

Legislative Budget Analysis
Proposed FY 2019 Operating and Capital Budgets
Office of the County Auditor
Baltimore County, Maryland
HEARING DATE: May 17, 2018



Department of Education

Interim Superintendent: Verletta White

Budget Office Analyst: Lawrence Richardson

Legislative Analyst: Carrie Vivian

Questions to BCPS Sent	Thursday, April 19 (evening)
Responses Requested By	Monday, April 30
Responses Received	Friday, May 4
Analysis Due for Review	Monday, May 7
Analysis Issued	Wednesday, May 16

BALTIMORE COUNTY
FISCAL YEAR 2019 RECOMMENDED BUDGET

DEPARTMENT OF EDUCATION (035)

BUDGET SUMMARY

\$ in Thousands

PROPOSED CHANGE	GENERAL	SPECIAL	TOTAL	% Change Prior Year
FY 2018 - 2019 Change	\$ 28,265.0	\$ 33,520.3	\$ 61,785.3	3.7%
BUDGET TRENDS				
FY 2017 Actual	\$ 891,598.4	\$ 777,692.8	\$ 1,669,291.2	
FY 2018 Approp.	843,101.4 ⁽¹⁾	824,255.9	1,667,357.3	-0.1%
FY 2019 Request	871,366.4	857,776.2	1,729,142.6	3.7%
FY 2019 Budget Analysis	845,520.0	857,776.2	1,703,296.2	2.2%
Potential Reduction ⁽²⁾	\$ (25,846.4)	\$ -	\$ (25,846.4)	

⁽¹⁾ A BAT totaling \$9.7 million between programs within BCPS is expected to be presented for Council approval on June 4, 2018.

⁽²⁾ MOE funding above requirement, assuming the County's appeal to MSDE to reconsider \$4 million in one-time curriculum costs as an exclusion to MOE is approved; should MSDE not reverse its decision, BCPS's budget would exceed MOE by \$29.8 million.

PERSONNEL

PROPOSED CHANGE	<u>ALL FUNDS</u> FULL-TIME EQUIVALENT POSITIONS
FY 2018 - 2019 Change	282 ⁽¹⁾
BUDGET TRENDS	
FY 2017 Actual	15,016
FY 2018 Approp.	15,228
FY 2019 Request	15,510
FY 2019 Budget Analysis	15,510 ⁽¹⁾
POTENTIAL REDUCTIONS	0

⁽¹⁾ Reflects positions according to the Executive's submitted budget documents. The Office of Budget and Finance advised that due to data entry errors, 20.5 positions will be added for a total of 15,530.5 positions in FY 2019 and a net increase of 302.1 positions over FY 2018.

VACANCY DATA

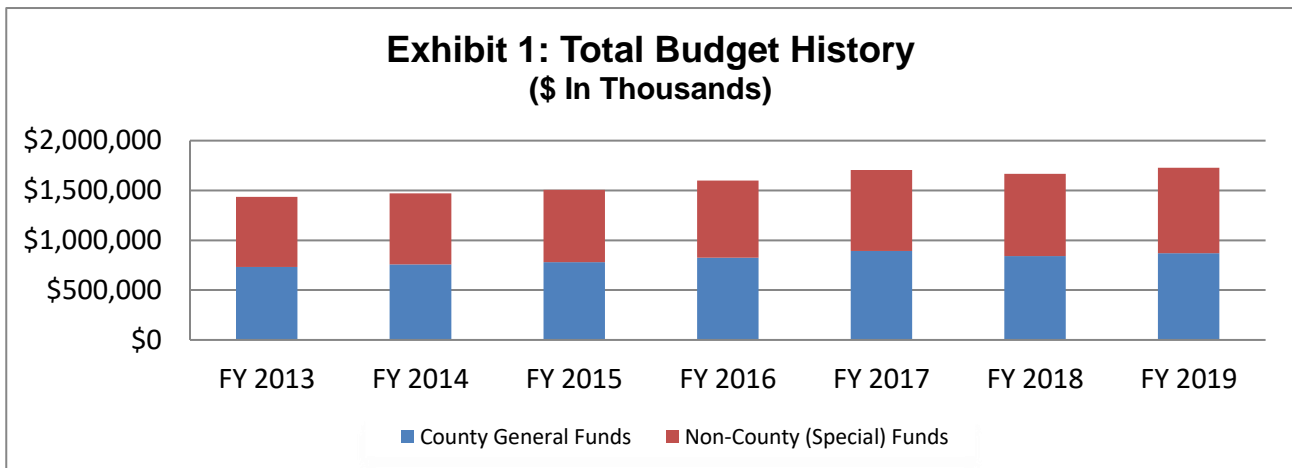
Positions Vacant as of April 15, 2018* 388

* Provided by BCPS. Excludes Food & Nutrition Services (Program 3513) and Federal & Restricted Programs (Program 3518)

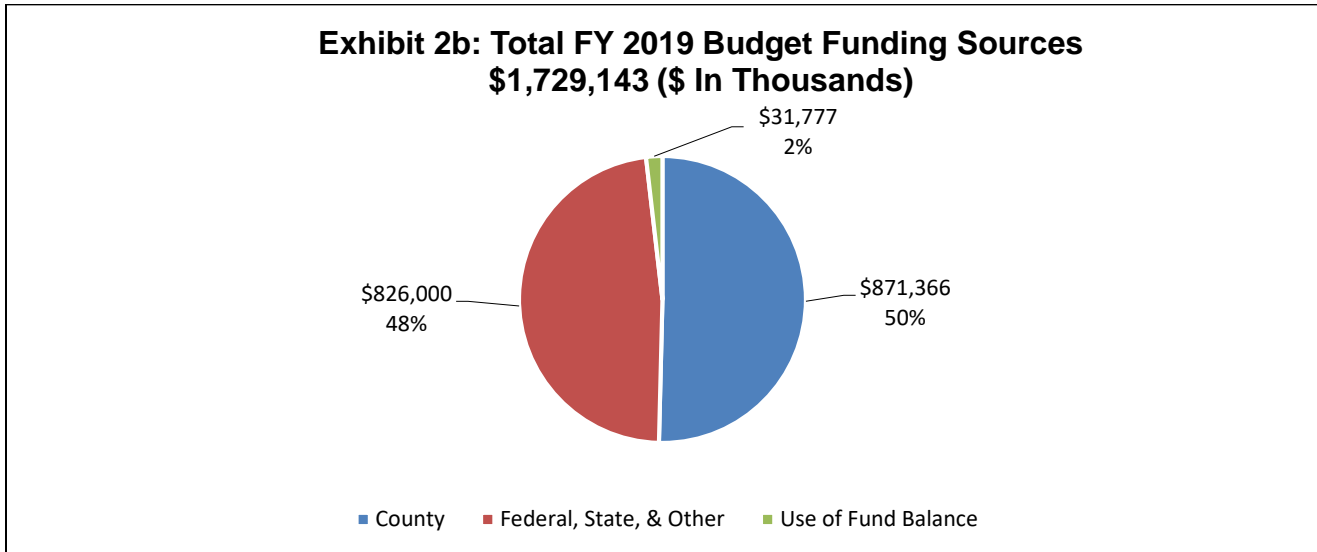
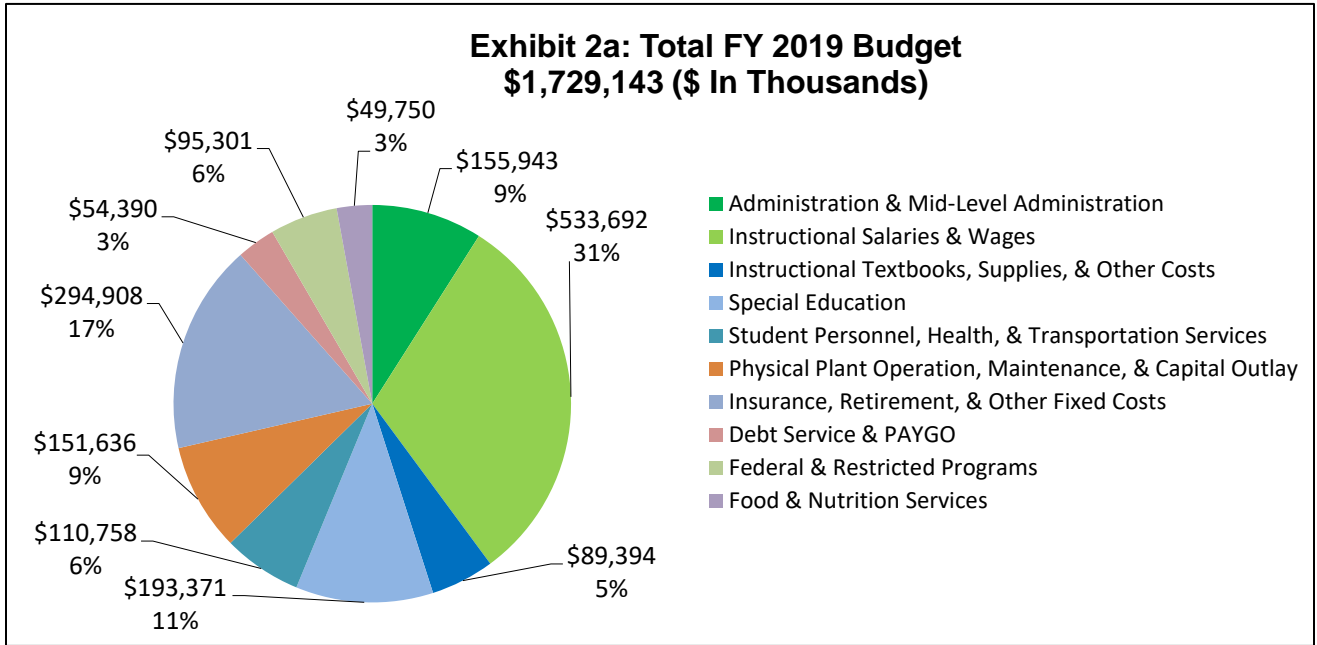
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OPERATING BUDGET SUMMARY:

