



July 6, 2026

MEMORANDUM

TO: Education and Workforce Development (EWD) Committee

THRU: Dr. Arun Puracken, Director *AP*
Education and Workforce Development Committee

FROM: Caleb Callender
Public Service Aide *CC*

RE: Board of Education FY 2027 Approved Budget Reconciliation

The Board of Education (BOE) requests approval of the FY 2027 Operating Budget reconciliation, totaling \$2,984,293,453. This is an increase of \$23,587,803, or 0.8%, over the FY 2026 County Council's Approved Operating Budget and an increase of \$13,729,353, or 0.5%, over the County Council Approved FY 2027 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 \$969,076,600.**

Subsequent to the County Council's approval of the budget, increases occurred in Federal revenue.

1. Increases in Federal Sources of \$8,654,350
 - An increase of \$7.4M for Title I Part A & CSI funding.
 - An increase of \$3.7M for Federal Tax Credit from Geothermal Systems Installation.
 - A decrease of \$0.7M across Title II, III and IV grants.
 - A reduction of \$1.6M in the reserve for future federal grants.
 - A decrease of \$0.1M in Special Education grants.

Additionally, there were increases in general State revenue of \$3,369,697 resulting from various grants and funding (highlighted below), which was slightly offset by improved estimate calculations.

2. Increases in State grant funding of \$5.9M
 - An increase of \$3.3M for anticipated MEA grants for electric school buses and geothermal systems.
 - An increase of \$2M for Concentration of Poverty Grant carryover (Personnel and Per Pupil)
 - An increase in State share of Career Ladder funding due to updated 1st renewal enrollment count

Lastly, there were increases in Board revenue of \$1,705,307 due to the anticipated rebates from geothermal system installation across various school sites.



Exhibit A outlines the breakdown of funding by revenue categories.

Exhibit B outlines the adjustments between the FY 2027 County Council-Approved Budget and the Board of Education's Reconciled Budget, by major administrative categories, and the percentage change between the budgets. The \$13,729,353 increase, by category, is explained below:



- **Administration (\$4,146,006 – 4.2%)**: Slight increase due mostly to the reduction in salary lapse to account for hiring of vacant positions.
- **Mid-Level Administration (\$1,540,119-- 0.7%)**: Decrease due to reduction in non-essential discretionary spending (e.g., NLT, catering, etc.).
- **Instructional Salaries (\$1,512,905 – 0.2%)**: Increase due to reduction of salary lapse to account for hiring of vacant positions.
- **Textbook & Instructional Materials (\$327,177 –0.7%)**: Slight decrease due to reductions in textbooks, library materials, and instructional computers.
- **Other Instructional Costs (\$10,123,092 – 5.8%)**: Decrease due to the delay in much of the technology refresh cycle as well as decrease in salary lapse.
- **Special Education (\$3,002,864 – 0.8%)**: Increase due to the reduction of salary lapse to account for hiring of vacant positions.
- **Student Personnel Services (\$11,177,762 – 17.3%)**: Increase primarily due to the reduction of salary lapse.
- **Student Health Services (\$10,696,232 – 21.4%)**: Decrease due to reduction of mental health support as well as locked staffing changes.
- **Student Transportation Services (\$4,116,436 – 3%)**: Decrease due to reduction in school activity transportation because of specialty program changes.
- **Operation of Plant (\$3,366,852 – 2%)**: Decrease due to reduction of the maintenance of supplies.
- **Maintenance of Plant (\$240,344 – 0.4%)**: Slight increase due to the reduction of salary lapse.
- **Fixed Charges (\$19,966,274 – 3.8%)**: Increase mainly due to reduction of salary lapse and increased utility/energy costs.
- **Food Services (\$17 – 0%)**: Difference due to rounding.
- **Community Services (\$83,432 – 1.8%)**: Slight increase due to reduction of salary lapse.
- **Capital Outlay (\$3,769,691 – 14%)**: Increase due to anticipated grants, rebates, and tax credits for geothermal system installation across various school sites.



The FY 2027 Approved Budget reflects updated assumptions across key areas, including personnel/professional development, facilities/operations, and contracted services, to align funding with evolving priorities, goals, and objectives. These revised operational and divisional adjustments, realignments, and reductions total \$19.1 million, as shown in Exhibit C, representing a strategic effort to reallocate resources in alignment with operational need.

Questions for Committee Consideration:

1. Exhibit B: How will the reduction of \$10.6 million towards mental health support affect students and staffing across the county?
2. Exhibit C: Does the \$10.2 million reduction in “Contracted and Professional Services.” correlate to the reduction in mental health services or is that separate? If separate, please discuss.
3. Can you provide updates on the delay in the technology refresh cycle?
4. How is funding for vacant positions estimated?

Exhibit A
Prince George’s County Board of Education
FY 2027 Budget Revenue Categories

Revenue Category	FY 2027 County Council Approved Budget	FY 2027 BOE Reconciled Budget (Pending Approval)	\$ Difference	% Difference
Federal	\$ 117,505,800	\$ 126,160,150	\$ 8,654,350	7.4%
State	1,826,971,600	1,830,341,297	3,369,697	0.2%
County	969,076,600	969,076,600	-	0%
Board	32,010,100	33,715,407	1,705,307	5.3%
Fund Balance	25,000,000	25,000,000	-	0%
TOTAL	\$ 2,970,564,100	\$ 2,984,293,453	\$ 13,729,353	0.5%

Exhibit B
Prince George’s County Board of Education
FY 2027 Budget Expenditure Categories



Expenditures By Category	FY 2027 County Council Approved Budget	FY 2027 BOE Reconciled Budget (Pending Approval)	Required Reconciling Adjustments	% Change
Administration	\$ 98,661,900	\$ 102,807,906	\$ 4,146,006	4.2%
Mid-Level Administration	207,911,600	206,371,481	(1,540,119)	-0.7%
Instructional Salaries	1,004,918,800	1,006,431,705	1,512,905	0.2%
Textbooks & Instructional Materials	44,066,300	43,739,123	(327,177)	-0.7%
Other Instructional Costs	174,806,600	164,683,508	(10,123,092)	-6.1%
Special Education	397,314,000	400,316,864	3,002,864	0.8%
Student Personnel Services	64,555,800	75,733,562	11,177,762	17.3%
Student Health Services	50,066,200	39,369,968	(10,696,232)	-27.2%
Student Transportation Services	139,347,400	135,230,964	(4,116,436)	-3%
Operation of Plant	172,528,200	169,161,348	(3,366,852)	-2%
Maintenance of Plant	57,664,000	57,904,344	240,344	0.4%
Fixed Charges	526,397,900	546,364,174	19,966,274	3.8%
Food Services Subsidy	749,300	749,283	(17)	0%
Community Services	4,576,100	4,659,532	83,432	1.8%
Capital Outlay & Private Public Partnership	27,000,000	30,769,691	3,769,691	14%
Total Expenditures	\$2,970,564,100	\$2,984,293,453	\$13,729,353	0.46%

* Some percentages may differ from the attachment given by the Board of Education due to correction of calculations

**Exhibit C
Prince George's County Board of Education
Targeted Operational and Divisional
Reduction Details**

Unrestricted Budget Change Category	\$ Change
Contracted and Professional Services	\$ 10,200,000
Facilities, Operations & Security	5,900,000
Personnel, Professional Development & Supplemental Pay	1,400,000
Materials, Supplies, & Equipment	1,400,000
Travel, Transportation & Meetings	200,000
Operational and Divisional Reductions	\$ 19,100,000

