

Board Action Summary

An Outline of the Superintendent's Recommendation to the Board of Education

New Program: Yes ☐ No ☒

Modified Program: Yes ☒ No ☐

Subject: Fiscal Year 2025 Financial Review and Categorical Changes

Abstract and Highlights: The 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 unrestricted operating budget for FY 2025 does not require any revenue changes. Overall, expenditures are projected to stay within the current appropriation level. However, the administration recommends adjustments of existing expenditure appropriations between major categories to meet instructional and support service requirements for the school year ending June 30, 2025.

The Public School Laws of Maryland requires the Board of Education and the County Council approval of transfers between major categories. The resolution attached approves the recommended FY 2025 transfers between major categories and authorizes the Superintendent to request County Council approval. The 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 12, 2025

Person Preparing: Dana J. Estep, Supervising Budget Analyst

Board Agenda Introduction Date: June 26, 2025

Board Action Date (CONSENT): June 26, 2025

Endorsed: 

Chief Financial Officer

Endorsed: 

Chief of Staff

Approved: 

Superintendent of Schools

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;

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

WHEREAS, no change in appropriation is requested;

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 2025 transfers between major categories identified in the Financial Review;

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

EXPENDITURES MAJOR CATEGORIES	FY 2025 Board of Education APPROVED	FY 2025 Financial Review Transfer Request			FY 2025 Board of Education REVISED
	(February 27, 2025)	Unrestricted	Restricted	Total Transfer	(June 26, 2025)
Administration	\$ 99,330,534	\$ (3,821,610)	-	\$ (3,821,610)	\$ 95,508,924
Mid-Level Administration	188,706,767	429,139	-	429,139	189,135,906
Instructional Salaries	928,690,855	3,318,315	-	3,318,315	932,009,170
Textbooks & Instructional Materials	60,295,674	(58,500)	-	(58,500)	60,237,174
Other Instructional Costs	168,333,955	34,076,010	-	34,076,010	202,409,965
Special Education	352,797,288	2,274,287	-	2,274,287	355,071,575
Student Personnel Services	67,053,989	(5,716,212)	-	(5,716,212)	61,337,777
Student Health Services	56,751,152	949,180	-	949,180	57,700,332
Student Transportation Services	139,342,415	2,510,604	-	2,510,604	141,853,019
Operation of Plant	162,561,414	(5,097,971)	-	(5,097,971)	157,463,443
Maintenance of Plant	80,956,159	(6,147,207)	-	(6,147,207)	74,808,952
Fixed Charges	535,182,653	(10,073,232)	-	(10,073,232)	525,109,421
Food Services	2,881,817	(658,803)	-	(658,803)	2,223,014
Community Services	6,611,071	16,000	-	16,000	6,627,071
Capital Outlay	54,133,726	(12,000,000)	-	(12,000,000)	42,133,726
Total Expenditures by Category:	\$ 2,903,629,469	\$ -	\$ -	\$ -	\$ 2,903,629,469

Submitted by:	<u>Lisa Howell, Chief Financial Officer</u>
Agenda Date:	<u>June 26, 2025</u>
Discussion:	<u></u>
First Reader:	<u></u>
Budget Consent Agenda:	<u>June 26, 2025</u>
Emergency:	<u></u>
Amended:	<u></u>
Deferred:	<u></u>
Tabled:	<u></u>
Approved by the Board:	<u></u>

Appendix A: Intemized Changes and Narrative Explanations

Sources and Uses of Funds	Amount	Narrative Explanation
Budget Reduction		
Administrative Building Funds	(12,000,000)	Reduction of fund set aside for administrative building acquisition.
Fuel	(2,000,000)	Savings in fuel due to lower than anticipated fuel costs.
Lapse Recovery	(45,359,036)	Use of estimated lapse recovery across all departments and schools. These savings are primarily salary and benefits that go unspent throughout the year due to turnover.
Budget Reduction Total	(59,359,036)	
Forward Funded Items		
Early Lease Purchase Pay-Off	44,359,036	Supports the early pay-off of the 2025 lease purchase agreements. These lease agreements originally supported the purchase of Buses, Textbooks and Technology. The early pay-off of these agreements reduces the liability in the FY 2026 through FY 2030 Operating budget.
Other Post Employer Benefits (OPEB)	15,000,000	Early payment of the FY 2026 portion of the annual contribution toward OPEB. With this early payment, the intent is not to make any additional contributions to OPEB in FY 2026.
Cost of Doing Business Total	59,359,036	
Intra Project Realignment		
Program Realignment	-	Minor transfers within initiatives to align funds categorically.
Intra Project Realignment 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 Fixed Charges	13 Food Services	14 Community Services	15 Capital Outlay	Grand Total
Budget Reduction	(5,100,000)	(4,400,000)	-	-	-	(1,400,000)	(6,000,000)	-	(12,951,440)	(8,600,000)	(6,100,000)	(1,745,793)	(1,061,803)	-	(12,000,000)	(59,359,036)
Administrative Building Funds															(12,000,000)	(12,000,000)
Fuel									(2,000,000)							(2,000,000)
Lapse Recovery	(5,100,000)	(4,400,000)				(1,400,000)	(6,000,000)		(10,951,440)	(8,600,000)	(6,100,000)	(1,745,793)	(1,061,803)			(45,359,036)
Cost of Doing Business	-	-	-	-	28,960,992	-	-	-	15,398,044	-	-	15,000,000	-	-	-	59,359,036
Early Lease Purchase Pay-Off					28,960,992				15,398,044							44,359,036
Other Post Employer Benefits (OPEB)												15,000,000				15,000,000
Intra Project Realignment	1,278,390	4,829,139	3,318,315	(58,500)	5,115,018	3,674,287	283,788	949,180	64,000	3,502,029	(47,207)	(23,327,439)	403,000	16,000	-	-
Program Realignment	1,278,390	4,829,139	3,318,315	(58,500)	5,115,018	3,674,287	283,788	949,180	64,000	3,502,029	(47,207)	(23,327,439)	403,000	16,000		-
Grand Total	(3,821,610)	429,139	3,318,315	(58,500)	34,076,010	2,274,287	(5,716,212)	949,180	2,510,604	(5,097,971)	(6,147,207)	(10,073,232)	(658,803)	16,000	(12,000,000)	-