The County's proposed FY 2019 budget for the Baltimore County Public Schools (BCPS) totals \$1.7 billion and reflects an increase of nearly \$62 million, or 3.7%, over the FY 2018 budget. The General Fund portion of the County's budget increases by \$28.3 million, or 3.4%, largely due to personnel expenses, new funding for the S.T.A.T. program, and funding for curriculum materials. These increases are significantly offset by the elimination of retiree healthcare funding, which totaled \$25 million in FY 2018. The Special Fund, or non-County portion of the budget, increases by \$33.5 million, or 4.1%, driven primarily by the State's education aid formulas. **The proposed budget relies on the use of approximately \$31.8 million of BCPS's fund balance, which BCPS projects will total \$29.7 million at the end of FY 2018 and \$17.0 million at the end of FY 2019.** BCPS projects that system-wide enrollment will increase by 1,088 students, or 1.0%, to 114,370 for the 2018-2019 school year; the maintenance of effort (MOE) requirement addresses this increase on a per-pupil basis, requiring the County to maintain support of approximately \$7,197 per current-school-year FTE enrollment. The proposed budget exceeds the State's MOE requirement by \$29.8 million, which would increase the County's MOE requirement by \$273 per student for FY 2020. (On May 4, 2018, the County's Office of Budget and Finance advised that it submitted an appeal to MSDE to reconsider its decision to disapprove \$4 million in one-time curriculum costs as an exclusion to MOE; should MSDE reverse its decision, BCPS's budget would exceed MOE by \$25.8 million). See Exhibits 1 through 4 for additional details and Appendix C for the MOE calculation.



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Exhibit 3					
FY 2019 Proposed Budget (\$ in 000's)					
How Much it Grows:	General Fund (excl. PAYGO & Debt Svc.)	PAYGO & Debt Svc.	Total General Fund	Special Fund	Total
2018 Appropriation	\$ 790,069	\$ 53,032	\$ 843,101	\$ 824,256	\$ 1,667,357
2019 Request	816,977	54,390	871,367	857,776	1,729,143
\$ Increase/(Decrease)	\$ 26,908	\$ 1,358	\$ 28,266	\$ 33,520	\$ 61,786
% Increase/(Decrease)	3.4%	2.6%	3.4%	4.1%	3.7%
Where it Goes (Amounts Shown Reflect Increases or Decreases in Budgeted Funding):					
Personnel Expenses.....					\$ 34,041
Increments & Longevities.....					16,577
Net increase in BCPS General Fund positions (see Exhibit 4 for details).....					15,734
3% COLA (effective January 1, 2019).....					13,890
Reclassification of transportation positions.....					327
Extra duty pay (for athletics trainers, coaches, and advisors).....					242
Professional development for bus drivers.....					100
2% COLA for extra duty assignments (effective July 1-December 31, 2018).....					77
Other Salary Adjustments (lower salaries due to retirement/attrition of higher-paid staff).....					(12,906)
Personnel-Related Expenses.....					(15,746)
FICA.....					7,537
Workers' compensation.....					666
County Retirement System (employer contributions).....					653
Healthcare and life insurance.....					398
OPEB.....					(25,000)
One-Time Expenses (Excluded from M.O.E.).....					229
Dundalk Elementary School.....					149
Moving contractors and storage trailers for existing school.....	80				
Start-up costs for new school.....	69				
Furniture for additional pre-k classrooms (i.e., Cromwell Valley, Timonium, Lutherville, and Relay ES).....					80
Operating Expenses.....					34,715
Additional funding for S.T.A.T. program/digital conversion.....					9,608
Instructional materials/resources for Maryland College and Career Ready curriculum (MOE exclusion denied).....					4,000
Nonpublic placement and contracted public school programs.....					3,499
Utilities (gas, electric, fuel oil, water, sewer).....					2,057
Fiber optic cable replacement (certain middle schools).....					1,516
Addl. contract bus routes/private operator costs (enrollment growth, Early College program, boundary adjust., etc.)...					1,751
Relocatables (e.g., replacement, electrical work, repairs).....					1,008
License fees (student data, instructional programs and health services software system).....					1,052
Telecommunications (acquisition and maintenance of telephone systems, service fees).....					718
Uninterruptible Power Supply (UPS) backup (replacement units).....					533
Audio/visual equipment (purchase for new classrooms and replacement of aging equipment in existing classrooms)..					406
Building/grounds maintenance (i.e., boilers chillers, stadium lighting, P.A. systems, gymnasiums, & tree removal)....					390
Building rent.....					296
Adobe Creative Cloud software (grades 6-8).....					250
Vehicle leases and purchases.....					243
Managed print services.....					215
New software (student behavior data and course planning).....					160
Passport, ESOL, and Magnet program expansions (non-salary).....					132
Safety initiatives (e.g., ALICE training, Safe Schools conference, visitor ID equipment, weather radios).....					112
Automatic Vehicle Location system for cars and trucks.....					108
Equal Opportunity Schools Lead Higher Initiative (to identify students with AP potential).....					100
Other (e.g., mentoring prog., addl. time clocks, materials for school climate support team, extended day meals).....					6,561
Enterprise Fund					
Food & Nutrition Services.....					(766)
Restricted Grant Expenses					
Federal and Restricted Grants Program.....					7,956
Debt Service.....					1,357
Total:					\$ 61,786

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**Exhibit 4
FY 2019 Net Increase in BCPS General Fund Positions
(\$ In Thousands)**

	<u>Salary Cost</u>
261.9 New Positions	
80.7 Teaching positions based on enrollment increase	\$3,940
45.0 Special education positions	2,385
18.0 Psychologists	1,273
22.5 Social workers	1,236
23.0 Guidance counselors	1,190
12.8 Positions for new northeast-area elementary school.....	893
11.0 Behavior interventionists (transfer from Third Party Billing Grant prog.)..	683
14.5 Custodial support for additional square footage.....	497
8.0 School climate school-based support team	406
4.0 Pupil personnel workers	391
15.0 Bus attendants	342
3.0 Gifted and talented teachers.....	152
2.0 e-Learning teachers.....	101
1.0 Audit Analyst for Board of Education	88
1.4 Health assistants	40
 42.0 New Positions for Expanded Programs	
28.0 Positions for ESOL program	1,462
5.0 Positions for Passport program	254
4.0 Positions for Magnet program	203
5.0 Positions for Prekindergarten	198
 2.6 Redirected Positions (Nurse Substitutes redirected to Nurse FTE)	(0)
 306.5 Net Increase in General Fund Positions	\$15,734

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POTENTIAL LEGISLATIVE CONSIDERATIONS

The proposed FY 2019 General Fund budget of \$871.4 million for BCPS is at least \$25.8 million above the maintenance of effort (MOE) level of funding defined by State law and used by the State to determine local eligibility for increased State aid. Any reduction in excess of this amount, except for items excluded from the MOE requirement, could trigger the State's redirection of County income tax revenues in an amount equaling the shortfall to BCPS. As of May 16, 2018, Baltimore County's proposed FY 2019 General Fund budget exceeds the Spending Affordability Committee's spending guideline by approximately \$4 million due to MSDE's disapproval of an MOE exclusion request by the County; an appeal of this disapproval is pending (should MSDE not reverse its decision, the proposed budget would be \$29.8 million above MOE).

Distinct from the \$4 million spending guideline compliance issue, it is important to note that committing ongoing funds above the MOE level represents a binding funding commitment. Once the Council appropriates such funds, the County is unable to "pull back" its spending authorization on a per-pupil basis – in the upcoming fiscal year or in future fiscal years.¹

The proposed FY 2019 budget for BCPS also relies upon the use of an unprecedented level (more than \$30 million) in BCPS fund balance² as a revenue source (see Exhibits 5 and 6). Such fund balance, by the school system's own projections, will not be available at a similar magnitude in future years (see page 83 of the FY 2019 Board Proposed Operating Budget). Authorizing a budget that relies upon such a high level of one-time funding would suggest that the County either is: (a) confident in its ability to replace such funding, on an ongoing basis, in future years (above the level needed to meet future MOE requirements); or (b) expecting BCPS to shoulder the loss of such funding in future years.

Accordingly, this analysis identifies a number of potential budget reductions that would slow the rapid proposed growth in BCPS spending.

