY 2013 APPROVED	FY 2013 ESTIMATED	FY 2014 APPROVED
COUNTY SOURCE	\$1,601,560	\$1,564,686	\$1,587,132	\$1,558,226
\$ CHG	56,976	-36,874	-14,428	-6,460
% CHG	3.6%	-2.3%	-0.9%	-0.4%
OUTSIDE AID	\$1,089,784	\$1,112,588	\$1,106,503	\$1,147,963
\$ CHG	2,043	22,804	16,719	35,375
% CHG	0.2%	2.1%	1.5%	3.2%
TOTAL YIELD	\$2,691,344	\$2,677,274	\$2,693,636	\$2,706,189
\$ CHG	59,019	-14,070	2,291	28,915
% CHG	2.2%	-0.5%	0.1%	1.1%



**ASSESSABLE BASE
REAL AND PERSONAL PROPERTY**
(\$ in millions)

Location	REAL PROPERTY 2013	PERSONAL PROPERTY 2013	TOTAL BASE 2013	REAL PROPERTY 2014	PERSONAL PROPERTY 2014	TOTAL BASE 2014
Berwyn Heights	\$ 246.93	\$ 19.36	\$ 266.29	\$ 234.08	\$ 16.82	\$ 250.90
Bladensburg	366.81	16.07	382.88	371.30	15.05	386.35
Bowie	5,513.45	124.17	5,637.62	5,634.95	119.55	5,754.50
Brentwood	180.02	5.08	185.10	172.11	4.99	177.10
Capitol Heights	227.30	7.95	235.25	235.67	7.50	243.17
Cheverly	439.69	14.74	454.43	452.35	14.60	466.95
College Park	2,056.56	63.46	2,120.02	1,922.70	61.79	1,984.49
Colmar Manor	67.64	2.58	70.22	68.55	2.28	70.83
Cottage City	74.98	3.19	78.17	75.67	2.92	78.59
District Heights	286.12	5.31	291.43	288.18	4.82	293.00
Eagle Harbor	6.99	0.01	7.00	7.08	0.03	7.11
Edmonston	132.79	5.05	137.84	130.54	4.93	135.47
Fairmount Heights	79.82	1.51	81.33	80.10	1.39	81.49
Forest Heights	153.29	2.96	156.25	145.67	2.83	148.50
Glenarden	449.80	13.73	463.53	325.92	12.09	338.01
Greenbelt	1,783.50	68.07	1,851.57	1,657.41	68.57	1,725.98
Hyattsville	1,622.86	67.27	1,690.13	1,537.07	62.34	1,599.41
Landover Hills	114.31	1.98	116.29	113.41	1.80	115.21
Laurel	2,380.41	85.42	2,465.83	2,391.67	78.19	2,469.86
Morningside	73.99	3.41	77.40	74.66	2.49	77.15
Mount Rainier	323.75	4.57	328.32	309.81	4.05	313.86
New Carrollton	595.62	13.15	608.77	607.41	11.99	619.40
North Brentwood	40.46	0.90	41.36	38.29	0.84	39.13
Riverdale Park	532.92	16.74	549.66	575.97	17.59	593.56
Seat Pleasant	228.39	6.19	234.58	233.40	5.75	239.15
University Park	267.27	2.22	269.49	270.88	1.98	272.86
Upper Marlboro	84.53	24.24	108.77	85.08	22.05	107.13
SubTotal	\$ 18,330.20	\$ 579.33	\$18,909.53	\$ 18,039.93	\$ 549.23	\$18,589.16
Unincorporated Area	\$ 50,131.34	\$ 2,455.66	\$52,587.00	\$ 51,057.08	\$ 2,412.19	\$53,469.27
TOTAL COUNTY WIDE	\$ 68,461.54	\$ 3,034.99	\$71,496.53	\$ 69,097.01	\$ 2,961.42	\$72,058.43

Note: 1) Numbers may not add due to rounding.

2) Starting in FY 2002, real property in Maryland has been assessed at 100% of market value rather than 40% in most cases under prior law. Assessed value of personal property remains unchanged at 100% of market value.

