



Prince George's County Board of Education
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BOARD OF EDUCATION
Telephone: 301-952-6308
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June 22, 2020

Board Chair
Alvin Thornton, Ph.D.

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

Board Vice Chair
Edward Burroughs, III

The Honorable Todd M. Turner
Chair, Prince George's County Council
Prince George's County Government
County Administration Building
14741 Governor Oden Bowie Drive
Upper Marlboro, Maryland 20772

Board Members
Raaheela Ahmed
Pamela Boozer-Strother
Paul Monteiro
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Sandra D. Shephard
Bryan Swann
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Curtis Valentine, M.P.P.
K. Alexander Wallace
Sonya Williams

RE: FY 2020 Second Financial Review

Student Member
Joshua Omolola

Dear County Executive Alsobrooks and Chair Turner:

This letter requests approval of an operating budget transfer between major expenditure categories for FY 2020. The transfer realigns categories within the Board of Education Approved Budget. Total revenue and expenditures remain at the revised level following the first financial review on March 27: \$2,180,608,560.

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

This second financial review, approved by the Board of Education on June 11, 2020, serves three purposes:

ADMINISTRATION

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

1. The addition of \$30,031,745 in restricted funding to the FY 2020 Approved Operating Budget to support the new Elementary and Secondary School Emergency Relief (ESSER) grant under the Coronavirus Aid Relief and Economic Security (CARES) Act. This grant provides local school systems with restricted federal resources to support expenses relating to the COVID-19 pandemic.
2. A categorical realignment of restricted funding within the Kirwan Concentration of Poverty grant to support instructional literacy materials as well as salary and fringe benefits for Community School Coordinators.
3. A categorical realignment of unrestricted funds to support the early payment of two lease purchase agreements. This is part of a comprehensive plan to reconcile the FY 2021 Operating Budget. Savings within the area of salary lapse, registration fees and non-local travel expenses support this realignment.

MISSION STATEMENT

The Prince George's County Board of Education will advance the achievement of its diverse student body through community engagement, sound policy governance, accountability, and fiscal responsibility.

Prince George's County Public Schools

The below chart outlines the Board-Approved categorical changes:

EXPENDITURES MAJOR CATEGORIES	FY 2020	FY 2020	FY 2020 Financial Review			FY 2020
	Board of Education	Board of Education	Transfer Request			Board of Education
	APPROVED	REVISED	Unrestricted	Restricted	Total	REVISED
	(June 20, 2019)	(March 27, 2020)			Transfer	(June 11, 2020)
Administration	\$ 87,702,853	\$ 80,729,122	\$ (848,592)	\$ 1,418,435	\$ 569,843	\$ 81,298,965
Mid-Level Administration	136,984,417	135,915,936	(1,390,098)	419,324	(970,774)	134,945,162
Instructional Salaries	745,645,412	720,146,080	-	7,348,640	7,348,640	727,494,720
Textbooks and Instructional Materials	21,243,729	21,463,436	-	8,859,909	8,859,909	30,323,345
Other Instructional Costs	87,423,023	105,174,246	6,108,258	2,548,003	8,656,261	113,830,507
Special Education	301,992,947	316,751,863	(2,399,572)	3,278,521	878,949	317,630,812
Student Personnel Services	31,273,458	26,817,398	(154,040)	127,724	(26,316)	26,791,082
Health Services	23,580,697	21,206,564	(9,906)	134,274	124,368	21,330,932
Student Transportation Services	110,755,596	119,746,155	433,586	495,176	928,762	120,674,917
Operation of Plant	138,821,121	136,111,469	(1,314,826)	3,311,556	1,996,730	138,108,199
Maintenance of Plant	43,933,355	58,064,355	(424,810)	-	(424,810)	57,639,545
Fixed Charges	447,417,339	433,910,905	-	1,338,168	1,338,168	435,249,073
Food Services Subsidy	2,155,343	712,004	-	721,085	721,085	1,433,089
Community Services	3,868,610	3,534,027	-	30,930	30,930	3,564,957
Capital Outlay	325,000	325,000	-	-	-	325,000
Expenditures Total	\$ 2,183,122,900	\$ 2,180,608,560	\$ -	\$30,031,745	\$30,031,745	\$ 2,210,640,305

County Council approval of this second transfer request between major expenditure categories for Fiscal Year 2020 is respectfully requested.

