

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

**BOARD OF EDUCATION**  
Telephone: 301-952-5115  
Facsimile: 301-952-6114

June 9, 2022

**Board Chair**  
Juanita Miller, Ed.D.

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

**Board Vice Chair**  
Sonya Williams

The Honorable Calvin S. Hawkins II  
Chair, Prince George's County Council  
County Administration Building  
14741 Governor Oden Bowie Drive  
Upper Marlboro, Maryland 20772

**Board Members**  
Shayla Adams-Stafford  
Pamela Boozer-Strother  
Kenneth F. Harris II  
Madeline LaSalle Frazier,  
LCSW, Ed.S.  
Judy Mickens-Murray  
Zipporah Miller, Ed.D.  
David Murray  
Joshua M. Thomas  
Curtis Valentine, M.P.P.  
Alvaro Ceron-Ruiz,  
Student Member

**RE: FY 2022 Financial Review #1**

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

Dear County Executive Alsobrooks and County Council Chair Hawkins:

This letter requests approval of an operating budget transfer between major expenditure categories for FY 2022. The transfer realigns categories within the FY 2022 Board of Education Approved Budget to meet current and projected instructional and support service needs for the remainder of the fiscal year. Total revenue and expenditures remain at the Board of Education Approved Budget level of \$2,775,176,835.

**ADMINISTRATION**

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

This Financial Review was originally approved by the Board of Education on March 24, 2022. Note that this transmittal to the County Administration and County Council was held at the request of County Council staff in order to better align with the County Council meeting schedule.

PGCPS Administration and the Board of Education regularly monitor the financial condition of the school system throughout the fiscal year and enact periodic adjustments to meet evolving needs of the District and ensure fiscal stability.

The March 24, 2022 Financial Review included budget realignments and transfers between existing major state categories, ensuring fiscal stability through June 30, 2022. Additionally, this Financial Review preemptively addresses the FY 2023 Operating Budget reconciliation. This FY 2022 Financial Review includes savings from salary lapse that will be redirected towards an early payment of the FY 2023 portion of the Other Post Employee Benefits (OPEB) annual contribution.

The Honorable Angela D. Alsobrooks  
 The Honorable Calvin S. Hawkins II  
 June 9, 2022

The chart below outlines categorical changes from this Financial Review:

REVENUE	FY 2022 Board of Education APPROVED  (June 24, 2021)	FY 2022 Financial Review Transfer Request			FY 2022 Board of Education REVISED  (March 24, 2022)
		Unrestricted	Restricted	Total Transfer	
Board Sources	\$ 18,231,442	\$ -	\$ -	\$ -	\$ 18,231,442
County Sources	816,947,300	-	-	-	816,947,300
Federal Sources	574,278,154	-	-	-	574,278,154
State Sources	1,281,784,203	-	-	-	1,281,784,203
Use of Fund Balance	83,935,736	-	-	-	83,935,736
<b>Revenue Total</b>	<b>\$ 2,775,176,835</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,775,176,835</b>

EXPENDITURES MAJOR CATEGORIES	FY 2022 Board of Education APPROVED  (June 24, 2021)	FY 2022 Financial Review Transfer Request			FY 2022 Board of Education REVISED  (March 24, 2022)
		Unrestricted	Restricted	Total Transfer	
Administration	\$ 81,780,532	\$ 20,635,198	\$ (6,000,000)	\$ 15,635,198	\$ 97,415,730
Mid-Level Administration	155,172,224	1,582,890	3,509,450	5,092,340	160,264,564
Instructional Salaries	908,416,096	(11,625,493)	-	(11,625,493)	896,790,603
Textbooks & Instructional Materials	145,021,406	423,529	(63,370,675)	(62,947,146)	82,074,260
Other Instructional Costs	174,317,900	(2,977,680)	9,000,000	6,022,320	180,340,220
Special Education	350,987,225	65,632	14,289,450	14,355,082	365,342,307
Student Personnel Services	63,073,534	(285,842)	(4,789,450)	(5,075,292)	57,998,242
Student Health Services	24,482,580	(4,228)	50,861,225	50,856,997	75,339,577
Student Transportation Services	112,382,053	7,600,507	1,574,423	9,174,930	121,556,983
Operation of Plant	160,733,464	(2,043,383)	(6,074,423)	(8,117,806)	152,615,658
Maintenance of Plant	56,674,527	259,786	2,395,219	2,655,005	59,329,532
Fixed Charges	512,884,031	(12,757,721)	-	(12,757,721)	500,126,310
Food Services	8,553,304	(150,000)	(2,395,219)	(2,545,219)	6,008,085
Community Services	5,447,959	(723,195)	-	(723,195)	4,724,764
Capital Outlay	15,250,000	-	-	-	15,250,000
<b>Total Expenditures by Category:</b>	<b>\$ 2,775,176,835</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,775,176,835</b>

