The process of collecting input for development of the FY14 operating budget process has begun. The public has been invited to the area advisory council pre-budget meetings held earlier this month. Board members have meet in groups of two with budget staff to express their ideas. Budget meetings have been held with account managers and supervisors. A focus group was held with a group of principals representing all levels. Parents and employees were encouraged to provide public input into the budget process through a ConnectEd message on October 2, 2012. In addition, staff is studying a number of expenditure objects for possible realignment.

Attached is a summary on the first look at FY14 financial information. Additional updates will be provided to the Board in November and December. The superintendent's proposed budget will be released at the Board meeting on January 8, 2013.
Fiscal Leadership
Responsibility and Accountability
Revenue Profile

- 54.2% of general fund from Baltimore County government
- 43.7% of general fund from the state of Maryland
- No authority to tax, bond, or issue debt
- State aid to education fully funded
- Year two of state pension costs fully funded by Baltimore County government
- County government revenue projected at Maintenance of Effort for fourth consecutive year
Fiscal Leadership
Responsibility and Accountability
Fiscal Plan for FY 2014

- Provide employee compensation, including step increments, health care, and retirement totaling $47.4 million
- Built-in costs - $2.5 million est.
  - Includes transportation, utilities, special education, and relocation costs
- New enrollment growth 9/30/13 – 808 students
- Academics, safety, and infrastructure initiatives
## FY2014 Operating Budget

**Approximate Balanced Budget Estimates - 10/23/12 (in millions)**

<table>
<thead>
<tr>
<th>REVENUE AND EXPENDITURE PROJECTIONS</th>
<th>FY2014 Projection #1</th>
<th>FY2014 Projection #2</th>
<th>FY2014 Projection #3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State</strong></td>
<td>$8.00</td>
<td>$10.66</td>
<td>$13.33</td>
</tr>
<tr>
<td>Revenue Adjustment for Enrollment*</td>
<td>7.95</td>
<td>7.95</td>
<td>7.95</td>
</tr>
<tr>
<td>County use of Fund Balance</td>
<td>7.08</td>
<td>7.08</td>
<td>7.08</td>
</tr>
<tr>
<td>County Funding above MOE</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>County Funding for Teacher Pensions</td>
<td>19.97</td>
<td>19.97</td>
<td>19.97</td>
</tr>
<tr>
<td>County Revenue Adjustment for Enrollment*</td>
<td>10.04</td>
<td>10.04</td>
<td>10.04</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td>$53.04</td>
<td>$55.70</td>
<td>$58.37</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensation</td>
<td>$15.13</td>
<td>$15.13</td>
<td>$15.13</td>
</tr>
<tr>
<td>Employee Health Care Cost Sharing</td>
<td>-6.71</td>
<td>-6.71</td>
<td>-6.71</td>
</tr>
<tr>
<td>Teacher Staffing for Enrollment Growth*</td>
<td>4.07</td>
<td>4.07</td>
<td>4.07</td>
</tr>
<tr>
<td>Health Insurance/OPEB/FICA/Workers' Comp</td>
<td>13.09</td>
<td>13.09</td>
<td>13.09</td>
</tr>
<tr>
<td>State Pension Cost Sharing</td>
<td>21.84</td>
<td>21.84</td>
<td>21.84</td>
</tr>
<tr>
<td>Built-in Costs</td>
<td>2.53</td>
<td>2.53</td>
<td>2.53</td>
</tr>
<tr>
<td>Other Goals /One-Times/On-Going</td>
<td>5.50</td>
<td>5.50</td>
<td>5.50</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td>$55.44</td>
<td>$55.44</td>
<td>$55.44</td>
</tr>
<tr>
<td><strong>Percentage of FY2013 General Fund Budget</strong></td>
<td>-0.19%</td>
<td>0.02%</td>
<td>0.23%</td>
</tr>
<tr>
<td><strong>PROJECTED BUDGET SHORTFALL/EXCESS</strong></td>
<td>($2.41)</td>
<td>$0.26</td>
<td>$2.92</td>
</tr>
</tbody>
</table>

* Pending updated enrollment reports

October 23, 2012
Achieving Deliberate Excellence

- Collaborate with staff and community to establish fiscal priorities
- Review programs for efficiency
- Redirect resources to priorities
- Pursue new resources from all possible sources, including grants, the Education Foundation, and local government
- Prepare for implementation on July 1, 2013
Baltimore County Public Schools
Building a Culture of Deliberate Excellence

Blueprint 2.0

Academics  Safety  Communication  Organizational Effectiveness

TEAM BCPS