

BALTIMORE COUNTY PUBLIC SCHOOLS

DATE: July 13, 2010

TO: **BOARD OF EDUCATION**

FROM: Dr. Joe A. Hairston, Superintendent

SUBJECT: **FY2011 OPERATING BUDGET IMPLEMENTATION**

ORIGINATOR: Joe A. Hairston, Superintendent

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

INFORMATION

Connected with the issuance of the adopted operating budget for FY2011, the following is provided to highlight some of the complexities of this year's budget.

The state of Maryland has relied heavily on federal stimulus funds to support FY2011 education spending at the level targeted by the Bridge to Excellence in Public Schools Act. Stimulus funds will expire this year and additional federal funds are not expected. The state also increased its direct aid to education by approximately \$11 million, while overall state spending and services were scaled back. There is no clear source of revenue to maintain state spending at this level. Local county funding for education declined by \$7.4 million to approximately the same level as provided in FY2010, resulting in the first "maintenance of effort" budget in fifteen years. However, the county government supported funding for step increases in existing pay scales and a commitment for no employee furloughs or layoffs through FY2012.

Due to the reduced level of local funding and uncertainty about state and federal aid to education, the adopted budget represents a conservative approach for the coming school year. The goal is to ensure that essential programs move forward while creating a climate of financial discipline that will allow the system to do more with less.

Programs that were **not** funded or scaled back from our proposed budget include:

● One-time Funding – Textbooks	\$5,992,000
● Salary funding decreased	3,000,000
● One-time Funding – Learning in a Virtual Environment	1,200,000
● Central textbook replacement fund	1,000,000
● Central computer replacement fund	1,000,000
● Additional support for Special Education Related Services	1,000,000
● One-time Funding – Real-time assessment technology	574,000
● Dundalk HS Advance Path	323,566
● Deer Park and Old Court Middle Schools restructuring	286,171
● Allied Sports Program resource teacher	60,000

To adjust funding to meet the needs of essential programs, the following reductions are being put in place for FY2011:

● Reduced EYE, Non-negotiated EDA, and Resource Teachers	\$1,800,000
● Reallocate year-end funds for textbooks	1,325,000
● Manage position vacancies, overtime, and utility costs	750,000
● Redirect Substitute Administrators budget	600,000
● Redirect Woodlawn MS funds for Deer Park MS	200,000
● Redirect charter school funds for textbooks	229,000
● Redirect funds from restructured and charter schools to Deer Park MS	230,000

Additional actions are needed to maintain and support programs, including:

- Title II grants funds for professional development associated with new programs
- Grants and partnerships will be sought for technology programs
- Athletics Office will redirect funds to staff the Allied Sports Program
- Pass-through grant and Third Party Billing funds to provide Special Education Related Services, as needed
- AdvancePath will continue at Dundalk HS using hourly and contractual staff
- Grant administration fees will be used within allowable limits
- Redirect staff from restructured and charter schools to other restructured schools
- Position vacancies will be held open as necessary
- Offices will avoid and absorb overtime costs
- Review all new purchases over \$25,000

In addition to carefully monitoring the FY2011 budget, the system will need to continue its review of all programs with the goal of redirecting funds to essential programs in FY2012. Although our economy has been growing for several quarters, job growth will lag and unemployment will remain higher than we would like for some time. These factors will continue to present challenges that will need to be met.