Sincerely,


Alvin Thornton, Ph.D.
 Chair, Board of Education



Monica E. Goldson, Ed.D
 Chief Executive Officer

Attachments

- c: Members, Board of Education
- Members, County Council
- Mr. Major Riddick
- Mr. Robert J. Williams, Jr.
- Mr. David H. Van Dyke
- Ms. Inez Claggett
- Mr. Stanley A. Earley
- Mr. William Hunt
- Members, 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 2020 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.

This Financial Review includes three sets of changes, as outlined below:

1. The addition of \$30,031,745 in restricted funding to the FY 2020 Approved Operating Budget to support the new Elementary and Secondary School Emergency Relief (ESSER) grant under the Coronavirus Aid Relief and Economic Security (CARES) Act. This grant provides local school systems with restricted federal resources to support expenses relating to the COVID-19 pandemic. A further outline of the proposed use of the funds will be separately presented by the Chief Executive Officer to the Board of Education on July 11, 2020.
2. A categorical realignment of restricted funding within the Kirwan Concentration of Poverty grant to support instructional literacy materials as well as salary and fringe benefits for Community School Coordinators through June 2020.
3. A categorical realignment of unrestricted funds to support the early payment of two lease purchase agreements. This is part of a comprehensive plan to reconcile the FY 2021 Operating Budget scheduled for CEO presentation to the Board of Education on July 11, 2020. These lease purchase agreements originally supported the purchase of Buses, Textbooks and Technology in FY 2017 and FY 2018. Savings within the area of salary lapse, registration fees and non-local travel expenses support this realignment.

The Public School Laws of Maryland require Board of Education and County Council approval of transfers between major categories. The attached resolution approves the addition of restricted funding and the transfers between major categories. The resolution also authorizes the Chief Executive Officer to request County Council approval of the transfers. Board of Education approval of the resolution is recommended.

Budget Implications: \$30,031,745

Staffing Implications: n/a

School(s) Affected: All Schools

Preparation Date: June 11, 2020

Person Preparing: Michael Herbstman, Chief Financial Officer

Board Agenda Introduction Date: June 11, 2020

Board Action Date (BUDGET CONSENT): June 11, 2020

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;

WHEREAS, a restricted revenue change is requested in the amount of \$30,031,745 to support the new federal pass-through Elementary and Secondary School Emergency Relief Act grant;

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 2020 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:

REVENUE	FY 2020	FY 2020	FY 2020 Financial Review			FY 2020
	Board of Education APPROVED <i>(June 20, 2019)</i>	Board of Education REVISED <i>(March 27, 2020)</i>	Transfer Request as of 04.30.20			Board of Education REVISED <i>(June 11, 2020)</i>
			Unrestricted	Restricted	Total Transfer	
Federal Sources	\$ 124,487,315	\$ 124,487,315	\$ -	\$ 30,031,745	\$ 30,031,745	\$ 154,519,060
State Sources	1,227,872,982	\$ 1,225,358,642	-	-	-	\$ 1,225,358,642
Board Sources	16,293,003	\$ 16,293,003	-	-	-	\$ 16,293,003
County Sources	786,469,600	\$ 786,469,600	-	-	-	\$ 786,469,600
Fund Balance - Prior Year	28,000,000	\$ 28,000,000	-	-	-	\$ 28,000,000
Revenue Total	\$ 2,183,122,900	\$ 2,180,608,560	\$ -	\$ 30,031,745	\$ 30,031,745	\$ 2,210,640,305

EXPENDITURES MAJOR CATEGORIES	FY 2020	FY 2020	FY 2020 Financial Review			FY 2020
	Board of Education APPROVED <i>(June 20, 2019)</i>	Board of Education REVISED <i>(March 27, 2020)</i>	Transfer Request as of 04.30.20			Board of Education REVISED <i>(June 11, 2020)</i>
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Expenditures Total	\$ 2,183,122,900	\$ 2,180,608,560	\$ -	\$ 30,031,745	\$ 30,031,745	\$ 2,210,640,305

Submitted by:	Michael Herbstman, Chief Financial Officer
Agenda Date:	June 11, 2020
Discussion:	_____
First Reader:	_____
Budget Consent Agenda:	June 11, 2020
Emergency:	_____
Amended:	_____
Deferred:	_____
Tabled:	_____
Approved:	_____