





April 19, 2024

**MEMORANDUM**

TO: Sydney J. Harrison, Chair  
Education and Workforce Development (EWD) Committee

THRU: Josh Hamlin   
Director of Budget and Policy Analysis

FROM: David Noto   
Legislative Budget and Policy Analyst

RE: Board of Education FY 2024 Financial Review #2

The Board of Education (BOE) requests authority to transfer appropriated funds between major expenditure categories to maintain a balanced budget and ensure fiscal stability through the end of the fiscal year. Total revenue and expenditures remain at \$2,813,515,115. This is \$13,473,715 more than the original County Council Approved FY 2024 Budget due to the receipt of additional funding. This is the third transfer request for FY 2024, but only the second submitted to the County Council, as not all transfer requests submitted to BOE require County Council approval. Thus, this is the third Financial Review and Transfer Request overall but the only second with categorical changes transmitted to the County Council.

The Financial Review, undertaken by Prince George's County Public Schools (PGCPS), would repurpose \$38,307,043 in Unrestricted Instructional Salaries due to salary and benefits that go unspent throughout the year due to turnover and \$5,265,633 in Unrestricted Student Personnel Services, Student Transportation Services, Fixed Charges, Textbooks and Instructional Materials, and the Food Services Subsidy due primarily to *minor transfers within initiatives to align funds categorically*.<sup>1</sup>

These decreases are offset by Unrestricted Increases in the following:

- Other Instructional Costs – \$16,740,085 due to Balance Charter allocations based on Final FY 2024 PPA and paying off two lease purchase agreements early. These lease agreements originally supported the purchase of Buses, Textbooks, and Technology in FY 2021 and FY 2022. The early pay-off of these agreements reduces the liability in the FY 2025 and FY 2026 Operating budget.
- Capital Outlay & Public-Private Partnership – \$13,000,000 in availability payment for direct construction costs to help cover the cost of Phase 2 of the Public-Private Partnership
- Operation of Plant – \$5,082,993 due to increases in utilities due to an overall increase in both Electricity and Water & Sewer prices from the previous year and supporting part-time and overtime due to systemic operations vacancies.

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<sup>1</sup> Verbatim justification provided by PGCPS.

- Health Services – \$4,487,392 due to use of additional lapse recovery across all departments and schools. These savings are primarily salary and benefits that go unspent throughout the year due to turnover.
- Community Services – \$385,695 due to resources to support part-time and overtime due to systemic operations vacancies.
- Administration, Special Education, Mid-Level Administration, and Maintenance of Plant – \$3,876,511 due to *minor transfers within initiatives to align funds categorically*.<sup>2</sup>

The Financial Review would also repurpose \$32,016,472 in Restricted Maintenance of Plant, Student Personnel Services, Administration, Operation of Plant, Special Education, and Fixed Charges due to *minor transfers within initiatives to align funds categorically*.<sup>3</sup>

The decreases would be partially offset by \$31,311,432 in increases to Restricted Other Instructional Costs, Student Transportation Services, Student Health Services, and Instructional Salaries due to *minor transfers within initiatives to align funds categorically*.<sup>4</sup>

Exhibit A below details the original FY 2024 County Council Approved Budget, the current FY 2024 County Council Approved Budget after the FY 2024 Financial Review and Transfer Request #1, a summary of the Board of Education transfer request #2, and the resulting anticipated major expenditure category appropriation totals should the County Council approve this transfer request. The attachment from PGCPs at the end of this report includes the justification narrative for each transfer.

### Exhibit A Prince George's County Board of Education FY 2024 Financial Review Transfer Request #2

Expenditures Major Categories	FY 2024 Original County Council APPROVED	FY 2024 Current County Council APPROVED	FY 2024 Financial Review Transfer Request #2			FY 2024 Board of Education REVISED
			Unrestricted	Restricted	Total Transfer	
Administration	\$ 89,194,400	\$ 91,958,555	\$ 2,017,989	\$ (7,318,263)	\$ (5,300,274)	\$ 86,658,281
Instructional Salaries	943,401,400	934,229,601	(38,307,043)	2,119,139	(36,187,904)	898,041,697
Student Personnel Services	63,912,200	67,633,916	(49,000)	(9,206,416)	(9,255,416)	58,378,500
Student Transportation Services	141,755,700	145,156,894	(3,414,140)	8,556,399	5,142,259	150,299,153
Operation of Plant	157,568,900	157,710,683	5,082,993	(5,254,001)	(171,008)	157,539,675
Maintenance of Plant	73,203,600	74,788,851	183,746	(9,487,283)	(9,303,537)	65,485,314
Community Services	6,014,100	6,077,271	385,695	705,040	1,090,735	7,168,006
Fixed Charges	532,992,100	531,519,483	(1,561,572)	(500,113)	(2,061,685)	529,457,798
Health Services	29,760,400	31,000,908	4,487,392	2,478,897	6,966,289	37,967,197
Special Education	354,703,000	359,060,752	1,178,672	(250,396)	928,276	359,989,028
Mid-Level Administration	168,551,700	173,770,917	496,104	-	496,104	174,267,021
Textbooks & Instructional Materials	42,483,100	40,191,133	(162,500)	-	(162,500)	40,028,633
Other Instructional Costs	160,680,900	166,539,545	16,740,085	18,156,997	34,897,082	201,436,627
Food Services Subsidy	8,644,900	6,626,606	(78,421)	-	(78,421)	6,548,185
Capital Outlay & Private Public Partnership	27,175,000	27,250,000	13,000,000	-	13,000,000	40,250,000
<b>Total Expenditures</b>	<b>\$ 2,800,041,400</b>	<b>\$ 2,813,515,115</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,813,515,115</b>

Prepared by David Noto, Legislative Budget and Policy Analyst –April 22, 2024.