3) Numbers have not factored in certain adjustments such as new construction.

Source: State Department of Assessments and Taxation

PROPERTY TAX LIMITATION FISCAL YEAR 2014

At the 1978 general election, the voters of the County adopted an amendment to Section 817, Article VIII, of the Prince George's County Charter limiting future collections of real property taxes. The amendment, which became effective in December 1978, added Section 817B to the Charter. It is generally referred to in the County as "TRIM" (TRIM is an acronym for "Tax Reform Initiative by Marylanders"). The amendment forbade the County Council to "levy a real property tax which would result in a total collection of real property taxes greater than the amount collected in FY 1979," or \$143.9 million. At the 1984 general election, an amendment to TRIM was approved by the voters of the County authorizing the County Council to levy taxes on a maximum rate of \$2.40 for each \$100 of assessed value. The County passed legislation capping taxable assessment growth in FY 1994 and future years for owner occupied residences at the lesser of the change in the Consumer Price Index (CPI) or 5% of the prior year's taxable assessment. For FY 2014, the cap is set at 2%. This limitation is a charter mandated computation passed by the voters in November 1994 and is permitted by the Tax Property Article, Section 9-105 of the Annotated Code of Maryland.

In 2000, Maryland Senate Bill 626 provided that beginning in tax year 2001, property tax rates shall be applied to 100%, instead of 40%, of the value of real property, and that the real property tax rate be adjusted to make the impact revenue neutral. The bill also stipulated that any limit on a local real property tax rate in a local law or charter provision shall be constructed to mean a rate equal to 40% times the rate stated in the local law or charter provision. As a result, nominal real property rate of the County was adjusted to \$0.96/\$100 of assessed value in FY 2002.

Yield Calculation

	FY 2014 Tax Base	FY 2014 Tax Yield
REAL PROPERTY BASE JULY 1, 2013 ¹	\$69,097,020,070	
Adjustments ²	<u>(\$178,416,667)</u>	
TOTAL REAL PROPERTY BASE FY 2014	\$68,918,603,403	
Nominal Real Property Tax Rate/\$100	\$0.96	
REAL PROPERTY YIELD		\$661,618,593
TOTAL PERSONAL PROPERTY BASE FY 2014	\$2,961,419,500	
Nominal Personal Property Tax Rate/\$100	\$2.40	
PERSONAL PROPERTY TAX YIELD		<u>\$71,074,068</u>
TOTAL PROPERTY TAX YIELD (Unadjusted)		\$732,692,661
Less: Collection Allowance		(\$12,456,769)
Municipal Tax Differential		(\$25,056,032)
Other Adjustments ³		<u>(\$1,454,760)</u>
TOTAL GENERAL FUND PROPERTY TAX YIELD		\$693,725,100
Total County Real Property Nominal Tax Rate/\$100	\$0.96	
Total County Personal Property Nominal Tax Rate/\$100	\$2.40	

¹ Estimates based on reports from the State Department of Assessments and Taxation (as of February, 2013). Adjustments for abatements/credits and a 2% cap on reassessment growth are included.

² Adjustments include new construction projected and other development-related changes

³ Other Adjustments include regular and one-time adjustments.

CONSTANT YIELD DATA

The real property tax rates for municipalities and the unincorporated area of the County are detailed below, along with the constant yield tax rates as certified by the State Department of Assessments and Taxation. In accordance with Title 6, Subtitle 6-308 of the Tax-Property Article of the Annotated Code of Maryland, a rate which exceeds the constant yield rate is subject to certain advertising and public hearing requirements. Per Chapter 80, Acts of 2000 (Senate Bill 626), the real property tax rate was adjusted to reflect the conversion to full value assessments of real property, effective October 1, 2000. Starting from February 2001, personal property has been excluded from the constant yield tax rate as reported by the State Department of Assessments and Taxation. The personal property tax rate is fixed at 2.5 times the rate on real property.

