



Prince George's County Board of Education
14201 School Lane • Upper Marlboro, Maryland 20772 • www.pgcps.org

BOARD OF EDUCATION
Telephone: 301-952-5115
Facsimile: 301-952-6114

June 9, 2022

Board Chair
Juanita Miller, Ed.D.

The Honorable Angela D. Alsobrooks
County Executive, Prince George's County

Board Vice Chair
Sonya Williams

The Honorable Calvin S. Hawkins II
Chair, Prince George's County Council
County Administration Building
14741 Governor Oden Bowie Drive
Upper Marlboro, Maryland 20772

Board Members
Shayla Adams-Stafford
Pamela Boozer-Strother
Kenneth F. Harris II
Madeline LaSalle Frazier,
LCSW, Ed.S.
Judy Mickens-Murray
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Alvaro Ceron-Ruiz,
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RE: FY 2022 Financial Review #2

Secretary-Treasurer
Monica E. Goldson, Ed.D.

Dear County Executive Alsobrooks and County Council Chair Hawkins:

This letter requests approval of an operating budget transfer between major expenditure categories for FY 2022. The transfer realigns categories within the FY 2022 Board of Education Approved Budget to meet current and projected instructional and support service needs for the remainder of the fiscal year. Total revenue and expenditures remain at the Board of Education Approved Budget level of \$2,775,176,835. This Financial Review was originally approved by the Board of Education on June 9, 2022.

ADMINISTRATION

Chief Executive Officer
Monica E. Goldson, Ed.D.
Telephone: 301-952-6008

PGCPS Administration and the Board of Education regularly monitor the financial condition of the school system throughout the fiscal year and enact periodic adjustments to meet evolving needs of the District and ensure fiscal stability.

The March 24, 2022 Financial Review included budget realignments and transfers between existing major state categories, ensuring fiscal stability through June 30, 2022. Additionally, this Financial Review further addresses the FY 2023 Operating Budget reconciliation. This FY 2022 Financial Review includes savings from salary lapse that will be redirected in support of early payment of three-lease-purchase-agreements. These lease agreements originally supported the purchase of Buses, Textbooks and Technology in FY 2019 and FY 2020 as well as the FY 2011 Energy Performance Management Agreement. The early pay-off of these agreements reduces the liability in the Operating Budget for FY 2023, FY 2024, FY 2025, FY 2026 and FY 2027. Additionally, this Financial Review included intra-project realignments related to the use of restricted federal funding for COVID-19 relief grants including the Elementary and Secondary School Emergency Relief Fund II grant and the Elementary and Secondary School Emergency Relief Fund III grant.

The Honorable Angela D. Alsobrooks
The Honorable Calvin S. Hawkins II
June 9, 2022

The chart below outlines categorical changes from this Financial Review:

REVENUE	FY 2022 Board of Education APPROVED	FY 2022 Board of Education REVISED	FY 2022 Financial Review Transfer Request			FY 2022 Board of Education REVISED
	(June 24, 2021)	(March 24, 2022)	Unrestricted	Restricted	Total Transfer	(March 24, 2022)
Board Sources	\$ 18,231,442	\$ 18,231,442	\$ -	\$ -	\$ -	\$ 18,231,442
County Sources	816,947,300	816,947,300	-	-	-	816,947,300
Federal Sources	574,278,154	574,278,154	-	-	-	574,278,154
State Sources	1,281,784,203	1,281,784,203	-	-	-	1,281,784,203
Use of Fund Balance	83,935,736	83,935,736	-	-	-	83,935,736
Revenue Total	\$ 2,775,176,835	\$ 2,775,176,835	\$ -	\$ -	\$ -	\$ 2,775,176,835