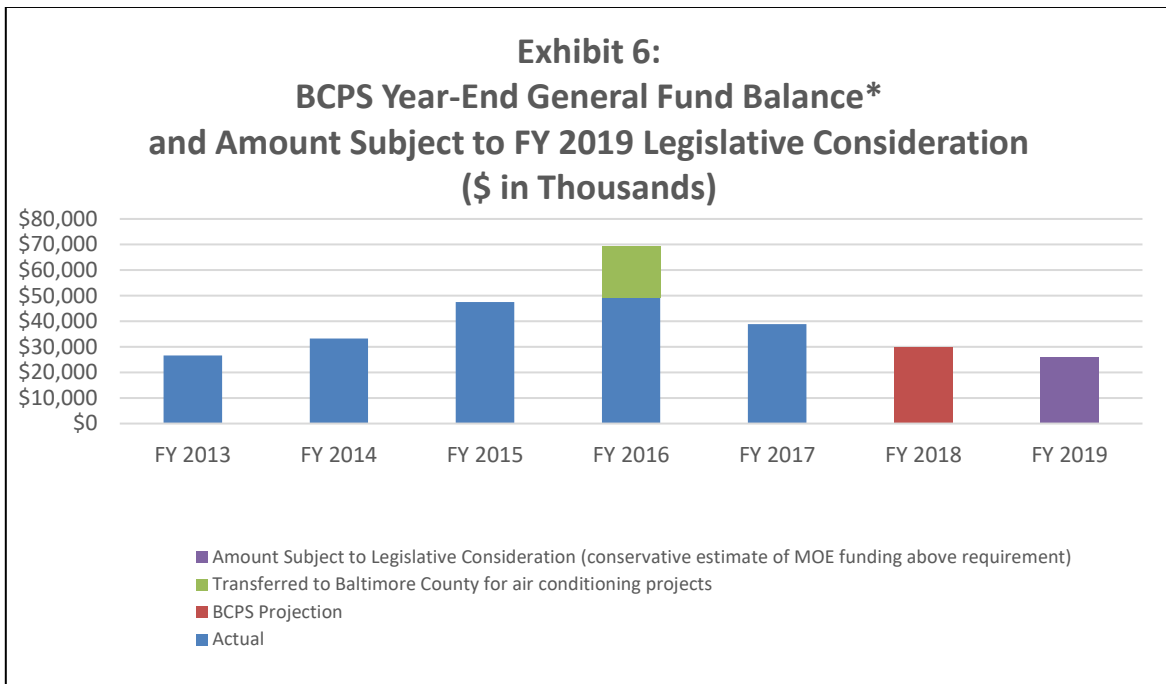
¹ State law allows the State Board of Education to grant waivers under certain circumstances, but such circumstances are not common.

² As of June 30, 2017, BCPS's fund balance totaled \$38.8 million. According to BCPS's budget request, its projected FY 2018 year-end fund balance totals \$29.7 million; however, the proposed FY 2019 budget includes \$31.8 million of BCPS's fund balance as a source of funding for the FY 2019 budget. The Executive's Budget Message, Exhibit B reflects that \$37.5 million in prior-year fund balance will serve as a revenue source for the FY 2019 budget; however, the Office of Budget and Finance advised that the correct amount is \$31.8 million. Regardless of which amount of budgeted fund balance is accurate, the proposed use of fund balance is at a historically high level.

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Exhibit 5: Budgeted Use of BCPS General Fund Balance, FY 2015 – FY 2019 (as proposed)

Fiscal Year	Planned Utilization of BCPS Fund Balance
2015	\$13,087,060
2016	\$19,150,039
2017	\$23,173,459
2018	\$27,673,459
2019	\$31,777,459



Sources: FY 2013-FY 2017 BCPS Comprehensive Annual Financial Reports; FY 2019 BCPS Board Proposed Operating Budget; Executive's FY 2019 Budget Message.

* It is noteworthy that at one point the County described its multi-year BCPS funding plan as involving the gradual planned accumulation and subsequent drawdown in BCPS fund balance to enable the eventual full phase-in of S.T.A.T. costs. This plan required some modification with the decision to advance \$20 million in air conditioning projects using FY 2016 BCPS fund balance. As a result, the County has had to contribute amounts above MOE in order to stave off the more rapid depletion of BCPS fund balance. Nevertheless, for FY 2019, the proposed budget includes as a revenue source a greater amount of fund balance than the Board's proposed budget projects it will have available at the end of FY 2018.

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POTENTIAL BUDGET REDUCTIONS

1. S.T.A.T. Program Funding (3505-0415)

A number of options exist for scaling back S.T.A.T program funding. This analysis identifies two such options. Each option would reduce the appropriation to Education's "Other Instructional Costs" Program (3505), which does not include any salary costs. See Exhibit 7 for a summary of the proposed S.T.A.T. budget plan for FY 2019.

Option A: Reduce S.T.A.T. funding above MOE, suggesting that the Board concentrate funding at the middle school level and provide loaner devices to interested high school students (\$25 million conservative projection)

The County's proposed FY 2019 budget includes approximately \$50 million to support the majority of the cost of leasing equipment under the sixth year of S.T.A.T. BCPS will fund the remaining cost, as well as other S.T.A.T. program costs (costs of curriculum resources, professional development, and carry cases) out of its baseline budget by redirecting spending as needed (e.g., reallocating savings from certain areas to offset costs in other areas).

FY 2019 lease costs include new lease payments to expand the device program so that all remaining (non-Lighthouse) high school students can receive devices, to replace teacher devices, and to replace devices at Lighthouse elementary schools. FY 2019 lease costs also support ongoing lease payments for existing devices. In the event of a decision to withhold half of the County funding towards the leases, BCPS could maintain implementation at the middle school level, where more heavy device utilization occurs for providing curriculum, while canceling existing implementation in the elementary schools and planned implementation in the high schools. With such a change, the school system could continue providing devices to all teachers, while allowing for the availability of a sufficient number of devices on carts within elementary schools for sharing across classrooms and for lending within high schools for students who lack access to a personal device at home (similar to the BCPL device lending program).

All device lease funding is included in the 3505-0415 line item; termination of any existing lease is possible due to insufficient appropriation of funds or for convenience without cause. Because the County is unable to scale back support to BCPS by more than the "above MOE" amount of \$25 million (conservatively), this potential reduction would reduce funding for Program 3505 by \$25 million. ***Continued County support of half, or \$25 million, of the proposed budget amount of \$50 million would cover the full cost of continuing to provide devices to all teachers and middle school students, as well as an amount***

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sufficient to provide extra devices, as noted above, for sharing and loaning at the elementary and high school levels, respectively. In no event would such a withdrawal of County support for equipment lease payments suggest a lack of support by the County for school personnel, as there are no salary costs funded within the school system's Other Instructional Costs Program.

Option B: Reduce S.T.A.T. funding by cost of new lease, suggesting that the Board consider a revised implementation for grades 6-12 rather than grades 1-12 (\$14 million)

FY 2019 lease costs include approximately \$14.2 million toward new lease payments to expand the device program so that all remaining (non-Lighthouse) high school students can receive devices, and to provide replacement devices to Lighthouse elementary schools and teachers. During the current school year, all students in grades 1-8 are outfitted with devices (kindergarten classrooms have device stations). In the event of a decision to withhold \$14 million in County lease support, BCPS could ensure that no secondary students who currently have devices "lose" devices by shifting implementation from grades 1-8 (nine grade levels) in school year 2017-2018 to grades 6-12 (seven grade levels) for school year 2018-2019. Such an operational change would enable the school system to continue providing devices to all teachers, while keeping extra devices available on carts within elementary schools for sharing across classrooms.

All device lease funding is included in the 3505-0415 line item; termination of existing leases is possible due to insufficient appropriation of funds or for convenience without cause. ***Continued County support of 72%, or \$36 million, of the proposed budget amount of \$50 million would cover the full cost of continuing to provide devices to teachers and middle school students, as well as an amount sufficient to provide devices to high school students (by scaling back the device-to-student ratio at the elementary school level). As noted above, in no event would such a withdrawal of County support for equipment lease payments suggest a lack of support by the County for school personnel, as there are no salary costs funded within the school system's Other Instructional Costs Program.***

Note: Either of these potential reductions would be an alternative to any other significant reduction to BCPS, not an addition to such.

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Exhibit 7: FY 2019 S.T.A.T. Program FY 2019 Budget Plan, As Proposed (\$58.9 million)

The proposed FY 2019 budget includes \$58.9 million to support the sixth year of BCPS's S.T.A.T. program; BCPS expects the cost of the program to total \$58.6 million in FY 2019, generating a program surplus of \$238,270. The proposed FY 2019 budget includes \$40.5 million in ongoing County funding, \$9.6 million in new County funding, and \$8.8 million in BCPS budget realignment funding (e.g., reallocating savings from certain areas to offset costs in other areas). BCPS advised that FY 2019 expenses include \$48.0 million for device leases, \$5.2 million for curriculum materials, \$2.1 million for professional development, \$1.6 million in contracted device support, \$1.3 million in one-time costs (monitors, carts, etc.), and \$439,452 for purchased device carry cases. (Salaries and benefits for 169 S.T.A.T. teachers are excluded from these figures, as are various software license fees and digital content directly tied to curriculum (e.g., Passport, Code to the Future)).

The S.T.A.T. program began in FY 2014, when BCPS utilized \$3.1 million in unbudgeted funding to purchase 8,500 digital devices and initiated a 7-year, \$205 million contract with Daly Computers, Inc. As part of the S.T.A.T. initiative, each student and teacher are to receive a digital learning device according to a specified rollout schedule. BCPS advised that the digital devices are currently being used in grades K-8 in all schools and in grades 9-12 in three Lighthouse high schools. (Kindergarten classrooms have device stations instead of 1:1 devices.) BCPS further advised that as of April 3, 2018, expenditures under the 2014 Daly contract totaled approximately \$110.8 million.

