

Prince George's County Board of Education
14201 School Lane • Upper Marlboro, Maryland 20772 • www.pgcps.org

BOARD OF EDUCATION
Telephone: 301-952-6308
Facsimile: 301-952-6114

June 22, 2020

Board Chair
Alvin Thornton, Ph.D.

The Honorable Angela Alsobrooks
County Executive, Prince George's County

Board Vice Chair
Edward Burroughs, III

The Honorable Todd M. Turner
Chair, Prince George's County Council
Prince George's County Government
County Administration Building
14741 Governor Oden Bowie Drive
Upper Marlboro, Maryland 20772

Board Members
Raaheela Ahmed
Pamela Boozer-Strother
Paul Monteiro
David Murray
Belinda Queen
Sandra D. Shephard
Bryan Swann
Joshua M. Thomas
Curtis Valentine, M.P.P.
K. Alexander Wallace
Sonya Williams

RE: FY 2020 First Financial Review

Student Member
Joshua Omolola

Dear County Executive Alsobrooks and Chair Turner:

Secretary-Treasurer
Monica E. Goldson, Ed.D.

This letter requests approval of an operating budget transfer between major expenditure categories for FY 2020. The transfer realigns categories within the Board of Education Approved Budget. It also reduces the FY 2020 revenue and expenditure budgets by \$2,514,340. This decrease accounts for a State recalculation of Tax Incremental Financing revenue, which occurred after the Board of Education adopted its Approved Budget on June 20, 2019. This transfer and revenue reduction request are required to comply with state law to ensure that expenditures do not exceed state categorical appropriated amounts.

ADMINISTRATION

Chief Executive Officer
Monica E. Goldson, Ed.D.
Telephone: 301-952-6008

This financial review was approved by the Board of Education on March 27, 2020. Due to the COVID-19 office closings, we held this financial review as we awaited further direction from County staff regarding the resumption of public meetings.

Transfers were necessary in the following major categories: Administration, Mid-Level Administration, Instructional Salaries, Textbooks & Instructional Materials, Other Instructional Costs, Special Education, Student Personnel Services, Health Services, Transportation, Operation of Plant, Maintenance of Plant, Fixed Charges, Food Services and Community Services.

The appropriated budget total for FY 2020 was reduced from \$2,183,122,900 to \$2,180,608,560 to account for the State's TIF recalculation.

MISSION STATEMENT

The Prince George's County Board of Education will advance the achievement of its diverse student body through community engagement, sound policy governance, accountability, and fiscal responsibility.

Prince George's County Public Schools

The below chart outlines the Board-Approved categorical changes:

EXPENDITURES MAJOR CATEGORIES	FY 2020 Board of Education APPROVED <i>(June 20, 2019)</i>	FY 2020 Financial Review Transfer Request as of 12.31.19			FY 2020 Board of Education REVISED <i>(March 27, 2020)</i>
		Unrestricted	Restricted	Total Transfer	
Administration	\$ 87,702,853	\$ 222,810	\$ (7,196,541)	\$ (6,973,731)	\$ 80,729,122
Mid-Level Administration	136,984,417	(163,481)	(905,000)	(1,068,481)	135,915,936
Instructional Salaries	745,645,412	(24,646,144)	(853,188)	(25,499,332)	720,146,080
Textbooks and Instructional Materials	21,243,729	(2,880,293)	3,100,000	219,707	21,463,436
Other Instructional Costs	87,423,023	4,192,103	13,559,120	17,751,223	105,174,246
Special Education	301,992,947	10,964,391	3,794,525	14,758,916	316,751,863
Student Personnel Services	31,273,458	(1,356,060)	(3,100,000)	(4,456,060)	26,817,398
Health Services	23,580,697	(221,954)	(2,152,179)	(2,374,133)	21,206,564
Student Transportation Services	110,755,596	9,369,559	(379,000)	8,990,559	119,746,155
Operation of Plant	138,821,121	(598,652)	(2,111,000)	(2,709,652)	136,111,469
Maintenance of Plant	43,933,355	12,020,000	2,111,000	14,131,000	58,064,355
Fixed Charges	447,417,339	(7,259,697)	(6,246,737)	(13,506,434)	433,910,905
Food Services Subsidy	2,155,343	(1,443,339)	-	(1,443,339)	712,004
Community Services	3,868,610	(713,583)	379,000	(334,583)	3,534,027
Capital Outlay	325,000	-	-	-	325,000
Expenditures Total	\$ 2,183,122,900	\$ (2,514,340)	\$ -	\$ (2,514,340)	\$ 2,180,608,560

County Council approval of this first transfer request between major expenditure categories for Fiscal Year 2020 is respectfully requested.

