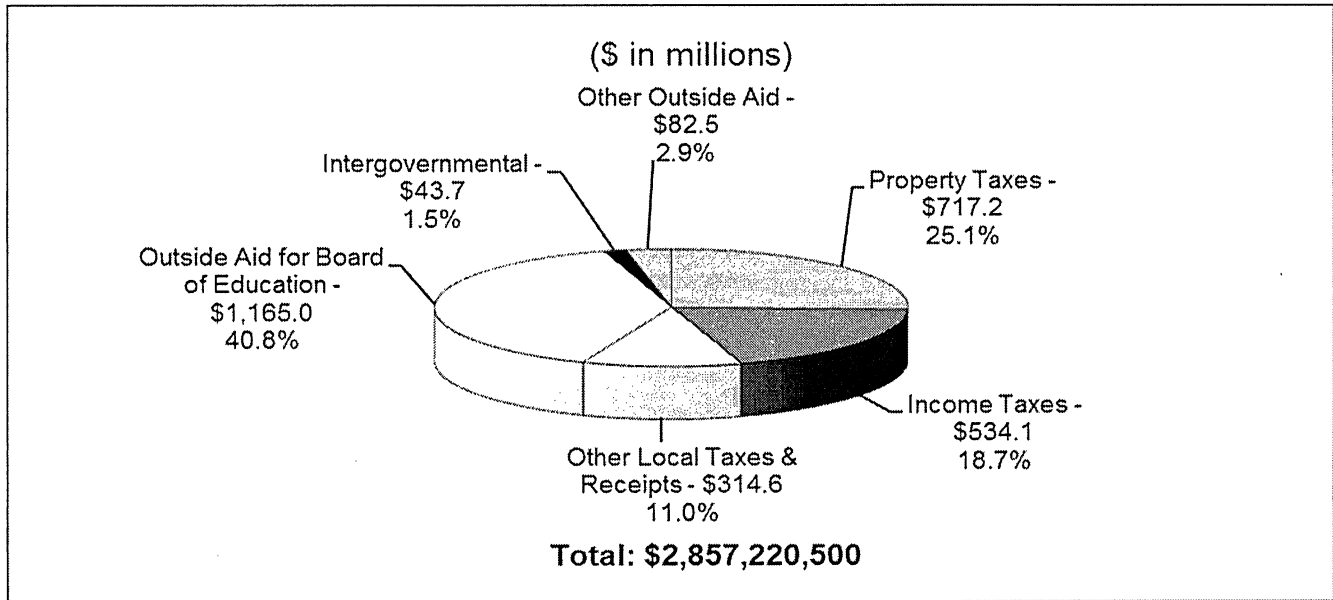


FY 2015 REVENUES AT A GLANCE

GENERAL FUND REVENUE OVERVIEW

- The approved FY 2015 General Fund budget is \$2,857,220,500, which represents a \$144.9 million or 5.3% increase from the FY 2014 approved budget.
- Outside aid for the Board of Education, Community College and Memorial Library increases by \$99.6 million, or 8.7%. County source revenues increase by \$45.3 million or 2.9% from the FY 2014 approved budget.



INTERNAL SERVICE FUNDS REVENUE OVERVIEW

- The approved FY 2015 Internal Service Funds budget is \$49,355,000, an increase of \$3.2 million or 6.9% from the FY 2014 approved budget.
- Fleet Management increases by \$2.7 million or 21.9% as a result of various Council adjustments including a \$2.4 million transfer to the General Fund, and Information Technology increases by \$0.5 million or 1.5% primarily due to Institutional Network (I-Net) projects.

ENTERPRISE FUNDS REVENUE OVERVIEW

- Stormwater Management revenues increase by 10.3% over the FY 2014 budget due to an increase in the use of fund balance for water quality programs.
- Solid Waste revenues in FY 2015 decrease by 2.9% under the FY 2014 budget due to decreases in clean lot, tipping fees and interest income, offset by an increase in refuse collection.
- A Local Watershed Protection and Restoration Fund was created in FY 2014. Total revenues are projected to reach \$14.6 million in FY 2015.

SPECIAL REVENUE FUNDS OVERVIEW

- Special Revenue Funds increase by 0.5% in FY 2015.
- Debt Service revenues increase by 3.1%. The debt incurred by the County pays for various capital projects throughout the County, such as school construction and renovations, road improvements and repairs, among other projects.
- FY 2015 is the fourth year for the County's Economic Development Incentive (EDI) 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 \$5.8 million or 2.8% in FY 2015.

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.) The FY 2014 approved budget represents a revised budget per CB-100-2013.

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

rate, tax base and adjustments made to factor in reductions due to 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 2015. 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.

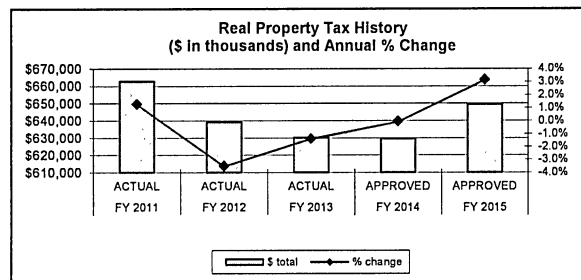
The State Department of Assessments and Taxation (SDAT) projected in February 2014 that the County's real property base will grow by 1.1% in FY 2015 before the homestead tax credit cap and other deductions. Net taxable base including adjustments and credits is projected to increase by 2.8% from the FY 2014 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 be reversed in FY 2015, with Group 2 of the County's real property base's reassessment value rising by 5.3%, according to the SDAT.

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 2015. According to the SDAT's estimate, this tax credit is estimated to cause a County revenue loss of approximately \$20.1 million in FY 2015.

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

REAL PROPERTY TAXES (\$ in thousands)				
	FY 2013 ACTUAL	FY 2014 APPROVED	FY 2014 ESTIMATED	FY 2015 APPROVED
YIELD	\$630,339	\$629,835	\$632,879	\$649,495
\$ CHG	-8,976	-504	2,541	19,660
% CHG	-1.4%	-0.1%	0.4%	3.1%



In FY 2015, the County's Real Property Tax revenues are projected to be \$649.5 million, an increase of \$19.7 million or 3.1% from the FY 2014 budget. The projection is based on the tax

services, to the extent that such services are funded through property tax revenues. In FY 2015, County real property tax revenue is reduced by \$22.5 million for the municipal tax differential program, compared with \$23.5 million in FY 2014. FY 2015 marks the fourth 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.

