

State Aid to Prince George's County

Fiscal 2023

State Aid Overview

- Prince George's County will receive \$1.6 billion in State aid in fiscal 2023. Of this amount, \$1.5 billion is direct aid, and \$117.0 million is for retirement payments.
- Prince George's County will receive a 0.2% increase in State funding in fiscal 2023, with total State aid increasing by \$3.3 million over the prior year. Direct aid increases by \$9.7 million, while retirement payments decrease by \$6.4 million.
- On a per capita basis, Prince George's County ranks eighth with State aid totaling \$1,681 per resident. This compares to the statewide average of \$1,494 per resident.

Proposed Enhancements

- The proposed State budget includes \$45.9 million in additional funding for the police aid formula, of which \$6.7 million is targeted to law enforcement agencies in Prince George's County. The allocation is based on county population (\$6.46 per capita) and the number of municipal sworn officers (\$975 per officer). Baltimore City receives \$8 million under the formula enhancement.
- Regarding public school funding, the Administration provided an additional \$57.3 million in hold harmless grants under the compensatory aid program to offset declines in the free and reduced-price meal (FRPM) count. Prince George's County is scheduled to receive additional funding totaling \$18.6 million.
- The Administration also provided an additional \$68.1 million for full-day prekindergarten programs that exceeded the requirements under the Blueprint Plan. The Administration provided per student funding regardless of family income. Under the Blueprint Plan, full-day prekindergarten funding is targeted for the lowest income families at 300% of the federal poverty level. Prince George's County will receive \$8.0 million of this additional funding.
- However, the additional discretionary enhancements to education aid are offset by the Administration's underfunding of the Education Effort Index that provides additional funding to Baltimore City (\$99.0 million) and Prince George's County (\$26.5 million).

County-Municipal Aid

- Prince George's County will receive \$131.9 million in county-municipal aid, which represents a \$16.1 million, or 13.9%, increase from the prior year.

Public Safety Grants

- Prince George's County will receive \$15.7 million in funding under the existing police aid formula and \$6.7 million under the proposed enhancement.
- The majority of State funding under the police aid formula is based on population density. More urbanized jurisdictions with a higher population density receive a higher per capita grant amount. A small component of the formula (representing 4.3% of overall funding) targets funding to municipalities based on the number of sworn officers. Funding in fiscal 2023 is based on \$1,950 per sworn officer. The Administration's proposal would increase the per sworn officer grant to \$2,925 (representing a \$975 per officer increase).
- Since fiscal 2004, local governments are responsible for covering 30% of the costs for the State Police crime lab. The local reimbursement is based on each jurisdiction's crime rate (one-third) and local wealth (two-thirds). The Prince George's County share of these costs will total \$672,800 in fiscal 2023. The local reimbursement is deducted from each jurisdiction's police aid amount.
- Prince George's County will receive \$1.7 million in fire and rescue aid in fiscal 2023. Each county's funding is based on their share of property tax accounts relative to the statewide total. Each county is guaranteed a minimum 2% share of total funds (\$300,000).
- Prince George's County will receive \$4.7 million in funding through three targeted crime initiatives in fiscal 2023. This includes \$1.2 million for drug enforcement, \$2.3 million to combat violent crime, and \$1.1 million for the State's Attorney's Office. Funding for these initiatives has remained fairly stable in recent years.

Transportation Aid

- Legislation enacted in 2018 required the State to provide capital transportation grants to local governments based on the amount of revenue allocated to the Gasoline and Motor Vehicle Revenue Account. The local share will total 13.5% in fiscal 2020 to 2024. Baltimore City receives 8.3%, county governments receive 3.2%, and municipal governments receive 2.0%.
- Prince George's County will receive \$15.7 million in local highway user revenues in fiscal 2023, which represents a \$559,100, or 3.7%, increase over the prior year.
- The county and municipal share is based on road mileage and vehicle registration. In fiscal 2023, the Prince George's County government will receive \$7.2 million, and its municipalities will receive \$8.5 million.