Sincerely,



Alvin Thornton, Ph.D.
 Chair, Board of Education



Monica E. Goldson, Ed.D
 Chief Executive Officer

Attachments

- c: Members, Board of Education
- Members, County Council
- Mr. Major Riddick
- Mr. Robert J. Williams, Jr.
- Mr. David H. Van Dyke
- Ms. Inez Claggett
- Mr. Stanley A. Earley
- Mr. William Hunt
- Members, Executive Cabinet

Board Action Summary

An Outline of the Chief Executive Officer's Recommendation to the Board of Education

New Program: Yes No

Modified Program: Yes No

Subject: Fiscal Year 2020 Financial Review and Categorical Changes

Abstract and Highlights: Administration regularly monitors the financial condition of the school system throughout the fiscal year and recommends periodic adjustments to meet evolving needs of the District and ensure fiscal stability.

The attached Appendices detail all of the categorical changes required under this Financial Review. While most of the changes are offset by changes to other categories, there is a need to reduce the overall Operating Budget by \$2,514,340, for both revenues and expenditures. This decrease accounts for a State recalculation of Tax Incremental Financing revenue, which occurred after the Board of Education adopted its Approved Budget on June 20, 2019.

This Financial Review also increases the total authorized Full-Time Equivalent (FTE) by 45.0 FTE. These new FTE support Community School Coordinators within the Kirwan Blueprint Concentration of Poverty grant program.

The Public School Laws of Maryland require Board of Education and County Council approval of transfers between major categories. The attached resolution approves the recommended FY 2020 transfers between major categories and authorizes the Chief Executive Officer to request County Council approval of the transfers. Board of Education approval of the resolution is recommended.

In addition to the resolution, two documents are attached to this board action summary:

- Appendix A: Itemized Changes and Narrative Explanations
- Appendix B: Sources and Uses of Funds by State Category

Budget Implications: (\$2,514,340)

Staffing Implications: 45.0

School(s) Affected: All Schools

Preparation Date: March 24, 2020

Person Preparing: Michael Herbstman, Chief Financial Officer

Board Agenda Introduction Date (Budget Consent): March 27, 2020

Board Action Date (Budget Consent): March 27, 2020

Endorsed: 
Chief Financial Officer

Endorsed: 
Chief of Staff

Approved: 
Chief Executive Officer

PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS
Upper Marlboro, Maryland 20772

RESOLUTION

WHEREAS, the financial condition of the school system is regularly monitored throughout the fiscal year with adjustments made periodically to meet evolving needs of the school system and ensure fiscal stability; and

WHEREAS, a review of the financial condition of the school system indicates that expenditures are expected to meet current appropriated revenues; and

WHEREAS, an appropriation reduction of \$2,514,340 and a Full-Time Equivalents increase of 45.0 FTE are requested; and

WHEREAS, the Public School Laws of Maryland require Board of Education and County Council approval of transfers between major categories;

THEREFORE, BE IT RESOLVED, that the Board of Education of Prince George's County approves the recommended FY 2020 transfers between major categories and increase of 45.0 FTE identified in the Financial Review; and

FINALLY, BE IT RESOLVED, that the Board of Education authorizes the Chief Executive Officer to request County Council approval of transfers between major categories identified in the Financial Review, as summarized in the tables below:

REVENUE	FY 2020 Board of Education APPROVED <i>(June 20, 2019)</i>	FY 2020 Financial Review Transfer Request as of 12.31.19			FY 2020 Board of Education REVISED <i>(March 27, 2020)</i>
		Unrestricted	Restricted	Total Transfer	
Federal Sources	\$ 124,487,315	\$ -	\$ -	\$ -	\$ 124,487,315
State Sources	1,227,872,982	(2,514,340)	-	(2,514,340)	\$ 1,225,358,642
Board Sources	16,293,003	-	-	-	\$ 16,293,003
County Sources	786,469,600	-	-	-	\$ 786,469,600
Fund Balance - Prior Year	28,000,000	-	-	-	\$ 28,000,000
Revenue Total	\$ 2,183,122,900	\$ (2,514,340)	\$ -	\$ (2,514,340)	\$ 2,180,608,560

EXPENDITURES MAJOR CATEGORIES	FY 2020 Board of Education APPROVED <i>(June 20, 2019)</i>	FY 2020 Financial Review Transfer Request as of 12.31.19			FY 2020 Board of Education REVISED <i>(March 27, 2020)</i>
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Expenditures Total	\$ 2,183,122,900	\$ (2,514,340)	\$ -	\$ (2,514,340)	\$ 2,180,608,560

Submitted by:	<u>Monica Goldson, Ed.D.</u>
Prepared by:	<u>Michael Herbstman, Chief Financial Officer</u>
Agenda Date:	<u>March 27, 2020</u>
Discussion:	_____
First Reader:	_____
Budget Consent Agenda:	<u>March 27, 2020</u>
Emergency:	_____
Amended:	_____
Deferred:	_____
Tabled:	_____
Approved by the Board:	_____

Appendix A: Itemized Changes and Narrative Explanations

Budget Reductions

Sources and Uses of Funds	Amount	Narrative Explanation
Lapse Recovery	(35,734,436)	Use of estimated lapse recovery across all departments and schools. These amounts are primarily salary and benefits that go unspent throughout the year due to turnover. In a District this large, even with relatively low employee turnover, lapse accumulates to substantial amounts. Note that additional lapse projection has been added for FY 2021 to tighten the budget, support important initiatives including employee compensation and increase transparency.
Maintenance & Repair of Vehicles (Fuel Costs)	(1,000,000)	Reduction in overall maintenance and repair costs due to decreased gas and diesel fuel rates in FY 2020.
Rate Adjustments – Retirement and Workers’ Compensation	(7,048,028)	Lower than budgeted expenses for Retirement (\$2.0 million) and County Contributions for Worker's Compensation (\$5.0 million) results in savings in this area.
Rate Adjustments – Utilities	(2,749,960)	Reduction in utility budget due to lower than anticipated expenditures because of warmer-than-expected temperatures.
Total Budget Reductions	(46,532,424)	

Distance Learning

Sources and Uses of Funds	Amount	Narrative Explanation
Distance Learning Technology Access	2,000,000	Resources dedicated to ensuring access to technology, broadband connectivity and other distance learning materials. These items will support PGCCPS’ distance learning initiative and provide equity across our district effectively eliminating the digital divide between now and the end of the school year.
Total Distance Learning Funding	2,000,000	

Forward-Funding to Close Budget Gap

Sources and Uses of Funds	Amount	Narrative Explanation
Early Payment of Lease Purchase Agreement	(4,793,477)	Supports the early termination of the five-year FY 2017 lease purchase agreement (LPA) by funding the final payment in FY 2020 (June 2020) instead of FY 2021 as originally planned. This early payment will reduce the amount due in FY 2021 and will help to close the projected budget deficit. This LPA supported the purchase of Buses, Textbooks and Technology in FY 2017.
Total Forward-Funding	(4,793,477)	

Funding Historically Underbudgeted Items

Sources and Uses of Funds	Amount	Narrative Explanation
Compensatory Emoluments	121,416	Additional money required to support the current-year obligations for Compensatory Emoluments. This is approximately a 2% increase above the budgeted amount.
Maintenance Supplies & Contracted Services	11,300,000	This area has been consistently underfunded in past years requiring adjustments at Financial Review. This includes amounts for maintenance supplies, temporary buildings, asbestos removal and unfunded emergency requests. This budget has been increased in the FY 2021 Board of Education Requested Budget.
Plant Operations - Underbudgeted Items	200,000	To support additional custodial supplies and equipment.
System-Wide Overtime	9,050,991	Each year, overtime is substantially under-budgeted across the District. Historically, this has required changes through Financial Review. The FY 2021 Proposed and BOE- Requested Budgets both contain system-wide overtime increases to reverse this pattern. Additionally, Administration has formed an overtime Task Force to examine the appropriateness of current overtime usage and recommend changes if necessary.
Transportation - Underbudgeted Items	700,000	Additional funds for temporary office worker and non-discretionary bus aides.
Total Funding Historically Underbudgeted Items	21,372,407	