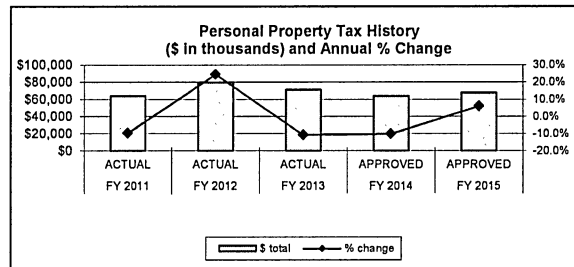
PERSONAL PROPERTY TAXES are the taxes levied on tangible personal property and commercial and manufacturing inventory of businesses. The assessment is made annually at fair market value and determined from annual reports filed with the SDAT.

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 2015 Personal Property Tax revenue is expected to increase by 6.0% from the FY 2014 budget, based on the SDAT's February 2014 projections of the assessable base. In accordance with State law, the County's Personal Property Tax rate shall be no more than 2.5 times the rate for real property. 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.

PERSONAL PROPERTY TAXES (\$ in thousands)				
	FY 2013 ACTUAL	FY 2014 APPROVED	FY 2014 ESTIMATED	FY 2015 APPROVED
YIELD	\$71,172	\$63,890	\$68,741	\$67,730
\$ CHG	-8,650	-7,282	-2,431	3,840
% CHG	-12.2%	-10.2%	-3.4%	6.0%



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.

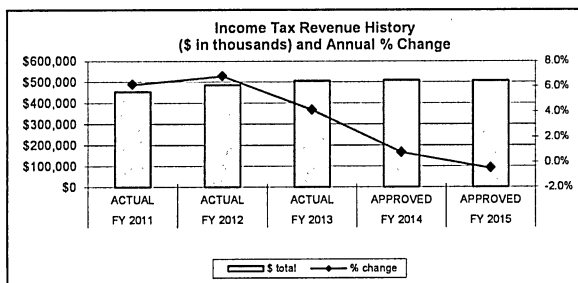
The following variables influence the annual tax yield:

- 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

INCOME TAXES (\$ in thousands)				
	FY 2013 ACTUAL	FY 2014 APPROVED	FY 2014 ESTIMATED	FY 2015 APPROVED
TAX RECEIPTS	\$505,266	\$509,066	\$492,049	\$506,558
\$ CHG	20,035	3,800	-13,217	-2,509
% CHG	4.0%	0.8%	-2.6%	-0.5%
DISPARITY GRANT	\$21,695	\$21,695	\$21,695	\$27,504
TOTAL YIELD	\$526,961	\$530,761	\$513,744	\$534,061
\$ CHG	26,133	3,800	-13,217	3,300
% CHG	5.0%	0.7%	-2.5%	0.6%

The County's income tax revenue includes both income tax receipts and a State Income Disparity Grant. FY 2015 income tax receipts are projected to decrease by 0.5% from the FY 2014 budget. The weak growth compared to the FY 2014 budget is based on a worse than expected FY 2014 performance. FY 2014 income tax receipts are estimated to drop below the budgeted level significantly, based on year-to-date performance. The drop is partly due to the weak labor market, but it is also attributable to the impact of federal budget actions like the sequestration policy, and to changes in the calculation formula used by the State to distribute income tax revenues. As a result, both current year receipts and the reconciliation amount for prior years are expected to decrease in FY 2014 and FY 2015. Baseline income tax growth (excluding one-time impacts) in FY 2015 is expected to reach 3%, close to the historical average level, assuming a steady recovery in the local job market and regional economy. FY 2014 income tax projections also include estimated gains from the General Assembly's adjustments of income tax exemptions that became effective January 1, 2012.

According to the Maryland Department of Labor, Licensing and Regulation, the County's average unemployment rate improved slightly from 6.8% in calendar year 2012 to 6.7% in calendar year 2013, but remained relatively high historically.



In FY 2015, the County is projected to receive \$27.5 million of State Income Disparity Grant, an increase of \$5.8 million or 26.8% from the FY 2014 level. This grant is provided to counties where per capita local income tax revenue falls below 75% of the State average. The FY 2015 disparity grant is calculated by the State Department of Budget and Management based on calendar year 2012 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.

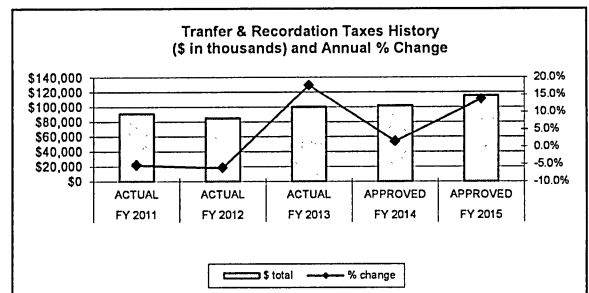
TRANSFER TAXES are taxes imposed upon recordation of instruments conveying title to real property, or any other interest in real property. All transfer tax revenue is dedicated to the Board of Education. The tax rate is unchanged at 1.4% for FY 2015.

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 2015, the 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:

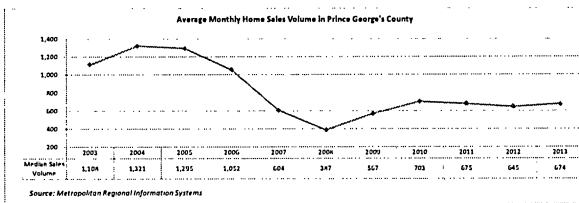
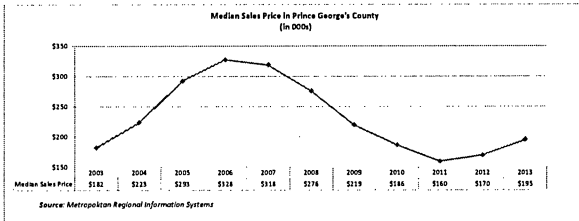
- Tax rate
- Business cycle
- Interest rates
- Availability of credit
- Real estate market

TRANSFER AND RECORDATION TAXES (\$ in thousands)				
	FY 2013 ACTUAL	FY 2014 APPROVED	FY 2014 ESTIMATED	FY 2015 APPROVED
YIELD	\$100,117	\$101,589	\$106,707	\$115,448
\$ CHG	15,048	1,472	6,590	13,859
% CHG	15.0%	1.5%	6.6%	13.6%



In FY 2015, Transfer Taxes are projected to increase by 10.2% from the FY 2014 budget, as the housing market shows marginal but steady improvements from previous years. Recordation Taxes are projected to increase by 21.4%, compared to the FY 2014 budget.

