



August 26, 2025

**MEMORANDUM**

TO: Krystal Oriadha, Chair  
Education and Workforce Development (EWD) Committee

THRU: Arian Albear, Director  
Education and Workforce Development Committee 

FROM: Caleb Callender  
Public Service Aide 

RE: Board of Education FY 2026 Approved Budget Reconciliation

The Board of Education (BOE) requests approval of the FY 2026 Operating Budget reconciliation, totaling \$2,960,705,651. This is an increase of \$57,076,182, or 2%, over the FY 2025 County Council's Approved Operating Budget and an increase of \$10,070,251, or 0.3%, over the County Council Approved FY 2026 Operating Budget.

Our review of the BOE's approved reconciling adjustments indicates that the budget reconciliation request appears reasonable with no additional cost to the County. **The County Contribution remains constant at \$969,590,100.**

Subsequent to the County Council's approval of the budget, reductions occurred in Federal revenue of \$4,173,774 due to:

- A decrease of \$4.3M for Title I Part A funding.
- An increase of \$0.2M for Perkins grant funds.
- An increase of \$0.4M for Special Education grant funds.
- A reduction of \$0.5M in the reserve for future federal grants.

Additionally, there were increases in general State revenue of \$14,244,027 resulting from improved estimate calculations.

Exhibit A outlines the breakdown of funding by revenue categories.

Exhibit B outlines the adjustments between the FY 2026 County Council-Approved Budget and the Board of Education's Reconciled Budget, by major administrative categories, and the percentage change between the budgets. The \$10,070,251 increase, by category, is explained below:

- **Administration (\$374,302 – 0.4%):** Slight increase due to the addition of a new Division Chief and Executive Assistant in response to the Special Education Corrective Action Plan.
- **Mid-Level Administration (\$2,773,014 – 1.4%):** Net increase primarily due to converting at least one (1) Assistant Principal from 11-month to 12-month and adding them to each school, along with a reduction of office supplies.
- **Instructional Salaries (\$21,386,265 – 2.2%):** Net increase mainly due to reduction in salary lapse for education positions and anticipated negotiated salary increases.
- **Textbook & Instructional Materials (\$7,809,664 – 17.4%):** Net increase mostly due to restricted fund changes for community schools.
- **Other Instructional Costs (\$12,434,448 – 7.0%):** Net decrease due to early FY 2025 lease payoff.
- **Special Education (\$12,137,040 – 3.3%):** Increase attributed to anticipated negotiated salary increases.
- **Student Personnel Services (\$5,084,450 – 7.0%):** Net increase due to enhancement of mental health services at schools.
- **Student Health Services (\$9,157,350 – 22.8%):** Increase mainly due to negotiated salary increases and school-based health clinics.
- **Student Transportation Services (\$9,923,835 – 7.5%):** Increase due to negotiated salary increases and investment in a new student transportation platform.
- **Operation of Plant (\$1,253,797 – 0.8%):** Net decrease due to reduction in salary lapse as a result of anticipated vacancies.
- **Maintenance of Plant (\$2,999,633 – 4.1%):** Decrease mainly due to the elimination of \$2 million for retention ponds.
- **Fixed Charges (\$40,862,353 – 7.1%):** Net decrease primarily due to Other Post Employment Benefits (OPEB) early payoff, reduction of employee retirement and health insurance, and reduction of benefits from salary lapse.
- **Food Services (\$2,183,276 – 72.3%):** Decrease mainly due to increase in salary lapse and reduction in food subsidy.
- **Community Services (\$1,657,838 – 36.4%):** Net increase mostly due to restricted fund changes for community schools.
- **Capital Outlay (\$500,000 – 1.8%):** Decrease of \$500,000 to cover other programmatic needs.

The FY 2026 Approved Budget reflects updated assumptions across key areas, including salary lapse, reserve accounts, and contracted services, to align funding with evolving priorities, goals, and objectives. These revised base adjustments, realignments, and central office reductions total. As shown in Exhibit C, \$39.4 million represents a strategic effort to reallocate resources in accordance with operational needs.

