

# PRINCE GEORGE'S COUNTY COUNCIL

## COMMITTEE REPORT

### 2026 Legislative Session

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**Reference No.:** TR-3-26

**Draft No.:** 1

**Committee:** Education & Workforce Development

**Date:** April 13, 2026

**Action:** Favorable 4-0

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#### **REPORT:**

Committee Vote: Favorable 4-0 (In favor: Chair Adams-Stafford, Council Members Harrison, Olson, Dernoga).

The Education and Workforce Development Committee convened on Monday, April 13, 2026, to consider the FY 2026 Board of Education's Financial Review and Transfer Request #2. The item was submitted to the County Council on April 2, 2026.

This transfer request seeks to increase the Board of Education's operating budget by approximately \$36.6 million and realign funds across major expenditure categories to address a projected shortfall.

The shortfall is driven primarily by lower-than-anticipated salary lapse—meaning fewer vacancies and higher staffing costs—as well as increased special education expenditures.

To cover these costs, the Board is increasing spending authority and drawing approximately \$38.8 million from the fund balance (reserves), while also making internal reductions and reallocations across categories. The difference between the \$38.8 million and the \$36.6 million figures reflects a reduction in state revenue relating to the State Share of Private Pre-Kindergarten providers which will now be paid directly by the State, resulting in a net budget increase of \$36.6 million.

This action, approved by the Board of Education on March 26, 2026, brings the total FY 2026 operating budget to \$2,995,312,763.

EWD Chair Adams-Stafford asked clarifying questions on the total fund balance currently and the usage of that.

In response, PGCPs Chief Financial Officer, Lisa Howell, stated that at the end of 2025, PGCPs had approximately \$217 million in the fund balance, but that is projected to be reduced to around \$77-78 million by the end of 2026, reflecting a substantial utilization of the prior year's fund balance. These projections are based on the proposed use of the fund balance and are subject to approval through the County Council's budget and transfer processes. Council Member Dernoga inquired about the additional dollars allocated towards special education. Chief Howell mentioned the demand for additional contractor services.

On April 13, 2026, the Education and Workforce Development Committee voted the transfer request favorable 4-0.