On April 3, 2018, the Board of Education approved a new, 7-year, \$140 million contract with Daly Computers, Inc. to provide student (11" HP Probook) and staff (14" HP Elitebook) devices for the S.T.A.T. initiative. BCPS advised that during SY 2018-2019, the program will expand to include all high schools; the Lighthouse elementary schools grades 1-3 and all teachers will also receive new devices which replace devices covered under the original 4-year lease. BCPS further advised that Lighthouse elementary schools grades kindergarten and 4-5 will also receive new devices in order to provide consistency for teachers, students, and staff to have the same device in all grades. BCPS stated that devices from the Lighthouse elementary schools that are being replaced while still under lease will be redirected to newly opening elementary schools or other schools in need of devices due to enrollment increases.

BCPS advised that in order to achieve cost savings over the current method in which BCPS receives device maintenance and support services through Daly, BCPS issued an RFP for contractors to provide skilled network support and maintenance technicians for the Department of Information Technology. On May 8, 2018, the Board of Education approved the four-year, 1-month \$17.3 million contract with 27 vendors for the support and maintenance of the technology hardware and network used in schools and offices, including the digital devices.

BCPS contracted with the Center for Research and Reform in Education at The Johns Hopkins University (CRRE-JHU) to evaluate the S.T.A.T. program. The S.T.A.T. Year 3 Evaluation Report Addendum (December 2017) found that "Lighthouse schools outperformed the comparison districts and the State in terms of cumulative growth across subjects. Though there was variation between subjects and grades, Lighthouse Grades 3, 4, and 5 demonstrated an overall increase from 2014-15 to 2016-17 in both ELA and mathematics." The Year 4 Mid-Year Evaluation Report (February 2018) was largely positive; however, it identified challenges such as "uncertainties about S.T.A.T. teacher roles and responsibilities, and the unavailability of S.T.A.T. teachers, who were perceived as too busy with other tasks."

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2. Increase to Budgeted Turnover Savings to Align to Historical Experience (\$20 million)

The proposed FY 2019 budget for BCPS (system-wide) includes \$974,952,060 for salaries. This amount is reflective of a budgeted turnover rate of 2.0%, based on a \$995,289,268 salary budget without turnover, as shown below:

FY19 Budgeted Salaries and Turnover (\$) (Provided by BCPS)

Activity	Category	Salary Budget w/o Turnover	Budgeted Turnover	Salary Budget
0001	Administration	33,052,178	599,843	32,452,335
0002	Mid Level Admin	99,894,293	936,503	98,957,790
0003	Instructional Salaries	563,989,973	15,111,074	548,878,899
0006	Special Ed	146,624,118	2,430,470	144,193,648
0007	Pupil Personnel	14,289,576	-	14,289,576
0008	Health Services	16,872,124	-	16,872,124
0009	Transportation	46,783,066	400,563	46,382,503
0010	Operations	53,677,353	712,446	52,964,907
0011	Maintenance	16,163,625	146,309	16,017,316
0015	Capital Outlay	3,942,962	-	3,942,962
Total		995,289,268	20,337,208	974,952,060

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For FY 2018, the BCPS budget (system-wide) includes \$923,050,698 for salaries. This amount is reflective of a budgeted turnover rate of 2.2%, based on a \$943,387,906 salary budget without turnover. However, based on BCPS's current projections, FY 2018 spending on salaries is on track to total \$898,850,680, which is \$24.2 million less than the budgeted amount and reflective of a turnover rate of 4.7%, as shown below:

**FY18 Projected Salaries and Turnover as of 3.31.18 (\$)
(Provided by BCPS)**

Activity	Category	Salary Budget w/o Turnover	Budgeted Turnover	Salary Budget	FY18 Projection	Variance vs. Budget
0001	Administration	31,308,813	555,493	30,753,320	29,431,475	1,321,845
0002	Mid Level Admin	96,398,862	919,925	95,478,937	92,914,783	2,564,154
0003	Instructional Salaries	538,649,593	15,193,790	523,455,803	518,000,131	5,455,672
0006	Special Ed	137,180,465	2,419,685	134,760,780	129,711,668	5,049,112
0007	Pupil Personnel	11,998,260	-	11,998,260	10,890,674	1,107,586
0008	Health Services	16,265,387	-	16,265,387	14,855,825	1,409,562
0009	Transportation	40,382,427	385,731	39,996,696	37,548,274	2,448,422
0010	Operations	51,887,059	719,176	51,167,883	47,877,444	3,290,439
0011	Maintenance	15,469,551	143,408	15,326,143	14,157,560	1,168,583
0015	Capital Outlay	3,847,489	-	3,847,489	3,462,845	384,644
Total		943,387,906	20,337,208	923,050,698	898,850,680	24,200,018

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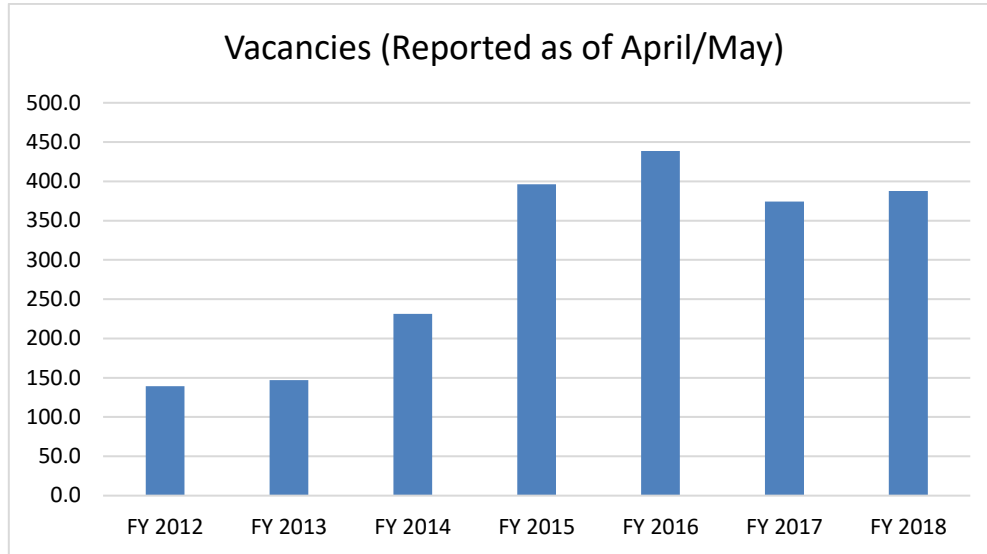
These FY 2018 projections are similar to actual FY 2017 experience, when budgeted turnover savings represented 2.2% of the salaries budget and actual turnover savings were 4.2%, as shown below:

FY17 Salaries and Turnover by Activity (\$) (Provided by BCPS)

Activity	Category	Salary Budget w/o Turnover	Budgeted Turnover	Salary Budget	Actual Results	Variance vs. Budget
0001	Administration	30,127,045	596,886	29,530,159	27,999,503	1,530,656
0002	Mid Level Admin	94,215,069	1,336,899	92,878,170	90,783,112	2,095,058
0003	Instructional Salaries	517,240,634	14,805,057	502,435,577	499,338,942	3,096,635
0006	Special Ed	132,044,184	2,390,892	129,653,292	125,828,300	3,824,992
0007	Pupil Personnel	9,859,761	-	9,859,761	8,873,631	986,130
0008	Health Services	15,719,126	-	15,719,126	14,646,475	1,072,651
0009	Transportation	37,288,676	362,922	36,925,754	35,364,869	1,560,885
0010	Operations	49,481,999	703,864	48,778,135	46,817,861	1,960,274
0011	Maintenance	14,928,908	140,688	14,788,220	13,215,787	1,572,433
0015	Capital Outlay	3,637,455	-	3,637,455	3,234,055	403,400
Total		904,542,857	20,337,208	884,205,649	866,102,534	18,103,115

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As shown by the chart below, BCPS General Fund vacancies increased from FY 2012 to FY 2016, declined in FY 2017, and increased slightly in FY 2018.



As of April 15, 2018, BCPS reported 388 General Fund vacancies, as follows:

Activity	FY 2017 Budgeted	FY 2017 Filled	FY 2017	FY 2018 Budgeted	FY 2018 Filled	FY 2018
			Vacancies (as of 5/1/17)			Vacancies (as of 4/15/18)
Administration	307.2	299.2	8.0	311.2	296.2	15.0
Mid-level Administration	1,092.7	1,088.7	4.0	1,099.7	1,083.2	16.5
Instructional Salaries	7,291.8	7,144.6	147.2	7,342.2	7,239.7	102.5
Special Education	2,023.2	2,008.4	14.8	2,060.9	2,038.2	22.7
Student Personnel Services	112.3	107.3	5.0	136.3	131.5	4.8
Student Health	216.6	215.6	1.0	218.1	215.0	3.1
Student Transportation	1,191.0	1,056.6	134.4	1,191.0	1,068.4	122.6
Operation of Plant	1,191.9	1,160.2	31.7	1,193.9	1,128.2	65.7
Maintenance of Plant	248.0	225.0	23.0	259.0	226.0	33.0
Capital Outlay	42.0	37.0	5.0	43.0	41.0	2.0
Total	13,716.7	13,342.6	374.1	13,855.3	13,467.4	387.9

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Conservatively applying the more realistic 4% turnover rate to the proposed FY 2019 BCPS salaries budget would yield an additional approximately \$20 million in savings. As the most significant area of expenditure within the BCPS budget, the salaries line item is the usual source of funding which reverts to fund balance or is transferred to other areas within the budget in BCPS's usual year-end budget appropriation transfer (BAT) process. This area of savings within the BCPS budget provides a great deal of flexibility to the school system, which often results in an operating plan that differs significantly from the budget plan.

