

**BALTIMORE COUNTY PUBLIC SCHOOLS**

**DATE:** January 10, 2012

**TO:** BOARD OF EDUCATION

**FROM:** Dr. Joe A. Hairston, Superintendent

**SUBJECT:** **PROPOSED FY 2013 OPERATING BUDGET**

**ORIGINATOR:** Joe A. Hairston, Superintendent

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

**RECOMMENDATION**

That the superintendent's proposed FY 2013 operating budget be introduced to the Board of Education.

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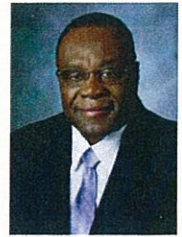
The superintendent will introduce his proposed FY 2013 operating budget, which was developed based on the *Master Plan* and the *Blueprint for Progress*, to the Board of Education. Additional information will be available at the meeting. A public hearing on the operating budget is scheduled for January 17, 2012 (snow date January 18, 2012) at 7:00 p.m. at the Ridge Ruxton School. A work session of the board is scheduled for January 24, 2012 (snow date January 25, 2012). Adoption of the FY2013 operating budget request is scheduled for February 7, 2012.



# Baltimore County Public Schools

## Recommended Operating Budget for Fiscal Year 2013

### Executive Summary



Dr. Joe A. Hairston  
Superintendent

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Baltimore County Public Schools' proposed general fund budget for Fiscal Year 2013 of \$1.23 billion reflects a \$19.6 million increase -- to accommodate the largest projected increase in student population (1,570) in the past ten years and to respond to the nation's economic challenges. However, due to reduced federal and capital funding, the overall budget decreases by 2.7%.

#### SCHOOL SYSTEM PRIORITIES

This recommended budget preserves and protects the quality of instruction that has earned national recognition. By many measures, Baltimore County continues to lead the state and the nation in student achievement among school systems with similar profiles. BCPS has the 4<sup>th</sup> highest graduation rate in the nation's 50 largest school districts according to a report released by Education Week in June 2011. The National High School Challenge has named more than half of the county's 24 traditional and magnet high schools to its list of top U.S. high schools as published in the Washington Post. Thirteen BCPS elementary, middle, and high schools have been named National Blue Ribbon Schools by the U.S. Department of Education.

Specifically, the budget preserves and protects:

- **Quality employees**

Since 2008, we have continued to operate from a platform of progressive compensation, job security, and competitive employee benefits. We are unique in this regard among the largest, if not all, of the school districts in the state of Maryland. The proposals embodied in this budget will provide a sound foundation for educators and non-instructional staff to provide quality instruction in a safe and supportive learning environment for all students. We will continue to train staff on the Common Core State Curriculum.

We are working with our employee bargaining units to develop new health care cost sharing agreements between the board and employees. Labor and management have also worked with new healthcare providers to deliver increased wellness programs to help contain rapidly rising health care costs. In conjunction with these efforts, we seek to provide continued job security to employees by extending our current policy of no furloughs or layoffs. This budget also includes funding for salary step increases for all eligible employees.

- **Supportive learning environment**

In addition to \$5.8 million for additional teachers for the projected increased enrollment, the budget provides funding for utilities, staff for maintenance of new space, transportation for special education students, and upgrades to technology in schools.

#### ANTICIPATED CHALLENGES

- **Changing student population**

The number of students who qualify for free and reduced meals in Baltimore County has nearly doubled since 2000 and is now 43% of the student population. Today, our ethnic minority

student population exceeds 54% of our overall enrollment. By focusing on the delivery of services to all students, regardless of a child's zip code, race, culture, or economic circumstances, Baltimore County Public Schools is a school system that exemplifies diversity and excellence.

- **Projected increase in student population of 1,570, the largest in the past ten years**

Over the past three years, enrollment has increased in our schools by over 1,600 students, including almost 1,000 students just this year. Another 1,570 students are projected to enroll next September, and this trend is expected to continue in the coming years.

- **Limited revenues**

The budget anticipates limited increases in state and county revenues, and decreases in federal and capital funding.

## **PROPOSED ADJUSTMENTS AND FUNDING REQUESTS**

Due to compliance with state and federal mandates and the loss of federal stimulus revenues, strict measures were employed to offset increased salary and benefits costs. Accordingly, the following areas have been adjusted:

- Overall, the combined operating and capital budget proposal recommends a 2.7% decrease in funds over the current fiscal year due to reduced capital and grant funding.
- The budget recommends the reduction of 46.0 administrative, central office, and non-classroom-based positions that generate a total reduction of \$6.1 million in both salary and non-salary expenditures, in addition to \$3.3 million in cuts that were made in FY 2012.
- Additional FTE teaching positions (123.8) are budgeted due to projected increased student enrollment.
- School budgets will remain at current levels, with some adjustments due to enrollment changes.
- Expand gradebook, communications, and Web site software for increased communication with parents in all schools.
- Wireless Internet access will be expanded to serve additional classrooms.
- Start-up costs will be provided for the additions to Hampton and Stoneleigh Elementary Schools.

