



THE PRINCE GEORGE'S COUNTY GOVERNMENT
Office of Audits and Investigations

October 14, 2022

MEMORANDUM

TO: Jolene Ivey, Chair
Education and Workforce Development (EWD) Committee

THRU: Joseph R. Hamlin
Director of Budget and Policy Analysis

FROM: Arian Albear
Legislative Budget and Policy Analyst

RE: Board of Education FY 2023 Approved Budget Reconciliation Transfer Request

The FY 2023 Approved Operating Budget (the "Budget") for the Board of Education (BOE) totals \$2,630,211,000, an increase of \$286,978,600, or 10.9%, over the BOE's Approved Operating Budget for FY 2022. The Budget contained a \$30,050,000 County funding increase. Accounting for received and anticipated federal and State grants together with increased use of Fund Balance, the budget contained a \$29.5 million increase, which needed to be resolved by the Board of Education during their budget reconciliation process.

Subsequent to approval of the Board of Education's budget on 1 June 2022 by the County Council, additional changes to the budget were noted:

1. Differences in the County Council final operating budget
2. Changes to State and federal restricted funds (grants)
3. Modifications to State unrestricted funds
4. Updates to reconciling items
5. Additional increases to employee compensation from labor-partner negotiations

These changes are offset by salary lapse adjustments and increased use of Fund Balance.

The chart provided in the Board Action Summary (BAS) summarize all the monetary changes within categories used to resolve the budget deficit.

Our review of the BOE's approved reconciling adjustments indicates the budget reconciliation transfer request appears reasonable, at no additional cost to the County. However, the increased use of Fund Balance in the last few years to stabilize the budget remains worrisome. Attachment 1 provides the reconciling adjustments by revenue and major expenditure category. The reconciled budget maintains fiscal stability and supports school-based initiatives within Prince George's County Public Schools.

County Council approval of the reconciliation transfer request will increase the BOE's budget by \$29,477,770 to \$2,659,688,770, as indicated in Attachment 1 to this correspondence.

If you require additional information, or have questions, please email me.

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