



# 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: *INCC*  
Senior Legislative Budget and Policy Analyst

RE: Board of Education FY 2020 Financial Review and Transfer as of April 30, 2020

The Board of Education (BOE) requests authority to transfer appropriated funds between major expenditure categories to realign spending authority to meet the evolving needs of the School System, to ensure fiscal stability, and to comply with State Law.

During routine monitoring of the financial condition of the Board of Education as of April 30, 2020, School System administration staff identified a need for financial adjustments to the BOE's Operating Budget to support COVID-19 related expenses, to realign restricted funds from State grant programs, and to support early payment of two lease purchase agreements.

Under the Coronavirus Aid Relief and Economic Security (CARES) Act the School System anticipates receiving funding of \$30,031,745 from the Elementary and Secondary School Emergency Relief (ESSER) grant. These restricted federal grant funds provide resources to support School System expenditures related to the COVID-19 pandemic. Receipt of these funds will increase the overall Operating Budget for the BOE from \$2,180,608,560 to \$2,210,640,305.

During the financial review, School System administration staff also identified a need for a realignment of restricted grant funds to support resources needed for instructional literacy materials, and salary and fringe benefits for Community School Coordinators. Restricted state grant funds from the Kirwan Concentration of Poverty will be realigned to support these expenditures in accordance with the grant's intended purpose.

A comprehensive plan to reconcile the FY 2021 Operating Budget identified a need to use savings within the FY 2020 Operating Budget to close the FY 2021 budget gap. Savings in the areas of salary lapse, registration fees, and non-local travel will be realigned to support the early payment of two lease purchase agreements prior to financial close of FY 2020.

Our analysis of explanations provided for the transfer request appears reasonable. If approved, unrestricted funds of \$6,541,844 will be shifted among the following major categories: Administration, Mid-Level Administration, Other Instructional Costs, Special Education, Student Personnel Services, Health Services, Student Transportation Services, Operation of Plant, and Maintenance of Plant. The FY

2020 Operating Budget will also be increased by \$30,031,745 due to the anticipated receipt of restricted federal funds as previously described. Exhibit A has been provided by our office to show summarized details of the current FY 2020 County Council Revised Approved Board of Education Budget, a corresponding summary of the Board of Education transfer request as of April 30, 2020, and the resulting anticipated revenue and major expenditure category appropriation totals should this transfer request be approved.

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

**Prince George's County Board of Education  
FY 2020 Financial Review Transfer Request  
as of April 30, 2020**

Revenue Category	FY 2020 County Council REVISED APPROVED Category Totals	FY 2020 Financial Review Transfer Request as of December 31, 2019	FY 2020 County Council REVISED APPROVED Category Totals (PENDING)	FY 2020 Financial Review Transfer Request as of April 30, 2020	FY 2020 County Council REVISED APPROVED Category Totals
Federal Sources	\$ 124,487,300	\$ -	\$ 124,487,300	\$ 30,031,745	\$ 154,519,045
Board Sources	16,293,000	-	16,293,000	-	16,293,000
Fund Balance	28,000,000	-	28,000,000	-	28,000,000
State Sources	1,227,873,000	(2,514,340)	1,225,358,660	-	1,225,358,660
County Sources	786,469,600	-	786,469,600	-	786,469,600
<b>Revenue Totals</b>	<b>\$ 2,183,122,900</b>	<b>\$ (2,514,340)</b>	<b>\$ 2,180,608,560</b>	<b>\$ 30,031,745</b>	<b>\$ 2,210,640,305</b>

Expenditure Category	FY 2020 County Council REVISED APPROVED Category Totals	FY 2020 Financial Review Transfer Request as of December 31, 2019	FY 2020 County Council REVISED APPROVED Category Totals (PENDING)	FY 2020 Financial Review Transfer Request as of April 30, 2020	FY 2020 County Council REVISED APPROVED Category Totals
Administration	\$ 87,702,853	\$ (6,973,731)	\$ 80,729,122	\$ 569,843	\$ 81,298,965
Mid-Level Administration	136,984,417	(1,068,481)	135,915,936	(970,774)	134,945,162
Instructional Salaries	745,645,412	(23,499,332)	722,146,080	7,348,640	729,494,720
Textbooks and Instructional Materials	21,243,729	219,707	21,463,436	8,859,909	30,323,345
Other Instructional Costs	87,423,023	15,751,223	103,174,246	8,656,261	111,830,507
Special Education	301,992,947	14,758,916	316,751,863	878,949	317,630,812
Student Personnel Services	31,273,458	(4,456,060)	26,817,398	(26,316)	26,791,082
Health Services	23,580,697	(2,374,133)	21,206,564	124,368	21,330,932
Student Transportation Services	110,755,596	8,990,559	119,746,155	928,762	120,674,917
Operation of Plant	138,821,121	(2,709,652)	136,111,469	1,996,730	138,108,199
Maintenance of Plant	43,933,355	14,131,000	58,064,355	(424,810)	57,639,545
Fixed Charges	447,417,339	(13,506,434)	433,910,905	1,338,168	435,249,073
Food Services Subsidy	2,155,343	(1,443,339)	712,004	721,085	1,433,089
Community Services	3,868,610	(334,583)	3,534,027	30,930	3,564,957
Capital Outlay	325,000	-	325,000	-	325,000
<b>Expenditure Totals</b>	<b>\$ 2,183,122,900</b>	<b>\$ (2,514,340)</b>	<b>\$ 2,180,608,560</b>	<b>\$ 30,031,745</b>	<b>\$ 2,210,640,305</b>