LOCATION	APPROVED 2013			APPROVED 2014		
	CONSTANT YIELD			CONSTANT YIELD		
	TAX RATE	TAX RATE	OVER (UNDER)	TAX RATE	TAX RATE	OVER (UNDER)
Berwyn Heights	\$0.8060	\$ 0.7944	\$ 0.0116	\$0.8220	\$ 0.8582	\$(0.0362)
Bladensburg	0.8130	0.8644	(0.0514)	0.8340	0.7990	0.0350
Bowie	0.8090	0.7955	0.0135	0.8200	0.8033	0.0167
Brentwood	0.9090	0.9428	(0.0338)	0.8950	0.9662	(0.0712)
Capitol Heights	0.8200	0.9615	(0.1415)	0.8340	0.8158	0.0182
Cheverly	0.8110	0.8545	(0.0435)	0.8240	0.7988	0.0252
College Park	0.9400	0.9548	(0.0148)	0.9350	1.0048	(0.0698)
Colmar Manor	0.8440	1.0153	(0.1713)	0.8560	0.8414	0.0146
Cottage City	0.8290	1.0098	(0.1808)	0.8460	0.8265	0.0195
District Heights	0.8100	0.8932	(0.0832)	0.8260	0.8079	0.0181
Eagle Harbor	0.9590	0.9495	0.0095	0.9570	0.9456	0.0114
Edmonston	0.8280	0.8370	(0.0090)	0.8420	0.8593	(0.0173)
Fairmount Heights	0.8770	1.0465	(0.1695)	0.8910	0.8767	0.0143
Forest Heights	0.8980	0.8761	0.0219	0.8920	0.9563	(0.0643)
Glenarden	0.8310	0.9009	(0.0699)	0.8430	0.8068	0.0362
Greenbelt	0.7930	0.7914	0.0016	0.8090	0.8565	(0.0475)
Hyattsville	0.7970	0.7952	0.0018	0.8130	0.8446	(0.0316)
Landover Hills	0.8060	0.6150	0.1910	0.8230	0.8014	0.0216
Laurel	0.7650	0.7542	0.0108	0.7830	0.7637	0.0193
Morningside	0.8460	0.9779	(0.1319)	0.8690	0.8423	0.0267
Mount Rainier	0.7980	0.8145	(0.0165)	0.8140	0.8426	(0.0286)
New Carrollton	0.8340	0.9785	(0.1445)	0.8370	0.8256	0.0114
North Brentwood	0.9530	0.9530	-	0.9550	1.0177	(0.0627)
Riverdale Park	0.7930	0.7785	0.0145	0.8100	0.8310	(0.0210)
Seat Pleasant	0.8090	0.9204	(0.1114)	0.8220	0.8030	0.0190
University Park	0.8080	0.7875	0.0205	0.8240	0.8075	0.0165
Upper Marlboro	0.8290	0.8159	0.0131	0.8480	0.8255	0.0225
Unincorporated Area	\$0.9600	\$ 1.0006	\$(0.0406)	\$0.9600	\$ 0.9763	\$(0.0163)

FY 2014 Allocated General Fund Revenues

Some County revenues are allocated to cover some or all costs of specific services. Listed below are the allocated General Fund revenues.

