



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

July 12, 2016

MEMORANDUM

TO: Derrick Leon Davis, Chair
Prince George's County Council

THRU: David H. Van Dyke *DHV*
County Auditor

FROM: Inez Claggett *IC*
Senior Legislative Auditor

RE: Board of Education FY 2017 Budget Reconciliation Transfer Request for Prince George's County Public Schools (PGCPS)

The FY 2017 County Council Approved Board of Education Budget totals \$1,923,860,100, an increase of \$90,792,375, or 5.0%, over the Approved Budget for FY 2016. The Approved Budget is funded from Federal, State, County and Board Source revenues. The approved County source revenue to fund the Board of Education (BOE) Budget is \$698,329,100, an increase of \$29,036,975, or 4.3%, over last year's contribution. The FY 2017 contribution exceeds the Maintenance of Effort requirement by \$18,917,382. During FY 2016, CB-103-2015 was enacted to allow for the BOE to utilize \$8.50 million from their Fund Balance as a revenue source. This action brought the BOE's Revised FY 2016 Approved Budget to \$1,841,567,725.

The reconciling transfer request includes a request to appropriate \$7,500,000 from the BOE's Fund Balance to be used as revenue for FY 2017, and a request to transfer appropriated funds between the fifteen (15) State mandated major expenditure categories to reconcile the BOE's budget request with the total amount approved by the County Council. The request to appropriate Fund Balance to be used as a revenue source during FY 2017 will be considered at a later date. However, should this request be approved the Revised FY 2017 Approved Budget for the BOE will become \$1,931,360,100.

The remaining item within the reconciling transfer request includes the BOE's Chief Executive Officer's (CEO) recommended reconciliation actions needed to maintain fiscal stability to preserve and enhance essential school system programs and services, and to address critical needs consistent with the PGCPS Strategic Plan. The reconciling items are shown as Attachment A to this correspondence. As indicated, the Revised FY 2016 Approved Budget was used as a baseline to assist in developing anticipated expenditures. PGCPS staff then allocated the increase in funding in FY 2017 to reconcile with the County Council Approved BOE Budgeted amount.

If you require additional information, or have questions about this fiscal impact statement, please call me.