Special Education Allocation Changes

Sources and Uses of Funds	Amount	Narrative Explanation
Non-Public Tuition & Contracted Services	14,918,318	Additional funding for students with disabilities educated in a non-public setting. Rates have steadily increased each year without the necessary offsetting budgetary modifications.
Special Education Stipends and Differentials	680,518	The PGCEA Contract requires differential pay for specific Special Education Positions. Additional money is required to fully fund this agreement.
Total Special Education Allocation Changes	15,598,836	

Other School Supports

Sources and Uses of Funds	Amount	Narrative Explanation
Alternative Schools	242,000	Additional funds to support substitutes, part-time and discretionary spending for Alternative Schools.
Substitutes	2,178,500	To support systemic substitutes for teacher on personal or sick leave.
Total Special Education Allocation Changes	2,420,500	

Other Items

Sources and Uses of Funds	Amount	Narrative Explanation
Interpreting & Translation	201,593	Additional funds to support contracted services for increased interpreting and translation requests.
Summer School	533,925	Additional funds to support instructional costs associated with Mandatory Summer School and High School Credit Recovery. The reductions in rates in FY 2020 has influenced an increase in participation.
Tax Increment Finance	(3,061,125)	Reduce Tax Incremental Financing revenue to reflect the final FY 2020 State Aid Budgeted levels. Earlier versions of the State Aid Budget estimated the PGCPs appropriation from TIF grants at \$3,061,125. PGCPs Administration's estimate was significantly lower so in the FY 2020 Approved

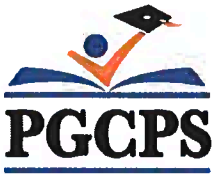
Sources and Uses of Funds	Amount	Narrative Explanation
		Budget, the expenditure amount was held in a placeholder account within Category #4, pending further confirmation from the State. On July 11, 2019, the State confirmed that there was an error in their calculation and the correct allocation was \$546,785, a reduction of \$2,514,340. In this Financial Review, that \$2,514,340 is reduced from both the Revenue and Expenditure budget. The \$546,785 remains in Category #4 to support the purchase of Textbooks and Instructional Materials.
Chief Executive Officer	158,471	Funding to support the Senior Advisor to the CEO.
Total Funding for Other Items	(2,167,136)	

Totals

Sources and Uses of Funds	Amount	Narrative Explanation	
Budget Reductions	(46,532,424)	See above narrative explanations	
Distance Learning	2,000,000		
Forward-Funding to Close Budget Gap	4,793,477		
Funding Historically Underbudgeted Items	21,372,407		
Special Education Allocation Changes	15,598,836		
Other School Supports	2,420,500		
Other Items	(2,167,136)		
Intra-Project Realignments	0		
Grand Total	(2,514,340)		Note: This decrease represents an overall reduction of \$2,514,340 for both revenues and expenditures due to the State recalculation of Tax Increment Financing (see explanation above).