Reports from the Metropolitan Regional Information Systems, Inc. indicate that the County's median home sales price in 2013 increased by 14.5% from 2012 and reached \$194,800, the highest level in the past four calendar years. Sales volume increased by 4.5%.



A total of 7,178 foreclosures occurred in calendar year 2013, an increase of 41.0% from calendar year 2012. The County accounts for the second largest number of foreclosures in the State, which is believed to have contributed to the significant decrease of home sale prices in the County in recent years. The large number of foreclosures in the judicial process and rising mortgage rates are expected to slow but not halt the recent recovery in the County's housing market.

	Total Foreclosure Events	Qtr/Qtr % Change	Yr/Yr % Change	% of State Total
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%
Q1 2013	1,422	-1%	26%	15.2%
Q2 2013	1,522	7%	24%	13.9%
Q3 2013	2,019	33%	56%	17.4%
Q4 2013	2,215	10%	54%	17.4%

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 2013 ACTUAL	FY 2014 APPROVED	FY 2014 ESTIMATED	FY 2015 APPROVED
YIELD	\$115,504	\$110,636	\$106,823	\$108,284
\$ CHG	-1,639	-4,868	-8,681	-2,351
% CHG	-1.4%	-4.2%	-7.5%	-2.1%

In FY 2015, the total revenue from Other Local Taxes is expected to decrease by 2.1% from the FY 2014 approved budget, primarily due to increases in Energy and Admissions and Amusement Tax revenues that are offset by a continuous decrease in revenue from Telecommunications Taxes.

The Energy Tax comprises approximately half of the total FY 2015 revenue in this category. This revenue is projected to increase by 1.1% in FY 2015, signaling a recovery from the FY 2014 budget level. 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 2015 rates are based upon calendar year 2013 data. The formula divides total calendar year 2013 sales (by type of energy used) by total 2013 consumption, which is then multiplied by 7.5%, the current effective tax rate, to arrive at the FY 2015 unit charge per kilowatt hour, thermal, gallon or other unit. The FY 2015 rates compared to FY 2014 are shown below:

	FY 2014 Rates	FY 2015 Rates	% Change
Electricity (KWH)	0.005908	0.007790	32%
Natural Gas (Therm)	0.061328	0.059118	-4%
Fuel Oil (Gal.)	0.261097	0.296302	13%
Propane (Gal)	0.282846	0.310745	10%

ENERGY TAXES (\$ in thousands)				
	FY 2013 ACTUAL	FY 2014 APPROVED	FY 2014 ESTIMATED	FY 2015 APPROVED
YIELD	\$56,589	\$53,797	\$51,959	\$54,414
\$ CHG	-3,063	-2,792	-4,629	617
% CHG	-5.4%	-4.9%	-8.2%	1.1%

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 a 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 29% of the FY 2015 approved revenues generated by "Other Local Taxes." The telecommunication tax revenue has declined six 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 2015 projection reflects a 9.7% decrease from the FY 2014 budget based on year-to-date collections in FY 2014 and to align with the declining trend experienced in past years.

TELECOMMUNICATIONS TAXES (\$ in thousands)				
	FY 2013 ACTUAL	FY 2014 APPROVED	FY 2014 ESTIMATED	FY 2015 APPROVED
YIELD	\$36,927	\$35,001	\$34,098	\$31,600
\$ CHG	-900	-1,926	-2,829	-3,400
% CHG	-2.4%	-5.2%	-7.7%	-9.7%

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 remains 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.

In FY 2015, **Hotel/Motel Taxes** are expected to decrease by 11.5% based on FY 2013 actual and FY 2014 year-to-date collections, and **Admissions and Amusement Taxes** are projected to increase by 11.7% from the FY 2014 budget, due to an anticipated increase of visitors to newly installed attractions at the National Harbor. 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 2015. 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 and corporate transfer taxes that are shared between the State and the County.

STATE SHARED TAXES (\$ in thousands)				
	FY 2013 ACTUAL	FY 2014 APPROVED	FY 2014 ESTIMATED	FY 2015 APPROVED
YIELD	\$2,956	\$2,809	\$3,519	\$3,560
\$ CHG	-507	-147	563	751
% CHG	-17.1%	-5.0%	19.0%	26.7%

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 \$2.6 million in FY 2013. FY 2015 Highway User Revenue is projected to reach \$2.8 million, an increase of 1.5% from the FY 2014 budget, 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 2013 ACTUAL	FY 2014 APPROVED	FY 2014 ESTIMATED	FY 2015 APPROVED
YIELD	\$22,429	\$18,394	\$19,391	\$19,728
\$ CHG	4,580	-4,035	-3,038	1,333
% CHG	20.4%	-18.0%	-13.5%	7.2%

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 signs of stabilization and recovery in the housing market, the number of single family residential permits issued increased by 32% in FY 2013, according to the County's Department of Permitting, Inspections, and Enforcement, but since then have shown signs of a slowdown in building activity.

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 2013 ACTUAL	FY 2014 APPROVED	FY 2014 ESTIMATED	FY 2015 APPROVED
YIELD	-\$167	\$6,123	\$3,449	\$3,699
\$ CHG	-4,971	6,290	3,616	-2,424
% CHG	2983.5%	-3774.9%	-2170.2%	-39.6%

Interest income is the largest component of this category. FY 2014 interest income is estimated to be \$1.0 million, or \$2.4 million lower than the FY 2014 budgeted level based on FY 2013 actual and FY 2014 year-to-date performance. FY 2015 interest income is projected to stay close to the FY 2014 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 2013 ACTUAL	FY 2014 APPROVED	FY 2014 ESTIMATED	FY 2015 APPROVED
YIELD	\$40,129	\$37,018	\$39,346	\$40,487
\$ CHG	2,332	-3,110	-783	3,469
% CHG	5.8%	-7.8%	-2.0%	9.4%