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The Proposed Operating Budget for FY 2013 and the presentation of the proposed budget by Dr. Hairston is available on the BCPS' Web site, [www.bcps.org](http://www.bcps.org).

A public hearing on the proposed budget is scheduled for:

January 17, 2012 (*snow date: January 18*)  
7:00 p.m.  
Ridge Ruxton School  
6916 N. Charles Street  
Towson



## Proposed Budget by Performance Goals

Program Description	FTE	Salary	Non-Salary	TOTAL
<b>Performance Goal 1</b>				
School staffing enrollment increase	123.8	5,029,916	794,189	5,824,105
Charter School	5.4	177,843	(84,942)	92,901
Central office, non-classroom based resource teachers	(15.0)	(1,067,805)		(1,067,805)
Department chair scheduling	(6.1)	(381,268)		(381,268)
Elementary school summer enrichment program		(273,447)		(273,447)
Language! program		(241,570)		(241,570)
Magnet program and Career and Technology consumable materials		(121,600)	(198,400)	(320,000)
Middle States liberal arts certification		(3,000)	(45,000)	(48,000)
<b>Subtotal, Performance Goal 1</b>	<b>108.1</b>	<b>3,119,069</b>	<b>465,847</b>	<b>3,584,916</b>
<b>Performance Goal 3</b>				
Salary increments per proposed FY2013 bargaining unit agreements		14,817,927		14,817,927
Benefit costs - Eligible employees and retirees per proposed FY2013 bargaining unit agreements			1,963,763	1,963,763
Recruitment signing bonuses		(218,000)		(218,000)
Facilities overtime		(300,000)		(300,000)
Two day adjustment in executive compensation		(29,916)		(29,916)
Extended Year Employment program		(114,000)		(114,000)
Professional development new service delivery model	(8.4)	(408,233)		(408,233)
<b>Subtotal, Performance Goal 3</b>	<b>(8.4)</b>	<b>13,747,778</b>	<b>1,963,763</b>	<b>15,711,541</b>
<b>Performance Goal 4</b>				
Utilities service fees			1,612,515	1,612,515
Custodial positions for additional square footage	8.0	180,000		180,000
Operation of plant positions - projected retirement incentive program	(9.0)	(632,277)		(632,277)
<b>Subtotal, Performance Goal 4</b>	<b>(1.0)</b>	<b>(452,277)</b>	<b>1,612,515</b>	<b>1,160,238</b>
<b>Performance Goal 6</b>				
Edline grade book and enterprise software			397,000	397,000
<b>Subtotal, Performance Goal 6</b>			<b>397,000</b>	<b>397,000</b>
<b>Performance Goal 8</b>				
Administrative office budget reductions		(141,820)	(677,309)	(819,129)
Wireless access points in schools - Phase 1 expansion			395,250	395,250
Transportation - Fuel for buses			(614,504)	(614,504)
Transportation for special education	12.0	231,883	183,407	415,290
Transportation for elementary school summer enrichment program			(43,119)	(43,119)
Administration positions - projected retirement incentive program	(2.5)	(148,280)		(148,280)
Administration positions	(5.0)	(454,890)		(454,890)
<b>Subtotal, Performance Goal 8</b>	<b>4.5</b>	<b>(513,107)</b>	<b>(756,275)</b>	<b>(1,269,382)</b>

### Proposed Budget by Performance Goals

Program Description	FTE	Salary	Non-Salary	TOTAL
<b>One-time requests</b>				
Stoneleigh ES and Hampton ES start-up costs			49,000	49,000
Safari Montage library software upgrade			237,035	237,035
Library desktop upgrades to support Windows 7			106,000	106,000
Kiln and ventilation system replacement in 14 schools			112,000	112,000
Technology Infrastructure - Data storage server replacements			930,000	930,000
Technology Infrastructure - File server replacements in elementary schools			594,252	594,252
<b>Subtotal, One-time requests</b>			<b>2,028,287</b>	<b>2,028,287</b>
<b>Subtotal, Built-in and other requests</b>			<b>(398,596)</b>	<b>(398,596)</b>
<b>Total FY2013 Request</b>	<b>103.2</b>	<b>\$15,901,463</b>	<b>\$5,312,541</b>	<b>\$21,214,004</b>