Appendix B: Sources and Uses of Funds by State Category

Sources and Uses of Funds	Category #1 Administration	Category #2 Mid- Level Administration	Category #3 Instructional Salaries & Wages	Category #4 Textbooks & Instructional Materials	Category #5 Other Instructional Costs	Category #6 Special Education	Category #7 Student Personnel Services	Category #8 Student Health Services	Category #9 Student Transportation Services	Category #10 Operation of Plant	Category #11 Maintenance of Plant	Category #12 Fixed Charges	Category #13 Food Service Subsidy	Category #14 Community Services	Grand Total
Budget Reductions	-	-	(25,499,235)	-	-	(5,800,000)	(1,000,000)	-	(750,000)	(2,899,960)	(100,000)	(7,048,028)	(1,443,339)	(991,862)	(46,532,424)
Lapse Recovery	-	-	(26,499,235)	-	-	(5,800,000)	(1,000,000)	-	(750,000)	(150,000)	(100,000)	-	(1,443,339)	(991,862)	(95,734,436)
Maintenance & Repair of Vehicles (Fuel Costs)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,000,000)
Rate Adjustments	-	-	-	-	-	-	-	-	(2,749,960)	-	-	(7,048,028)	-	-	(9,797,988)
Distance Learning	-	-	-	-	2,000,000	-	-	-	-	-	-	-	-	-	2,000,000
Distance Learning Technology Access	-	-	-	-	2,000,000	-	-	-	-	-	-	-	-	-	2,000,000
Forward Funding to Close Budget Gap	-	-	-	-	1,180,844	-	-	-	3,612,833	-	-	-	-	-	4,793,677
Early Payment of Lease Purchase	-	-	-	-	1,180,844	-	-	-	3,612,833	-	-	-	-	-	4,793,677
Funding Historically Underbudgeted Items	-	-	-	-	-	121,416	-	-	6,700,000	2,191,685	12,100,000	-	-	259,306	21,372,407
Compensatory Emoluments	-	-	-	-	-	121,416	-	-	-	-	-	-	-	-	121,416
Maintenance Supplies & Contracted Services	-	-	-	-	-	-	-	-	-	200,000	11,300,000	-	-	-	11,300,000
Plant Operations - Underbudgeted Items	-	-	-	-	-	-	-	-	-	200,000	-	-	-	-	200,000
System-Wide Overtime	-	-	-	-	-	-	-	-	6,000,000	1,991,685	800,000	-	-	259,306	9,050,991
Transportation - Underbudgeted Items	-	-	-	-	-	-	-	-	700,000	-	-	-	-	-	700,000
Special Ed Allocation Change	-	-	-	-	(300,000)	16,509,705	(410,869)	(200,000)	-	-	-	-	-	-	15,598,836
Non-Public Tuition & Contracted Services	-	-	-	-	(300,000)	15,829,187	(410,869)	(200,000)	-	-	-	-	-	-	14,918,318
Stipends and Differentials	-	-	-	-	-	680,518	-	-	-	-	-	-	-	-	680,518
Other School Supports	(163,465)	(213,712)	4,177,206	5,000	(1,403,529)	3,000	3,000	(90,000)	40,000	25,000	20,000	-	-	18,000	2,420,500
Alternative Schools	-	3,000	120,000	5,000	5,000	3,000	3,000	-	40,000	25,000	20,000	-	-	-	242,000
Substitutes	(163,465)	(216,712)	4,057,206	-	(1,408,529)	-	-	(90,000)	-	-	-	-	-	-	2,178,500
Other Items	300,114	-	533,925	(3,061,125)	-	(37,865)	97,815	-	-	-	-	-	-	-	(2,167,136)
Interpreting & Translation	-	-	-	-	-	(37,865)	97,815	-	-	-	-	-	-	-	201,593
Summer School	-	-	533,925	-	-	-	-	-	-	-	-	-	-	-	533,925
Tax Increment Finance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,061,125)
Chief Executive Officer	158,471	-	-	-	-	-	-	-	-	-	-	-	-	-	158,471
Intra Project Realignment	(7,110,380)	(854,769)	(3,711,228)	3,275,832	16,273,908	3,962,660	(3,146,006)	(2,084,133)	(612,074)	(2,026,377)	2,111,000	(6,458,406)	-	379,973	-
Intra Project Realignment	(7,110,380)	(854,769)	(3,711,228)	3,275,832	16,273,908	3,962,660	(3,146,006)	(2,084,133)	(612,074)	(2,026,377)	2,111,000	(6,458,406)	-	379,973	-
Grand Total	(6,973,731)	(1,068,481)	(25,499,332)	219,707	37,751,223	14,755,916	(4,456,060)	(2,374,133)	8,990,559	(2,709,652)	14,131,000	(13,506,434)	(1,443,339)	(334,583)	(2,514,340)




Michael Herbstman
Chief Financial Officer

March 30, 2020

MEMORANDUM

TO: Monica Goldson, Ed.D.
Chief Executive Officer

FROM: Michael Herbstman 
Chief Financial Officer

RE: Fiscal Year 2020 Financial Review and Categorical Changes – Correction

On March 27, 2020, the Board of Education voted unanimously to approve FY 2020 Financial Review and Categorical Changes. As the Budget and Management Services Office worked to implement the necessary changes today, they noticed an error in the charts included in the Resolution.