In FY 2015, Sheriff Charges are projected to decrease by 6.7% and Local 9-1-1 fees are projected to decrease by 2.0%, from the FY 2014 budget, based on year-to-date performance. Other Service Charges are projected to increase by 6.2%. The relatively strong growth in Other Services Charges revenues is based on FY 2013 actual and FY 2014 estimated revenues. Overall, charges for services in FY 2015 are expected to increase by 9.4% from the FY 2014 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 2013 ACTUAL	FY 2014 APPROVED	FY 2014 ESTIMATED	FY 2015 APPROVED
YIELD	\$43,224	\$40,820	\$40,851	\$43,748
\$ CHG	12,614	-2,404	-2,373	2,928
% CHG	29.2%	-5.6%	-5.5%	7.2%

In FY 2015, the County will continue to receive \$9.6 million in Teacher Retirement Supplemental Grants from the State to partially offset the estimated \$31.7 million impact in the third 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 2015, unchanged from the FY 2014 budget level. Federal grants are expected to drop by 24.9% from the FY 2014 budget level. The intergovernmental revenues from the Maryland-National Capital Park and Planning Commission decrease by \$0.7 million in FY 2015 based on the Commission's proposed FY 2015 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 Revenue will increase by 7.2% in FY 2015, largely due to increased funding from the Revenue Authority and the State's Health Grant.

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 the sale 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 phase-in approach. As of March 2014, 72 speed cameras were installed. This program is estimated to provide \$10.0 million gross revenues in FY 2014 and \$9.0 million in FY 2015, 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 increase by \$2.3 million in FY 2015 or 16.2%, as a result of better than expected collections of fine and forfeiture revenues.

MISCELLANEOUS RECEIPTS (\$ in thousands)				
	FY 2013 ACTUAL	FY 2014 APPROVED	FY 2014 ESTIMATED	FY 2015 APPROVED
YIELD	\$20,001	\$14,300	\$17,504	\$16,612
\$ CHG	1,902	-5,701	-2,497	2,312
% CHG	9.5%	-28.5%	-12.5%	16.2%

OTHER FINANCING SOURCES include use of fund balance and transfers-in from other County funds. In FY 2015, other financing sources include \$4.1 million use of fund balance to fund one-time PAYGO spending for Capital Improvement Program (CIP) projects, and \$2.7 million for various Council adjustments.

OTHER FINANCING SOURCES (\$ in thousands)				
	FY 2013 ACTUAL	FY 2014 APPROVED	FY 2014 ESTIMATED	FY 2015 APPROVED
YIELD	\$38,499	\$8,205	\$8,205	\$6,795
\$ CHG	-28,262	-30,294	-30,294	-1,410
% CHG	0.0%	-78.7%	-78.7%	-17.2%

In the FY 2014 budget, \$8.2 million was appropriated for one-time expenditures, including \$5.8 million for CIP PAYGO projects, \$1.5 million for one-time funding for I-Net programming, and \$0.9 million for other initiatives.

The County will maintain the Charter mandated 5% (restricted) reserve and fiscal policy required 2% (committed) reserve in FY 2014 and FY 2015.

BOARD OF EDUCATION SOURCES are expected to increase overall by 9.5% in FY 2015 from the FY 2014 budget. State aid, which is the major source of outside aid to the Board of Education, is 6.1% higher than the FY 2014 budget. Federal aid is projected to decrease by 3.0%, while the Board's own source is expected to increase by 308.2%, primarily due to the Board's use of \$43.0 million of its Fund Balance.

BOARD OF EDUCATION SOURCES (\$ in thousands)				
	FY 2013 ACTUAL	FY 2014 APPROVED	FY 2014 ESTIMATED	FY 2015 APPROVED
YIELD	\$1,020,559	\$1,064,064	\$1,064,064	\$1,165,032
\$ CHG	7,022	43,505	43,505	100,968
% CHG	0.7%	4.3%	4.3%	9.5%

COMMUNITY COLLEGE SOURCES are projected to decrease by \$0.9 million or 1.2% from the FY 2014 budget. The revenue mostly comes from tuition, fees, charges and formula-driven State aid. State aid for Community College is expected to increase by 5.4% in FY 2015. Tuition and fees are projected to decrease by 2.9%. The College is expected to receive \$0.7 million project charges from the M-NCPPC in FY 2015, compared to \$1.5 million in FY 2014. The FY 2015 budget also includes \$3.0 million use of fund balance of the College, compared to \$3.5 million in its FY 2014 budget.

COMMUNITY COLLEGE SOURCES (\$ in thousands)				
	FY 2013 ACTUAL	FY 2014 APPROVED	FY 2014 ESTIMATED	FY 2015 APPROVED
YIELD	\$66,975	\$75,480	\$70,736	\$74,567
\$ CHG	-2,087	8,505	3,761	-913
% CHG	-3.1%	12.7%	5.6%	-1.2%

LIBRARY SOURCES are projected to decrease by \$0.4 million or 5.3% in FY 2015, primarily due to lower branch revenues, fines and fees, and the elimination of one-time funding from the I-Net Fund.

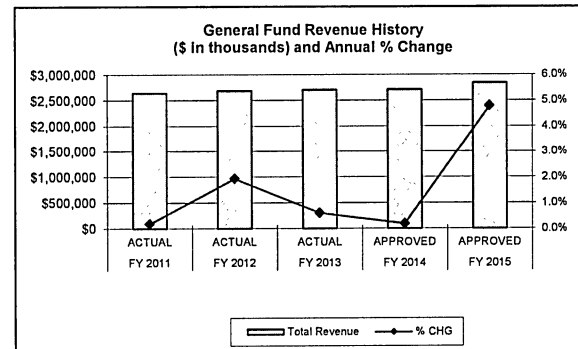
LIBRARY SOURCES (\$ in thousands)				
	FY 2013 ACTUAL	FY 2014 APPROVED	FY 2014 ESTIMATED	FY 2015 APPROVED
YIELD	\$7,539	\$8,419	\$8,049	\$7,975
\$ CHG	353	880	509	-444
% CHG	4.7%	11.7%	6.8%	-5.3%

SUMMARY: The County's total General Fund revenues are projected to increase by \$144.9 million or 5.3% in FY 2015 from the FY 2014 budget. Excluding the impact of other financing sources, General Fund revenues increase by \$146.3 million or 5.4% in FY 2015. The increase is primarily due to the growth in Outside Aid to the Board of Education, including \$57.8 million

growth in State Aid and \$43.0 million use of the Board's fund balance.

The fiscal challenges that the County has faced in recent fiscal years will continue in the upcoming fiscal year, considering weak job growth, an improving but not fully recovered real estate market, and uncertainties from the potential negative impact of budget actions at the Federal and State government levels, given their own structural imbalances.

