



**THE PRINCE GEORGE'S COUNTY GOVERNMENT**  
**Office of Audits and Investigations**

July 13, 2020

**MEMORANDUM**

TO: Todd M. Turner, Chair  
Prince George's County Council

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

FROM: Inez N. Claggett *INCL*  
Senior Legislative Budget and Policy Analyst

RE: Board of Education's FY 2021 Approved Operating Budget Reconciliation Transfer Request

The FY 2021 Approved Operating Budget (the "Budget") for the Board of Education (BOE) totaled \$2,278,138,000 an increase of \$67,497,695, or 3.05%, over the BOE's Revised Approved Operating Budget for FY 2020. As a result, the BOE began with a budget deficit of \$33.8 million during the budget reconciliation process.

Subsequent to the County Council approval of the Board of Education's budget on May 29, 2020 additional fluctuations in federal and state revenue, coupled with changes to the BOE's programs and initiatives for FY 2021 were identified and created the following funding requirements increasing the BOE's budget deficit to \$34.6 million.

Revenue Modifications	
Free Summer School	(1,300,000)
State Allocation Changes	3,700,000
CARES Act Indirect Cost Recovery	928,000
Total Increase in Revenue	<u>3,328,000</u>
Mandatory Expenditure Changes	
Pre-k Expansion Grant Changes	(820,000)
Continuous Business Process Improvement Study	(500,000)
School Numbering Project	(100,000)
Position Revalidation	464,000
Total Costs	<u>(956,000)</u>
Additional Programmatic Investments	
Food Services Supplement	(2,000,000)
Purchasing Office Staffing Recommendations	(300,000)
Evening School Changes	(65,000)
Conditional Educator Tuition Assistance	(862,000)
Total Costs	<u>(3,227,000)</u>

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Todd M. Turner, Chair

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After review and reconciliation, the Chief Executive Officer (CEO) presented the following reconciliation recommendations to the Board of Education for review and action to close the funding gap.

- Centralized Reductions \$ 6.9 million
- Early Lease-Purchase Agreement Payments \$12.3 million
- Savings of Fuel, Gas and Other Utilities \$ 1.5 million
- Increased Salary Lapse Savings Projection \$ 5.0 million
- Increased Use of Operating Fund Balance \$ 9.0 million

*Total Reconciliation Recommendations (does not add due to rounding) \$34.6 million*

The Board of Education approved the CEO's reconciliation recommendations on June 25, 2020 and now requests the County Council's approval of the reconciling adjustments. The reconciled budget maintains fiscal stability and supports critical school-based initiatives which are anticipated to increase the progressive improvements being made within Prince George's County Public Schools.

Our review of the BOE's approved reconciling adjustments indicates the budget reconciliation transfer request appears reasonable. Approval of the request will increase the BOE's budget by \$41,368,234, to \$2,319,506,234 as indicated in Exhibit A to this correspondence. Also enclosed for your review is Exhibit B which illustrates a comparison of the FY 2020 and the FY 2021 Approved Operating Budgets for the Board of Education by revenue and expenditure category

If you require additional information, or have questions, please call me.