<u>Agency/Department</u>	<u>Revenue Description</u>	<u>FY 2012 Budget</u>	<u>FY 2013 Budget</u>	<u>FY 2014 Approved</u>
County Council	Zoning Fees - Board of Appeals	\$ 25,000	\$ 26,000	\$ 25,000
	Subscription Service - Clerk of the Council	6,000	-	-
	Total County Council	\$ 31,000	\$ 26,000	\$ 25,000
Office of Homeland Security	911 Fees	\$ 7,027,200	\$ 7,098,000	\$ 6,265,400
	Federal Office of Emergency Preparedness Grant	100,000	100,000	100,000
	Total Office of Homeland Security	\$ 7,127,200	\$ 7,198,000	\$ 6,365,400
Board of License Commissioners	Liquor Licenses	\$ 1,253,400	\$ 1,303,400	\$ 1,428,000
	Total Board of License Commissioners	\$ 1,253,400	\$ 1,303,400	\$ 1,428,000
Board of Elections	Sale of Voter Material	\$ 10,700	\$ 12,000	\$ 11,200
	Total Board of Elections	\$ 10,700	\$ 12,000	\$ 11,200
Office of Central Services	Property Rental	\$ 1,000,000	\$ 1,000,000	\$ 2,242,000
	Green Programs (M-NCPPC)	-	-	-
	Leased Space (M-NCPPC)	768,100	791,200	795,100
	Total Central Services	\$ 1,768,100	\$ 1,791,200	\$ 3,037,100
Circuit Court	Bail Bondsman	\$ 768,700	\$ 650,000	\$ 613,100
	Circuit Court Marriage Certificate	44,000	44,000	45,000
	Domestic Relations-Master Salaries	200,000	-	-
	Jury Fees Reimbursement	670,000	670,000	710,000
	Court Appearance Fees	268,200	168,000	168,000
	Miscellaneous	3,800	12,000	15,000
	Total Circuit Court	\$ 1,954,700	\$ 1,544,000	\$ 1,551,100
Office of the Sheriff	Circuit Court & District Court	\$ 483,500	\$ 483,500	\$ 340,800
	Evictions Revenue	2,097,000	2,660,600	2,657,500
	Miscellaneous Fees	532,500	200,000	170,000
	Total Sheriff	\$ 3,113,000	\$ 3,344,100	\$ 3,168,300
Department of Permitting, Inspections, and Enforcement	Building and Grading Permits	\$ 6,557,000	\$ 7,060,200	\$ 7,891,300
	Business Licenses (Apt. & SF Rental)	2,191,800	2,108,000	1,250,800
	Street Use Permits	2,432,900	2,700,000	3,099,800
	Business Licenses (Other)	539,900	846,900	943,200
	Water and Sewer Planning Unit (M-NCPPC)	0	0	155,300
	Zoning Enforcement (M-NCPPC)	1,891,600	1,826,800	1,761,900
	Permits/Inspection (M-NCPPC)	2,536,200	2,176,200	1,816,200
	Office of Engineering, Inspection and Permitting (M-NCPPC)	1,620,000	1,390,000	1,160,000
	Misc. M-NCPPC Revenue	-	-	-
	Total Permitting, Inspections, and Enforcement	\$ 17,769,400	\$ 18,108,100	\$ 18,078,500
Department of Public Works and Transportation	Highway User Revenues	\$ -	\$ 1,657,700	\$ -
	Office of the Director (M-NCPPC)	254,700	212,200	169,800
	Office of Highway Maintenance (M-NCPPC)	686,900	-	-
	Total Public Works	\$ 941,600	\$ 1,869,900	\$ 169,800
Department of Environmental Resources	Animal Licenses	\$ 178,200	\$ 156,300	\$ 112,000
	Total Environmental Resources	\$ 178,200	\$ 156,300	\$ 112,000