TOTAL GENERAL FUND (\$ in thousands)				
	FY 2013 ACTUAL	FY 2014 APPROVED	FY 2014 ESTIMATED	FY 2015 APPROVED
COUNTY SOURCE	\$1,611,164	\$1,564,381	\$1,561,161	\$1,609,647
\$ CHG	9,603	-46,783	-50,003	45,266
% CHG	0.6%	-2.9%	-3.1%	2.9%
OUTSIDE AID	\$1,095,073	\$1,147,963	\$1,142,848	\$1,247,574
\$ CHG	5,289	52,890	47,775	99,610
% CHG	0.5%	4.8%	4.4%	8.7%
TOTAL YIELD	\$2,706,238	\$2,712,344	\$2,704,010	\$2,857,220
\$ CHG	14,893	6,107	-2,228	144,876
% CHG	0.6%	0.2%	-0.1%	5.3%



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

Location	REAL PROPERTY 2014	PERSONAL PROPERTY 2014	TOTAL BASE 2014	REAL PROPERTY 2015	PERSONAL PROPERTY 2015	TOTAL BASE 2015
Berwyn Heights	\$ 234.08	\$ 16.82	\$ 250.90	\$ 240.66	\$ 18.02	\$ 258.68
Bladensburg	371.30	15.05	386.35	375.52	15.61	391.13
Bowie	5,634.95	119.55	5,754.50	5,783.05	122.07	5,905.12
Brentwood	172.11	4.99	177.10	181.91	4.08	185.99
Capitol Heights	235.67	7.50	243.17	233.91	7.93	241.84
Cheverly	452.35	14.60	466.95	472.42	15.58	488.00
College Park	1,922.70	61.79	1,984.49	2,037.13	65.03	2,102.16
Colmar Manor	68.55	2.28	70.83	69.35	2.34	71.69
Cottage City	75.67	2.92	78.59	76.26	3.06	79.32
District Heights	288.18	4.82	293.00	289.57	5.07	294.64
Eagle Harbor	7.08	0.03	7.11	6.91	0.03	6.94
Edmonston	130.54	4.93	135.47	135.84	5.00	140.84
Fairmount Heights	80.10	1.39	81.49	81.18	1.47	82.65
Forest Heights	145.67	2.83	148.50	149.01	3.00	152.01
Glenarden	325.92	12.09	338.01	310.40	13.35	323.75
Greenbelt	1,657.41	68.57	1,725.98	1,724.67	70.10	1,794.77
Hyattsville	1,537.07	62.34	1,599.41	1,652.94	65.74	1,718.68
Landover Hills	113.41	1.80	115.21	116.16	1.91	118.07
Laurel	2,391.67	78.19	2,469.86	2,358.89	79.57	2,438.46
Morningside	74.66	2.49	77.15	75.33	2.63	77.96
Mount Rainier	309.81	4.05	313.86	324.99	4.27	329.26
New Carrollton	607.41	11.99	619.40	625.46	12.38	637.84
North Brentwood	38.29	0.84	39.13	40.16	0.87	41.03
Riverdale Park	575.97	17.59	593.56	596.00	18.45	614.45
Seat Pleasant	233.40	5.75	239.15	237.46	6.01	243.47
University Park	270.88	1.98	272.86	280.85	2.12	282.97
Upper Marlboro	85.08	22.05	107.13	79.87	24.61	104.48
SubTotal	\$ 18,039.93	\$ 549.23	\$18,589.16	\$ 18,555.90	\$ 570.30	\$19,126.20
Unincorporated Area	\$ 51,057.08	\$ 2,412.19	\$53,469.27	\$ 52,447.67	\$ 2,471.66	\$54,919.33
TOTAL COUNTY WIDE	\$ 69,097.01	\$ 2,961.42	\$72,058.43	\$ 71,003.57	\$ 3,041.96	\$74,045.53

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 2015

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 2015, 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 2015 Tax Base	FY 2015 Tax Yield
REAL PROPERTY BASE JULY 1, 2014 ¹	\$71,003,583,705	
Adjustments ²	<u>(\$38,859,406)</u>	
TOTAL REAL PROPERTY BASE FY 2015	\$70,964,724,299	
Nominal Real Property Tax Rate/\$100	\$0.96	
REAL PROPERTY YIELD		\$681,261,353
TOTAL PERSONAL PROPERTY BASE FY 2015	\$3,041,997,000	
Nominal Personal Property Tax Rate/\$100	\$2.40	
PERSONAL PROPERTY TAX YIELD		<u>\$73,007,928</u>
TOTAL PROPERTY TAX YIELD (Unadjusted)		\$754,269,281
Less: Collection Allowance		(\$12,409,158)
Municipal Tax Differential		(\$24,134,985)
Other Adjustments ³		<u>(\$500,038)</u>
TOTAL GENERAL FUND PROPERTY TAX YIELD		\$717,225,100
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, 2014). Adjustments for abatements/credits and a 2% cap on reassessment growth of owner-occupied residential properties 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 shall be no more than 2.5 times the rate on real property.

