

BALTIMORE COUNTY PUBLIC SCHOOLS

DATE: December 18, 2007

TO: **BOARD OF EDUCATION**

FROM: Dr. Joe A. Hairston, Superintendent

SUBJECT: **REPORT ON UPCOMING FY 2009 BUDGET ISSUES**

ORIGINATOR: J. Robert Haines, Deputy Superintendent

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

RECOMMENDATION

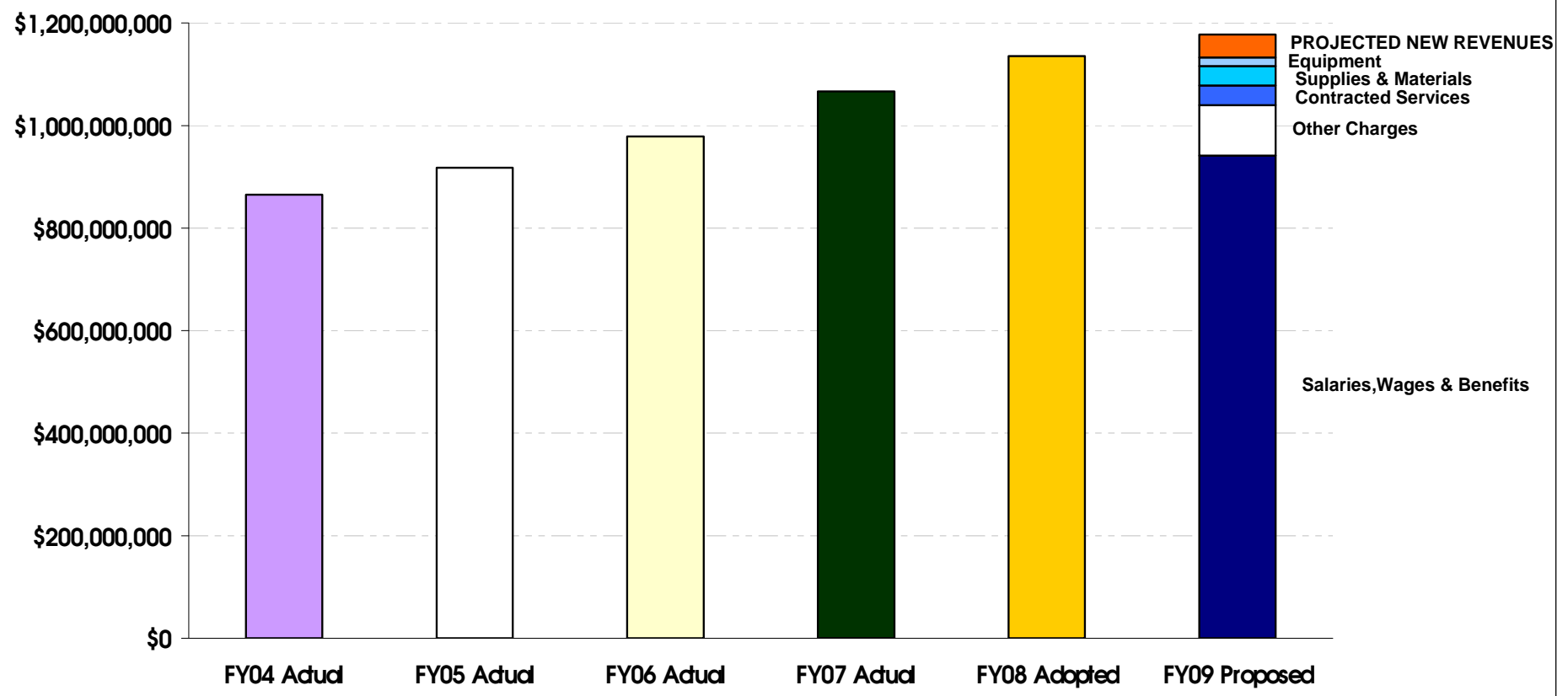
That the Board of Education review upcoming FY 2009 budget issues in preparation for the superintendent’s budget request presentation to the board on January 8, 2008, the board’s work session on January 23, 2008, and board action scheduled for February 13, 2008.

