

**Prince George's County Board of Education**  
14201 School Lane • Upper Marlboro, Maryland 20772 • [www.pgcps.org](http://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 #2**

**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. This Financial Review was originally approved by the Board of Education on June 9, 2022.

**ADMINISTRATION**

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

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 further addresses the FY 2023 Operating Budget reconciliation. This FY 2022 Financial Review includes savings from salary lapse that will be redirected in support of early payment of three-lease-purchase-agreements. These lease agreements originally supported the purchase of Buses, Textbooks and Technology in FY 2019 and FY 2020 as well as the FY 2011 Energy Performance Management Agreement. The early pay-off of these agreements reduces the liability in the Operating Budget for FY 2023, FY 2024, FY 2025, FY 2026 and FY 2027. Additionally, this Financial Review included intra-project realignments related to the use of restricted federal funding for COVID-19 relief grants including the Elementary and Secondary School Emergency Relief Fund II grant and the Elementary and Secondary School Emergency Relief Fund III grant.

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

EXPENDITURES MAJOR CATEGORIES	FY 2022 Board of Education APPROVED	FY 2022 Board of Education REVISED	FY 2022 Financial Review Transfer Request			FY 2022 Board of Education REVISED
	(June 24, 2021)	(March 24, 2022)	Unrestricted	Restricted	Total Transfer	June 9, 2022)
Administration	\$ 81,780,532	\$ 97,415,730	\$ (108,234)	\$ (5,500,000)	\$ (5,608,234)	\$ 91,807,496
Mid-Level Administration	155,172,224	160,264,564	(132,815)		(132,815)	\$ 160,131,949
Instructional Salaries	908,416,096	896,790,603	(42,976,240)	(7,000,000)	(49,976,240)	\$ 846,814,363
Textbooks & Instructional Materials	145,021,406	82,074,260	175,000	(2,259,894)	(2,084,894)	\$ 79,989,366
Other Instructional Costs	174,317,900	180,340,220	21,488,724		21,488,724	\$ 201,828,944
Special Education	350,987,225	365,342,307	(82,500)		(82,500)	\$ 365,279,807
Student Personnel Services	63,073,534	57,998,242	(101,400)	(13,400,000)	(13,501,400)	\$ 44,496,842
Student Health Services	24,482,580	75,339,577	(273,101)		(273,101)	\$ 75,066,476
Student Transportation Services	112,382,053	121,556,983	8,344,855	(490,000)	7,854,855	\$ 129,411,838
Operation of Plant	160,733,464	152,615,658	14,885,714	(3,500,000)	11,185,714	\$ 163,801,372
Maintenance of Plant	56,674,527	59,329,532	737,834		737,834	\$ 60,067,366
Fixed Charges	512,884,031	500,126,310	(1,728,037)	(17,390,000)	(19,118,037)	\$ 481,008,273
Food Services	8,553,304	6,008,085	(50,000)		(50,000)	\$ 5,958,085
Community Services	5,447,959	4,724,764			-	\$ 4,724,764
Capital Outlay	15,250,000	15,250,000		49,539,894	49,539,894	\$ 64,789,894
Total Expenditures by Category:	\$ 2,775,176,835	\$ 2,775,176,835	\$ -	\$ -	\$ -	\$ 2,775,176,835

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.

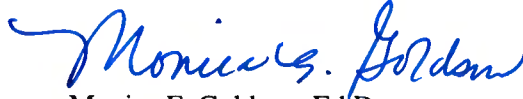
In order to reconcile the FY 2022 budget needs and help close the FY 2023 projected budget deficit, County Council approval of this Financial Review is respectfully requested.