Funding for Distance Learning Technology Access, in the amount of \$2,000,000, should have been moved from Category #3 (Instructional Salaries & Wages) to Category #5 (Other Instructional Costs). This change was shown correctly in both Appendix A and Appendix B. Additionally, the substantive discussion around this item during the Board of Education meeting showed the clear intent to move these funds.

However, it was incorrectly displayed in the Resolution Chart. This memorandum is intended to clear up any confusion caused by this inconsistency.

Attached are the following items:

- Revised Resolution Chart, correcting the error
- Original Attachment A, matching the Revised Resolution Chart
- Original Attachment B, matching the Revised Resolution Chart

MH

c: Mr. Christian Rhodes
Ms. Dana Estep
Ms. Ifeoma Smith

Attachments

Fiscal Year 2020 Financial Review and Categorical Changes - Resolution Chart

Revised March 30, 2020, to Display Correct Amounts for Categories 203 and 205

REVENUE	FY 2020 Board of Education APPROVED <i>(June 20, 2019)</i>	FY 2020 Financial Review Transfer Request as of 12.31.19			FY 2020 Board of Education REVISED <i>(March 27, 2020)</i>
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Sources and Uses of Funds	Amount	Narrative Explanation
Lapse Recovery	(35,734,436)	Use of estimated lapse recovery across all departments and schools. These amounts are primarily salary and benefits that go unspent throughout the year due to turnover. In a District this large, even with relatively low employee turnover, lapse accumulates to substantial amounts. Note that additional lapse projection has been added for FY 2021 to tighten the budget, support important initiatives including employee compensation and increase transparency.
Maintenance & Repair of Vehicles (Fuel Costs)	(1,000,000)	Reduction in overall maintenance and repair costs due to decreased gas and diesel fuel rates in FY 2020.
Rate Adjustments – Retirement and Workers’ Compensation	(7,048,028)	Lower than budgeted expenses for Retirement (\$2.0 million) and County Contributions for Worker's Compensation (\$5.0 million) results in savings in this area.
Rate Adjustments – Utilities	(2,749,960)	Reduction in utility budget due to lower than anticipated expenditures because of warmer-than-expected temperatures.
Total Budget Reductions	(46,532,424)	

Distance Learning

Sources and Uses of Funds	Amount	Narrative Explanation
Distance Learning Technology Access	2,000,000	Resources dedicated to ensuring access to technology, broadband connectivity and other distance learning materials. These items will support PGCPs’ distance learning initiative and provide equity across our district effectively eliminating the digital divide between now and the end of the school year.
Total Distance Learning Funding	2,000,000	

Forward-Funding to Close Budget Gap

Sources and Uses of Funds	Amount	Narrative Explanation
Early Payment of Lease Purchase Agreement	(4,793,477)	Supports the early termination of the five-year FY 2017 lease purchase agreement (LPA) by funding the final payment in FY 2020 (June 2020) instead of FY 2021 as originally planned. This early payment will reduce the amount due in FY 2021 and will help to close the projected budget deficit. This LPA supported the purchase of Buses, Textbooks and Technology in FY 2017.
Total Forward-Funding	(4,793,477)	