- Attachment I – FY 2009 Operating Budget Revenue Estimates
- Attachment II – General Fund Budget – What do we have to work with?
- Attachment III – Realignment of Teacher Positions Due to Reduced Enrollment
- Attachment IV – FY 2009 Operating Budget Discussion Items

FY 2009 OPERATING BUDGET REVENUE ESTIMATES

1. State education aid to Baltimore County is projected to increase approximately 1%, or \$4.6 million, under the Budget Reconciliation Act adopted at the 2007 Special Session of the Maryland General Assembly. This law becomes effective January 1, 2008. By comparison, state education aid increased by \$67.6 million in the current fiscal year and was expected to increase by \$23.4 million in FY 2009.
2. Enrollment declined by 1,468 students between September 30, 2006, and September 30, 2007. This lost enrollment will likely result in lost revenues of \$5.1 million, effectively negating the 1% increase in state aid provided by the Budget Reconciliation Act.
3. In recent fiscal years, county government has permitted BCPS to redirect funding from teaching positions to other academic programs as enrollment has declined since September 30, 2004.
4. County funding exceeded Maintenance of Effort (MOE) by 7.9% and 6.6%, respectively, in FY 2001 and 2002. Between 2003 and 2008, when state aid to education increased dramatically under the Bridge to Excellence, county funding in excess of Maintenance of Effort declined. County government provided BCPS with funding that exceeded Maintenance of Effort by only 2.6% in FY 2007 and 2.4% in FY 2008.
5. The county's Spending Affordability Committee recommended that county spending growth should not exceed 5.46% in FY 2007 and 5.16% in FY 2008.
6. County government has imposed increasing budget reductions for employee turnover that began at \$6 million in FY 2004 and is now more than \$15 million in FY 2008.
7. Funds provided by the pass-through grant for special education are decreasing. It is estimated that \$3.2 million is needed to replace the lost revenues and continue to provide needed services to special education students.
8. Funds provided by the Third Party Billing program are decreasing. It is estimated that \$6.4 million is needed to replace the lost revenues and continue to provide needed psychological, social services, and health services to students throughout the school system.

General Fund Revenues & Expenditures



**Baltimore County Public Schools
 Realignment of Teacher Positions due to Reduced Enrollment
 FY2006-FY2008**

Attachment III

FY2006	
Projected Student Enrollment	108,100
Actual Student Enrollment	107,386
Programs	Teachers
Classroom Teacher (ratio)	(35.6)
• All Day K	18.0
• Prekindergarten	3.5
• AVID	12.0
• ELL	4.0
• Maryland's Tomorrow	10.6
• Other	8.0
Total New/Expanded Programs	56.1
Net Change	20.5

FY2007	
Projected Student Enrollment	107,100
Actual Student Enrollment	106,182
Programs	Teachers
Classroom Teacher (ratio)	(91.5)
• All Day K	29.5
• Prekindergarten	19.8
• AVID	3.5
• ELL	11.5
• Advanced Placement	7.4
• Reading	25.4
• Gifted & Talented	9.7
• Other	3.5
Total New/Expanded Programs	110.3
Net Change	18.8

FY2008	
Projected Student Enrollment	105,330
Actual Student Enrollment	104,714
Programs	Teachers
Classroom Teacher (ratio)	(105.2)
• All Day K	23.3
• Prekindergarten	14.0
• AVID	1.0
• ELL	4.0
• Advanced Placement	2.6
• Crossroads *	60.0
• Instructional Tech	4.0
• Advance Path	5.0
• Other	7.0
Total New/Expanded Programs	120.9
Net Change	15.7

FY2009
103,300
Teachers
(161.1)

* Crossroads includes 60 school-based positions (33 teacher; 27

non-teacher)

25 non-school-based positions for maintenance and transportation are not included

FY 2009 OPERATING BUDGET DISCUSSION ITEMS

1. Proposed restructuring for Woodlawn High School, Lansdowne Middle School, and Southwest Academy. Committees are working on proposed plans to be submitted to the Board of Education in February.
2. Teachers, paraeducators, and other professional positions to sustain the instructional program at the Crossroads Center.
3. Funds for special education staff now funded by the pass-through grant. It is estimated that \$3.2 million is needed to replace the lost revenues and continue to provide needed services to special education students.
4. Funds for special education, pupil personnel workers, psychologists, and health assistants now funded by the Third Party Billing program. It is estimated that \$6.4 million is needed to replace the lost revenues.
5. Vincent Farm Elementary School start-up costs.
6. Compensation issues.
7. Reorganize the Office of Research, Accountability, and Assessment to meet the demands of *No Child Left Behind* and the *Blueprint for Progress*.
8. Reorganize the Office of Professional Development to address issues outlined in the PDK audit.
9. Sustain AVID in all high schools and expand the program to middle schools.
10. Virtual instruction program for students. The pilot program was funded in FY 2008 by a vendor.
11. Pilot program for Kenwood High School Career and Technology Education students to create virtual education software.
12. Community College of Baltimore County partnership.
13. New textbooks, 100 Book Challenge, calculators, and other instructional support at schools.
14. Improve student to staff ratios for summer school.
15. Elementary school electronic data closets, computers for students and other information management system upgrades.
16. Declining enrollment and school staffing issues.
17. Enterprise grade book software.
18. Asbestos hazard testing.
19. Ongoing routine cost increases for various salary and non-salary budgets (including substitute funding, extra duty activities, transportation, reclassifications, mileage reimbursements, non-public placements, software licenses, heating oil, custodial supplies, trash removal, etc.).