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 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 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:** June 2, 2022

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

**Board Agenda Introduction Date (Budget Consent):** June 9, 2022

**Board Action Date (Budget Consent):** June 9, 2022

**Endorsed:**   
Chief Financial Officer

**Endorsed:**   
Chief of Staff

**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; and

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

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

**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; and

**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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Operation of Plant	160,733,464	152,615,658	14,685,714	(3,500,000)	11,185,714	\$ 163,801,372
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Total Expenditures by Category:	\$ 2,775,176,835	\$ 2,775,176,835	\$ -	\$ -	\$ -	\$ 2,775,176,835

Submitted by:	<u>Dr. Monica Goldson, CEO</u>
Prepared by:	<u>Michael Herbstman, Chief Financial Officer</u>
Agenda Date:	<u>June 9, 2022</u>
Discussion:	_____
First Reader:	_____
Budget Consent:	<u>June 9, 2022</u>
Emergency:	_____
Amended:	_____
Deferred:	_____
Tabled:	_____
Approved by the Board:	_____

## Appendix A: Itemized Changes and Narrative Explanations

Sources and Uses of Funds	Amount	Narrative Explanation
<b>Budget Reduction</b>		
Lapse Recovery	(38,051,564)	Use of a portion of lapse recovery across from all departments and schools. These savings are full-time salary and benefits that go unspent throughout the year due to turnover and vacancies.
<b>Budget Reduction Total</b>	<b>(38,051,564)</b>	
<b>Early Pay-Off of Lease Purchase</b>		
Forward Funding Close Budget Gap	38,051,564	Supports the early payment of three-lease-purchase-agreements. These lease agreements originally supported the purchase of Buses, Textbooks and Technology in FY 2019 and FY 2020 as well as the FY 2011 Energy Performance Management Agreement. The early pay-off of these agreements reduces the liability in the FY 2023 Operating budget.
<b>Early Pay-Off of Lease Purchase Total</b>	<b>38,051,564</b>	
<b>Other Items</b>		
Intra Project Realignment	-	At the beginning of FY 2022, the ESSER II estimate represented the approved budget at that time and the ESSER III budget represented a draft application. The amendment and application changes dedicated significant unanticipated funding primarily to Other Instructional Services for projects to mitigate the impact of interrupted instruction and to Capital Outlay for air-quality improvement projects in schools.
<b>Other Items Total</b>	<b>-</b>	
<b>Grand Total</b>	<b>-</b>	

Appendix B: Sources and Uses of Funds by State Category

Sources 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 Food Charges	13 Food Services	14 Community Services	15 Capital Outlay	Grand Total
Budget Reduction	-	-	(38,051,564)	-	-	-	-	-	-	-	-	-	-	-	-	(38,051,564)
Lease Recovery	-	-	(38,051,564)	-	-	-	-	-	-	-	-	-	-	-	-	(38,051,564)
Early Pay-Off of Lease Purchase	-	-	-	-	14,518,637	-	-	-	8,877,417	14,555,790	-	-	-	-	-	38,051,844
Forward Funding Core Budget Gap	(5,608,324)	(132,615)	(11,924,676)	(2,084,894)	(5,970,087)	(63,500)	(13,501,400)	(773,101)	(1,022,293)	(3,370,066)	797,834	(19,118,037)	(60,000)	-	48,539,894	-
Other Intra-Project Realignment	(5,608,324)	(132,615)	(11,924,676)	(2,084,894)	(5,970,087)	(63,500)	(13,501,400)	(773,101)	(1,022,293)	(3,370,066)	797,834	(19,118,037)	(60,000)	-	48,539,894	-
Intra Project Realignment	(5,608,324)	(132,615)	(11,924,676)	(2,084,894)	(5,970,087)	(63,500)	(13,501,400)	(773,101)	(1,022,293)	(3,370,066)	797,834	(19,118,037)	(60,000)	-	48,539,894	-
Grand Total	(5,608,324)	(132,615)	(49,976,240)	(2,084,894)	2,488,550	(62,500)	(13,501,400)	(773,101)	7,854,853	11,185,724	797,834	(19,118,037)	(60,000)	-	48,539,894	-