<sup>2</sup> Verbatim justification provided by PGCPs.

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

PGCPS 12.31.23 Financial Review Descriptions by Category

Function	Category Name	Unrestricted/ Restricted	Justification Narrative	Amount Increase/Debit	Amount Decrease/Credit	Total
201	01 - Administration	Restricted	Minor transfers within initiatives to align funds categorically.	18,750.00	7,337,013.00	(7,318,263.00)
		Unrestricted	Minor transfers within initiatives to align funds categorically.	2,378,362.00	360,373.00	2,017,989.00
201 Total		Restricted	Minor transfers within initiatives to align funds categorically.	2,397,112.00	7,697,386.00	(5,300,274.00)
202	02 - Mid-Level Administration	Unrestricted	Minor transfers within initiatives to align funds categorically.	2,019,061.00	2,019,061.00	0.00
		Unrestricted	Minor transfers within initiatives to align funds categorically.	1,046,419.00	550,315.00	496,104.00
202 Total		Restricted	Minor transfers within initiatives to align funds categorically.	3,065,480.00	2,569,376.00	496,104.00
		Unrestricted	Minor transfers within initiatives to align funds categorically.	5,335,235.00	3,216,096.00	2,119,139.00
203	03 - Instructional Salaries & Wages	Unrestricted	Use of additional lapse recovery across all departments and schools. These savings are primarily salary and benefits that go unspent throughout the year due to turnover.	13,441,510.00	16,633,876.00	(3,192,366.00)
		Unrestricted	Use of additional lapse recovery across all departments and schools. These savings are primarily salary and benefits that go unspent throughout the year due to turnover.	-	35,114,677.00	(35,114,677.00)
203 Total		Unrestricted	Minor transfers within initiatives to align funds categorically.	18,776,745.00	54,964,649.00	(36,187,904.00)
204	04 - Textbooks & Instructional Materials	Unrestricted	Minor transfers within initiatives to align funds categorically.	30,000.00	192,500.00	(162,500.00)
204 Total		Restricted	Minor transfers within initiatives to align funds categorically.	30,000.00	192,500.00	(162,500.00)
		Unrestricted	Balance Charter allocations based on FINAL FY 2024 PPA	18,156,997.00	-	18,156,997.00
		Unrestricted	Minor transfers within initiatives to align funds categorically.	6,695,558.00	-	6,695,558.00
		Unrestricted	Supports the early pay-off of two lease purchase agreements. These lease agreements originally supported the purchase of Buses, Textbooks and Technology in FY 2021 and FY 2022. The early pay-off of these agreements reduces the liability in the FY 2025 and FY 2026 Operating budget.	159,537.00	2,236,236.00	(2,076,699.00)
		Unrestricted	Supports the early pay-off of two lease purchase agreements. These lease agreements originally supported the purchase of Buses, Textbooks and Technology in FY 2021 and FY 2022. The early pay-off of these agreements reduces the liability in the FY 2025 and FY 2026 Operating budget.	12,121,226.00	-	12,121,226.00
205 Total		Restricted	Minor transfers within initiatives to align funds categorically.	37,133,318.00	2,236,236.00	34,897,082.00
206	06 - Special Education	Unrestricted	Minor transfers within initiatives to align funds categorically.	1,640,890.00	1,891,286.00	(250,396.00)
		Unrestricted	Minor transfers within initiatives to align funds categorically.	8,564,255.00	7,385,583.00	1,178,672.00
206 Total		Restricted	Minor transfers within initiatives to align funds categorically.	10,205,145.00	9,276,869.00	928,276.00
207	07 - Student Personnel Services	Unrestricted	Minor transfers within initiatives to align funds categorically.	1,854,124.00	11,060,540.00	(9,206,416.00)
		Unrestricted	Minor transfers within initiatives to align funds categorically.	216,000.00	265,000.00	(49,000.00)
207 Total		Restricted	Minor transfers within initiatives to align funds categorically.	2,070,124.00	11,325,540.00	(9,255,416.00)
		Unrestricted	Minor transfers within initiatives to align funds categorically.	2,478,897.00	-	2,478,897.00
208	08 - Student Health Services	Unrestricted	Use of additional lapse recovery across all departments and schools. These savings are primarily salary and benefits that go unspent throughout the year due to turnover.	1,520,442.00	1,033,050.00	487,392.00
		Unrestricted	Use of additional lapse recovery across all departments and schools. These savings are primarily salary and benefits that go unspent throughout the year due to turnover.	4,000,000.00	-	4,000,000.00
208 Total		Restricted	Minor transfers within initiatives to align funds categorically.	7,999,339.00	1,033,050.00	6,966,289.00
		Unrestricted	Minor transfers within initiatives to align funds categorically.	9,336,872.00	780,473.00	8,556,399.00