Funding Historically Underbudgeted Items

Sources and Uses of Funds	Amount	Narrative Explanation
Compensatory Emoluments	121,416	Additional money required to support the current-year obligations for Compensatory Emoluments. This is approximately a 2% increase above the budgeted amount.
Maintenance Supplies & Contracted Services	11,300,000	This area has been consistently underfunded in past years requiring adjustments at Financial Review. This includes amounts for maintenance supplies, temporary buildings, asbestos removal and unfunded emergency requests. This budget has been increased in the FY 2021 Board of Education Requested Budget.
Plant Operations - Underbudgeted Items	200,000	To support additional custodial supplies and equipment.
System-Wide Overtime	9,050,991	Each year, overtime is substantially under-budgeted across the District. Historically, this has required changes through Financial Review. The FY 2021 Proposed and BOE- Requested Budgets both contain system-wide overtime increases to reverse this pattern. Additionally, Administration has formed an overtime Task Force to examine the appropriateness of current overtime usage and recommend changes if necessary.
Transportation - Underbudgeted Items	700,000	Additional funds for temporary office worker and non-discretionary bus aides.
Total Funding Historically Underbudgeted Items	21,372,407	

Special Education Allocation Changes

Sources and Uses of Funds	Amount	Narrative Explanation
Non-Public Tuition & Contracted Services	14,918,318	Additional funding for students with disabilities educated in a non-public setting. Rates have steadily increased each year without the necessary offsetting budgetary modifications.
Special Education Stipends and Differentials	680,518	The PGCEA Contract requires differential pay for specific Special Education Positions. Additional money is required to fully fund this agreement.
Total Special Education Allocation Changes	15,598,836	

Other School Supports

Sources and Uses of Funds	Amount	Narrative Explanation
Alternative Schools	242,000	Additional funds to support substitutes, part-time and discretionary spending for Alternative Schools.
Substitutes	2,178,500	To support systemic substitutes for teacher on personal or sick leave.
Total Special Education Allocation Changes	2,420,500	

Other Items

Sources and Uses of Funds	Amount	Narrative Explanation
Interpreting & Translation	201,593	Additional funds to support contracted services for increased interpreting and translation requests.
Summer School	533,925	Additional funds to support instructional costs associated with Mandatory Summer School and High School Credit Recovery. The reductions in rates in FY 2020 has influenced an increase in participation.
Tax Increment Finance	(3,061,125)	Reduce Tax Incremental Financing revenue to reflect the final FY 2020 State Aid Budgeted levels. Earlier versions of the State Aid Budget estimated the PGCPs appropriation from TIF grants at \$3,061,125. PGCPs Administration's estimate was significantly lower so in the FY 2020 Approved

Sources and Uses of Funds	Amount	Narrative Explanation
		Budget, the expenditure amount was held in a placeholder account within Category #4, pending further confirmation from the State. On July 11, 2019, the State confirmed that there was an error in their calculation and the correct allocation was \$546,785, a reduction of \$2,514,340. In this Financial Review, that \$2,514,340 is reduced from both the Revenue and Expenditure budget. The \$546,785 remains in Category #4 to support the purchase of Textbooks and Instructional Materials.
Chief Executive Officer	158,471	Funding to support the Senior Advisor to the CEO.
Total Funding for Other Items	(2,167,136)	

Totals

Sources and Uses of Funds	Amount	Narrative Explanation
Budget Reductions	(46,532,424)	See above narrative explanations
Distance Learning	2,000,000	
Forward-Funding to Close Budget Gap	4,793,477	
Funding Historically Underbudgeted Items	21,372,407	
Special Education Allocation Changes	15,598,836	
Other School Supports	2,420,500	
Other Items	(2,167,136)	
Intra-Project Realignments	0	
Grand Total	(2,514,340)	