Enclosure

**Prince George's County Board of Education  
FY 2021 Budget Reconciliation Transfer Request  
as of July 1, 2020**

Revenue Category	FY 2021 County Council APPROVED Board of Education Budget	FY 2021 Budget Reconciliation Transfer Request	FY 2021 County Council REVISED APPROVED Board of Education Budget
Federal Sources	\$ 124,505,500	\$ 29,908,951	\$ 154,414,451
Board Sources	19,393,000	(1,161,558)	18,231,442
Fund Balance	39,325,700	4,370,362	43,696,062
State Sources	1,279,118,800	8,250,479	1,287,369,279
County Sources	815,795,000	-	815,795,000
<b>Revenue Totals</b>	<b>\$ 2,278,138,000</b>	<b>\$ 41,368,234</b>	<b>\$ 2,319,506,234</b>
Expenditure Category	FY 2021 County Council APPROVED Board of Education Budget	FY 2021 Budget Reconciliation Transfer Request	FY 2021 County Council REVISED APPROVED Board of Education Budget
Administration	\$ 90,229,400	\$ (1,418,915)	\$ 88,810,485
Mid-Level Administration	142,869,000	2,183,729	145,052,729
Instructional Salaries	787,312,900	271,542	787,584,442
Textbooks and Instructional Materials	20,284,300	976,515	21,260,815
Other Instructional Costs	94,882,300	(2,232,279)	92,650,021
Special Education	314,579,300	7,856,730	322,436,030
Student Personnel Services	32,604,100	12,917,477	45,521,577
Health Services	24,549,800	401,302	24,951,102
Student Transportation Services	119,085,200	(7,368,732)	111,716,468
Operation of Plant	140,487,900	2,031,645	142,519,545
Maintenance of Plant	48,425,100	(183,318)	48,241,782
Fixed Charges	452,743,700	23,550,639	476,294,339
Food Services Subsidy	5,178,100	2,238,789	7,416,889
Community Services	4,583,000	192,010	4,775,010
Capital Outlay	323,900	(48,900)	275,000
<b>Expenditure Totals</b>	<b>\$ 2,278,138,000</b>	<b>\$ 41,368,234</b>	<b>\$ 2,319,506,234</b>

**Prince George's County Board of Education  
FY 2020 and FY 2021 Budget Appropriation Comparison**

<b>Revenue Category</b>	<b>FY 2020 County Council REVISED APPROVED Category Totals</b>	<b>FY 2021 County Council REVISED APPROVED Category Totals</b>	<b>\$ Change</b>	<b>% Change</b>
Federal Sources	\$ 154,519,045	\$ 154,414,451	\$ (104,594)	-0.07%
Board Sources	16,293,000	18,231,442	1,938,442	11.90%
Fund Balance	28,000,000	43,696,062	15,696,062	56.06%
State Sources	1,225,358,660	1,287,369,279	62,010,619	5.06%
County Sources	786,469,600	815,795,000	29,325,400	3.73%
<b>Revenue Totals</b>	<b>\$ 2,210,640,305</b>	<b>\$ 2,319,506,234</b>	<b>\$ 108,865,929</b>	<b>4.92%</b>

<b>Expenditure Category</b>	<b>FY 2020 County Council REVISED APPROVED Category Totals</b>	<b>FY 2021 County Council REVISED APPROVED Category Totals</b>	<b>\$ Change</b>	<b>% Change</b>
Administration	\$ 81,298,965	\$ 88,810,485	\$ 7,511,520	9.24%
Mid-Level Administration	134,945,162	145,052,729	10,107,567	7.49%
Instructional Salaries	729,494,720	787,584,442	58,089,722	7.96%
Textbooks and Instructional Materials	30,323,345	21,260,815	(9,062,530)	-29.89%
Other Instructional Costs	111,830,507	92,650,021	(19,180,486)	-17.15%
Special Education	317,630,812	322,436,030	4,805,218	1.51%
Student Personnel Services	26,791,082	45,521,577	18,730,495	69.91%
Health Services	21,330,932	24,951,102	3,620,170	16.97%
Student Transportation Services	120,674,917	111,716,468	(8,958,449)	-7.42%
Operation of Plant	138,108,199	142,519,545	4,411,346	3.19%
Maintenance of Plant	57,639,545	48,241,782	(9,397,763)	-16.30%
Fixed Charges	435,249,073	476,294,339	41,045,266	9.43%
Food Services Subsidy	1,433,089	7,416,889	5,983,800	417.55%
Community Services	3,564,957	4,775,010	1,210,053	33.94%
Capital Outlay	325,000	275,000	(50,000)	-15.38%
<b>Expenditure Totals</b>	<b>\$ 2,210,640,305</b>	<b>\$ 2,319,506,234</b>	<b>\$ 108,865,929</b>	<b>4.92%</b>