GLOSSARY

Several words or phrases in the budget document have technical, budgetary, or fiscal meanings. Definitions of commonly used terms are shown below.

ACTIVITY - A significant element of an agency's program responsibilities. Usually administered by a Division Chief, activities may encompass several related service delivery or support components. Activities represent significant operational units for resource allocation decision making. An activity is often titled a Division or Bureau in the County's budget.

AD VALOREM TAX - A tax based "according to the value" of the property. The tax is determined by multiplying the taxable value of the property by the tax rate (which is often expressed as an amount per $100 of assessed value).

AGENCY – A department or principal office of the County Government such as the Department of Public Works and Transportation, the Office of Management and Budget or a governmental unit outside County Government receiving County funding, such as the Board of Education or the Memorial Library.

ALLOCATED REVENUE – Those revenues which are collected for the provision of a particular service; e.g., Police Aid is a State grant to compensate the County for a portion of its Police costs.

AMENDMENTS TO THE CIP – Changes to project scope, schedule or funding that require County Council action. Proposals must meet strict criteria to be considered for amendment.

APPROPRIATION – Authority to spend money within a specified dollar amount for an approved project or activity. The Budget Ordinance contains separate appropriations for compensation, operating expenses, capital outlay, fringe benefits and cost recoveries for each agency, except for the Board of Education and Community College. In these two organizations, funding is appropriated to a series of State-defined funding categories.

APPROPRIATION ADJUSTMENTS – A formal action taken during the fiscal year in accordance with Charter Sections 814, 815 or 816 which modifies the appropriation amounts contained in the approved budget. Such actions include:

(1)intra-departmental transfers;
(2)inter-departmental transfers;
(3)supplementary appropriations and
(4)emergency appropriations.

ASSESSABLE BASE – The value of all real and personal property within the County as determined by the State Supervisor of Assessments. The County Government enacts property tax rates which, when levied against the assessable base, yield property tax revenues for use by the County.

ASSESSED VALUATION – The valuation set upon real estate or other property by the State through its Department of Assessments and Taxation. This valuation is multiplied by the tax rates set annually by the County Council to determine taxes due.

ASSET FORFEITURE FUND – An accounting entity used to hold assets seized and held as a result of enforcement of drug laws.

AUTHORIZED POSITIONS – The number of positions authorized by the County Executive in the approved personnel complement.

BOND RATING – A rating indicating the probability of timely repayment of principal and interest on bonds issued.

BUREAU - *See Activity*

CAPITAL BUDGET AND CAPITAL IMPROVEMENT PROGRAM (CIP) – The CIP is a six-year plan for the provision of the County's capital facility and infrastructure needs (buildings, roads, etc.). The plan, which is updated each year, schedules by fiscal year the proposed capital construction phases and related expenditure and financing needs expected to be undertaken during this period. The capital budget consists of those projects scheduled for activity in the first year of the

CIP; it appropriates the amounts necessary to defray the estimated cost of that activity.

CAPITAL OUTLAY – An appropriation and expenditure category for government assets with a value of $5,000 or more and a useful economic lifetime of one year or more.

CAPITAL PROJECT – Governmental effort involving expenditures and funding for the creation, expansion, renovation, or replacement of permanent facilities and other public assets having relatively long life. Expenditures within capital projects may include costs of planning, design, and construction management; land; site improvements; utilities; construction; and initial furnishings and equipment required to make a facility operational.

COLLECTIVE BARGAINING AGREEMENT – A legal contract between the employer and a certified representative of a recognized bargaining unit for specific terms and conditions of employment, e.g., hours, working conditions, salary, fringe benefits and matters affecting employee health and safety.

COMPENSATION – The expenditure category under which employee salaries and wages, as well as overtime and differential pay are budgeted.

CONSTANT YIELD TAX RATE – A rate which, when applied to the coming year's assessable base, and being exclusive of the estimated assessed value of property appearing on the tax rolls for the first time (new construction), will produce tax revenue equal to that produced in the current tax year. State law prohibits local taxing authorities from levying a tax rate in excess of the Constant Yield Tax Rate unless they advertise and hold public hearings on their intent to levy a higher rate.

COST OF LIVING ADJUSTMENT (COLA) – An increase in salaries to offset the adverse effect of inflation on compensation.

CURRENT EXPENSE BUDGET – A comprehensive fiscal plan for the financing of operational programs for a single fiscal year. It includes estimates of the cost of the services and programs comprising the County's operations and the resources available to finance them.

DEBT SERVICE – The annual payment of principal and interest on the County's bonded indebtedness. Bonds are issued to finance the construction of capital projects such as public buildings and roads.