Appendix B: Sources and Uses of Funds by State Category

Sources and Uses of Funds	Category #1 Administration	Category #2 Mid Level Administration	Category #3 Instructional Salaries & Wages	Category #4 Textbooks & Instructional Materials	Category #5 Other Instructional Costs	Category #6 Special Education	Category #7 Student Personnel Services	Category #8 Student Health Services	Category #9 Student Transportation Services	Category #10 Operation of Plant	Category #11 Maintenance of Plant	Category #12 Fixed Charges	Category #13 Food Service Subsidy	Category #14 Community Services	Grand Total
Budget Reductions	-	-	(26,499,235)	-	-	(5,800,000)	(1,000,000)	-	(750,000)	(2,899,960)	(100,000)	(7,048,028)	(1,443,339)	(991,862)	(46,332,424)
Lapse Recovery	-	-	(26,499,235)	-	-	(5,800,000)	(1,000,000)	-	-	-	-	-	(1,443,339)	(991,862)	(35,734,436)
Maintenance & Repair of Vehicles (Fuel Costs)	-	-	-	-	-	-	-	-	(750,000)	(150,000)	(100,000)	-	-	-	(1,000,000)
Rate Adjustments	-	-	-	-	-	-	-	-	-	(2,749,960)	-	(7,048,028)	-	-	(9,797,988)
Distance Learning	-	-	-	-	2,000,000	-	-	-	-	-	-	-	-	-	2,000,000
Distance Learning Technology Access	-	-	-	-	2,000,000	-	-	-	-	-	-	-	-	-	2,000,000
Forward Funding to Close Budget Gap	-	-	-	-	-	-	-	-	3,612,633	-	-	-	-	-	4,799,477
Early Payment of Lease Purchase	-	-	-	-	1,180,844	-	-	-	3,612,633	-	-	-	-	-	4,793,477
Funding Historically Underbudgeted Items	-	-	-	-	-	121,416	-	-	6,700,000	2,191,685	12,100,000	-	-	259,306	21,372,407
Compensatory Emoluments	-	-	-	-	-	121,416	-	-	-	-	-	-	-	-	121,416
Maintenance Supplies & Contracted Services	-	-	-	-	-	-	-	-	-	11,300,000	-	-	-	-	11,300,000
Plant Operations - Underbudgeted Items	-	-	-	-	-	-	-	-	6,000,000	200,000	-	-	-	-	200,000
System-Wide Overtime	-	-	-	-	-	-	-	-	700,000	1,991,685	800,000	-	-	259,306	9,050,991
Transportation - Underbudgeted Items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	700,000
Special Ed Allocation Change	-	-	-	-	(300,000)	16,509,705	(410,869)	(200,000)	-	-	-	-	-	-	15,598,836
Non-Public Tuition & Contracted Services	-	-	-	-	(300,000)	15,829,187	(410,869)	(200,000)	-	-	-	-	-	-	14,918,318
Stipends and Differentials	-	-	-	-	-	680,518	-	-	-	-	-	-	-	-	680,518
Other School Supports	(163,465)	(213,712)	4,177,206	5,000	(1,403,529)	3,000	3,000	(90,000)	40,000	25,000	20,000	-	-	18,000	2,420,500
Alternative Schools	-	3,000	120,000	5,000	5,000	3,000	3,000	-	40,000	25,000	20,000	-	-	18,000	242,000
Substitutes	(163,465)	(216,712)	4,057,206	-	(1,408,529)	-	-	(90,000)	-	-	-	-	-	-	2,178,500
Other Items	300,114	-	533,925	(3,061,125)	-	(37,865)	97,815	-	-	-	-	-	-	-	(2,167,136)
Interpreting & Translation	141,643	-	-	-	-	(37,865)	97,815	-	-	-	-	-	-	-	201,593
Summer School	-	-	533,925	-	-	-	-	-	-	-	-	-	-	-	533,925
Tax Increment Finance	-	-	-	(3,061,125)	-	-	-	-	-	-	-	-	-	-	(3,061,125)
Chief Executive Officer	158,471	-	-	-	-	-	-	-	-	-	-	-	-	-	158,471
Intra Project Realignment	(7,110,380)	(854,769)	(3,711,228)	3,275,832	16,273,908	3,962,660	(3,146,066)	(2,084,133)	(612,074)	(2,026,377)	2,111,000	(6,458,406)	-	379,973	-
Intra Project Realignment	(7,110,380)	(854,769)	(3,711,228)	3,275,832	16,273,908	3,962,660	(3,146,066)	(2,084,133)	(612,074)	(2,026,377)	2,111,000	(6,458,406)	-	379,973	-
Grand Total	(6,973,731)	(1,068,481)	(25,499,332)	219,707	17,751,223	14,758,916	(4,456,060)	(2,374,133)	8,990,559	(2,709,652)	14,131,000	(13,506,434)	(1,443,339)	(334,593)	(2,514,340)