The full details of these transfers are outlined in the below documents:

- Board Action Summary – Fiscal Year 2022 Financial Review and Categorical Changes
- Appendix A: Itemized Changes and Narrative Explanations; and
- Appendix B: Sources and Uses of Funds by State Category.

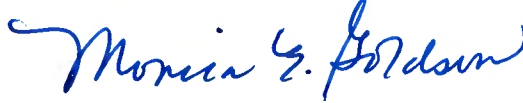
In order to reconcile the FY 2022 budget needs and help close the FY 2023 projected budget deficit, County Council approval of this Financial Review is respectfully requested.

The Honorable Angela D. Alsobrooks  
The Honorable Calvin S. Hawkins II  
June 9, 2022

Sincerely,



Juanita Miller, Ed.D.  
Chair, Board of Education



Monica E. Goldson, Ed.D.  
Chief Executive Officer

**Attachments**

- c:      Members, Board of Education
- Members, County Council
- Ms. Tara Jackson
- Ms. Turkessa M. Green
- Mr. William Hunt
- Ms. Sandra Eubanks
- Mr. Arian Albear
- Mr. Stanley Earley
- Mr. Brent Johnson
- Members, PGCPs Executive Cabinet

**Board Action Summary**

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

**New Program:** Yes  No **X**

**Modified Program:** Yes **X** No

**Subject:** Fiscal Year 2022 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 Board of Education's unrestricted operating budget for FY 2022 does not require any revenue changes. Overall, expenditures are projected to stay within the current appropriation level. However, administration recommends adjustments of existing unrestricted expenditure appropriations between major categories to meet instructional and support service requirements for the school year ending June 30, 2022.

The Public School Laws of Maryland require Board of Education and County Council approval of transfers between major categories. The resolution attached approves the recommended FY 2022 transfers between major categories and authorizes the Chief Executive Officer to request County Council approval. 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:** None (All changes net to \$0)

**Staffing Implications:** 0.0 FTE

**School(s) Affected:** All Schools

**Preparation Date:** March 21, 2022

**Person Preparing:** Michael Herbstman, Chief Financial Officer

**Board Agenda Introduction Date:** March, 24, 2022

**Board Action Date (BUDGET CONSENT):** March 24, 2022

**Endorsed:**   
Chief Financial Officer

**Endorsed:**   
Senior Advisor to the Chief Executive Officer

**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;

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

**WHEREAS**, no change in appropriation is requested;

**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 approves the recommended FY 2022 transfers between major categories identified in the Financial Review;

**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:

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Capital Outlay	15,250,000	-	-	-	15,250,000
<b>Total Expenditures by Category:</b>	<b>\$ 2,775,176,835</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,775,176,835</b>

Submitted by:	<u>Michael Herbstman, Chief Financial Officer</u>
Agenda Date:	<u>March 24, 2022</u>
Discussion:	_____
First Reader:	_____
Budget Consent Agenda:	<u>March 24, 2022</u>
Emergency:	_____
Amended:	_____
Deferred:	_____
Tabled:	_____
Approved:	_____