BCPS salaries as proposed for FY 2019 at \$975 million represent an increase of \$76 million, or 8.5% over projected FY 2018 salaries. ***A \$20 million reduction in County support, distributed proportionally across BCPS programs noted above, would still allow for a healthy 6.2% increase in the school system's salaries budget.***

This potential reduction would not have any operational effect on the school system because it is merely reflective of a misalignment between the budget and operational plan that has been perpetuated each year in recent history. By targeting this significant area of flexibility, the pattern of reverting large amounts to fund balance and carrying large fund balances from year to year would be addressed, and the County would face a lower MOE commitment for FY 2020.

Note: This potential reduction would be an alternative to any other significant reduction to BCPS, not an addition to such.

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ISSUES FOR DISCUSSION

3. School Climate/Safety Initiatives

Additional Student Support Personnel

On April 5, 2018, the County Executive announced an \$8 million increased investment in school safety, including additional student support personnel and an expansion of the County's Police School Resource Officer Program. BCPS's proposed FY 2019 budget includes \$5.2 million for 75.5 additional and 11 transferred student support positions as follows:

- *Psychologists (18 additional positions)* *\$1.3 million*
The proposed FY 2019 budget provides \$1.3 million for 18 new school psychologist positions, nearly \$800,000 and 11 more positions than BCPS requested. BCPS advised that the request for additional psychologists was driven by factors including national standards, increased IEP team needs, special education programs, 504 plans, and an increasing ESOL enrollment. BCPS further advised that the school psychologist positions will be allocated based on need; BCPS will consider overall enrollment, special education enrollment, 504 plans, behavioral intervention plans, and other direct and indirect psychological services when assigning the new positions. BCPS advised that with the additional FTE, the staffing ratio will be 1 psychologist per 1,100 students; currently, the ratio is 1 psychologist per 1,282 students. The National Association of School Psychologists recommends a ratio of 1 psychologist per 500-700 students.
- *Social Workers (22.5 additional positions)* *\$1.2 million*
The proposed FY 2019 budget includes \$1.2 million for 22.5 new school social worker positions, approximately \$357,000 and 6.5 positions more than BCPS requested. BCPS advised that the request for additional social workers is based on increased requests for services, including mental health care and linkage of community resources. BCPS further advised that social workers are allocated to schools based on need (systemic data including school population, FARMS, attendance rates, number of students receiving services related to mental health concerns, etc.), with 1.0 FTE allocated to each high school and the remaining allocations to be distributed across elementary and middle schools, with higher FTEs at schools identified as having the greatest needs. BCPS advised that with the 22.5 new FTE, the staffing ratio will be 1 social worker per 1,202 students; currently, the ratio is 1 social worker per 1,579 students. The National Association of School Social Workers recommends a ratio of 1 social worker per 250 students.

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- Guidance Counselors (23 additional positions)* \$1.2 million

The proposed FY 2019 budget includes \$1.2 million for 23 new guidance counselor positions, approximately \$259,000 and 5 more positions than BCPS requested. BCPS advised that the request for additional counseling positions is due to increasing enrollment as well as a need to provide proactive social-emotional learning opportunities to students. BCPS further advised that the additional FTE will be utilized to reduce caseload sizes at 4 middle schools and 2 elementary schools to bring their enrollment/counselor ratio in line with the following chart:

<u>Enrollment</u>	<u>Guidance Counselors per School</u>
Elementary	
Up to 700 students	1-2 based on need
Over 700 students	2-2.5 based on need
Middle	
701 to 999 students	2-3 based on need
1,000 to 1,500 students	3-3.5 based on need
Over 1,500 students	4
High	
1,050 to 1,400 students	3-4 based on need
1,401 to 2,000 students	4-5 based on need
Over 2,000 students	6

12 of the 23 FTE will be designated as college counselors, with a 0.5 FTE counseling position added to each of the 24 comprehensive high schools. FTEs will also be utilized in schools with an identified need for additional services. BCPS advised that with the 23 new FTE, the staffing ratio will be 1 counselor per 363.3 students; currently, the ratio is 1 counselor per 392.1 students. The American School Counselors Association recommends a ratio of 1 counselor per 250 students.

- Behavior Interventionists (11 transferred positions)* \$682,539

The proposed FY 2019 budget includes \$682,539 for 11 behavior interventionist positions to be transferred to the General Fund from the Third Party Billing grant program. In FY 2018, the Third Party Billing grant program supports 33 behavior interventionist positions, but BCPS advised that “the sustainability of the current level of service funded by the grant

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may be impacted by reduced eligibility and possible reductions to the Medicaid program. A transfer of...[positions]...to the General Fund will provide relief for the grant and allow for a continuation of services.”

The budget also provides \$90,000 in new funding for positive behavior support software.

- *School Climate Core School-Based Support Team (8 additional positions)* \$455,936
BCPS advised that it plans to create “school climate core school-based support teams” consisting of administrators, counselors, pupil personnel workers, social workers, teachers, parents, community mental health partners, and others. The proposed FY 2019 budget includes \$455,936 and eight positions (two positions, one at the elementary level and one at the secondary level, per reporting zone) to be known as Multi-Tiered Systems of Support (MTSS) resource teachers to join the support teams. BCPS advised that the MTSS resource teachers will assist with providing academic and behavioral support to students throughout the instructional day.
- *Pupil Personnel Workers (PPW) (4 additional positions)* \$391,152
The proposed FY 2019 budget provides \$391,152 for 4 new PPW positions; the budget does not fund the remaining PPW position, the 5 residency investigators, nor the residency study (\$100,000) that BCPS requested. BCPS advised that the new PPW will be assigned to schools based on enrollment, number of student receiving FARMS, special education services, and ESOL services, and number of students who are homeless, in kinship care, state-supervised care, and shared domicile situations. BCPS further advised that in recent years, PPW responsibilities have changed to include assisting high schools in improving graduation and dropout rates.

Other School Climate/Safety Initiatives

The proposed FY 2019 budget includes \$56,500 to train 300 BCPS staff on ALICE (Alert, Lockdown, Inform, Counter, and Evacuate) protocols for how to respond to active assailant situations; training is scheduled for summer 2018, and these staff will then train additional school staff in fall 2018.

The proposed FY 2019 budget includes \$49,000 to replace 50% of BCPS’s weather radios and 50% of BCPS’s Raptor visitor identification equipment. BCPS advised that “equipment for the visitor identification program that also identifies sex offenders is beginning to fail and the warranty has expired.” One-time maintenance funds of \$644,800 were requested to update software

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operating the card door access control system which provides security to all schools; however, the County Executive did not fund this request.

BCPS advised that it continually assesses school safety measures and makes changes where necessary. The Safety and Emergency Management Steering Committee, which includes representation from the Police Department, Fire Department, Department of Health and Human Services, and BCPS departments, offices, and school-based administration, meets monthly to review and update safety procedures and protocols.

On May 8, 2018, the Governor signed House Bill 1600, which establishes the Baltimore County Anti-Bullying Task force. According to the Department of Legislative Services' 90 Day Report, "the task force must submit a preliminary report on data and recommendations relating to incidents of bullying, cyberbullying, harassment, and intimidation in Baltimore County Public Schools to the Governor, the members of the Baltimore County Delegation to the General Assembly, and specified local entities by July 1, 2019. The final report must be submitted by December 1, 2020."

The proposed FY 2019 budget includes \$25,000 for professional development for BCPS staff serving as mentors as well as to provide mentoring opportunities for staff and students. BCPS advised that some schools implemented mentoring programs to improve school climate by "creating relationships with students while supporting students socially, emotionally, and academically."

BCPS should be prepared to discuss:

- ***Multi-year plans to increase the number of guidance counselors, social workers, pupil personnel workers, and psychologists;***
- ***Specific details on the roles of the School Climate Core School-Based Support Teams; and***
- ***The schools at which mentoring programs are offered and the types of mentoring opportunities offered to staff and students.***

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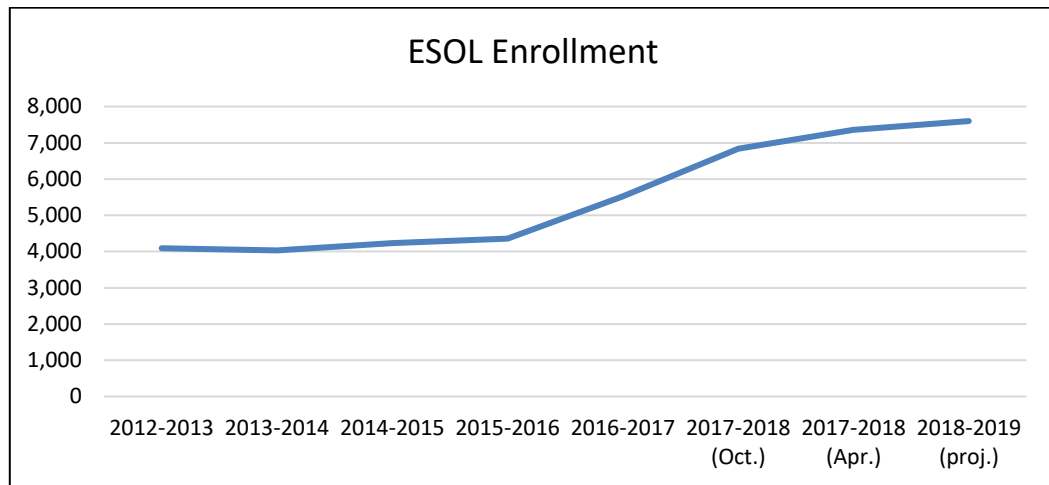
4. ESOL and Special Education

ESOL (28 additional positions)

\$1.5 million

The proposed FY 2019 budget provides \$1.5 million and 28 new FTE positions for ESOL (English for Speakers of Other Languages), nearly \$540,000 and 10 positions more than BCPS requested. Due to staffing failing to keep pace with increased enrollment, BCPS began a phased-in expansion of the ESOL program, adding 10.33 FTE positions in FY 2016, 26.6 FTE positions in FY 2017, and 14 FTE positions in FY 2018 (of 17 requested positions).