LOCATION	APPROVED 2014			APPROVED 2015		
	TAX RATE	CONSTANT YIELD		TAX RATE	CONSTANT YIELD	
		TAX RATE	OVER (UNDER)		TAX RATE	OVER (UNDER)
Berwyn Heights	\$ 0.8220	\$ 0.8582	\$(0.0362)	\$ 0.8330	\$ 0.8065	\$ 0.0265
Bladensburg	0.8340	0.7990	0.0350	0.8500	0.8194	0.0306
Bowie	0.8200	0.8033	0.0167	0.8300	0.8056	0.0244
Brentwood	0.8950	0.9662	(0.0712)	0.8780	0.8643	0.0137
Capitol Heights	0.8340	0.8158	0.0182	0.8400	0.8238	0.0162
Cheverly	0.8240	0.7988	0.0252	0.8380	0.7963	0.0417
College Park	0.9350	1.0048	(0.0698)	0.9290	0.9216	0.0074
Colmar Manor	0.8560	0.8414	0.0146	0.8610	0.8500	0.0110
Cottage City	0.8460	0.8265	0.0195	0.8510	0.8436	0.0074
District Heights	0.8260	0.8079	0.0181	0.8350	0.8225	0.0125
Eagle Harbor	0.9570	0.9456	0.0114	0.9560	0.9733	(0.0173)
Edmonston	0.8420	0.8593	(0.0173)	0.8480	0.8258	0.0222
Fairmount Heights	0.8910	0.8767	0.0143	0.9010	0.8836	0.0174
Forest Heights	0.8920	0.9563	(0.0643)	0.8680	0.8728	(0.0048)
Glenarden	0.8430	0.8068	0.0362	0.8510	0.8192	0.0318
Greenbelt	0.8090	0.8565	(0.0475)	0.8190	0.7871	0.0319
Hyattsville	0.8130	0.8446	(0.0316)	0.8230	0.7997	0.0233
Landover Hills	0.8230	0.8014	0.0216	0.8380	0.8118	0.0262
Laurel	0.7830	0.7637	0.0193	0.7960	0.7974	(0.0014)
Morningside	0.8690	0.8423	0.0267	0.8820	0.8639	0.0181
Mount Rainier	0.8140	0.8426	(0.0286)	0.8250	0.7899	0.0351
New Carrollton	0.8370	0.8256	0.0114	0.8450	0.8168	0.0282
North Brentwood	0.9550	1.0177	(0.0627)	0.9560	0.9286	0.0274
Riverdale Park	0.8100	0.8310	(0.0210)	0.8220	0.7992	0.0228
Seat Pleasant	0.8220	0.8030	0.0190	0.8320	0.8116	0.0204
University Park	0.8240	0.8075	0.0165	0.8340	0.7958	0.0382
Upper Marlboro	0.8480	0.8255	0.0225	0.8620	0.9073	(0.0453)
Unincorporated Area	\$ 0.9600	\$ 0.9763	\$(0.0163)	\$ 0.9600	\$ 0.9500	\$ 0.0100

FY 2015 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 2013 Budget</u>	<u>FY 2014 Budget</u>	<u>FY 2015 Approved</u>
County Council	Zoning Fees - Board of Appeals	\$ 26,000	\$ 25,000	\$ 25,000
	Total County Council	\$ 26,000	\$ 25,000	\$ 25,000
Office of Homeland Security	911 Fees	\$ 7,098,000	\$ 6,265,400	\$ 6,142,400
	Federal Office of Emergency Preparedness Grant	100,000	100,000	-
	Total Office of Homeland Security	\$ 7,198,000	\$ 6,365,400	\$ 6,142,400
Board of License Commissioners	Liquor Licenses	\$ 1,303,400	\$ 1,428,000	\$ 1,759,900
	Total Board of License Commissioners	\$ 1,303,400	\$ 1,428,000	\$ 1,759,900
Board of Elections	Sale of Voter Material	\$ 12,000	\$ 11,200	\$ 11,000
	Total Board of Elections	\$ 12,000	\$ 11,200	\$ 11,000
Office of Central Services	Property Rental	\$ 1,000,000	\$ 2,242,000	\$ 2,000,000
	Leased Space (M-NCPPC)	791,200	795,100	799,200
	Total Central Services	\$ 1,791,200	\$ 3,037,100	\$ 2,799,200
Circuit Court	Bail Bondsman	\$ 650,000	\$ 613,100	\$ 700,000
	Circuit Court Marriage Certificate	44,000	45,000	45,000
	Jury Fees Reimbursement	670,000	710,000	700,000
	Court Appearance Fees	168,000	168,000	180,000
	Miscellaneous	12,000	15,000	22,000
	Total Circuit Court	\$ 1,544,000	\$ 1,551,100	\$ 1,647,000
Office of the Sheriff	Circuit Court & District Court	\$ 483,500	\$ 340,800	\$ 505,800
	Evictions Revenue	2,660,600	2,657,500	1,700,000
	Miscellaneous Fees	200,000	170,000	750,000
	Total Sheriff	\$ 3,344,100	\$ 3,168,300	\$ 2,955,800
Department of Permitting, Inspections, and Enforcement	Building and Grading Permits	\$ 7,060,200	\$ 7,891,300	\$ 7,674,200
	Business Licenses (Apt., SF & MF Rental)	2,108,000	1,250,800	2,550,000
	Street Use Permits	2,700,000	3,099,800	3,164,800
	Business Licenses (Other)	846,900	943,200	839,300
	Water and Sewer Planning Unit (M-NCPPC)	-	155,300	155,300
	Zoning Enforcement (M-NCPPC)	1,826,800	1,761,900	1,761,900
	Permits/Inspection (M-NCPPC)	2,176,200	1,816,200	1,816,200
	Office of Engineering, Inspection and Permitting (M-NCPPC)	1,390,000	1,160,000	929,800
	Total Permitting, Inspections, and Enforcement	\$ 18,108,100	\$ 18,078,500	\$ 18,891,500
Department of Public Works and Transportation	Highway User Revenues	\$ 1,657,700	-	-
	Office of the Director (M-NCPPC)	212,200	169,800	-
	Total Public Works	\$ 1,869,900	\$ 169,800	-
Department of the Environment	Animal Licenses	\$ 156,300	\$ 112,000	\$ 125,000
	Total Environment	\$ 156,300	\$ 112,000	\$ 125,000