DEPARTMENT – A primary organizational unit within Prince George's County Government. - *See Agency*.

DEPRECIATION – The expiration of a fixed asset over its useful life attributable to wear and tear, deterioration, action of the physical elements, inadequacy and obsolescence.

DIVISION – A primary organizational unit within a government department or agency. Divisions are usually responsible for administering basic functions or major programs of a department - *See Activity*.

DUALLY ALLOCATED POSITION - A position that automatically upgrades to the next level if the employee occupying the position successfully completes a specified probationary period.

ENCUMBRANCE – An accounting commitment that reserves appropriated funds for a future expenditure, formally documented with a contract or agreement. Combined encumbrances and expenditures must stay within the agency's appropriation.

ENERGY TAX - A tax levied upon organizations transmitting, distributing, manufacturing, producing, or supplying electricity, gas, steam, coal, fuel oil or liquefied petroleum gas in the County. This tax is based on units of energy sold.

ENTERPRISE FUND – A fund used to record the fiscal transactions of government activities financed and operated in a manner similar to private enterprise, with the intent that the costs of providing goods and services, including

financing, are wholly recovered through charges to consumers or users (e.g., the Solid Waste Enterprise Fund for refuse collection, landfill and recycling operations).

EXECUTIVE MANAGEMENT ASSESSMENT PROGRAM (EMAP) – A performance management tool used to evaluate service levels and identify areas of potential improvement.

FISCAL YEAR – The twelve-month period from July 1 through the following June 30 which constitutes the County's annual financial operating cycle, as required by State and local law.

FIXED ASSETS – Assets of a long-term character which are intended to continue to be held or used. Examples of fixed assets include items such as land, buildings or machinery.

FRINGE BENEFITS – While this term generally encompasses all of those elements of total compensation provided employees other than direct salary, for budgetary purposes this term applies to the annual cost of employee retirement and insurance programs.

FUNCTION – A grouping of the major responsibilities of the County Government into a set of summary designations (e.g., Public Safety, Criminal/Civil Justice, Human Services).

FUND – Resources segregated for the purpose of implementing specific activities or achieving certain objectives in accordance with special regulations, restrictions or limitations and constituting an independent fiscal and accounting entity.

FUND BALANCE – Undesignated and unencumbered reserves in a fund; the amount by which resources exceed the obligations of the fund.

FUND OPERATING SUMMARY – A statement summarizing the financial operations of a fund for a specified period of time, including current revenues and expenditures.

GENERAL OBLIGATION BOND – A bond which is backed by the full faith and credit of the issuing government.

GRANT – A contribution of assets (usually cash) from one governmental unit (Federal, State, local) or private sources to a governmental or private entity. The contribution is usually provided in support of a particular public function, project or program.

GENERAL FUND – The principal operating fund for the County Government. It is used to account for all financial resources except those required by law, County policy and Generally Accepted Accounting Principles to be accounted for in another fund.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) - Financial standards promulgated by the Governmental Accounting Standards Board that must be met by all state and local governments.

HOTEL/MOTEL TAX – A tax levied on individuals who secure accommodations for seven days or fewer in any hotel, motel, or other organization that offers accommodations for five or more people.

INDIRECT COST - An allocation plan for costs which support government-wide operations (e.g., payroll, personnel, accounting and building operations) for purposes of reflecting total costs of performing a governmental function. Where allowed, this allocation is the basis for charges to outside funding sources such as grants-in-aid.

INTERFUND TRANSFER – A transfer of resources from one fund such as the General Fund to another such as an Enterprise Fund.

IN-KIND CONTRIBUTION – Employee time, related operating expenses and use of facilities dedicated to the administration and operation of grant programs, but funded within the department's General Fund budget. When allowed, this type of contribution is utilized in

lieu of cash when a match of funds is required by the grant.

INTERGOVERNMENTAL REVENUE – Funds received from Federal, State and other local government sources in the form of grants, shared revenues and payments in lieu of taxes.

INTERNAL SERVICE FUND – A fund established in order to finance, administer and account for the provision of goods and/or services by one agency to other agencies within County Government (e.g., vehicle maintenance, information technology). (*see Project Charge*)

LAPSE – The reduction of gross personnel costs by an amount believed unnecessary because of turnover, vacancies, and normal delays in filling positions. The amount of lapse will differ among departments and from year to year.

LEASE/PURCHASE AGREEMENT – A contractual agreement, which is termed a "lease," but in substance is an installment purchase contract.