The following chart reflects the growth in ESOL enrollment from SY 2012-2013 to SY 2018-2019 (projected), as provided by BCPS:



BCPS advised that as of April 2018, the ESOL staffing ratio is 1 teacher per 64 ESOL elementary students, 1 teacher per 51 students at middle school ESOL centers, and 1 teacher per 40 students at high school ESOL centers. The additional ESOL positions will lower the ratios to 1:53 at the elementary schools, 1:45 at the middle school centers, and 1:35 at the high school centers, based on current enrollment. Two of the new positions will be allocated to the elementary level to lower the ratio and allow for more full-time teachers in one school. The remaining positions will be allocated to secondary schools in order to allow for more courses to be offered to students at lower proficiency levels as well as to support secondary students enrolled in alternative schools and magnet programs. Overall, the positions will enable teachers to provide more differentiated instruction. BCPS advised that the state of Maryland does not publish data on ESOL teacher ratios nor suggest ideal ratios.

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Special Education (45 additional positions); Increased Nonpublic Placement Costs \$6.9 million

The proposed FY 2019 budget adds 45 special education positions (\$2.4 million) as part of a multi-year staffing plan to provide a continuum of services in each public school while enhancing the regional options for students with disabilities whose needs are not being met in their home schools. (20 positions were added in FY 2017, and 15 positions were added in FY 2018.) BCPS advised that the positions will improve service delivery outcomes and reduce teacher caseloads.

Regional Behavior Learning Support (BLS) programs provide an intense level of support for students needing more restrictive placements instead of referring these students to nonpublic schools. BCPS advised that referrals to the regional programs began during the second semester of SY 2016-2017. BCPS previously advised that BLS regional programs are located at the following schools:

Elementary	Middle	High
Chatsworth	Arbutus	Catonsville
Halethorpe	Dundalk	Parkville
Hawthorne	Parkville	Patapsco
Hebbsville	Ridgely	Towson
Cromwell Valley		
Red House Run		
Sandy Plains		
Winfield		

BCPS advised that 641 students are receiving services in BLS programs, and in the absence of these programs, would receive more restrictive placements, including nonpublic services. BCPS advised that it also offers Social Communication Learning Support (SCLS) programs for students with IEPs whose complex learning needs are a result of having high-functioning Autism Spectrum Disorder. BCPS further advised that there are approximately 121 students receiving services in the SCLS program who would have typically been referred to a more restrictive placement, including nonpublic services.

The proposed FY 2019 budget includes \$44.9 million for nonpublic placement costs, an increase of approximately \$4.5 million, or 11.1%, over the FY 2018 budget. Federal law requires that BCPS provide services for students, who through appropriate assessment, have been determined to

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have temporary or long-term special education needs arising from cognitive, emotional, and/or physical factors. When public school programs are unable to meet a student's needs, placement in a nonpublic school is required. MSDE negotiates the rates for the placements, and the State reimburses the County for a portion of the costs. BCPS advised that as of April 2018, 604 students currently have nonpublic placements. BCPS further advised that during FY 2016-FY 2018, enrollment has typically increased over the academic year by approximately 100 students; there is a net total increase of 60 students between FY 2016 and FY 2018.

BCPS should be prepared to discuss:

- ***Multi-year staffing plans related to the ESOL program;***
- ***Any plans to expand the BLS programs; and***
- ***The State's nonpublic placement reimbursement rate and whether this amount has changed over the last several years.***

5. Other New and Expanded Programs

Partnerships with CCBC *\$235,694 ECHS; \$45,000-\$67,500 P-TECH*

The proposed FY 2019 budget includes \$235,694 (\$213,125 in CCBC's budget for tuition and fees; \$22,569 for books in BCPS's budget) for the Early College High School (ECHS) program, which debuted at Woodlawn High School in fall 2017. Students are able to simultaneously earn a high school diploma and an Associate of Arts degree, or up to 60 credits toward a Bachelor's degree, tuition-free. CCBC advised that 85 students enrolled in the program in fall 2017 and expects an 82% retention rate for SY 2018-2019. BCPS advised that as of the end of April 2018, 99 students had accepted placements in this program's second cohort.

BCPS, CCBC, Whiting Turner, and KCI Technologies will partner to offer the Pathways in Technology Early College High School (P-TECH) to 30-45 students at Dundalk High School for SY 2018-2019 at an estimated cost of \$45,000-\$67,500. Through this program, students will be able to earn a high school diploma and an Associate's Degree in Engineering Technology as well as participate in a 6-week paid internship. Upon graduation, the business partners will offer potential job placements to graduates.

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Prekindergarten (5 additional positions and new furniture) \$278,410

The proposed FY 2019 budget includes \$198,410 for the salary of 5 new positions for prekindergarten expansion (6 fewer positions and approximately \$238,000 less than BCPS requested for FY 2019) as well as \$80,000 in additional one-time funds for prekindergarten classroom furniture. BCPS advised that the ongoing funding will support an additional 2.5 teachers and 2.5 paraeducators, resulting in 5 additional half-day programs.

Passport Program (5 new positions and additional supply costs) \$303,710

The proposed FY 2019 budget includes \$303,710 and 5 new positions to expand the Passport program to 5th grade in five schools and to 4th grade in 15 schools in SY 2018-2019. The program is currently offered in 45 schools and provided by 18 existing Passport teachers.

The following table shows the rollout schedule for the Passport program through SY 2018-2019:

<u>SY 2014-2015</u>	<u>SY 2015-2016</u>	<u>SY 2016-2017</u>	<u>SY 2017-2018</u>	<u>SY 2018-2019</u>
Bear Creek	Franklin	Berkshire	Featherbed Lane	Arbutus
Hampton	Fullerton	Deep Creek	Lansdowne	Cromwell Valley
Johnnycake	Glenmar	Deer Park	Middlesex	Edgemere
Padonia	Glyndon	Grange	Scotts Branch	Essex
Pleasant Plains	Halethorpe	Halstead	Winfield	Honeygo
Prettyboy	Hernwood	Hillcrest		Mays Chapel
Reisterstown	Lyons Mill	New Town		Orems
Sussex	Mars Estates	Pinewood		Pot Spring
Vincent Farm	Perry Hall	Red House Run		Relay
West Towson	Pine Grove	Sandalwood		Riderwood
	Randallstown	Sandy Plains		Rodgers Forge
	Seneca	Seventh District		Victory Villa
	Shady Spring	Sparks		Westchester
	Warren	Stoneleigh		Westowne
	Woodbridge	Timber Grove		Woodholme

The Center for Applied Linguistics evaluated the program in 2015 and 2016. On May 9, 2017, the Board of Education approved a contract with an estimated spending authority of \$750,000 with American Institutes for Research in the Behavioral Sciences d/b/a American Institute for Research

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to evaluate the Passport program, including middle school grades, through 2021. BCPS advised that this evaluation will be available in August 2018. In addition, BCPS contracted with Strategic Measurement and Evaluation, Inc. to create various assessments related to measuring student progress with Spanish language acquisition; BCPS advised that data from these assessments are not available.

BCPS should be prepared to discuss:

- ***A.A. degree programs available to ECHS students;***
- ***At which schools the additional prekindergarten classes will be offered;***
- ***Plans for future prekindergarten expansion; and***
- ***The level of foreign language proficiency achieved by Passport students and opportunities for Passport alumni to continue foreign language instruction in middle school.***

6. Transportation

Additional Bus Routes

\$1.5 million

The proposed FY 2019 budget includes \$1,456,245 for additional contracted bus routes to support increases in student enrollment, ESOL program growth, a new early college magnet program, and shifts in students due to boundary adjustments for the new Northeast Area Elementary School, Lansdowne Elementary School, and Victory Villa Elementary School. BCPS provided the following information regarding contracted bus routes and BCPS-operated bus routes:

	<u>Contracted Bus Routes</u>	<u>BCPS Bus Routes</u>	<u>Total Bus Routes</u>	<u>Percentage Served by Contractors</u>
FY 2013	82	774	856	9.6%
FY 2014	84	772	856	9.8%
FY 2015	112	749	861	13.0%
FY 2016	114	696	810	14.1%
FY 2017	130	693	823	15.8%
FY 2018	130	678	808	16.1%
FY 2019	140	690	830	16.9%

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BCPS advised that the average cost of each contracted bus route is \$96,089 per school year, compared to \$92,159 for BCPS-operated regular education routes and \$122,040 for BCPS-operated special education routes. BCPS advised that the proposed FY 2019 budget includes \$10.6 million for contracted bus routes; however, it anticipates expenditures to be more than \$13.8 million and will request a BAT to move funds available from vacant BCPS bus operator positions, if necessary.

