

BALTIMORE COUNTY PUBLIC SCHOOLS

DATE: October 19, 2010

TO: **BOARD OF EDUCATION**

FROM: Dr. Joe A. Hairston, Superintendent

SUBJECT: **UPDATE ON FISCAL YEAR 2012 OPERATING BUDGET**

ORIGINATOR: Joe A. Hairston, Superintendent

**RESOURCE
PERSON(S):** Barbara Burnopp, Chief Financial Officer
George Sarris, Director, Office of Budget and Reporting

INFORMATION

At the August 14, 2010, Board of Education retreat, Board members reviewed information on the financial climate likely facing the school system in FY12. This same information, in addition to examples of expenditure objects, was shared with the board president and vice president and with BCPS leadership on September 1, 2010, at the leadership retreat. These materials have been updated to include the federal education jobs funds and a revised enrollment projection and are attached.

Dr. Hairston has assigned specific staff members to study a number of expenditure objects for possible realignment in connection with the preparation of the FY12 operating budget proposals. Preliminary results of those reviews will be shared with the board at the November 23, 2010, and December 21, 2010, board work sessions, leading up to the January budget presentation by the superintendent.

Attachment I – School System Leadership Fiscal Challenges – FY2012
Attachment II – FY2012 Operating Budget Preliminary Estimates – 10/7/10

School System Leadership Fiscal Challenges – FY2012



October 19, 2010



School System Leadership

Responsibility and Accountability

Revenue Authority

- 54.8% of General Fund from Baltimore County
- 42.2% of General Fund from the state of Maryland
- No authority to tax, bond, or issue debt
- Federal stimulus revenue reductions
- State revenue reductions – possible distribution of pension costs to counties
- County revenue reductions – possible funding again at MOE



School System Leadership

Responsibility and Accountability

New Expenditure Needs for FY12

- Replace lost stimulus funding - \$19 million est.
- Increments - \$16 million est.
- Health Insurance - \$4 to \$7 million est.
- George Washington Carver Center start-up costs - \$1 million est.
- Built-in costs - \$2 million est.



School System Leadership

Responsibility and Accountability

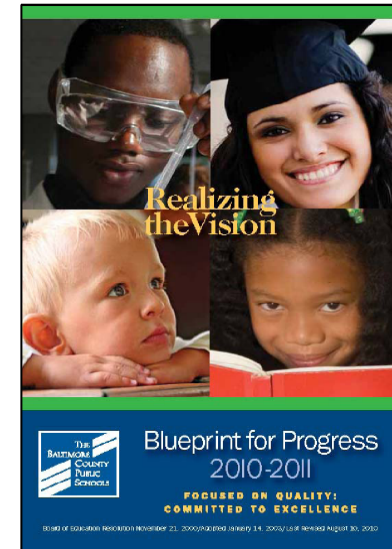
On-Going Expenditures in Base Budget

Examples of where we spend our funds:

- Conference and travel - \$2.2 million est.
- Extra teacher compensation (EYE, RF, EDA) - \$13.3 million
- Office budgets - \$41 million est.
- School budgets - \$18.2 million est.
- Principals - \$19.5 million
- Assistant Principals - \$24.9 million
- Department chairs - \$4.8 million
- Guidance - \$18.6 million
- Summer school - \$2.4 million
- Alternative school teachers - \$4.7 million
- Crossroads Center - \$1.8 million
- Magnet Consumables - \$4.2 million
- Magnet Staff - \$2.2 million
- Mentors - \$4.7 million
- Reading - \$12.2 million
- Library - \$12.5 million
- Instructional Assistants - \$4.3 million
- Classroom teachers - \$289.6 million
- Elem. Instrumental Music - \$3.0 million
- Restructuring - \$1.6 million
- Nurses - \$10.4 million

The Right Strategies to Get the Right Results

- Right Strategies
 - Review of all programs
 - Avoid across the board cuts
 - Encourage innovation
- Right Results
 - Improve achievement for all students
 - Comply with regulations and mandates



**FY2012 Operating Budget
Preliminary Estimates - 10/07/10
(reported in millions of dollars)**

| REVENUE AND EXPENDITURE PROJECTIONS over/under from FY2011 | FY2012 Projection #1 | FY2012 Projection #2 | FY2012 Projection #3 |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| REVENUE | | | |
| State | \$ - | \$ 4.91 | \$ 9.82 |
| Revenue Adjustment for Enrollment | 2.05 | 2.05 | 2.05 |
| Federal Stimulus | (\$19.36) | (\$19.36) | (\$19.36) |
| County Funding above MOE | 0.00 | 6.61 | 13.23 |
| TOTAL REVENUE | \$ (17.31) | \$ (5.79) | \$ 5.74 |
| EXPENDITURES | | | |
| Compensation | \$ 16.10 | \$ 16.10 | \$ 16.10 |
| Teacher Staffing for Enrollment Growth | 0.85 | 0.85 | 0.85 |
| Health Insurance/OPEB | 7.20 | 5.40 | 3.60 |
| Total Built-In, Mid-Year Add and Redirect Costs | 1.74 | 1.74 | 1.74 |
| George Washington Carver Center Start-up Costs | 1.00 | 1.00 | 1.00 |
| Total Master Plan Goals and Objectives | 1.00 | 1.00 | 1.00 |
| TOTAL EXPENDITURES | \$ 27.89 | \$ 26.09 | \$ 24.29 |
| Percentage of FY2011 General Fund Budget | -3.7% | -2.6% | -1.5% |
| PROJECTED BUDGET SHORTFALL | \$ (45.2) | \$ (31.9) | \$ (18.6) |