LICENSES AND PERMITS – Documents issued in order to regulate various kinds of businesses and other activities within the community. Inspection may accompany the issuance of a license or permit, as in the case of food vending licenses or building permits. In most instances, a fee is charged in conjunction with the issuance of a license or permit to cover all or part of the related cost.

LIMITED TERM POSITION – A position that is funded by a grant or some other financial funding agreement with the Federal or State government or a private funding source, and that is used where such grant or agreement does not provide sufficient funding for full employee benefits, or where continued funding is not assured from year to year. Limited term staff are employed under renewable personal service contracts for periods not exceeding one year.

LOCAL GOVERNMENT INSURANCE TRUST (LGIT) – A statewide pool authorized to minimize local government insurance costs.

MAINTENANCE OF EFFORT – A State requirement that, in order to receive increases in public school education aid, local governments must provide funds for the next fiscal year, at a minimum, at the same per pupil level as the current fiscal year. To receive additional State Community College aid, the County must, at a minimum, provide the same overall dollar contribution level as in the previous year.

MERIT EMPLOYEE – A County employee who is hired into a position governed by the County Personnel Law, which ensures that personnel actions are based upon job-related fitness and merit.

MERIT INCREASE - An upward increment in an employee's pay within the salary range for a given class of work. It recognizes the completion of a period of satisfactory service.

MISSION - A statement of an agency's purpose, its reason for existence.

MUNICIPAL TAX DIFFERENTIAL – The recognition, through the imposition of a lower County property tax rate, of those government services and programs which municipal governments perform in lieu of similar County Government services, to the extent that these similar services are funded through the County property tax rate.

NON-DEPARTMENTAL ACCOUNTS – A budget category used to account for resources used for County-funded activities that do not fall within the functional assignment of any department, or for expenditures related to more than one department. Examples include debt service, utility and leased space costs.

OBJECTIVE – A statement describing something to be accomplished in specific, well-defined and measurable terms within a specified time frame (usually the fiscal year for which the budget is prepared).

OFFICE - *See Agency*

OFFICE AUTOMATION – Funding that is appropriated in County agencies for computer

and system maintenance, network connectivity and other services. These funds serve as revenue for the County's Information Technology Internal Service Fund.

OPERATING BUDGET – A comprehensive plan by which the County's operating programs are funded for a single fiscal year. The Operating Budget includes descriptions of programs, appropriation authority and estimated revenue sources, as well as related program data and information on the fiscal management of the County (*See Current Expense Budget*).

OPERATING EXPENSE – Those costs, other than Compensation, Fringe Benefits and Capital Outlay, which are necessary to support the day-to-day operation of the organization, such as charges for contractual services, telephones, printing, training, office supplies or building maintenance.

PENSION TRUST FUNDS – Accounting entities for assets held by the County from which retirement annuities and other benefits are paid to former employees.

PERFORMANCE MEASUREMENT – The use of program indicators or other program data, including output and outcome measures, to assess the efficiency and effectiveness of a program.

PERSONAL PROPERTY TAXES - Taxes levied on tangible personal property and commercial and manufacturing inventory of businesses.

PRE-TRIM TAX RATE - The property tax rate authorized to retire debt existing prior to the enactment of TRIM in 1978. The last debt payment funded by this rate was made in FY2003.

PROGRAM – *See Function*

PROJECT CHARGE – The classification used to account for the recovery of certain costs incurred by an agency for services it provides to another agency or fund. In the case of grants, project charges are used, in part, to avoid double counting expenditures.

PUBLIC HEARING – Opportunities for citizens and constituent groups to voice opinions and concerns to public officials. Public hearings are advertised in County newspapers. If it is not possible to testify in person at the hearings, written testimony is acceptable and encouraged.

RAINY DAY FUND – The County's required contingency reserve fund, which must equal 5% of the General Fund.

REAL ESTATE ACQUISITION PROGRAM (REAP) – Financing used in 1991 to acquire two properties, formerly leased, for a net long-term savings to the County. Five additional facilities were purchased in 1994.

REAL PROPERTY – Real estate, including land and improvements (buildings, fences, pavements, etc.), classified for purposes of assessments.

RECORDATION TAX – A tax imposed on written instruments conveying title to real or personal property, liens or encumbrances on real and personal property, deeds, mortgages, chattel mortgages, bills of sale, leases, deeds of trust, filed financial statements and contracts and agreements offered for record.

RECOVERY - *See Project Charge*

RESERVE – An account used either to set aside budgeted resources that are not required for expenditure in the current budget year or to earmark resources for a specific future purpose.