<u>Agency/Department</u>	<u>Revenue Description</u>	<u>FY 2012 Budget</u>	<u>FY 2013 Budget</u>	<u>FY 2014 Approved</u>
Police Department	State Police Aid Grant	\$ 9,725,900	\$ 9,725,900	\$ 11,107,200
	Contractual Police Services	1,243,000	1,320,600	1,800,000
	Speed Cameras	3,007,000	12,000,000	7,000,000
	Bureau of Patrol (M-NCPPC)	46,800	46,800	36,800
	Bureau of Support Services (M-NCPPC)	20,000	20,000	-
	Bureau of Administration (M-NCPPC)	93,000	93,000	-
	Total Police	\$ 14,135,700	\$ 23,206,300	\$ 19,944,000
Fire/EMS Department	Contractual Fire Services	\$ 300,000	\$ 400,000	400,000
	Fees for Emergency Transportation & Related Services (General)	11,500,500	7,852,300	5,926,200
	Fees for Emergency Transportation & Related Services (Volunteer)	-	3,507,200	3,378,800
	Speed Cameras	1,336,000	4,816,300	2,600,000
	Miscellaneous Sales	5,300	5,300	5,000
	Master Plan Reviews (M-NCPPC)	37,100	37,100	-
	Facility Inspections (M-NCPPC)	6,100	6,100	-
		Total Fire	\$ 13,185,000	\$ 16,624,300
Health Department	State Health Grant	\$ 5,007,000	\$ 5,007,000	\$ 5,377,500
	Health Permits	1,690,000	1,567,800	1,567,800
	Health Fees	945,500	945,500	945,500
	Wellness Program (M-NCPPC)	500,000	500,000	-
	Total Health	\$ 8,142,500	\$ 8,020,300	\$ 7,890,800
Department of Housing and Community Development	Redevelopment Division (M-NCPPC)	\$ 1,016,700	\$ 930,600	\$ 844,500
	Total Housing and Community Development	\$ 1,016,700	\$ 930,600	\$ 844,500
Department of Social Services	Federal Grant	\$ -	\$ -	\$ 215,600
	State DHR DSS Grant	289,300	-	-
	Total Social Services	\$ 289,300	\$ -	\$ 215,600
Office of Finance	Telecommunications Tax	\$ 224,800	\$ 197,000	\$ 187,300
	Tax Collection (M-NCPPC)	432,200	432,200	423,400
	Total Finance	\$ 657,000	\$ 629,200	\$ 610,700
Board of Education	State & Federal Aid/Board Sources	\$ 996,644,100	\$ 1,031,372,900	\$ 1,064,063,900
	Teacher Retirement Supplemental Grant	-	9,628,700	9,628,700
	Energy Tax	66,192,700	65,346,500	53,797,000
	Transfer Tax	65,798,800	62,306,200	68,664,800
	Telecommunications Tax	42,616,200	36,883,600	34,813,300
		Total Board of Education	\$ 1,171,251,800	\$ 1,205,537,900
Community College	State Aid/Tuition	\$ 68,507,300	\$ 71,530,900	\$ 75,479,800
	Recreational Activities (M-NCPPC)	2,500,000	1,500,000	1,500,000
	Total Community College	\$ 71,007,300	\$ 73,030,900	\$ 76,979,800
Memorial Library	State Aid/Fines	\$ 6,776,500	\$ 8,184,200	\$ 8,419,400
	Recreation Programs (M-NCPPC)	4,809,400	2,712,800	2,712,800
	Special Collections (M-NCPPC)	-	-	-
	Total Library	\$ 11,585,900	\$ 10,897,000	\$ 11,132,200
Non-Departmental	Sale of Surplus Property (M-NCPPC)	\$ -	\$ -	\$ -
	Economic Development Corporation (M-NCPPC)	350,000	333,400	-
	Tree Planting (M-NCPPC)	250,000	250,000	225,000
	Total Non-Departmental	\$ 600,000	\$ 583,400	\$ 225,000
Sub-total		\$ 1,326,018,500	\$ 1,374,812,900	\$ 1,395,066,700
Debt	Highway User Revenues	\$ 1,376,700	\$ 890,500	\$ 2,769,300
	Total Debt	\$ 1,376,700	\$ 890,500	\$ 2,769,300
Total		\$ 1,327,395,200	\$ 1,375,703,400	\$ 1,397,836,000

Notes:

Highway user revenue is mainly used to retire debt on County General Obligation (GO) Bonds and State Participation Bonds, and fund regular road road maintenance projects. In FY 2014, revenues will be used on debt service payment only.

Revenue items in Allocated Revenues do not match revenues in Revenue Summary, which shows revenue groups instead of individual revenue accounts.