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EXPENDITURES	Board Requested Budget		CEO Recommended Reconciliation		Change	
	FTE	Amount	FTE	Amount	FTE	Total
Organization Improvements:						
Focus Area 1: Academic Excellence						
Advanced & Enriched Instruction Supports	-	\$ 210,500	-	\$ -	-	-(210,500)
Aerospace Engineering & Aviation Tech Program Expansion	-	180,873	1.0	353,999	1.0	173,126
Alternative Education Supports	9.0	985,662	-	-	(9.0)	-(985,662)
Career Academy Program Expansion	9.0	778,168	3.0	259,439	(6.0)	-(518,729)
Charter Schools	-	6,584,123	24.0	6,584,123	24.0	-
Class Size Reduction Teachers (K-2)	34.0	2,820,300	-	-	(34.0)	-(2,820,300)
Classroom Teachers - Maya Angelou French Immersion	2.0	331,600	-	-	(2.0)	-(331,600)
Classroom Teachers - Systemic	25.5	2,380,060	-	-	(25.5)	-(2,380,060)
College and Career School Based Positions	11.0	958,829	-	-	(11.0)	-(958,829)
Creative Arts Programs Office Expansion	5.0	1,338,831	1.0	98,487	(4.0)	-(1,240,344)
Curriculum Writing	-	600,000	-	-	-	-(600,000)
Dual Enrollment	-	400,000	-	-	-	-(400,000)
English Language Learner (ELL) supports	10.0	1,171,179	-	-	(10.0)	-(1,171,179)
Foreign Language Opportunities for I.B. feeder schools	7.0	583,311	-	-	(7.0)	-(583,311)
Guidance and Counseling services	-	822,000	-	-	-	-(822,000)
Instructional Lead Teachers - Priority Schools	-	755,688	-	-	-	-(755,688)
Instructional Specialist - Primary Talent Development	1.0	132,790	-	-	(1.0)	-(132,790)
International Schools	22.0	3,036,839	14.0	1,996,702	(8.0)	-(1,040,137)
Interpreting and Translation Services	2.0	223,322	-	-	(2.0)	-(223,322)
Junior Achievement Finance Park	-	520,500	-	520,500	-	-
Language Immersion Programs	20.5	2,289,289	15.5	1,702,004	(5.0)	-(587,285)
Literacy Plan	14.0	2,978,127	7.0	1,452,769	(7.0)	-(1,525,358)
Math Specialists	20.0	2,832,567	8.0	1,275,832	(12.0)	-(1,556,735)
Middle College - Pre-Teacher Academy	5.0	1,298,027	-	-	(5.0)	-(1,298,027)
Physical Education - Water Safety Partnership	1.0	183,600	-	-	(1.0)	-(183,600)
Pre-K and Kindergarten - Additional Staffing	21.0	1,781,302	16.0	1,313,880	(5.0)	-(467,422)
Project Lead the Way (PLTW) - Engineering & Science Academy	-	202,200	-	100,000	-	-(102,200)
Psychological Services	8.0	913,200	1.0	101,653	(7.0)	-(811,547)
School Based Professional Development	-	4,416,551	-	-	-	-(4,416,551)
Special Education - Speech Therapists	2.0	-	2.0	-	-	-
STEM	6.0	780,203	-	-	(6.0)	-(780,203)
Student Based Budgeting (SBB)	-	5,000,000	-	-	-	-(5,000,000)
Student Expulsion Alternatives/Supports	3.0	782,076	-	-	(3.0)	-(782,076)
Summer Academy - China Leadership and Students	-	145,000	-	-	-	-(145,000)
Summer Youth Employment Program (SYEP)	-	14,600	-	-	-	-(14,600)
Varsity Lacrosse	-	614,572	-	614,572	-	-
Vocational Education Equipment Improvements	-	1,000,000	-	-	-	-(1,000,000)
	238.0	\$ 50,025,889	92.5	\$ 16,373,960	(145.5)	\$ (33,651,929)
Focus Area 2: High-Performing Workforce						
Compensation Reserve for Negotiations	-	\$ 42,542,867	-	\$ 8,400,000	-	-(34,142,867)
Mentor and Peer Assistance & Review (PAR) Teachers	7.0	683,676	-	-	(7.0)	-(683,676)
Nationally Board Certified Teacher Stipends	-	689,000	-	-	-	-(689,000)
Principal Leadership	5.0	890,673	5.0	890,673	-	-
	12.0	\$ 44,806,216	5.0	\$ 9,290,673	(7.0)	\$ (35,515,543)
Focus Area 3: Safe and Supportive Environments						
Athletic Trainers	-	\$ 542,250	-	\$ -	-	-(542,250)
Bus Drivers	25.0	1,265,875	-	-	(25.0)	-(1,265,875)
Building Services - Cleaners	-	-	-	-	-	-
Maintenance - Second Shift & Supplies	21.0	2,179,419	-	-	(21.0)	-(2,179,419)
Nurses	-	236,022	-	236,000	-	-(22)
Student Safety Task Force Recommendation	-	-	2.0	224,936	2.0	224,936
	46.0	\$ 4,223,566	2.0	\$ 460,936	(44.0)	\$ (3,762,630)
Focus Area 4: Family and Community Engagement						
Healthy Start Breakfast	-	\$ 200,000	-	\$ -	-	-(200,000)
International Business Partnerships	2.0	239,436	-	21,495	(2.0)	-(217,941)
Navigate Software	-	200,000	-	-	-	-(200,000)
Parent University	5.0	933,463	2.0	475,168	(3.0)	-(458,295)
	7.0	\$ 1,572,899	2.0	\$ 496,663	(5.0)	\$ (1,076,236)
Focus Area 5: Organization Effectiveness						
Data Information Security Software	-	\$ 500,000	-	\$ 500,000	-	-
Instructional Directors - Secretary Staffing	7.0	621,143	-	-	(7.0)	-(621,143)
Office of Continuous Systemic Improvement - Staffing	2.0	302,339	-	-	(2.0)	-(302,339)
	9.0	\$ 1,423,482	-	\$ 500,000	(9.0)	\$ (923,482)
Total Organization Improvements	312.0	\$ 102,052,052	101.5	\$ 27,122,232	(210.5)	\$ (74,929,820)
Total Change from FY 2016 Revised	285.7	\$ 182,226,900	86.5	\$ 89,792,375	(199.2)	\$ (92,434,525)
Total	19,159.0	\$ 2,023,794,625	18,959.8	\$ 1,931,360,100	(199.2)	\$ (92,434,525)