REVENUE – All funds that the County receives, including tax payments, fees for specific services, receipts from other governments, fines, forfeitures, shared revenues and interest income.

REVENUE BONDS – Bonds that are issued with repayment based on pledged revenues from a revenue generating facility.

RISK MANAGEMENT – A process used to identify and measure the risks of accidental loss, to develop and implement techniques for handling risk, and to monitor results. Techniques used may include self-insurance, commercial insurance and loss control activities.

SALARY SCHEDULE - A listing of minimum and maximum salaries, fringe benefits, salary differentials, overtime provisions and other paid and unpaid benefits for each grade level in a classification plan for merit system positions.

SELF-INSURANCE – The funding of liability, property, workers' compensation, unemployment, and life and health insurance needs through the County's financial resources rather than commercial insurance plans.

SEMI-AUTONOMOUS AGENCIES – Agencies of the County which are not subject to full County appropriation authority due to State Law, such as the Washington Suburban Sanitary Commission (WSSC), the Maryland – National Capital Park and Planning Commission (M-NCPPC), the Board of Education, the Library System and the Community College.

SPECIAL REVENUE FUND – A fund established in order to account for resources allocated by law for specified purposes only.

SUPPLEMENTAL APPROPRIATION – An appropriation of funds that exceed amounts originally appropriated to authorize expenditures not anticipated in the adopted budget. A supplemental appropriation is required to enable expenditure of reserves or additional revenues received by the County through grants or other sources.

TELECOMMUNICATIONS TAX – A monthly tax of 8% levied upon all telecommunications bills in the County (including wireless phones). 99% of the revenue generated from this tax is devoted exclusively to the County's Board of Education. The remaining 1% is divided between the County and telecommunications vendors to compensate for costs related to administering the tax. This tax was created in 2002 through the passage of State enabling legislation and County Council resolution. Revenue generated in the previous fiscal year is included as part of the County's obligations under maintenance-of-effort.

TRANSFER TAX – A tax imposed upon every written instrument conveying title to real property, or upon a leasehold interest, offered for record and recorded by the State.

WORKYEAR - A standardized unit for measurement of government personnel efforts and cost. A typical workyear is equivalent to 2,080 workhours or 260 workdays.

Readers not finding a term in this glossary should call the Office of Management and Budget at 301.952.3300.

ACRONYMS

Acronyms are groups of initials used to avoid repetitive writing or speaking of frequently used titles or phrases. Some of the more common acronyms used in the budget document are as follows:

BOE - Board of Education

BOLC - Board of License Commissioners

CAO - Chief Administrative Officer

CDBG – Community Development Block Grant

CIP – Capital Improvement Program

COG – Council of Governments

COLA – Cost of Living Adjustment

COMAR – Code of Maryland Annotated Regulations

CPI – Consumer Price Index

CTV – Cable Television (of Prince George's County)

DCAO – Deputy Chief Administrative Officer

DER – Department of Environmental Resources

DHCD – Department of Housing and Community Development

DPWT - Department of Public Works and Transportation

DOC – Department of Corrections

EEOC – Equal Employment Opportunity Commission

EF – Enterprise Fund

EMS – Emergency Medical Services

ERT – Emergency Response Technician

FLSA – Fair Labor Standards Act

FTE – Full time equivalent

FY – Fiscal Year

G.O. Bonds – General Obligation Bonds

GAAP – Generally Accepted Accounting Principles

GASB – Governmental Accounting Standards Board

GF – General Fund

GFOA – Government Finance Officers Association

HIDTA - High Intensity Drug Trafficking Area

HMO – Health Maintenance Organization

HRC – Human Relations Commission

HUD – Housing and Urban Development

IS – Internal Service Fund

IT - Information Technology

MACO - Maryland Association of Counties

MBOC – Minority Business Opportunities Commission

MIS – Management Information System

M-NCPPC – Maryland-National Capital Park and Planning Commission

MOSHA - Maryland Occupational Safety and Health Administration

OCS – Office of Central Services

OITC – Office of Information Technology and Communications

OMB – Office of Management and Budget

OPLR – Office of Personnel and Labor Relations

OSHA – Occupational Safety and Health Administration

PGMLS – Prince George's Memorial Library System

RA – Redevelopment Authority of Prince George's County

SR – Special Revenue Fund

TANF – Temporary Assistance to Needy Families

TRIM - Tax Reform Initiative by Marylanders

WMATA – Washington Metropolitan Area Transit Authority

WSSC – Washington Suburban Sanitary Commission

WSTC – Washington Suburban Transit Commission