August 25, 2025

M E M O R A N D U M

TO: Krystal Oriadha, Chair
Education and Workforce Development (EWD) Committee

THRU: Arian Albear, Director
Education and Workforce Development Committee

FROM: Caleb Callender
Public Service Aide

RE: Board of Education FY 2025 Financial Review and Transfer Request #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 $2,903,629,469.

The Financial Review, undertaken by Prince George's County Public Schools (PGCPS), would repurpose **$59,359,036**, primarily from savings of salaries and benefits that go unspent throughout the year due to turnover ($45,359,036), a reduction of funds set aside for administrative building acquisition ($12,000,000), and savings in fuel due to lower than projected fuel costs ($2,000,000). These savings would go toward:

- **$44,359,036**: Supporting the early pay-off of the 2025 lease purchase agreements. These lease agreements originally supported the purchases of Buses, Textbooks, and Technology. The early pay-off of these agreements reduces the liability in the FY 2026 through FY 2030 Operating Budget.
- **$15,000,000**: Provide early payment of the FY 2026 portion of the annual contribution toward Other Post-Employment Benefits (OPEB). With this early payment, the intent is not to make any additional contributions to OPEB in FY 2026.

The remainder of the transferred funds are for Program Realignments, which are changes needed between functional categories based on programmatic needs and priorities. These realignment increases and decreases are balanced, as shown in Exhibit B, resulting in a net zero increase in funding.

Unrestricted increases of $43,573,535 in Mid-Level Administration, Instructional Salaries, Other Instructional Costs, Student Health Services, Student Transportation Services, Community Services, and Special Education are balanced by decreases in Administration, Student Personnel Services, Fixed Charges, Operation of Plant, Maintenance of Plant, Food Services, Capital Outlay, and Textbooks & Instructional Materials.

Questions for Committee Consideration:

1. What is the early lease payment in "Other Instructional Costs" going toward?
2. What is the early lease payment in "Student Transportation Services" going toward?
3. What are the fiscal benefits of pre-paying the OPEB liability?
4. Discuss the Program Realignment, $132,985 decrease in "Remaining New Schools."
5. Discuss the Program Realignment, $1,880,000 increase in "Jones, Lange, Lasalle-Admin Bldg. Invoice."

Exhibit A
Prince George's County Board of Education
FY 2025 Financial Review & Transfer Request #2

Expenditures Major Categories	FY 2025 County Council APPROVED	FY 2025 Financial Review & Transfer Request #2			FY 2025 County Council REVISED APPROVED *(Pending)*
		Unrestricted	Restricted	Total Transfer	
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	**$ 2,903,629,469**	**$ -**	**$ -**	**$ -**	**$ 2,903,629,469**

Exhibit B
Prince George's County Board of Education
Project Realignment Funds

BAS Category	Sources and Uses of Funds	Financial Review Description	Sum of Total
Intra Project Realignment	Program Realignment	SPED Hourly Instructional	3,274,500.00
Intra Project Realignment	Program Realignment	Utilities	1,500,000.00
Intra Project Realignment	Program Realignment	Remaining New Schools	(132,985.00)
Intra Project Realignment	Program Realignment	Jones, Lange Lasalle-Admin Bldg Invoice	1,880,000.00
Intra Project Realignment	Program Realignment	Additional funds for Early Dismissal Food Service Meals	403,000.00
Intra Project Realignment	Program Realignment	Commencement Expense	168,019.00
Intra Project Realignment	Program Realignment	General Ed Substitutes	3,923,386.00
Intra Project Realignment	Program Realignment	Health Insurance	(3,000,000.00)
Intra Project Realignment	Program Realignment	Workers Comp	(3,254,207.00)
Intra Project Realignment	Program Realignment	Terminal Leave	(1,000,000.00)
Intra Project Realignment	Program Realignment	FICA	(3,000,000.00)
Intra Project Realignment	Program Realignment	Employee Retirement	(500,000.00)
Intra Project Realignment	Program Realignment	Teacher Retirement	(500,000.00)
Intra Project Realignment	Program Realignment	Special Education - Kirwan Grants over expenditures moved to the GF	238,287.00
Intra Project Realignment	Program Realignment	Realign funds for ASASP Bonus	0.00
Intra Project Realignment	Program Realignment	High School Summer PrePlanning	0.00
Intra Project Realignment	Program Realignment	Charter School Realignment	0.00
Intra Project Realignment	Program Realignment	Building Acquisition Realignment	0.00
Intra Project Realignment Total			0.00