**Questions for Committee Consideration:**

1. Exhibit C: Will the decrease in funding towards Summer School Programming greatly affect the quality of Summer School across the county?
2. Exhibit C: Discuss the \$11,263,603 reduction in “Reserve Adjustments.”
3. Board Action Summary, page 3. Can you provide any updates on the progress being made towards the new transportation platform?
4. How is funding for vacant positions estimated?
5. Discuss the increase in State revenue from the Council-Approved budget to the Reconciled budget.
6. Increase in Mid-Level Administration: Address the mandate of Assistant principals within all schools.
7. Increase in Textbooks & Instructional Materials: Discuss the increase in allocation toward community schools.
8. Decrease in Food Services: How will the decrease in food services affect student meals? Is this decrease due to federal government cutbacks?

**Exhibit A**  
**Prince George’s County Board of Education FY 2026**  
**Budget Revenue Categories**

<b>Revenue Category</b>	<b>FY 2026 County Council Approved Budget</b>	<b>FY 2026 BOE Reconciled Budget (Pending Approval)</b>	<b>\$ Difference</b>	<b>% Difference</b>
<b>Federal</b>	\$ 141,753,200	\$ 137,579,433	\$ (4,173,767)	-3.0%
<b>State</b>	1,712,716,700	1,726,960,727	14,244,027	0.8%
<b>County</b>	969,590,100	969,590,100	-	0%
<b>Board</b>	31,575,400	31,575,391	(9)	0%
<b>Fund Balance</b>	95,000,000	95,000,000	-	0%
<b>TOTAL</b>	<b>\$ 2,950,635,400</b>	<b>\$ 2,960,705,651</b>	<b>\$ 10,070,251</b>	<b>0.3%</b>

**Exhibit B**  
**Prince George's County Board of Education FY 2026**  
**Budget Expenditure Categories**

Expenditures By Category	FY 2026 County Council Approved Budget	FY 2026 BOE Reconciled Budget (Pending Approval)	Required Reconciling Adjustments	% Change
Administration	\$104,185,400	\$104,559,702	\$374,302	0.36%
Mid-Level Administration	196,294,800	199,067,814	\$2,773,014	1.41%
Instructional Salaries	972,730,000	994,116,265	\$21,386,265	2.20%
Textbooks & Instructional Materials	44,895,300	52,704,964	\$7,809,664	17.40%
Other Instructional Costs	178,426,800	165,992,352	(\$12,434,448)	-6.97%
Special Education	362,594,500	374,731,540	\$12,137,040	3.35%
Student Personnel Services	72,945,800	78,030,250	\$5,084,450	6.97%
Student Health Services	40,078,700	49,236,050	\$9,157,350	22.85%
Student Transportation Services	131,592,900	141,516,735	\$9,923,835	7.54%
Operation of Plant	163,671,700	162,417,903	(\$1,253,797)	-0.77%
Maintenance of Plant	72,870,800	69,871,167	(\$2,999,633)	-4.12%
Fixed Charges	575,280,800	534,418,447	(\$40,862,353)	-7.10%
Food Services Subsidy	3,018,800	835,524	(\$2,183,276)	-72.32%
Community Services	4,549,100	6,206,938	\$1,657,838	36.44%
Capital Outlay & Private Public Partnership	27,500,000	27,000,000	(\$500,000)	-1.82%
<b>Total Expenditures</b>	<b>\$2,950,635,400</b>	<b>\$2,960,705,651</b>	<b>\$10,070,251</b>	<b>0.34%</b>

**Exhibit C**  
**Prince George's County Board of Education**  
**Central Office Reduction Details**

Unrestricted Budget Change	\$ Change
Program Enhancement Reductions	\$ (2,380,000)
Salary Lapse	\$ (21,102,397)
Summer School Reduction	\$ (6,805,607)
Other Central Office Changes	\$ (301,787)
Reserve Adjustments	<u>\$ (11,263,603)</u>
Base Adjustments & Central Office Reductions	\$ (39,473,394)