

BALTIMORE COUNTY PUBLIC SCHOOLS

DATE: November 22, 2011

TO: **BOARD OF EDUCATION**

FROM: Dr. Joe A. Hairston, Superintendent

SUBJECT: **UPDATE ON FISCAL YEAR 2013 OPERATING BUDGET**

ORIGINATOR: Renee A. Foose, Deputy Superintendent

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

INFORMATION

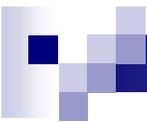
At the August 13, 2011, Board of Education retreat, Board members reviewed information on the financial climate likely facing the school system in FY2013. Updated materials with additional topics are attached.

At the superintendent's request, staff members have been studying a number of expenditure objects for possible realignment in connection with the preparation of the FY2013 operating budget proposals. Some of those items are highlighted in the attached updated materials. Additional information will be shared with the Board at the December 20, 2011, work session, leading up to the January 2012 budget presentation by the superintendent.

School System Leadership Fiscal Challenges – Moving Forward in FY2013



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School System Leadership

Responsibility and Accountability

Revenue Authority

- 54.5% of General Fund from Baltimore County
- 43.7% of General Fund from the state of Maryland
- No authority to tax, bond, or issue debt
- Federal stimulus revenue reductions
- State revenue shortfalls – possible distribution of pension costs to counties
- County revenue shortfalls – possible funding again at MOE

School System Leadership

Responsibility and Accountability

New Expenditure Needs for FY2013

- Replace lost stimulus funding - \$3.8 million est.
- Health Insurance - \$10.6 million est.
- Hampton ES and Stoneleigh ES start-up costs - \$50,000 est.; plus 2.5 FTEs
- Built-in costs - \$1 million est.
 - includes transportation and utilities
- New enrollment growth 9/30/11 – 984 students (0.9%)



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FY2013 Operating Budget

Approximate Balanced Budget Estimates – 11/10/11 (in millions)

REVENUE AND EXPENDITURE PROJECTIONS over/under from FY2012	FY2013 Projection #1	FY2013 Projection #2	FY2013 Projection #3
REVENUE			
State	\$0.00	\$5.17	\$7.75
Revenue Adjustment for Enrollment*	1.16	1.16	1.16
Federal Stimulus	-3.80	-3.80	-3.80
County use of Fund Balance	15.00	15.00	15.00
County Funding above MOE	0.04	0.04	0.04
County Revenue Adjustment for Enrollment*	1.56	1.56	1.56
TOTAL REVENUE	\$13.95	\$19.12	\$21.71
EXPENDITURES			
Compensation	\$0.00	\$7.55	\$15.10
Employee Health Care Cost Sharing	0.00	-2.66	-7.07
Teacher Staffing for Enrollment Growth*	0.42	0.42	0.42
Health Insurance/OPEB/FICA/Workers' Comp	10.80	10.80	10.80
State Pension Cost Sharing	0.00	2.40	3.20
One Time Requests	2.50	2.50	2.50
Total Master Plan Goals and Objectives	0.65	0.65	0.65
TOTAL EXPENDITURES	\$14.37	\$21.66	\$25.60
Percentage of FY2012 General Fund Budget	0.37%	0.83%	0.79%
PROJECTED BUDGET SHORTFALL	(\$0.41)	(\$2.54)	(\$3.90)

* Pending updated enrollment reports

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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