During the FY 2018 budget process, BCPS advised that although bus seats are designed to transport 3 students per seat, BCPS's practice is to transport 3 students per seat at the elementary level, with an average of 2 students per seat at the middle and high school levels. BCPS advised that additional contractual bus routes to improve student-to-seat ratios have not been added in FY 2018, nor are they planned for FY 2019.

Reorganization

\$538,130

The proposed FY 2019 budget includes \$325,625 for realigning salaries for bus drivers, fleet mechanics, and safety specialists to complete position reclassifications; \$107,905 for an Automatic Vehicle Location system for cars and trucks; \$100,000 for professional development for bus drivers; and \$4,600 for subscriptions to diagnostic sites for service information, repair procedures, vehicle recalls, etc.

In FY 2017, BCPS began a 3-year reorganization of its Office of Transportation, focusing on the areas of safety and training, customer service, recruitment and retention, special education transportation, and maintenance. The FY 2017 budget included funding for a pay grade change for bus drivers in order to improve recruitment and retention; the FY 2018 budget included funding for transportation position reclassifications and Automated Vehicle Tracking software for buses.

BCPS should be prepared to discuss various recruitment and retention initiatives implemented for transportation personnel and the results of these initiatives.

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7. Extended School Day \$650,000

BCPS utilized all inclement weather “make-up” days built into the 2017-2018 school calendar and requested a State school board waiver of 8 hours of high school instructional time. Without waiver approval, high school students’ school year would have been extended to June 18. (The State requirements for elementary, middle, and high school instructional time vary.) The State school board approved BCPS’s waiver request on April 24, 2018, on the condition that BCPS lengthen the high school day beginning in SY 2018-2019.

Currently, the teacher workday (7 hours) is 30 minutes longer than the student day (6 hours 30 minutes). On May 9, 2018, BCPS announced that it will add 5 minutes to the end of the student day for all schools for SY 2018-2019. Under a 1-year agreement with the teacher’s union, teachers will not receive a pay increase; however, the length of teachers’ school day is unchanged. In SY 2018-2019, teachers will have 15 minutes prior to the school day and 10 minutes at the end of the school day for supervision and preparation, compared to 15 minutes before and after during the current school year. BCPS advised that hourly employees (e.g., paraeducators, health assistants, kindergarten assistants) scheduled to work 6 hours and 30 minutes will be compensated for the additional 5 minutes; BCPS estimates that this cost will total approximately \$650,000 in SY 2018-2019.

BCPS also established a School Day Task Force of central office staff, administrators, bargaining unit representatives, parents, student councils, and community advisory councils to “examine extending the length of the school day, secondary school student schedules, and start and end times for the school day.” Meetings are scheduled through October, and the Task Force will submit recommendations to the superintendent.

BCPS should be prepared to discuss potential budgetary impacts (e.g., related to bus routes, employee compensation) of possible future changes to school schedules.

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8. Maintenance

Projects

The County Executive partially or fully-funded the following maintenance projects included in the FY 2019 Board Proposed Budget:

- \$2.0 million (a combination of one-time and ongoing funding) of \$2.4 million requested for technology maintenance, including network routers, switches, VoIP phone systems, fiber optic cabling, and UPS backup units.
- \$497,033 requested for 14.5 FTE positions for custodial and grounds support for additional buildings and square footage.
- \$405,734 of \$1 million in ongoing funding requested to replace aging audio/visual equipment in existing classrooms and provide equipment for new classrooms.
- \$390,400 of \$690,200 in ongoing funding requested for maintenance of boilers and chillers, stadium lighting, public address systems, gymnasiums, and tree removal at school sites.
- \$25,000 requested to provide additional time clocks in schools as part of a payroll system expansion.

The County Executive's proposed FY 2019 budget did not fund the following maintenance projects:

- \$2.4 million in one-time funding requested to replace aging rubber roofs on modular classrooms at five elementary schools; upgrade/replace public address systems at four elementary schools; update software operating the card door access control system providing school security; replace 11 chairlifts and one elevator; and conduct renovations in magnet schools.
- \$813,200 in one-time funding requested for trucks and vans for facilities and technology staff to provide maintenance and on-site support to BCPS schools, centers, and programs.
- \$713,266 in one-time funding requested for various transportation maintenance projects, including new and upgraded vehicle lifts for buses at the North Point and Arbutus facilities; portable trailers for the Arbutus and Cockeysville facilities; upgrades to the Cockeysville service center; diagnostic tools for the Kenwood and Arbutus truck centers; an inventory bar coding system; and tablets with mobile printers to access the MVA-implemented database for bus inspection records.
- \$400,000 in one-time funding requested for repaving multipurpose courts and building storage shelters to store and protect grounds supplies and equipment.
- \$160,000 requested to hire a project manager to manage the financial system upgrade.

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Bottled Water

The FY 2019 Board Proposed Budget requested an additional \$500,000 to purchase bottled water “for schools that were built prior to 1990 and are on a municipal water supply.” The County did not fund this request. During the FY 2018 budget process, BCPS advised that all schools utilize water coolers to supply students with drinking water throughout the school day. BCPS advised that its drinking water has been found to meet state and federal standards; however, new regulations were enacted as of April 2018, and BCPS will begin testing for these standards. As it is determined that the new standards are being met, BCPS will limit the use of bottled water to facilities with aesthetic quality concerns.

BCPS should be prepared to discuss:

- ***Whether BCPS has a maintenance backlog, and details on specific projects that will not be completed due to lack of funding;***
- ***Why BCPS requested additional funding for drinking water if it expects the use of bottled water to be limited moving forward; and***
- ***New drinking water standards enacted in April 2018.***

BALTIMORE COUNTY
FISCAL YEAR 2019 BUDGET ANALYSIS

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APPROPRIATION DETAIL							
	FY 2017		FY 2018		FY 2019	NET CHANGE	
	<u>ACTUAL</u>		<u>APPROP</u>		<u>REQUEST</u>	<u>AMOUNT</u>	<u>%</u>
3501 Administration							
General Fund	\$ 26,221,836 ⁽¹⁾	\$	32,948,955	\$	33,114,391	\$ 165,436	0.5%
Special Fund	<u>15,205,153</u>		<u>18,464,048</u>		<u>18,626,845</u>	<u>162,797</u>	<u>0.9%</u>
Total	<u>41,426,989</u>		<u>51,413,003</u>		<u>51,741,236</u>	<u>328,233</u>	<u>0.6%</u>
3502 Mid-Level Administration							
General Fund	58,560,746 ⁽¹⁾		60,794,468		63,561,913	2,767,445	4.6%
Special Fund	<u>39,683,014</u>		<u>40,428,714</u>		<u>40,639,861</u>	<u>211,147</u>	<u>0.5%</u>
Total	<u>98,243,760</u>		<u>101,223,182</u>		<u>104,201,774</u>	<u>2,978,592</u>	<u>2.9%</u>
3503 Instructional Salaries & Wages							
General Fund	273,937,546 ⁽¹⁾		292,760,511		297,397,356	4,636,845	1.6%
Special Fund	<u>221,801,396</u>		<u>231,178,114</u>		<u>236,295,034</u>	<u>5,116,920</u>	<u>2.2%</u>
Total	<u>495,738,942</u>		<u>523,938,625</u>		<u>533,692,390</u>	<u>9,753,765</u>	<u>1.9%</u>
3504 Instructional Textbooks & Supplies							
General Fund	11,347,396 ⁽¹⁾		10,833,370		10,062,816	(770,554)	-7.1%
Special Fund	<u>15,100,863</u>		<u>14,071,114</u>		<u>13,339,082</u>	<u>(732,032)</u>	<u>-5.2%</u>
Total	<u>26,448,259</u>		<u>24,904,484</u>		<u>23,401,898</u>	<u>(1,502,586)</u>	<u>-6.0%</u>
3505 Other Instructional Costs							
General Fund	42,505,398 ⁽¹⁾		46,745,519		55,433,540	8,688,021	18.6%
Special Fund	<u>8,110,634</u>		<u>8,579,948</u>		<u>10,558,769</u>	<u>1,978,821</u>	<u>23.1%</u>
Total	<u>50,616,032</u>		<u>55,325,467</u>		<u>65,992,309</u>	<u>10,666,842</u>	<u>19.3%</u>
3506 Special Education							
General Fund	63,799,575 ⁽¹⁾		66,694,424		71,546,613	4,852,189	7.3%
Special Fund	<u>113,108,811</u>		<u>113,392,590</u>		<u>121,824,314</u>	<u>8,431,724</u>	<u>7.4%</u>
Total	<u>176,908,386</u>		<u>180,087,014</u>		<u>193,370,927</u>	<u>13,283,913</u>	<u>7.4%</u>
3507 Student Personnel Services							
General Fund	6,610,591		8,831,496		10,637,159	1,805,663	20.4%
Special Fund	<u>2,459,235</u>		<u>3,500,619</u>		<u>4,136,673</u>	<u>636,054</u>	<u>18.2%</u>
Total	<u>9,069,826</u>		<u>12,332,115</u>		<u>14,773,832</u>	<u>2,441,717</u>	<u>19.8%</u>

