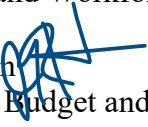


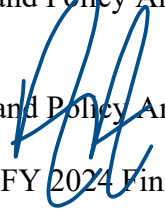


October 23, 2023

MEMORANDUM

TO: Edward Burroughs, III, Chair
Education and Workforce Development (EWD) Committee

THRU: Josh Hamlin 
Director of Budget and Policy Analysis

FROM: Arian Albear 
Legislative Budget and Policy Analyst

RE: Board of Education FY 2024 Financial Review

The Board of Education (BOE) requests the approval of a \$2,308,634 operating budget increase for FY 2024 due to a settlement offer awarded on the nationwide JUUL Labs, Inc., Marketing, Sales, Practices, and Products Liability Litigation. The FY 2024 Board of Education Operating Budget would increase to \$2,813,515,115. Prince George's County Public Schools (PGCPS) notes that \$2,308,634 is the expected amount the school system will receive. Funds had not been disbursed as of October 9, 2023.¹

The Financial Review, undertaken by PGCPS, would add the total amount of the litigation settlement (\$2.3 million) received through the Board Sources revenue category into restricted funding within the Student Health Services expenditure category.

In the action titled *In Re JUUL Labs, Inc. Marketing, Sales, Practices, and Products Liability Litigation*, No. 19-md-02913-WHO (N.D. Cal.), plaintiffs alleged that JUUL products were unlawfully marketed to minors. As a result, the Court granted Final Approval of the settlement on September 19, 2023, for \$255 million.² The settlement is part of a much larger agreement to resolve thousands of lawsuits by school districts, local governments, and individuals accusing the company of contributing to a youth vaping epidemic.³ PGCPS will receive 0.91% of the total settlement amount, as a result of a *pro rata* (proportional) basis of distribution.⁴

¹ Communication with PGCPS.

² Note: The Court has not yet decided whether any Defendant violated any laws.

³ Business & Human Rights Resource Centre, "[USA: Judge grants preliminary approval of \\$255 million settlement on deceptive marketing practices by Juul accused of contributing to youth vaping epidemic.](#)" 23 January 2023.

⁴ The calculations for the amounts awarded can be found in the [Plan of Allocation](#).

An analysis of the revenue increase and expenditure allocation appears reasonable, as funds are restricted to addressing youth vaping and nicotine addiction. Activities to address these concerns are scheduled for implementation over a three-year period, from September 2023 to December 2026. Because the funds have not been received as of October 9, 2023, implementation of the programs may be delayed.

Specifically, PGCPs proposed to use the funds to support evidence-based practices that include:

- 1) Adolescent Community Reinforcement Approach (A-CRA) training for counselors rendering an adolescent substance abuse intervention certification,⁵
- 2) Botvin LifeSkills Training (Substance Use/Violence Prevention Program) for middle schools,
- 3) Expanding contracted Substance Abuse Clinicians,
- 4) Drug Prevention Student Advertisement Campaign,
- 5) Base 7 Mindsets Social-Emotional Learning & Mental Health Online Curriculum Platform, and
- 6) Comprehensive materials designed to inform parents/staff on the dangers of illegal drugs in books and resources for schools.

An evaluation of the programs listed can be found below:

- 1) Adolescent Community Reinforcement Approach (A-CRA) training for counselors rendering an adolescent substance abuse intervention certification,⁶

This program was rated as “Promising”⁷ in 2020 by CrimeSolutions (part of the National Institute of Justice) in a re-review of studies evaluated in 2011. Programs rated “Promising” have some evidence to indicate that they achieve their intended outcomes.⁸ CrimeSolutions noted that:

“The program participants showed a statistically significant reduction in alcohol use, other drug use, and depressive symptoms, and an increase in linkage to continuing care services, adherence to the continuing care model, and social stability. However, there was no statistically significant effect on high-risk behaviors or delinquency.”

The cost of the training was not listed on the organization’s website.

A full list of additional drug and substance abuse programs evaluated by CrimeSolutions can be found [here](#).

⁵ U.S. Department of Justice, Office of Justice Programs, [Program Profile: Adolescent Community Reinforcement Approach \(A-CRA\)](#).

⁶ U.S. Department of Justice, Office of Justice Programs, [Program Profile: Adolescent Community Reinforcement Approach \(A-CRA\)](#).

⁷ Out of a scale of “Effective,” “Promising,” and “No Effects.”

⁸ *Ibid*.

