





March 6, 2025

MEMORANDUM

TO: Sydney J. Harrison, Chair
Education and Workforce Development (EWD) Committee

THRU: Josh Hamlin 
Director of Budget and Policy Analysis

FROM: David Noto 
Legislative Budget and Policy Analyst

RE: Board of Education FY 2024 Financial Review and Transfer Request #4

The Board of Education (BOE) requests authority to transfer appropriated funds between major expenditure categories to maintain a balanced budget and ensure fiscal stability through the end of the fiscal year. Total revenue and expenditures remain at \$2,813,515,115. This is \$13,473,715 more than the original County Council Approved FY 2024 Budget due to the receipt of additional funding. This is the fifth transfer request for FY 2024, but only the fourth submitted to the County Council, as not all transfer requests submitted to BOE require County Council approval.

The Financial Review, undertaken by Prince George's County Public Schools (PGCPS) after the financial closure of FY 2024, would repurpose \$92,678,523 from Administration, Instructional Salaries, Other Instructional Costs, Special Education, Student Personnel Services, Operation of Plant, Maintenance of Plant, Fixed Charges, and Community Services to Mid-Level Administration, Textbooks & Instructional Materials, Student Health Services, and Capital Outlay.

The rationale for this transfer is due primarily to approved carryover funding for multi-year grants, approved carryover funding for capital projects in ESSER III, and a restatement of prior year expenditures. The nine (9) categories from which funds were taken had unexpended appropriation authority remaining, while the four (4) categories the funds were transferred to had exceeded previously approved appropriation levels.

Within this transfer, Capital Outlay received \$42,126,290, Textbooks & Instructional Materials received \$23,152,233, and Health Services received \$26,500,000. This transfer request did not include the typical appendices offering a more detailed rationale behind individual transfers. As such, there is no explanation for the programs that will be funded in Capital Outlay, Textbooks & Instructional Materials, and Student Health Services.

Unrestricted increases of \$18,169,958 in Administration, Textbooks & Instructional Materials, and Capital Outlay are balanced by a decrease in Fixed Charges.

Restricted increases of \$75,102,867 in Mid-Level Administration, Textbooks & Instructional Materials, Student Health Services, and Capital Outlay are offset by decreases in Administration, Instructional

Salaries, Other Instructional Costs, Special Education, Student Personnel Services, Student Transportation Services, Operation of Plant, Maintenance of Plant, Fixed Charges, and Community Services.

Questions for Committee Consideration:

1. Please provide an explanation for the programs funded within Capital Outlay (\$42.1 million), Textbooks & Instructional Materials (\$23.2 million), and Student Health Services (\$26.5 million).
2. Discuss where the savings in Other Instructional Costs (\$28.6 million) and Fixed Charges (\$22.7 million) were obtained. Do these cuts have a programmatic impact on the school system?
3. What audit finding precipitated the need for a financial restatement?

Exhibit A below details the current FY 2024 County Council Approved Budget after the FY 2024 Financial Review and Transfer Request #3, a summary of the Board of Education's FY 2024 Financial Review and Transfer Request #4, and the resulting anticipated major expenditure category appropriation totals should the County Council approve this request.

Exhibit A
Prince George’s County Board of Education
FY 2024 Financial Review and Transfer Request #4

Expenditures Major Categories	FY 2024 Original County Council APPROVED	FY 2024 Current County Council APPROVED	FY 2024 Financial Review Transfer Request #4		Total Transfer	FY 2024 County Council REVISED (Pending Approval)
			Unrestricted	Restricted		
Administration	\$ 91,958,555	\$84,372,379	\$ 594,302	\$ (1,504,188)	\$ (909,886)	\$ 83,462,493
Instructional Salaries	173,770,917	\$897,271,422	-	(21,152,433)	(21,152,433)	876,118,989
Student Personnel Services	934,229,601	\$53,926,993	-	(7,797,021)	(7,797,021)	46,129,972
Student Transportation Services	40,191,133	178,814,647	-	(2,012,706)	(2,012,706)	176,801,941
Operation of Plant	166,539,545	151,626,446	-	(200,731)	(200,731)	151,425,715
Maintenance of Plant	359,060,752	67,185,314	-	(2,247,189)	(2,247,189)	64,938,125
Community Services	67,633,916	7,188,006	-	(1,775,987)	(1,775,987)	5,412,019
Fixed Charges	28,692,274	527,731,699	(18,169,958)	(4,500,031)	(22,669,989)	505,061,710
Health Services	145,156,894	35,007,336	-	26,500,000	26,500,000	61,507,336
Special Education	157,710,683	341,459,440	-	(5,335,362)	(5,335,362)	336,124,078
Mid-Level Administration	74,788,851	170,094,085	-	900,000	900,000	170,994,085
Textbooks & Instructional Materials	531,519,483	42,112,706	2,829,223	20,323,010	23,152,233	65,264,939
Other Instructional Costs	6,626,606	238,496,457	-	(28,577,219)	(28,577,219)	209,919,238
Food Services Subsidy	6,077,271	3,048,185	-	-	-	3,048,185
Capital Outlay & Private Public Partnership	27,250,000	15,250,000	14,746,433	27,379,857	42,126,290	57,376,290
Total Expenditures	\$ 2,811,206,481	\$2,813,585,115	\$ -	\$ -	\$ -	\$ 2,813,585,115

Prepared by David Noto, Legislative Budget and Policy Analyst –March 6, 2025.