<u>Revenue Description</u>	<u>FY 2013</u> <u>Budget</u>	<u>FY 2014</u> <u>Budget</u>	<u>FY 2015</u> <u>Approved</u>
State Police Aid Grant	\$ 9,725,900	\$ 11,107,200	\$ 11,124,300
Contractual Police Services	1,320,600	1,800,000	1,850,000
Speed Cameras	12,000,000	7,000,000	6,566,700
Bureau of Patrol (M-NCPPC)	46,800	36,800	36,800
Bureau of Support Services (M-NCPPC)	20,000	-	-
Bureau of Administration (M-NCPPC)	93,000	-	-
Total Police	\$ 23,206,300	\$ 19,944,000	\$ 19,577,800
Contractual Fire Services	\$ 400,000	400,000	400,000
Fees for Emergency Transportation & Related Services (General)	7,852,300	5,926,200	6,276,900
Fees for Emergency Transportation & Related Services (Volunteer)	3,507,200	3,378,800	3,578,400
Speed Cameras	4,816,300	2,600,000	2,428,800
Miscellaneous Sales	5,300	5,000	5,000
Master Plan Reviews (M-NCPPC)	37,100	-	-
Facility Inspections (M-NCPPC)	6,100	-	-
Total Fire	\$ 16,624,300	\$ 12,310,000	\$ 12,689,100
State Health Grant	\$ 5,007,000	\$ 5,377,500	\$ 6,297,000
Health Permits	1,567,800	1,567,800	1,561,000
Health Fees	945,500	945,500	1,100,000
Wellness Program (M-NCPPC)	500,000	-	-
Total Health	\$ 8,020,300	\$ 7,890,800	\$ 8,958,000
Redevelopment Division (M-NCPPC)	\$ 930,600	\$ 844,500	\$ 844,500
Total Housing and Community Development	\$ 930,600	\$ 844,500	\$ 844,500
Federal Grant	\$ -	\$ 215,600	\$ 250,000
State DHR DSS Grant	-	-	-
Total Social Services	\$ -	\$ 215,600	\$ 250,000
Telecommunications Tax	\$ 197,000	\$ 187,300	\$ 170,700
Tax Collection (M-NCPPC)	432,200	423,400	423,400
Total Finance	\$ 629,200	\$ 610,700	\$ 594,100
State & Federal Aid/Board Sources	\$ 1,031,372,900	\$ 1,064,063,900	\$ 1,165,031,500
Teacher Retirement Supplemental Grant	9,628,700	9,628,700	9,628,700
Energy Tax	65,346,500	53,797,000	54,414,000
Transfer Tax	62,306,200	70,477,000	77,692,100
Telecommunications Tax	36,883,600	34,813,300	31,429,700
Total Board of Education	\$ 1,205,537,900	\$ 1,232,779,900	\$ 1,338,196,000
State Aid/Tuition	\$ 71,530,900	\$ 75,479,800	\$ 74,566,600
Recreational Activities (M-NCPPC)	1,500,000	1,500,000	700,000
Total Community College	\$ 73,030,900	\$ 76,979,800	\$ 75,266,600
State Aid/Fines	\$ 8,184,200	\$ 8,419,400	\$ 7,975,400
Recreation Programs (M-NCPPC)	2,712,800	2,712,800	2,712,800
Total Library	\$ 10,897,000	\$ 11,132,200	\$ 10,688,200
Economic Development Corporation (M-NCPPC)	\$ 333,400	\$ -	\$ -
Tree Planting (M-NCPPC)	250,000	225,000	225,000
Total Non-Departmental	\$ 583,400	\$ 225,000	\$ 225,000
	\$ 1,374,812,900	\$ 1,396,878,900	\$ 1,501,646,100
Highway User Revenues	\$ 890,500	\$ 2,769,300	\$ 2,810,100
Total Debt	\$ 890,500	\$ 2,769,300	\$ 2,810,100
	\$ 1,375,703,400	\$ 1,399,648,200	\$ 1,504,456,200

to retire debt on County General Obligation (GO) Bonds and State Participation Bonds, and fund regular road
revenues will be used on debt service payment only.
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 2015 TOTALS	\$ 89,500	\$ 98,000	\$ -	\$ 187,500	\$ -	\$ 187,500
<u>COURTS</u>						
CIRCUIT COURT FY 2015 TOTALS	\$ -	\$ 2,454,600	\$ -	\$ 2,454,600	\$ 281,800	\$ 2,736,400
<u>PUBLIC SAFETY</u>						
OFFICE OF THE STATE'S ATTORNEY FY 2015 TOTALS	\$ -	\$ 1,975,800	\$ -	\$ 1,975,800	\$ -	\$ 1,975,800
POLICE DEPARTMENT FY 2015 TOTALS	\$ 1,405,000	\$ 2,979,400	\$ -	\$ 4,384,400	\$ 53,000	\$ 4,437,400
FIRE/EMS DEPARTMENT FY 2015 TOTALS	\$ 3,098,600	\$ 1,412,000	\$ -	\$ 4,510,600	\$ 70,000	\$ 4,580,600
OFFICE OF THE SHERIFF FY 2015 TOTALS	\$ 2,539,900	\$ 163,400	\$ -	\$ 2,703,300	\$ 863,600	\$ 3,566,900
DEPARTMENT OF CORRECTIONS FY 2015 TOTALS	\$ 380,200	\$ 100,000	\$ 149,800	\$ 630,000	\$ -	\$ 630,000
OFFICE OF HOMELAND SECURITY FY 2015 TOTALS	\$ 2,953,600	\$ 588,500	\$ -	\$ 3,542,100	\$ -	\$ 3,542,100
<u>ENVIRONMENT</u>						
DEPARTMENT OF THE ENVIRONMENT FY 2015 TOTALS	\$ -	\$ 4,273,400	\$ -	\$ 4,273,400	\$ 7,000	\$ 4,280,400
<u>HUMAN SERVICES</u>						
DEPARTMENT OF FAMILY SERVICES FY 2015 TOTALS	\$ 3,524,100	\$ 6,239,200	\$ 248,900	\$ 10,012,200	\$ 384,200	\$ 10,396,400
HEALTH DEPARTMENT FY 2015 TOTALS	\$ 29,758,400	\$ 24,661,600	\$ 2,395,200	\$ 56,815,200	\$ 390,400	\$ 57,205,600
DEPARTMENT OF SOCIAL SERVICES FY 2015 TOTALS	\$ 12,529,000	\$ 2,435,700	\$ -	\$ 14,964,700	\$ -	\$ 14,964,700
<u>INFRASTRUCTURE AND DEVELOPMENT</u>						
DEPARTMENT OF PUBLIC WORKS & TRANSPORTATION FY 2015 TOTALS	\$ -	\$ 601,900	\$ -	\$ 601,900	\$ 17,100	\$ 619,000
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FY 2015 TOTALS	\$ 88,046,900	\$ 6,872,800	\$ 3,338,100	\$ 98,257,800	\$ -	\$ 98,257,800
NON-DEPARTMENTAL FY 2015 TOTALS	\$ -	\$ -	\$ 5,000,000	\$ 5,000,000	\$ -	\$ 5,000,000
TOTAL FY 2015 GRANTS	\$ 144,325,200	\$ 54,856,300	\$ 11,132,000	\$ 210,313,500	\$ 2,067,100	\$ 212,380,600

*Total Program Spending is the total of County Cash and Total Outside Sources.

