Exhibit B

BALTIMORE COUNTY PUBLIC SCHOOLS

DATE: September 20, 2005

TO: BOARD OF EDUCATION

FROM: Dr. Joe A. Hairston, Superintendent

SUBJECT: PROPOSED FY 2007 STATE & COUNTY CAPITAL BUDGET REQUEST

ORIGINATOR: J. Robert Haines, Deputy Superintendent

RESOURCE PERSON(S): Barbara Burnopp, Executive Director, Fiscal Services
Kevin Grabill, Fiscal Analyst, Budget & Reporting

RECOMMENDATION

That the Board of Education review the capital budget process in preparation for the work session on September 21, 2005, and for Board action on October 5, 2005.

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Attachment – FY2007 Capital Budget Process
FY2007 Capital Budget Process

September 20, 2005
Operating vs. Capital
Operating Budget

④ Approved each year by the County
④ Primary source of funds
  ④ County income and property taxes
  ④ State formula aid
  ④ Federal grants
④ Use of funds
  ④ Salaries and benefits – 85%
  ④ Textbooks, supplies, contracts, maintenance, and equipment
④ Funds remaining at year-end must be reappropriated
Capital Budget

④ 6-year budget plan - budget year and 5 “out years”
④ Primary source of funds - State and County
  ④ Sale of bonds
  ④ Pay-go (Current Expense) funds can be appropriated
④ Use of funds
  ④ New schools, additions, and renovation projects
  ④ Site purchase (county only)
④ Funds available until project is completed
County Government

- Primary source of capital funds
- Two-year capital budget cycle
- FY07 is an off year
- Council authorizes amount
- Voters approve borrowing the funds
- Planning Board review
State Government

- Public School Construction Program (PSCP) under the direction of the Interagency Committee (IAC)
- State will participate based on State/local cost formula
- Annual process
- County funding levels must be endorsed by the local government
Aging School Funding

- PSCP administers the program
- Annual program that funds renovation projects in schools at least 15 years old
- Use of funds
  - ADA upgrades, boilers, lighting, windows and doors.
- 18-month time limit on the use of funds
- Unspent funds revert to the State
Qualified Zone Academy Bonds (QZAB) Program

1. Federal funds administered by PSCP
2. 35% or more Free and Reduced lunch
3. Use of funds – same as Aging Schools
4. 10% cash or volunteer hours match required
5. 18-month time limit on the use of funds
Capital Budget Process
State Process

- **October** – request due to state
- **Late October** – BCPS meets with PSCP to review request
- **November** – IAC make recommendations
- **January/February** – appeals to IAC and Board of Public Works
- **April** – state legislature approves budget; BCPS receives final approved projects
- **May** – Board of Public Works final approval
- **July** – funds become available
County Process

- **January** – request due to county
- **February/March** – budget is analyzed; final recommendations from County Planning Board; approval from County Executive
- **April** – County Executive submits request to County Council
- **May** – County Council approves request
- **July** – funds become available
## Historical Funding

Compiled by the Office of Budget & Reporting  
September 20, 2005

<table>
<thead>
<tr>
<th>Year</th>
<th>State Funding (in thousands)</th>
<th>County Funding (in thousands)</th>
<th>Total Funding (in thousands)</th>
<th>Two Year Funding (in thousands)</th>
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<tbody>
<tr>
<td>FY97</td>
<td>$13,055</td>
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The chart illustrates the Capital Budget - County & State Funding from FY97 to FY06. The x-axis represents the fiscal years, while the y-axis indicates the dollar amount (in thousands) spent on state and county funding. The chart uses different colors to represent state funding (red) and county funding (blue). The funding levels vary significantly across years, with a notable increase in the later fiscal years.
Proposed State Priorities

- Windsor Mill Middle
- Southwest Academy
- Vincent Farms Elementary
- Boiler-Chiller Replacements
- Middle School Renovations
- Roofs Replacements
- Windows Replacements