Disparity Grants

- Prince George's County will receive \$43.7 million in funding under the disparity grant program in fiscal 2023. This represents \$14.6 million less than the total formula amounts due to legislation enacted in 2009 that capped each jurisdiction's amount at the fiscal 2010 funding level. This reduction was partially offset by the minimum funding amount established in 2013.

- The disparity grant program provides State funding to 10 jurisdictions where per capita revenue collections from the local income tax is below 75% of the statewide average. Under the program, each eligible jurisdiction receives a grant that enables the per capita local income tax revenues to reach 75% of the statewide average.
- Due to significant growth in the mandated funding level for the program, the General Assembly approved legislation in 2009 to cap annual funding to the amount that each jurisdiction received in fiscal 2010. While this provision restrained the growth in mandated funding, it failed to recognize changes in local wealth among jurisdictions due to the varying economic and social conditions across the State.
- To address this concern, the General Assembly approved legislation in 2013 that established a minimum funding level based on a country's local income tax rate.
- The minimum funding level is set at 20% for jurisdictions with at least at 2.8% local income tax rate; 40% for jurisdictions with at least a 3% rate, and 60% for jurisdictions with the maximum 3.2% rate.
- Subsequent legislation increased the minimum grant amount for jurisdictions with the maximum 3.2% local income tax rate to 75%.

Gaming Impact Aid

- Prince George's County will receive \$33.5 million in gaming impact aid in fiscal 2023.

Local Library and Community College Aid

- Prince George's County will receive \$8.5 million in local library aid and \$39.8 million in State support for the local community college.
- Since the county government failed to meet the maintenance of effort requirement, the county's State aid under the Cade formula is capped at the previous year's amount (\$37.1 million). In addition, the county's funding under the English for Speakers of Other Languages program and optional retirement decreases. As a result, direct aid for the Prince George's Community College decreases by 1.7% in fiscal 2023.

Education Aid

- Over 85% of State aid to Prince George's County will go to public schools. The Prince George's County Public School System will receive over \$1.3 billion in direct aid in fiscal 2023, which represents a \$6.6 million, or 0.5%, decrease from the prior year. In addition, the State will provide \$108.9 million in funding for teacher retirement payments.

- On a per pupil basis, Prince George’s County will receive \$11,499 in State funding: \$10,623 per pupil in direct aid; and \$876 per pupil for teacher retirement payments. Prince George’s County ranks seventh in the amount of per pupil direct aid.
- In terms of year-over-year funding enhancements, Prince George’s County will receive a 2.0% increase in per pupil direct aid.

Blueprint and Targeted Funding

- Prince George’s County will also receive \$111.1 million in additional State funding under the Blueprint Initiatives in fiscal 2023. This includes \$10.1 million for supplemental instruction, \$54.7 million in concentration of poverty grants, and \$22.7 million for full-day prekindergarten.
- A considerable amount of State education funding is based on targeted student populations, with Prince George’s County receiving \$454.3 million in targeted grants under the compensatory aid, English Language Learners (ELL), and special education programs. Prince George’s County receives the seventh highest amount of funding on a per pupil basis (\$3,653).

Student Enrollment

- The full-time equivalent student (FTES) enrollment count decreases by 2.5% in Prince George’s County compared to the statewide average decrease of 0.7%. This results in 3,143 fewer students for the Prince George’s County Public School System. Currently, the county school system accounts for approximately 14.7% of students statewide.
- The number of students approved for FRPM decreases by 7.6% in Prince George’s County compared to the statewide average decrease of 6.9%. Prince George’s County currently has the sixth highest percentage of students approved for FRPM at 49.9% of total student enrollment.
- Prince George’s County has the highest percentage of students identified as ELL at 24.1% of total student enrollment. In fiscal 2023, the number of ELL students increases by 8.9%, resulting in 2,441 additional students requiring language services.
- Prince George’s County has a relatively lower share of students receiving special education services. In fiscal 2023, the number of students receiving special education services accounts for 11.4% of total enrollment, compared to the statewide average of 12.8%.
- Prince George’s County has the third highest targeted student index in the State at 85.4%. This index adds together the percent share of FTES who are approved for FRPM, ELL, and special education services. The targeted student index ranges from 28.3% in Carroll County to 116.1% in Baltimore City, with the statewide average at 62.5%.