EDUCATION REVENUE DETAIL

	FY 2013 Actual	FY 2014 Budget	FY 2014 Estimated	FY 2015 Approved	Change FY14 - FY15
BOARD OF EDUCATION					
Federal Sources					
Unrestricted Federal Aid	\$ 115,110	\$ 136,700	\$ 136,700	\$ 136,700	0.0%
Restricted Federal Aid	98,232,069	105,956,600	105,956,600	102,747,800	-3.0%
Total Federal Sources	\$ 98,347,179	\$ 106,093,300	\$ 106,093,300	\$ 102,884,500	-3.0%
Board Sources					
Board Sources	\$ 14,709,094	\$ 15,047,300	\$ 15,047,300	\$ 18,408,200	22.3%
Board of Education Fund Balance	-	-	-	43,012,200	100.0%
Total Board Sources	\$ 14,709,094	\$ 15,047,300	\$ 15,047,300	\$ 61,420,400	308.2%
State Aid					
Foundation Program	\$ 465,373,646	\$ 476,585,400	\$ 476,585,400	\$ 494,571,500	3.8%
Geographic Cost of Education Index	38,292,762	38,610,400	38,610,400	39,276,800	1.7%
Special Education	38,498,988	40,939,300	39,830,800	41,174,700	0.6%
Nonpublic Placements	19,686,303	19,548,700	20,086,800	19,686,300	0.7%
Transportation Aid	36,852,932	36,965,900	36,965,900	37,707,200	2.0%
Compensatory Education	221,064,141	235,525,700	235,525,700	254,495,300	8.1%
Limited English Proficiency	61,516,886	68,564,200	68,564,200	74,470,000	8.6%
Net Taxable Income - Adjustment	-	2,532,300	2,532,300	10,889,500	330.0%
Guaranteed Tax Base	-	-	-	3,348,200	100.0%
Supplemental Grant and Other State Aid	20,908,335	20,505,700	20,505,700	20,505,700	0.0%
Restricted Grants	5,308,308	3,145,700	3,716,100	4,601,400	46.3%
Total State Sources	\$ 907,502,301	\$ 942,923,300	\$ 942,923,300	\$ 1,000,726,600	6.1%
Subtotal Outside Aid	\$ 1,020,558,574	\$ 1,064,063,900	\$ 1,064,063,900	\$ 1,165,031,500	9.5%
General County Sources					
General County Sources	\$ 470,263,860	\$ 466,468,800	\$ 466,468,800	\$ 466,683,000	0.0%
Telecommunications Tax	36,741,191	34,813,300	34,813,300	31,429,700	-9.7%
Energy Tax	56,588,560	53,797,000	53,797,000	54,414,000	1.1%
Transfer Tax	69,475,489	68,664,800	68,664,800	77,692,100	13.1%
Subtotal County Revenue	\$ 633,069,100	\$ 623,743,900	\$ 623,743,900	\$ 630,218,800	1.0%
TOTAL	\$ 1,653,627,674	\$ 1,687,807,800	\$ 1,687,807,800	\$ 1,795,250,300	6.4%
COMMUNITY COLLEGE					
County Contribution	\$ 29,545,200	\$ 29,545,300	\$ 29,545,300	\$ 34,345,300	16.2%
One-time County Contribution (I-Net Fund)	-	1,000,000	1,000,000	-	-100.0%
State Aid	22,013,073	24,412,100	24,412,100	26,009,200	6.5%
Tuition and Fees	42,189,765	44,969,600	43,714,800	43,657,400	-2.9%
Other Revenues	2,772,323	2,600,000	2,608,900	1,900,000	-26.9%
Fund Balance	-	3,498,100	-	3,000,000	-14.2%
TOTAL	\$ 96,520,361	\$ 106,025,100	\$ 101,281,100	\$ 108,911,900	2.7%
LIBRARY					
County Contribution	\$ 17,267,200	\$ 18,212,000	\$ 18,212,000	\$ 18,485,200	1.5%
One-time County Contribution (I-Net Fund)	-	500,000	500,000	-	-100.0%
State Aid	6,289,250	6,524,200	6,524,200	6,759,100	3.6%
Interest	9,361	10,500	10,500	10,500	0.0%
Fines/Fees	770,809	855,800	855,800	700,900	-18.1%
Miscellaneous	470,038	1,028,900	658,200	504,900	-50.9%
TOTAL	\$ 24,806,658	\$ 27,131,400	\$ 26,760,700	\$ 26,460,600	-2.5%

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 2015 TAX DIFFERENTIAL RATES

Municipality	FY 2015 TAX DIFFERENTIAL		FY 2015 VALUE		TOTAL
	PERSONAL PROPERTY	REAL PROPERTY	PERSONAL PROPERTY	REAL PROPERTY	
Berwyn Heights	0.294	0.127	\$ 52,980	\$ 305,635	\$ 358,615
Bladensburg	0.254	0.110	39,649	413,073	452,722
Bowie	0.298	0.130	363,775	7,517,959	7,881,734
Brentwood	0.188	0.082	7,675	149,162	156,838
Capitol Heights	0.276	0.120	21,885	280,694	302,579
Cheverly	0.280	0.122	43,635	576,355	619,990
College Park	0.070	0.031	45,524	631,510	677,034
Colmar Manor	0.228	0.099	5,343	68,655	73,998
Cottage City	0.251	0.109	7,672	83,125	90,798
District Heights	0.287	0.125	14,558	361,965	376,523
Eagle Harbor	0.009	0.004	3	277	279
Edmonston	0.257	0.112	12,859	152,146	165,005
Fairmount Heights	0.137	0.059	2,020	47,897	49,917
Forest Heights	0.212	0.092	6,365	137,090	143,455
Glenarden	0.251	0.109	33,520	338,339	371,859
Greenbelt	0.325	0.141	227,821	2,431,782	2,659,603
Hyattsville	0.315	0.137	207,083	2,264,533	2,471,616
Landover Hills	0.281	0.122	5,370	141,719	147,089
Laurel	0.378	0.164	300,770	3,868,576	4,169,347
Morningside	0.180	0.078	4,738	58,761	63,499
Mount Rainier	0.312	0.135	13,336	438,735	452,071
New Carrollton	0.266	0.115	32,935	719,285	752,220
North Brentwood	0.009	0.004	79	1,607	1,685
Riverdale	0.318	0.138	58,656	822,476	881,132
Seat Pleasant	0.295	0.128	17,737	303,948	321,686
University Park	0.291	0.126	6,167	353,875	360,042
Upper Marlboro	0.225	0.098	55,381	78,269	133,650
Total			\$ 1,587,538	\$ 22,547,447	\$ 24,134,985

Numbers may not add due to rounding