BALTIMORE COUNTY
FISCAL YEAR 2019 BUDGET ANALYSIS

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APPROPRIATION DETAIL						
		FY 2017	FY 2018	FY 2019	NET CHANGE	
		ACTUAL	APPROP	REQUEST	AMOUNT	%
3508 Health Services						
	General Fund	10,366,644	11,174,839	11,371,735	196,896	1.8%
	Special Fund	4,739,616	5,903,004	6,123,242	220,238	3.7%
	Total	<u>15,106,260</u>	<u>17,077,843</u>	<u>17,494,977</u>	<u>417,134</u>	<u>2.4%</u>
3509 Student Transportation Service						
	General Fund	16,006,376 ⁽¹⁾	18,793,909	21,192,107	2,398,198	12.8%
	Special Fund	50,605,159	52,166,083	57,297,177	5,131,094	9.8%
	Total	<u>66,611,535</u>	<u>70,959,992</u>	<u>78,489,284</u>	<u>7,529,292</u>	<u>10.6%</u>
3510 Operation of Plant & Equipment						
	General Fund	45,455,799 ⁽¹⁾	51,315,106	55,002,096	3,686,990	7.2%
	Special Fund	40,343,201	48,322,266	50,771,165	2,448,899	5.1%
	Total	<u>85,799,000</u>	<u>99,637,372</u>	<u>105,773,261</u>	<u>6,135,889</u>	<u>6.2%</u>
3511 Maintenance of Plant & Equipment						
	General Fund	21,111,470 ⁽¹⁾	20,079,794	23,124,797	3,045,003	15.2%
	Special Fund	15,520,843	15,855,744	18,169,482	2,313,738	14.6%
	Total	<u>36,632,313</u>	<u>35,935,538</u>	<u>41,294,279</u>	<u>5,358,741</u>	<u>14.9%</u>
3512 Fixed Charges						
	General Fund	178,747,343	165,944,886	161,197,056	(4,747,830)	-2.9%
	Special Fund	126,324,085	133,366,709	133,710,556	343,847	0.3%
	Total	<u>305,071,428</u>	<u>299,311,595</u>	<u>294,907,612</u>	<u>(4,403,983)</u>	<u>-1.5%</u>
3515 Capital Outlay						
	General Fund	2,881,167	3,151,847	3,335,239	183,392	5.8%
	Special Fund	710,177	1,166,873	1,233,581	66,708	5.7%
	Total	<u>3,591,344</u>	<u>4,318,720</u>	<u>4,568,820</u>	<u>250,100</u>	<u>5.8%</u>
3518 Federal & Restricted Programs						
	General Fund	-	-	-	-	-
	Special Fund	75,703,260	87,344,842	95,300,897	7,956,055	9.1%
	Total	<u>75,703,260</u>	<u>87,344,842</u>	<u>95,300,897</u>	<u>7,956,055</u>	<u>9.1%</u>
3519 Debt Service - County Bonds						
	General Fund	47,897,689	53,032,260	54,389,583	1,357,323	2.6%
3520 Contribution to Capital Budget - Schools						
	General Fund	86,148,853	-	-	-	NA

BALTIMORE COUNTY
FISCAL YEAR 2019 BUDGET ANALYSIS

DEPARTMENT OF EDUCATION (035)

APPROPRIATION DETAIL

	FY 2017	FY 2018	FY 2019	NET CHANGE	
	<u>ACTUAL</u>	<u>APPROP</u>	<u>REQUEST</u>	<u>AMOUNT</u>	<u>%</u>
3513 Food & Nutrition Services (Enterprise Fund)					
Special Fund	<u>48,276,342</u>	<u>50,515,270</u>	<u>49,749,531</u>	<u>(765,739)</u>	<u>-1.5%</u>
Grand Total	<u>\$ 1,669,290,218</u>	<u>\$ 1,667,357,322</u>	<u>\$ 1,729,142,610</u>	<u>\$ 61,785,288</u>	<u>3.7%</u>
 <u>Funds Recap:</u>					
Total General Fund	\$ 891,598,429	\$ 843,101,384	\$ 871,366,401	\$ 28,265,017	3.4%
Total Special Fund	<u>777,691,789</u>	<u>824,255,938</u>	<u>857,776,209</u>	<u>33,520,271</u>	<u>4.1%</u>
Total All Funds	<u>\$ 1,669,290,218</u>	<u>\$ 1,667,357,322</u>	<u>\$ 1,729,142,610</u>	<u>\$ 61,785,288</u>	<u>3.7%</u>

⁽¹⁾ Adjusted for BAT 17-04, which was not reflected in the Executive's Budget Message, Exhibit C.
Notes: FY 2017 General Fund Expenditures reflects County General Funds provided to BCPS.
A budget appropriation transfer (BAT) totaling \$9.7 between programs within BCPS is expected to be presented for Council approval on June 4, 2018.

BALTIMORE COUNTY
FISCAL YEAR 2019 BUDGET ANALYSIS

DEPARTMENT OF EDUCATION (035)

PERSONNEL DETAIL					
		<u>FY 2017 ACTUAL</u>	<u>FY 2018 APPROP</u>	<u>FY 2019 RECOMM ⁽¹⁾</u>	<u>NET CHANGE</u>
3501	Administration	317	313	315	2
3502	Mid-Level Administration	1,087	1,100	1,105	5
3503	Instructional Salaries & Wages	7,287	7,342	7,491	149
3504	Instructional Textbooks & Supplies	0	0	0	0
3505	Other Instructional Costs	0	0	0	0
3506	Special Education	2,026	2,061	2,148	87
3507	Student Personnel Services	112	136	153	17
3508	Health Services	217	218	223	5
3509	Student Transportation Service	1,191	1,190	1,207	17
3510	Operation of Plant & Equipment	1,192	1,194	1,206	12
3511	Maintenance of Plant & Equipment	248	260	254	(6)
3512	Fixed Charges	0	0	0	0
3513	Food & Nutrition Services	616	625	623	(2)
3515	Capital Outlay	42	43	43	0
3518	Federal & Restricted Programs	682	746	742	(4)
3519	Debt Service - Co. Bonds	0	0	0	0
3520	Contribution to Capital Budget - Schools	0	0	0	0
	Total All Funds	<u>15,016</u>	<u>15,228</u>	<u>15,510</u>	<u>282</u>

⁽¹⁾ Reflects positions according to the Executive's submitted budget documents. The Office of Budget and Finance advised that due to data entry errors, 20.5 positions will be added for a total of 15,530.5 positions in FY 2019 and a net increase of 302.1 positions over FY 2018.

OPERATING BUDGET

Maintenance of Effort (M.O.E.) - FY 2019

Baltimore County Public Schools

▪ **The proposed budget exceeds the M.O.E. requirement by \$29,846,371. ⁽¹⁾**

<u>1</u>	<u>Local Share Based on Wealth</u>	<u>M.O.E.</u>
	<u>Local Wealth</u>	
(a)	Net Taxable Income	\$ 19,265,269,228
	Assessed Value:	
(b)	100% of Operating Real Property of Public Utilities	109,025
(c)	40% of All Other Real Property	32,551,174,800
(d)	50% of Personal Property	1,645,362,500
(e)	Total Assessed Value	34,196,646,325
(f)	Total Local Wealth = (a) + (e)	\$ 53,461,915,553
	<u>Local Contribution Rate</u>	
(a)	50% of first \$624 of statewide per pupil foundation amount (\$7,065)	\$ 312.00
(b)	50% of statewide per pupil foundation amount in excess of \$624	3,220.50
(c)	Weighted Per Pupil Foundation Amount	\$ 3,532.50
(d)	Statewide FTE Enrollment	860,805.75
(e)	Statewide Weighted Per Pupil Foundation Amount	\$3,040,796,311.88
(f)	Statewide Wealth	\$ 443,660,576,443
(g)	Local Contribution Rate = (e)/(f)	0.68539%
(h)	Local Share = (g) x Local Wealth (f)	\$ 366,422,623
<u>2</u>	<u>Local Share Based on Per Pupil Foundation Amount</u>	
(a)	FY 2018 General Fund Appropriation	\$ 843,101,384
(b)	Debt Service - Capital	(53,032,260)
(c)	PAYGO	-
(d)	One-Time Only Exclusions	(11,889,838)
(e)	Highest Local Current Expense Appropriation	\$ 778,179,286
(f)	FTE Enrollment @ 9/30/2016	108,130.50
(g)	Per Pupil Expense = (f)/(g)	\$ 7,196.67
(h)	FTE Enrollment @ 9/30/2017	109,342.50
(i)	Local Share = (h) x (i)	\$ 786,901,647
<u>3</u>	<u>Required Local Share (Greater of 1 or 2)</u>	786,901,647
<u>4</u>	<u>Proposed Local Share</u>	
	Proposed FY 2019 General Fund Appropriation	\$ 871,366,401
	Debt Service - Capital	(54,389,583)
	PAYGO	-
	One-Time Only Exclusions	(228,800) ⁽¹⁾
		816,748,018
<u>5</u>	<u>Local Share in Excess of Required Local Share (4 - 3)</u>	\$ 29,846,371
<u>6</u>	<u>Per Pupil Increase - Excess Local Share (5)/FTE Enrollment @ 9/30/17 (2h)</u>	\$ 273

Note 1: Beginning in FY2015, jurisdictions must maintain an education effort that is at least equal to the statewide 5-year average.

⁽¹⁾ The County's Office of Budget and Finance advised that it has appealed MSDE's decision to disapprove \$4 million in one-time curriculum costs as an MOE exclusion.