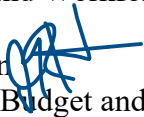





June 7, 2024

MEMORANDUM

TO: Sydney J. Harrison, Chair
Education and Workforce Development (EWD) Committee

THRU: Josh Hamlin 
Director of Budget and Policy Analysis

FROM: David Noto 
Legislative Budget and Policy Analyst

RE: Board of Education FY 2024 Financial Review #3

The Board of Education (BOE) requests authority to transfer appropriated funds between major expenditure categories to maintain a balanced budget and ensure fiscal stability through the end of the fiscal year. Total revenue and expenditures remain at \$2,813,515,115. This is \$13,473,715 more than the original County Council Approved FY 2024 Budget due to the receipt of additional funding. This is the fourth transfer request for FY 2024, but only the third submitted to the County Council, as not all transfer requests submitted to BOE require County Council approval.

The Financial Review, undertaken by Prince George's County Public Schools (PGCPS), would repurpose \$32.9 million to support the early pay-off of two lease purchase agreements. These agreements originally supported the purchase of Buses, Textbooks and Technology in FY 2023 and FY 2024. The early pay-off reduces the liability in the FY 2025 through FY 2028 operating budgets. \$31.2 million would come from lapse recovery across Administration, Mid-Level Administration, Special Education, Student Personnel Services, Operation of Plant, and Maintenance of Plant. These savings are primarily salary and benefits that go unspent throughout the year due to turnover. The remaining \$1.7 million would come from Student Health Services due to an inability to identify a vendor to provide staffing and related support services for School-Based Health Clinics. Just under \$14 million is reallocated to Student Transportation Services, and the remaining \$18.9 million is reallocated to Other Instructional Costs.

The remainder of the transfer request is deemed a program realignment, and it is stated that this is predominantly minor transfers within initiatives to align funds categorically¹. \$25 million would be transferred from Capital Outlay, \$3.5 million from Food Services, and \$10.2 million from Mid-level Administration, Instructional Salaries, Special Education, Student Personnel Services,

¹ Verbatim justification provided by PGCPS.

Student Health Services, Operation of Plant, Fixed Charges, and Community Services. \$18.2 million would be reallocated to Other Instructional Costs, and \$14.5 million to Student Transportation Services. Additionally, \$2 million would go toward Textbooks and Instructional Materials, \$3.2 million to Maintenance of Plant, and the remaining \$714,098 to Administration. Council staff has not received further details regarding these transfers, but PGCPs staff should be able to provide that to the Committee.

Outstanding questions that the Committee may wish to consider include:

1. What accounts for the \$17.6 million salary lapse from Special Education?
2. What programs or purchases were cut due to the \$25 million decrease in Capital Outlay?
3. What is the increase of \$14.5 million in Student Transportation Services within Program Realignment for?
4. What is the \$18.2 million increase in Other Instructional Costs within Program realignments for?
5. What is the \$3.2 million in Maintenance of Plant within Program Realignment for?
6. What is the \$2.1 million in Textbooks and Instructional Materials within Program Realignment for?

Exhibit A below details the original FY 2024 County Council Approved Budget, the current FY 2024 County Council Approved Budget after the FY 2024 Financial Review and Transfer Request #2, a summary of the Board of Education's FY 2024 Financial Review and Transfer Request #3, and the resulting anticipated major expenditure category appropriation totals should the County Council approve this request.

Exhibit A
Prince George’s County Board of Education
FY 2024 Financial Review Transfer Request #3

Expenditures Major Categories	FY 2024 <i>Original</i> County Council APPROVED	FY 2024 <i>Current</i> County Council APPROVED	FY 2024 Financial Review Transfer Request #2			FY 2024 Board of Education REVISED
			Unrestricted	Restricted	Total Transfer	
Administration	\$ 89,194,400	\$ 86,658,281	\$ (2,285,902)	\$ -	\$ (2,285,902)	\$ 84,372,379
Instructional Salaries	943,401,400	898,041,697	(770,275)	-	(770,275)	897,271,422
Student Personnel Services	63,912,200	58,378,500	(2,251,507)	(2,200,000)	(4,451,507)	53,926,993
Student Transportation Services	141,755,700	150,299,153	28,815,494	(300,000)	28,515,494	178,814,647
Operation of Plant	157,568,900	157,539,675	(2,713,229)	(3,200,000)	(5,913,229)	151,626,446
Maintenance of Plant	73,203,600	65,485,314	1,700,000	-	1,700,000	67,185,314
Community Services	6,014,100	7,168,006	-	(50,000)	(50,000)	7,118,006
Fixed Charges	532,992,100	529,457,798	(1,226,099)	(500,000)	(1,726,099)	527,731,699
Health Services	29,760,400	37,967,197	(2,959,861)	-	(2,959,861)	35,007,336
Special Education	354,703,000	359,989,028	(18,529,588)	-	(18,529,588)	341,459,440
Mid-Level Administration	168,551,700	174,267,021	(4,172,936)	-	(4,172,936)	170,094,085
Textbooks & Instructional Materials	42,483,100	40,028,633	(4,165,927)	6,250,000	2,084,073	42,112,706
Other Instructional Costs	160,680,900	201,436,627	37,059,830	-	37,059,830	238,496,457
Food Services Subsidy	8,644,900	6,548,185	(3,500,000)	-	(3,500,000)	3,048,185
Capital Outlay & Private Public Partnership	27,175,000	40,250,000	(25,000,000)	-	(25,000,000)	15,250,000
Total Expenditures	\$ 2,800,041,400	\$ 2,813,515,115	\$ -	\$ -	\$ -	\$ 2,813,515,115

Prepared by David Noto, Legislative Budget and Policy Analyst –May 31, 2024.