		Unrestricted	Minor transfers within initiatives to align funds categorically.	1,091,091.00	350,000.00	741,091.00
		Unrestricted	Resources to support part-time and overtime due to systemic operations vacancies.	8,630,622.00	2,067,063.00	6,563,559.00
		Unrestricted	Supports the early pay-off of two lease purchase agreements. These lease agreements originally supported the purchase of Buses, Textbooks and Technology in FY 2021 and FY 2022. The early pay-off of these agreements reduces the liability in the FY 2025 and FY 2026 Operating budget.	8,781,210.00	-	8,781,210.00
		Unrestricted	Use of additional lapse recovery across all departments and schools. These savings are primarily salary and benefits that go unspent throughout the year due to turnover.	-	19,500,000.00	(19,500,000.00)
209 Total		Restricted	Minor transfers within initiatives to align funds categorically.	27,839,795.00	22,697,536.00	5,142,259.00
		Unrestricted	Minor transfers within initiatives to align funds categorically.	3,302,398.00	8,556,399.00	(5,254,001.00)
210	10 - Operation of Plant	Unrestricted	Increases in utilities due to an overall increase in both Electricity and Water & Sewer prices from the previous year.	3,500,000.00	-	3,500,000.00
		Unrestricted	Minor transfers within initiatives to align funds categorically.	115,394.00	100,000.00	15,394.00
		Unrestricted	Resources to support part-time and overtime due to systemic operations vacancies.	3,329,046.00	1,761,447.00	1,567,599.00
210 Total		Restricted	Minor transfers within initiatives to align funds categorically.	10,246,838.00	10,417,846.00	(171,008.00)
211	11 - Maintenance of Plant	Unrestricted	Minor transfers within initiatives to align funds categorically.	-	9,487,283.00	(9,487,283.00)
		Unrestricted	Minor transfers within initiatives to align funds categorically.	183,746.00	-	183,746.00
211 Total		Restricted	Minor transfers within initiatives to align funds categorically.	183,746.00	9,487,283.00	(9,303,537.00)
		Unrestricted	Minor transfers within initiatives to align funds categorically.	2,252,986.00	2,753,099.00	(500,113.00)
212	12 - Fixed Charges	Unrestricted	Early payment of the FY 2025 portion of the annual contribution toward OPEB. With this early payment, the intent is not to make any additional contributions to OPEB in FY 2025.	15,000,000.00	-	15,000,000.00
		Unrestricted	Minor transfers within initiatives to align funds categorically.	438,428.00	-	438,428.00
		Unrestricted	(blank)	1,000,000.00	18,000,000.00	(17,000,000.00)
212 Total		Unrestricted	Minor transfers within initiatives to align funds categorically.	18,691,414.00	20,753,099.00	(2,061,685.00)
213	13 - Food Services	Unrestricted	Minor transfers within initiatives to align funds categorically.	-	78,421.00	(78,421.00)
213 Total		Restricted	Minor transfers within initiatives to align funds categorically.	-	78,421.00	(78,421.00)
		Unrestricted	Minor transfers within initiatives to align funds categorically.	1,594,940.00	889,900.00	705,040.00
214	14 - Community Services	Unrestricted	Resources to support part-time and overtime due to systemic operations vacancies.	170.00	-	170.00
		Unrestricted	Resources to support part-time and overtime due to systemic operations vacancies.	1,518,222.00	1,132,697.00	385,525.00
214 Total		Unrestricted	Availability payment for direct construction costs.	3,113,332.00	2,022,597.00	1,090,735.00
215	15 - Capital Outlay	Unrestricted	Availability payment for direct construction costs.	13,000,000.00	-	13,000,000.00
215 Total		Unrestricted	Supports the early pay-off of two lease purchase agreements. These lease agreements originally supported the purchase of Buses, Textbooks and Technology in FY 2021 and FY 2022. The early pay-off of these agreements reduces the liability in the FY 2025 and FY 2026 Operating budget.	13,000,000.00	-	13,000,000.00
301	Non-Categorized	Unrestricted	Supports the early pay-off of two lease purchase agreements. These lease agreements originally supported the purchase of Buses, Textbooks and Technology in FY 2021 and FY 2022. The early pay-off of these agreements reduces the liability in the FY 2025 and FY 2026 Operating budget.	1,218,727.00	1,218,727.00	0.00
301 Total		Unrestricted	Supports the early pay-off of two lease purchase agreements. These lease agreements originally supported the purchase of Buses, Textbooks and Technology in FY 2021 and FY 2022. The early pay-off of these agreements reduces the liability in the FY 2025 and FY 2026 Operating budget.	1,218,727.00	1,218,727.00	0.00
Grand Total				155,974,875.00	155,974,875.00	0.00