



April 9, 2026

**MEMORANDUM**

TO: Education and Workforce Development Committee

THRU: Dr. Arun Puracken, Director *AP*  
Education and Workforce Development Committee

FROM: Caleb Callender *CC*  
Legislative Budget and Policy Analyst

RE: Board of Education FY 2026 Financial Review & Transfer Request #2

The Board of Education requests authority to increase the FY 2026 operating budget and transfer operating funds between major expenditure categories to maintain a balanced budget and ensure fiscal stability throughout the end of the fiscal year.

The Financial Review, undertaken by Prince George's County Public Schools (PGCPS), would increase the FY 2026 operating budget by a net **\$36,639,134**. The Financial Review reflects a \$2,155,859 decrease in revenue from the State, due to the State's share of Private Pre-K providers, which will now be paid directly by the State. This will be offset by a **\$38,794,993** increase in the use of the prior-year Fund Balance and will not require additional contribution from the County. Currently, expenditures are projected to exceed the appropriation level, primarily due to a lower-than-projected salary lapse, which PGCPS attributed to its aggressive hiring campaign, resulting in fewer savings from vacant positions. An increase in spending towards Special Education also contributes to the increase in expenditure projections.

The projected total revenue and expenditures for FY26 will increase to **\$2,995,312,763**.

In addition, the request includes transfers between major expenditure categories as detailed in **Exhibit B**.

**Questions for Committee Consideration:**

1. The last Transfer review presented to the Council also stated a decrease due to the state share of private Pre-K providers being paid directly. Given this adjustment, could you clarify the rationale for the additional \$2.2 million transfer request?
2. Can you speak to the \$31M increase to special education requested upon this transfer?
3. PGCPS stated this increase is largely due to less vacancies, yet funding for administration is being decreased. Could you speak to that further?
4. What is the remaining available fund balance after this action and how does this align with the FY 2027 proposed budget?

**Exhibit A: Adjusted Revenue Projections**

Revenue	FY 2026 Board of Education APPROVED	FY 2026 Financial Review & Transfer Request #1			FY 2026 Board of Education REVISED
		Unrestricted	Restricted	Total Transfer	
Board Sources	\$ 31,575,391	\$ -	\$ -	\$ -	\$ 31,575,391
County Sources	967,592,621	-	-	-	967,592,621
Federal Sources	137,579,433	-	-	-	137,579,433
State Sources	1,726,926,184	(2,155,859)	-	(2,155,859)	1,724,770,325
Use of Fund Balance	95,000,000	38,794,993	-	38,794,993	133,794,993
<b>Revenue Total</b>	<b>\$ 2,958,673,629</b>	<b>\$ 36,639,134</b>	<b>-</b>	<b>\$ 36,639,134</b>	<b>\$2,995,312,763</b>

**Exhibit B: Adjusted Expenditure Projections**

Expenditures Major Categories	FY 2026 Board of Education APPROVED	FY 2026 Financial Review & Transfer Request #1			FY 2026 Board of Education REVISED
		Unrestricted	Restricted	Total Transfer	
Administration	\$ 104,559,702	\$ (7,216,926)		\$ (7,216,926)	\$ 97,342,776
Mid-Level Administration	199,067,814	493,972		493,972	199,561,786
Instructional Salaries	994,116,265	8,798,846		8,798,846	1,002,915,111
Textbooks & Instructional Materials	52,704,964	324,459		324,459	53,029,423
Other Instructional Costs	163,960,330	(12,663,659)		(12,663,659)	151,296,671
Special Education	374,731,540	31,522,533		31,522,533	406,254,073
Student Personnel Services	78,030,250	1,848,658		1,848,658	79,878,908
Student Health Services	49,236,050	2,777,431		2,777,431	52,013,481
Student Transportation Services	141,516,735	(668,304)		(668,304)	140,848,431
Operation of Plant	162,417,903	6,219,982		6,219,982	168,637,885
Maintenance of Plant	69,871,167	(1,244,063)		(1,244,063)	68,627,104
Fixed Charges	534,418,447	5,430,485		5,430,485	539,848,932
Food Services	835,524	173,476		173,476	1,009,000
Community Services	6,206,938	842,244		842,244	7,049,182
Capital Outlay	27,000,000	-		-	27,000,000
<b>Total Expenditures</b>	<b>\$2,960,705,651</b>	<b>\$ 36,639,134</b>		<b>\$ 36,639,134</b>	<b>\$2,995,312,763</b>