



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

July 7, 2020

MEMORANDUM

TO: Todd M. Turner, Chair
Prince George's County Council

THRU: David H. Van Dyke *DHV*
County Auditor

FROM: Inez N. Claggett *INCL*
Senior Legislative Budget and Policy Analyst

RE: Board of Education FY 2019 Financial Review and Transfer as of June 30, 2019

The Board of Education (BOE) requests authority to transfer funds between major expenditure categories to comply with State Law ensuring expenditures do not exceed appropriated balances. The Board of Education approved this operating budget transfer during September of 2019, however, an oversight precluded the proper transmittal to the County Council for final transfer authority. Upon transmittal to the County Council in February of 2020, School System staff was asked to withdraw the transfer request due to the County Council's budget review process, onset of the COVID-19 pandemic, and until it could be appropriately scheduled for action on the County Council's calendar.

Details of the request indicate the Special Education major expenditure category was expended beyond budgeted appropriation during FY 2019 because of insufficient budgeting for actual grant expenditures. A transfer from the Reserve for Future Grants was necessary to maintain financial stability to allow for appropriate program expenditure. Also, a technical error within the Board of Education's prior consideration and approval of this transfer request was noted by School System administration staff and has been corrected herein.

Our analysis of the request indicates unrestricted funds of \$7,502,724 being transferred between the following major expenditure categories: Administration, Mid-Level Administration, Instructional Salaries, Textbooks and Instructional Materials, Other Instructional Costs, Special Education, Student Personnel Services, Health Services, Student Transportation Services, Operation of Plant, Maintenance of Plant, Fixed Charges, and Community Services. Included also is a transfer of restricted funds appropriation authority of \$1,954,464 from the Special Education major category to the Maintenance of Plant major category.

Exhibit A provides summarized details of the FY 2019 County Council Revised Approved Board of Education Budget, a corresponding summary of the Board of Education transfer request as of June 30, 2019, and the resulting major expenditure category appropriation totals for the FY 2019 year-end. The approval of this transfer request will not have a fiscal impact on the County, and the total FY 2019 County Council Approved Board of Education Budget remained unchanged at \$2,047,732,000.

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

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**Prince George's County Board of Education
FY 2019 Budget Transfer Request**

Revenue Category	FY 2019 County Council REVISED APPROVED Category Totals	FY 2019 Board of Education Transfer Request as of June 30, 2019	FY 2019 County Council REVISED APPROVED Category Totals
Federal Sources	\$ 100,107,600	\$ -	\$ 100,107,600
Board Sources	13,479,900	-	13,479,900
Fund Balance	28,000,000	-	28,000,000
State Sources	1,142,581,600	-	1,142,581,600
County Sources	763,562,900	-	763,562,900
Revenue Totals	\$ 2,047,732,000	\$ -	\$ 2,047,732,000

Expenditure Category	FY 2019 County Council REVISED APPROVED Category Totals	FY 2019 Board of Education Transfer Request as of June 30, 2019	FY 2019 County Council REVISED APPROVED Category Totals
Administration	\$ 66,027,233	\$ (321,118)	\$ 65,706,115
Mid-Level Administration	130,433,766	(615,630)	129,818,136
Instructional Salaries	682,192,551	7,354,572	689,547,123
Textbooks and Instructional Materials	20,501,059	140,158	20,641,217
Other Instructional Costs	99,493,761	(1,612,509)	97,881,252
Special Education	285,891,168	(178,426)	285,712,742
Student Personnel Services	22,910,690	(239,730)	22,670,960
Health Services	19,584,280	(163,079)	19,421,201
Student Transportation Services	113,152,773	(1,272,715)	111,880,058
Operation of Plant	132,641,114	7,994	132,649,108
Maintenance of Plant	50,488,929	(2,067,038)	48,421,891
Fixed Charges	418,425,847	(935,496)	417,490,351
Food Services Subsidy	1,222,921	-	1,222,921
Community Services	4,415,908	(96,983)	4,318,925
Capital Outlay	350,000	-	350,000
Expenditure Totals	\$ 2,047,732,000	\$ -	\$ 2,047,732,000