EXPENDITURES MAJOR CATEGORIES	FY 2022 Board of Education APPROVED	FY 2022 Board of Education REVISED	FY 2022 Financial Review Transfer Request			FY 2022 Board of Education REVISED
	(June 24, 2021)	(March 24, 2022)	Unrestricted	Restricted	Total Transfer	June 9, 2022)
Administration	\$ 81,780,532	\$ 97,415,730	\$ (108,234)	\$ (5,500,000)	\$ (5,608,234)	\$ 91,807,496
Mid-Level Administration	155,172,224	160,264,564	(132,815)	-	(132,815)	\$ 160,131,949
Instructional Salaries	908,416,096	896,790,603	(42,976,240)	(7,000,000)	(49,976,240)	\$ 846,814,363
Textbooks & Instructional Materials	145,021,406	82,074,260	175,000	(2,259,894)	(2,084,894)	\$ 79,989,366
Other Instructional Costs	174,317,900	180,340,220	21,488,724	-	21,488,724	\$ 201,828,944
Special Education	350,987,225	365,342,307	(82,500)	-	(82,500)	\$ 365,279,807
Student Personnel Services	63,073,534	57,998,242	(101,400)	(13,400,000)	(13,501,400)	\$ 44,496,842
Student Health Services	24,482,580	75,339,577	(273,101)	-	(273,101)	\$ 75,066,476
Student Transportation Services	112,382,053	121,556,983	8,344,855	(490,000)	7,854,855	\$ 129,411,838
Operation of Plant	160,733,464	152,615,658	14,885,714	(3,500,000)	11,185,714	\$ 163,801,372
Maintenance of Plant	56,674,527	59,329,532	737,834	-	737,834	\$ 60,067,366
Fixed Charges	512,884,031	500,126,310	(1,728,037)	(17,390,000)	(19,118,037)	\$ 481,008,273
Food Services	8,553,304	6,008,085	(50,000)	-	(50,000)	\$ 5,958,085
Community Services	5,447,959	4,724,764	-	-	-	\$ 4,724,764
Capital Outlay	15,250,000	15,250,000	-	49,539,894	49,539,894	\$ 64,789,894
Total Expenditures by Category:	\$ 2,775,176,835	\$ 2,775,176,835	\$ -	\$ -	\$ -	\$ 2,775,176,835

The full details of these transfers are outlined in the below documents:

- Board Action Summary – Fiscal Year 2022 Financial Review and Categorical Changes
- Appendix A: Itemized Changes and Narrative Explanations; and
- Appendix B: Sources and Uses of Funds by State Category.

In order to reconcile the FY 2022 budget needs and help close the FY 2023 projected budget deficit, County Council approval of this Financial Review is respectfully requested.

The Honorable Angela D. Alsobrooks
The Honorable Calvin S. Hawkins II
June 9, 2022

Sincerely,



Juanita Miller, Ed.D.
Chair, Board of Education



Monica E. Goldson, Ed.D.
Chief Executive Officer

Attachments

c: Members, Board of Education
 Members, County Council
 Ms. Tara Jackson
 Ms. Turkessa M. Green
 Mr. William Hunt
 Ms. Sandra Eubanks
 Mr. Arian Albear
 Mr. Stanley Earley
 Mr. Brent Johnson
 Members, PGCPS Executive Cabinet

Board Action Summary

An Outline of the Chief Executive Officer's Recommendation to the Board of Education

New Program: Yes No **X**

Modified Program: Yes **X** No

Subject: Fiscal Year 2022 Financial Review and Categorical Changes

Abstract and Highlights: Administration regularly monitors the financial condition of the school system throughout the fiscal year and recommends periodic adjustments to meet evolving needs of the District and ensure fiscal stability.

The Board of Education's operating budget for FY 2022 does not require any revenue changes. Overall, expenditures are projected to stay within the current appropriation level. However, administration recommends adjustments of existing expenditure appropriations between major categories to meet instructional and support service requirements for the school year ending June 30, 2022.

The Public School Laws of Maryland require Board of Education and County Council approval of transfers between major categories. The resolution attached approves the recommended FY 2022 transfers between major categories and authorizes the Chief Executive Officer to request County Council approval. Board of Education approval of the resolution is recommended.

In addition to the resolution, two documents are attached to this board action summary:

- Appendix A: Itemized Changes and Narrative Explanations
- Appendix B: Sources and Uses of Funds by State Category

Budget Implications: None (All changes net to \$0.)

Staffing Implications: 0.0 FTE

School(s) Affected: All Schools

Preparation Date: June 2, 2022

Person Preparing: Michael Herbstman, Chief Financial Officer

Board Agenda Introduction Date (Budget Consent): June 9, 2022

Board Action Date (Budget Consent): June 9, 2022

Endorsed: 
Chief Financial Officer

Endorsed: 
Chief of Staff

Approved: 
Chief Executive Officer

PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS
Upper Marlboro, Maryland 20772

RESOLUTION

WHEREAS, the financial condition of the school system is regularly monitored throughout the fiscal year with adjustments made periodically to meet evolving needs of the school system and ensure fiscal stability; and

WHEREAS, a review of the financial condition of the school system indicates that expenditures are expected to meet current appropriated revenues; and

WHEREAS, no change in appropriation is requested; and

WHEREAS, the Public School Laws of Maryland require Board of Education and County Council approval of transfers between major categories;