CONSOLIDATED GRANT PROGRAM SUMMARY

PROGRAM NAME	FEDERAL CASH	STATE CASH	OTHER CASH	TOTAL OUTSIDE SOURCES	COUNTY CASH	TOTAL PROGRAM SPENDING*
<u>GENERAL GOVERNMENT</u>						
OFFICE OF COMMUNITY RELATIONS FY 2014 TOTALS	\$ 234,500	\$ 105,000	\$ -	\$ 339,500	\$ -	\$ 339,500
<u>COURTS</u>						
CIRCUIT COURT FY 2014 TOTALS	\$ -	\$ 2,876,500	\$ -	\$ 2,876,500	\$ 260,300	\$ 3,136,800
<u>CRIMINAL/CIVIL JUSTICE</u>						
OFFICE OF THE STATE'S ATTORNEY FY 2014 TOTALS	\$ -	\$ 1,249,900	\$ -	\$ 1,249,900	\$ -	\$ 1,249,900
OFFICE OF THE SHERIFF FY 2014 TOTALS	\$ 2,307,900	\$ 874,500	\$ -	\$ 3,182,400	\$ 762,200	\$ 3,944,600
DEPARTMENT OF CORRECTIONS FY 2014 TOTALS	\$ 532,300	\$ 100,000	\$ 149,800	\$ 782,100	\$ -	\$ 782,100
<u>PUBLIC WORKS & ENVIRONMENTAL RESOURCES</u>						
DEPARTMENT OF PUBLIC WORKS & TRANSPORTATION FY 2014 TOTALS	\$ -	\$ 601,900	\$ -	\$ 601,900	\$ 17,100	\$ 619,000
DEPARTMENT OF ENVIRONMENTAL RESOURCES FY 2014 TOTALS	\$ -	\$ 643,400	\$ -	\$ 643,400	\$ -	\$ 643,400
<u>PUBLIC SAFETY</u>						
POLICE DEPARTMENT FY 2014 TOTALS	\$ 1,699,300	\$ 2,917,900	\$ -	\$ 4,617,200	\$ 53,000	\$ 4,670,200
FIRE/EMS DEPARTMENT FY 2014 TOTALS	\$ 5,585,600	\$ 1,294,100	\$ 40,000	\$ 6,919,700	\$ 110,000	\$ 7,029,700
OFFICE OF HOMELAND SECURITY FY 2014 TOTALS	\$ 6,389,700	\$ 556,900	\$ -	\$ 6,946,600	\$ -	\$ 6,946,600
<u>HUMAN SERVICES</u>						
DEPARTMENT OF FAMILY SERVICES FY 2014 TOTALS	\$ 7,096,800	\$ 9,146,500	\$ 310,300	\$ 16,553,600	\$ 384,200	\$ 16,937,800
DEPARTMENT OF SOCIAL SERVICES FY 2014 TOTALS	\$ 9,507,300	\$ 2,346,400	\$ -	\$ 11,853,700	\$ -	\$ 11,853,700
HEALTH DEPARTMENT FY 2014 TOTALS	\$ 26,595,800	\$ 20,914,300	\$ 3,062,000	\$ 50,572,100	\$ 390,400	\$ 50,962,500
DEPARTMENT OF HOUSING and COMMUNITY DEVELOPMENT FY 2014 TOTALS	\$ 86,673,000	\$ 4,224,400	\$ 1,503,100	\$ 92,400,500	\$ -	\$ 92,400,500
NON-DEPARTMENTAL FY 2014 TOTALS	\$ -	\$ -	\$ 5,000,000	\$ 5,000,000	\$ -	\$ 5,000,000
TOTAL FY 2014 GRANTS	\$ 146,622,200	\$ 47,851,700	\$ 10,065,200	\$ 204,539,100	\$ 1,977,200	\$ 206,516,300
*Total Program Spending is the total of County Cash and Total Outside Sources.						