FY 2017 CEO Recommended Reconciliation

as of 6/10/2016

REVENUE	Board Requested Budget		CEO Recommended Reconciliation		Change Total
	Amount		Amount		
Federal Revenue	\$ 96,520,100		\$ 96,520,100		\$ -
State Revenue	1,092,598,500		1,091,627,000		(971,500)
County Revenue	797,292,125		698,329,100		(98,963,025)
Local Revenue	13,383,900		13,383,900		-
Fund Balance	24,000,000		31,500,000		7,500,000
Total Revenue	\$ 2,023,794,625		\$ 1,931,360,100		\$ (92,434,525)

EXPENDITURES	Board Requested Budget		CEO Recommended Reconciliation		Change	
	FTE	Amount	FTE	Amount	FTE	Total
FY 2016 Revised Operating Budget	18,873.3	\$ 1,841,567,725	18,873.3	\$ 1,841,567,725		\$ -
Mandatory/Cost of Doing Business Changes:						
Changes Required to Maintain the Existing Programs:						
Base Adjustments	(22.3)	\$ 3,710,575	(11.0)	\$ 13,188,992		\$ 9,478,417
Restricted Programs	(4.0)	(10,579,772)	(4.0)	(10,579,772)		-
		(6,869,197)		2,609,220		9,478,417
Employer Obligations:						
Health Insurance		11,000,000		11,000,000		-
Other Post Employment Benefits (OPEB)		15,000,000		15,000,000		-
Teacher Pension Shift		5,000,000		5,000,000		-
		31,000,000		31,000,000		-
Risk Management:						
Risk Management		585,000		585,000		-
General Liability Insurances		9,000,000		9,000,000		-
		9,585,000		9,585,000		-
Internal Services and Other Essential Support:						
Compensation Commitments		22,225,346		22,225,346		-
Lease Purchases		12,241,144		7,541,144		(4,700,000)
Technology Education - MSDE Requirement		374,955		374,955		-
Technology Infrastructure		1,817,600		1,817,600		-
HB197: Youth Wellness Leadership Pilot Program		-		87,500		87,500
		36,459,045		31,846,545		(4,612,500)
Total Mandatory/Costs of Doing Business Changes	(28.3)	\$ 70,174,848	(15.0)	\$ 75,040,765		\$ 4,865,917
Redirected Resources						
Board of Education	-	-	-	\$ (155,997)	-	\$ (155,997)
Chief Executive Officer	-	-	-	(391,080)	-	(391,080)
Chief Operating Officer	-	-	-	(5,033,104)	-	(5,033,104)
Deputy Superintendent	-	-	-	(2,336,654)	-	(2,336,654)
Deputy Superintendent for Teaching and Learning	-	-	-	(3,120,642)	-	(3,120,642)
Forestville / Skyline Consolidation	-	-	(13.0)	(1,333,145)	(13.0)	(1,333,145)
Salary Lapse (Keep at FY 2016 level of \$35M)	-	10,000,000	-	-	-	(10,000,000)
Total Redirected Resources	-	\$ 10,000,000	(13.0)	\$ (12,370,622)	(13.0)	\$ (22,370,622)

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