Appendix A: Intemized Changes and Narrative Explanations

Sources and Uses of Funds	Amount	Narrative Explanation
<b>Budget Reduction</b>		
Utilities	(2,249,425)	Savings in utilities due to lower utilization of facility usage by community groups as well as building automation systems that have established set points to turn off lights and regulate HVAC systems.
Lapse Recovery	(24,999,275)	Use of estimated lapse recovery across all departments and schools. These savings are primarily salary and benefits that go unspent throughout the year due to turnover.
Lease Purchase	(1,116,931)	Savings due to lower than anticipated lease purchase rate of .5% for FY 2022 Lease Agreement.
<b>Budget Reduction Total</b>	<b>(28,365,631)</b>	
<b>Cost of Doing Business</b>		
Overtime	8,347,434	Additional funds to support overtime for Bus Drivers due to vacancies and custodial staff to support CIP projects
Terminal Leave	2,000,000	Funds to support the terminal leave payouts for additional staff retirements.
<b>Cost of Doing Business Total</b>	<b>10,347,434</b>	
<b>Forward Funded Items</b>		
Other Post Employee Benefits (OPEB)	15,000,000	Early payment of the FY 2023 portion of the annual contribution toward OPEB. With this early payment, the intent is not to make any additional contributions to OPEB in FY 2023.
<b>Forward Funded Items Total</b>	<b>15,000,000</b>	
<b>Other Items</b>		
Information Technology	887,751	Funds to support data, software expense, expansion of bandwidth, and security upgrades.
Summer School	1,360,446	Funding request to support pre planning personnel and materials cost for the Acceleration Academy, High school and Middle School programs
Career & Technical Education	445,000	Additional funding to support safety equipment, supplies and part-time for Carpentry, Construction Design Management, Electrical, HVAC, Masonry, and Plumbing programs across various schools.
Interpreting Services	325,000	Additional funds to support Language Link and Professional Interpreter Exchange services.
<b>Other Items Total</b>	<b>3,018,197</b>	
<b>Intra Project Realignment</b>		
Unrestricted Program Realignment	-	Minor transfers within initiatives to align funds categorically.
Restricted Program Realignment	-	The attached is a functional realignment of fund 8499 used to offset the loading of restricted program grant appropriation.
<b>Intra Project Realignment Total</b>	<b>-</b>	
<b>Grand Total</b>	<b>-</b>	

Appendix B: Sources and Uses of Funds by State Category

Source and Uses of Funds	01. Administration	02. Mid-Level Administration	03. Instructional Salaries	04. Textbooks & Instructional Materials	05. Other Instructional Costs	06. Special Education	07. Student Personnel Services	08. Student Health Services	09. Student Transportation Services	10. Operation of Plant Services	11. Maintenance of Plant	12. Fixed Charges	13. Food Services	14. Community Services	15. Capital Outlay	Grand Total
Budget Reduction			(14,999,275)		(469,643)				(45,280)	(2,854,433)		(10,000,000)				(28,588,631)
Utilities												(10,000,000)				(2,859,425)
Lease Recovery			(14,999,275)		(469,643)				(45,280)	(602,008)						(1,116,931)
Lease Purchase			600,000			400,000	150,000	50,000	7,899,480	1,241,169	100,000	300,000		(765,195)		10,347,634
Cost of Doing Business	150,000	150,000	600,000			400,000	100,000	50,000	7,709,480	1,241,169	100,000	300,000		(765,195)		8,347,634
Overtime			600,000				50,000		100,000		100,000	15,000,000				2,000,000
Terminal Leave	150,000	150,000										15,000,000				15,000,000
Forward Panded Items												85,544				87,751
Other Post Employee Benefits (OPEB)	960,926	53,726	817,457	917,608	(62,064)					245,000						3,018,197
Information Technology	642,751									245,000						1,360,446
Summer School			881,176	340,000												445,000
Career & Technical Education			(61,719)	577,608	(62,064)											315,000
Interpreting Services																
Intra Project Realignment	14,534,272	4,899,614	1,956,325	(63,864,754)	6,534,027	13,955,082	(5,235,292)	50,806,997	1,410,730	(6,852,522)	2,555,005	(18,143,265)	(2,545,219)	(20,000)		-
Unrestricted Program Realignment	19,534,272	1,379,164	1,956,325	(494,079)	(2,445,973)	(334,368)	(435,842)	(54,228)	(163,693)	(770,099)	159,786	(18,143,265)	(150,000)	(20,000)		-
Restricted Program Realignment	(5,000,000)	3,509,450		(63,370,675)	9,000,000	14,289,450	(4,789,450)	50,861,225	1,574,423	(6,074,423)	2,395,219	(2,395,219)				-
Grand Total	15,635,158	5,092,940	(14,635,493)	(62,847,146)	6,022,320	14,555,082	(5,075,992)	50,856,997	9,174,930	(8,117,806)	2,655,005	(12,757,721)	(2,545,219)	(723,195)		-