- 2) Botvin LifeSkills Training (Substance Use/Violence Prevention Program) for middle schools,

Botvin LifeSkills Training provides “evidence-based prevention programs for schools, families, and communities.”⁹ The organization states that its LifeSkills Training program “has been extensively proven¹⁰ to reduce tobacco, alcohol, and illicit drug use by as much as 80%.¹¹ The middle school program is divided into three (3) levels with between five (5) and eighteen (18) sessions¹²

The cost of the training varies from \$250 online training for individuals to \$1,070 for a workshop, not including the cost of travel.¹³

- 3) Expanding contracted Substance Abuse Clinicians,

The cost of expansion was not provided in time to be included in this report.

- 4) Drug Prevention Student Advertisement Campaign,

The cost of the campaign was not provided in time to be included in this report.

- 5) Base 7 Mindsets Social-Emotional Learning & Mental Health Online Curriculum Platform¹⁴, and

7 Mindsets defines its mission as

“[M]indsets-based learning, teacher-first approach is designed to drive student well-being and achievement, healthy school cultures, and educator happiness and retention. A best-in-class digital PreK-12 curriculum combined with transformative professional learning, expert coaching, and more, has made 7 Mindsets a trusted partner to schools and districts for over 15 years.”

More information on the curriculum can be found [here](#).

The cost of the program was not provided in time to be included in this report.

- 6) Comprehensive materials designed to inform parents/staff on the dangers of illegal drugs in books and resources for schools.

Information on the initiative was not provided in time to be included in this report.

⁹ [Botvin LifeSkills Training](#).

¹⁰ *Ibid.*, [Evaluation Studies](#).

¹¹ *Ibid.* [FAQs](#).

¹² *Ibid.* [Middle School Program](#).

¹³ *Ibid.* [Training and Technical Assistance](#).

¹⁴ This report assumes that the program is run by [7 Mindsets](#).

The cost of the initiative was not provided in time to be included in this report.

Exhibit A below details the current FY 2024 County Council Approved Budget for the Board of Education and the FY 2024 Board of Education Approved Operating Budget (as of September 21, 2024), by revenue and expenditure categories. The Board Action Summary and the JUUL Litigation Settlement attached to the transfer request also provide additional information.

Exhibit A

**Prince George's County Board of Education
FY 2024 Financial Review and Transfer Request**

Revenue Category	FY 2024 County Council REVISED APPROVED	FY 2024 Board of Education Financial Review and Transfer Request			FY 2024 County Council REVISED APPROVED
	<i>October 10, 2023</i>	<i>Unrestricted</i>	<i>Restricted</i>	<i>Total Request</i>	<i>Pending Approval</i>
Federal Sources	\$ 231,738,135	\$ -	\$ 2,308,634	\$ 2,308,634	\$ 234,046,769
State Sources	1,555,057,494	-	-	-	1,555,057,494
County Sources	943,054,800	-	-	-	943,054,800
Board Sources	11,356,052	-	-	-	11,356,052
Fund Balance	\$ 70,000,000	\$ -	\$ -	\$ -	\$ 70,000,000
Revenue Totals	\$ 2,811,206,481				\$ 2,813,515,115
Expenditures Major Categories	FY 2024 County Council REVISED APPROVED	FY 2024 Board of Education Financial Review and Transfer Request			FY 2024 County Council REVISED APPROVED
	<i>Oct. 10, 2023</i>	<i>Unrestricted</i>	<i>Restricted</i>	<i>Total Request</i>	<i>Pending Approval</i>
Administration	\$91,958,555	\$ -	\$ -	\$ -	\$ 91,958,555
Instructional Salaries	173,770,917	-	-	-	173,770,917
Student Personnel Services	934,229,601	-	-	-	934,229,601
Student Transportation Services	40,191,133	-	-	-	40,191,133
Operation of Plant	166,539,545	-	-	-	166,539,545
Maintenance of Plant	359,060,752	-	-	-	359,060,752
Community Services	67,633,916	-	-	-	67,633,916
Fixed Charges	28,692,274	-	-	-	28,692,274
Health Services	145,156,894	-	2,308,634	2,308,634	147,465,528
Special Education	157,710,683	-	-	-	157,710,683
Mid-Level Administration	74,788,851	-	-	-	74,788,851
Textbooks & Instructional Materials	531,519,483	-	-	-	531,519,483
Other Instructional Costs	6,626,606	-	-	-	6,626,606
Food Services Subsidy	6,077,271	-	-	-	6,077,271
Capital Outlay & Private Public Partnership	27,250,000	-	-	-	\$ 27,250,000
Total Expenditures	\$ 2,811,206,481	\$ -	\$ 2,308,634	\$ 2,308,634	\$ 2,813,515,115