THEREFORE, BE IT RESOLVED, that the Board of Education approves the recommended FY 2022 transfers between major categories identified in the Financial Review; and

FINALLY, BE IT RESOLVED, that the Board of Education authorizes the Chief Executive Officer to request County Council approval of transfers between major categories identified in the Financial Review, as summarized in the tables below:

REVENUE	FY 2022 Board of Education APPROVED	FY 2022 Board of Education REVISED	FY 2022 Financial Review Transfer Request			FY 2022 Board of Education REVISED
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Instructional Salaries	908,416,096	896,790,603	(42,976,240)	(7,000,000)	(49,976,240)	\$ 846,814,363
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Capital Outlay	15,250,000	15,250,000		49,539,894	49,539,894	\$ 64,789,894
Total Expenditures by Category:	\$ 2,775,176,835	\$ 2,775,176,835	\$ -	\$ -	\$ -	\$ 2,775,176,835

Submitted by:	<u>Dr. Monica Goldson, CEO</u>
Prepared by:	<u>Michael Herbstman, Chief Financial Officer</u>
Agenda Date:	<u>June 9, 2022</u>
Discussion:	_____
First Reader:	_____
Budget Consent:	<u>June 9, 2022</u>
Emergency:	_____
Amended:	_____
Deferred:	_____
Tabled:	_____
Approved by the Board:	_____

Appendix A: Itemized Changes and Narrative Explanations

Sources and Uses of Funds	Amount	Narrative Explanation
Budget Reduction		
Lapse Recovery	(38,051,564)	Use of a portion of lapse recovery across from all departments and schools. These savings are full-time salary and benefits that go unspent throughout the year due to turnover and vacancies.
Budget Reduction Total	(38,051,564)	
Early Pay-Off of Lease Purchase		
Forward Funding Close Budget Gap	38,051,564	Supports the early payment of three-lease-purchase-agreements. These lease agreements originally supported the purchase of Buses, Textbooks and Technology in FY 2019 and FY 2020 as well as the FY 2011 Energy Performance Management Agreement. The early pay-off of these agreements reduces the liability in the FY 2023 Operating budget.
Early Pay-Off of Lease Purchase Total	38,051,564	
Other Items		
Intra Project Realignment	-	At the beginning of FY 2022, the ESSER II estimate represented the approved budget at that time and the ESSER III budget represented a draft application. The amendment and application changes dedicated significant unanticipated funding primarily to Other Instructional Services for projects to mitigate the impact of interrupted instruction and to Capital Outlay for air-quality improvement projects in schools.
Other Items Total	-	
Grand Total	-	

Appendix B: Sources and Uses of Funds by State Category

Sources and Uses of Funds	01 Administration	02 Mid-Level Administration	03 Instructional Salaries	04 Textbooks & Instructional Materials	05 Other Instructional Costs	06 Special Education	07 Student Personnel Services	08 Student Health Services	09 Student Transportation Services	10 Operation of Plant Services	11 Maintenance of Plant	12 Food Charges	13 Food Services	14 Community Services	15 Capital Outlay	Grand Total
Budget Reduction	-	-	(38,051,564)	-	-	-	-	-	-	-	-	-	-	-	-	(38,051,564)
Lease Recovery	-	-	(38,051,564)	-	-	-	-	-	-	-	-	-	-	-	-	(38,051,564)
Early Pay-Off of Lease Purchase	-	-	-	-	14,518,637	-	-	-	8,877,417	14,555,790	-	-	-	-	-	38,051,844
Forward Funding Core Budget Gap	(5,608,324)	(132,615)	(11,924,676)	(2,084,894)	(5,970,087)	(63,500)	(13,501,400)	(773,101)	(1,022,293)	(3,370,066)	797,834	(19,118,037)	(50,000)	-	48,539,894	-
Other Intra-Project Realignment	(5,608,324)	(132,615)	(11,924,676)	(2,084,894)	(5,970,087)	(63,500)	(13,501,400)	(773,101)	(1,022,293)	(3,370,066)	797,834	(19,118,037)	(50,000)	-	48,539,894	-
Intra Project Realignment	(5,608,324)	(132,615)	(11,924,676)	(2,084,894)	(5,970,087)	(63,500)	(13,501,400)	(773,101)	(1,022,293)	(3,370,066)	797,834	(19,118,037)	(50,000)	-	48,539,894	-
Grand Total	(5,608,324)	(132,615)	(49,976,240)	(2,084,894)	2,488,550	(62,500)	(13,501,400)	(773,101)	7,854,853	11,185,724	797,834	(19,118,037)	(50,000)	-	48,539,894	-