EDUCATION REVENUE DETAIL

	FY 2012 Actual	FY 2013 Approved	FY 2013 Estimated	FY 2014 Approved	Change FY13 - FY14
BOARD OF EDUCATION					
Federal Sources					
Unrestricted Federal Aid	\$ 89,081	\$ 136,700	\$ 136,700	\$ 136,700	0.0%
Restricted Federal Aid	102,589,021	105,956,600	105,985,000	105,956,600	0.0%
Total Federal Sources	\$ 102,678,102	\$ 106,093,300	\$ 106,121,700	\$ 106,093,300	0.0%
Board Sources					
Board Sources	\$ 40,736,449	\$ 19,768,100	\$ 19,768,100	\$ 15,047,300	-23.9%
Board of Education Fund Balance	-	-	-	-	0.0%
Total Board Sources	\$ 40,736,449	\$ 19,768,100	\$ 19,768,100	\$ 15,047,300	-23.9%
State Aid					
Foundation Program	\$ 454,488,533	\$ 465,402,000	\$ 465,373,600	\$ 476,585,400	2.4%
Geographic Cost of Education Index	38,495,025	38,292,800	38,292,800	38,610,400	0.8%
Special Education	36,948,046	38,327,500	38,327,500	40,939,300	6.8%
Nonpublic Placements	18,393,076	21,026,500	21,026,500	19,548,700	-7.0%
Transportation Aid	36,556,834	36,852,900	36,852,900	36,965,900	0.3%
Compensatory Education	199,370,110	221,064,100	221,064,100	235,525,700	6.5%
Limited English Proficiency	56,217,432	61,524,200	61,524,200	68,564,200	11.4%
Net Taxable Income - Adjustment	-	-	-	2,532,300	100.0%
Supplemental Grant and Other State Aid	25,967,362	20,505,700	20,505,700	20,505,700	0.0%
Restricted Grants	3,685,545	2,515,800	2,515,800	3,145,700	25.0%
Total State Sources	\$ 870,121,963	\$ 905,511,500	\$ 905,483,100	\$ 942,923,300	4.1%
Subtotal Outside Aid	\$ 1,013,536,514	\$ 1,031,372,900	\$ 1,031,372,900	\$ 1,064,063,900	3.2%
General County Sources					
General County Sources	\$ 458,891,312	\$ 468,532,800	\$ 473,319,100	\$ 466,468,800	-0.4%
Telecommunications Tax	37,627,400	36,883,600	36,883,600	34,813,300	-5.6%
Energy Tax	59,651,917	65,346,500	56,204,700	53,797,000	-17.7%
Transfer Tax	62,294,438	62,306,200	66,661,700	68,664,800	10.2%
Subtotal County Revenue	\$ 618,465,067	\$ 633,069,100	\$ 633,069,100	\$ 623,743,900	-1.5%
TOTAL	\$ 1,632,001,581	\$ 1,664,442,000	\$ 1,664,442,000	\$ 1,687,807,800	1.4%
COMMUNITY COLLEGE					
County Contribution	\$ 29,245,200	\$ 29,545,200	\$ 29,545,200	\$29,545,300	0.0%
One-time County Contribution (I-Net Fund)	-	-	-	1,000,000	100.0%
State Aid	21,484,279	22,013,100	22,013,100	24,412,100	10.9%
Tuition and Fees	43,332,646	45,317,800	41,580,200	44,969,600	-0.8%
Other Revenues	4,244,827	2,600,000	2,300,000	2,600,000	0.0%
Fund Balance	-	3,100,000	1,392,500	3,498,100	12.8%
TOTAL	\$ 98,306,952	\$ 102,576,100	\$ 96,831,000	\$ 106,025,100	3.4%
LIBRARY					
County Contribution	\$ 17,060,900	\$ 17,267,200	\$ 17,267,200	\$ 18,212,000	5.5%
One-time County Contribution (I-Net Fund)	-	-	-	500,000	100.0%
State Aid	5,606,123	6,289,000	6,289,000	6,524,200	3.7%
Interest	4,819	10,500	6,500	10,500	0.0%
Fines/Fees	872,468	855,800	855,800	855,800	0.0%
Miscellaneous	702,788	1,028,900	693,400	1,028,900	0.0%
Fund Balance	-	-	-	-	0.0%
TOTAL	\$ 24,247,098	\$ 25,451,400	\$ 25,111,900	\$ 27,131,400	6.6%

Notes:

Numbers may not add due to rounding.

FY 2014 County Contributions to the Community College and Library include one-time funding from the I-Net Fund to support one-time investments in computer purchases.

MUNICIPAL TAX DIFFERENTIAL

PROGRAM INFORMATION

The Tax Property Article of the Annotated Code of Maryland (Title 6, Subtitle 6-305) mandates that the County recognize, through either a reduced County tax rate or direct grant payment, those governmental services and programs that municipal governments perform in lieu of similar County services, to the extent that these similar services are funded through the property tax rate.

FINANCIAL SUMMARY

Under the provisions of Title 17, Subtitle 10, Division 6 of the Public Local Laws of Prince George's County, each town's cost of each service identified in the prior-year County budget is assigned a tax rate equivalency value after adjustments are made to offset revenue directly allocable to a specific service. The aggregate town requests for "in lieu of" service credit, as certified by the County, are translated into a dollar value, which is the sum of the products of the tax rate equivalent cost of the service multiplied by each town's tax base. Each of these net service values is then reduced to reflect the portion of each County service paid for by the property tax levy. The sum of the tax rate values of the services constitutes the tax rate differential accruing to each town, i.e., the amount by which the County unincorporated area property tax rate

will be reduced in each respective town.

Beginning with FY 1999, County legislation set a five-year rolling average for changes in the municipal differential rates. Beginning in FY 2004 and each year thereafter, this changed to a three-year rolling average. The purpose of this modification is to provide stability to municipal residents' County tax rates, smoothing what could otherwise be large rate changes that could be triggered by a reorganization of County services, economic fluctuations, changes in municipal service levels or other factors.

In 2000, Chapter 80, Acts of 2000 (Senate Bill 626) provided that, beginning in FY 2001, property tax rates shall be applied to 100% of the market value of real property, rather than the 40% for most real property under previous law. Also, the law mandates that the County real property tax rates and municipal tax differentials be adjusted to make the impact revenue neutral. As a result, starting from FY 2002, a separate real property tax rate and a separate personal property rate have been applied. Also, a separate real property tax differential and a separate personal property tax differential have been applied, in accordance with State law and County code (CB-1-2001).

FY 2014 TAX DIFFERENTIAL RATES

Municipality	FY 2014 TAX DIFFERENTIAL		FY 2014 VALUE		TOTAL
	PERSONAL PROPERTY	REAL PROPERTY	PERSONAL PROPERTY	REAL PROPERTY	
Berwyn Heights	0.303	0.138	\$ 50,958	\$ 323,035	\$ 373,993
Bladensburg	0.276	0.126	41,528	467,833	509,361
Bowie	0.307	0.140	367,024	7,888,924	8,255,948
Brentwood	0.147	0.065	7,334	111,873	119,207
Capitol Heights	0.277	0.126	20,771	296,945	317,716
Cheverly	0.299	0.136	43,643	615,198	658,841
College Park	0.057	0.025	35,219	480,675	515,894
Colmar Manor	0.229	0.104	5,217	71,297	76,514
Cottage City	0.251	0.114	7,335	86,268	93,603
District Heights	0.295	0.134	14,211	386,163	400,374
Eagle Harbor	0.006	0.003	2	212	214
Edmonston	0.259	0.118	12,775	154,042	166,817
Fairmount Heights	0.150	0.069	2,078	55,270	57,348
Forest Heights	0.153	0.068	4,324	99,058	103,382
Glenarden	0.257	0.117	31,082	381,327	412,409
Greenbelt	0.333	0.151	228,331	2,502,685	2,731,016
Hyattsville	0.323	0.147	201,359	2,259,497	2,460,856
Landover Hills	0.302	0.137	5,443	155,375	160,818
Laurel	0.388	0.177	303,394	4,233,255	4,536,649
Morningside	0.198	0.091	4,939	67,939	72,878
Mount Rainier	0.320	0.146	12,973	452,324	465,297
New Carrollton	0.270	0.123	32,363	747,110	779,473
North Brentwood	0.012	0.005	101	1,914	2,015
Riverdale	0.329	0.150	57,868	863,961	921,829
Seat Pleasant	0.303	0.138	17,435	322,091	339,526
University Park	0.299	0.136	5,911	368,392	374,303
Upper Marlboro	0.247	0.112	54,465	95,287	149,752
Total			\$ 1,568,083	\$ 23,487,949	\$ 25,056,032