### Summary of Net Change to General Fund Budget

	FTE	Salary	Non-Salary	TOTAL
FY2012 General fund budget	13,103.6	780,704,663	446,037,934	1,226,742,597
Less: FY2012 One-time budget			(1,595,410)	(1,595,410)
Plus: FY2013 Total requested ongoing additions	103.2	15,901,463	3,284,254	19,185,717
Plus: FY2013 Total requested one-time additions			2,028,287	2,028,287
<b>Subtotal, Net Change</b>	<b>103.2</b>	<b>15,901,463</b>	<b>3,717,131</b>	<b>19,618,594</b>
<b>TOTAL FY2013 General Fund Budget</b>	<b>13,206.8</b>	<b>\$796,606,126</b>	<b>\$449,755,065</b>	<b>\$1,246,361,191</b>





Dr. Joe A. Hairston  
Superintendent

# BALTIMORE COUNTY PUBLIC SCHOOLS

## Recommended Operating Budget for Fiscal Year 2013

### HIGHLIGHTS

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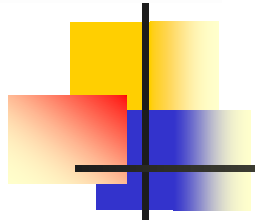
The proposals in the recommended Operating Budget for FY 2013 reflect a 12-year trend in providing a sound foundation for educators and non-instructional staff to provide quality instruction for our students in a safe and supportive learning environment.

- The general fund budget proposal of \$1.23 billion requires increased resources of \$19.6 million over the FY 2012 budget and is primarily driven by a projected increased enrollment of 1,570 students.
- Due to compliance with state and federal mandates, and the loss of federal stimulus revenues, strict measures were employed to offset increased salary and benefits costs.
- Overall, the combined operating and capital budget proposal recommends a 2.7% decrease in funds over the current fiscal year due to reduced capital and grant funding.
- The budget recommends the reduction of 46.0 administrative, central office, and non-classroom-based positions that generate a total reduction of \$6.1 million in both salary and non-salary expenditures, in addition, \$3.3 million in cuts were made in FY 2012.
- Additional FTE teaching positions (123.8) are budgeted due to increased enrollment.
- No layoffs or furloughs are planned during FY 2013.
- Eligible employees will receive a salary step increase under proposals offered to employee bargaining units.
- School budgets will remain at current levels, with some adjustments due to enrollment changes.
- Expand gradebook, communications, and Web site software for increased communication with parents in all schools.
- Wireless Internet access will be expanded to serve additional classrooms.
- Special education transportation will be increased to meet student requirements.
- Start-up costs will be provided for the additions to Hampton and Stoneleigh Elementary Schools.

*Focused on Quality;*



*Committed to Excellence*



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# BALTIMORE COUNTY PUBLIC SCHOOLS PROPOSED OPERATING BUDGET FOR FY2013

**Presented by  
Joe A. Hairston, Ed.D.  
Superintendent**

**January 10, 2012**



# BCPS Achievements

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- Seven BCPS high schools named among the 500 "Best American High Schools" in the nation by *Newsweek-June 2011*
- 50% of all BCPS high schools named among the top seven percent of high schools in the nation by *The Washington Post-June 2011*
- Fourth highest graduation rate among the nation's largest school districts-*Education Week, June 2011*
- Thirteen schools named National *No Child Left Behind* Blue Ribbon Schools



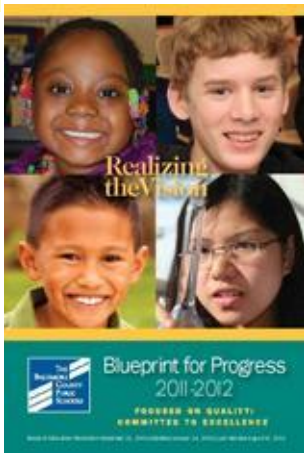


# BCPS Achievements

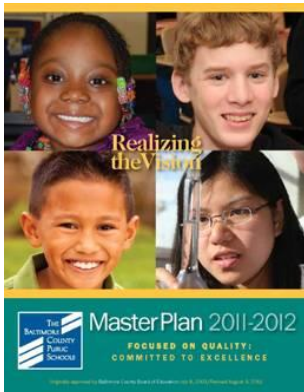
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- Recognized by the NAMM Foundation as one of the "Best 100 Communities for Music Education in America" in 2004, 2006-2010, and 2011
- More than 7,300 graduates annually
- 87.5% of graduates immediately pursue higher education
- \$107.1 million in scholarships reported by 2011 graduates

# *Blueprint for Progress*



- The *Blueprint for Progress* is the foundation of all that we do and provides the framework for the Master Plan.



- The Master Plan provides the framework for preparation of the FY13 operating budget.



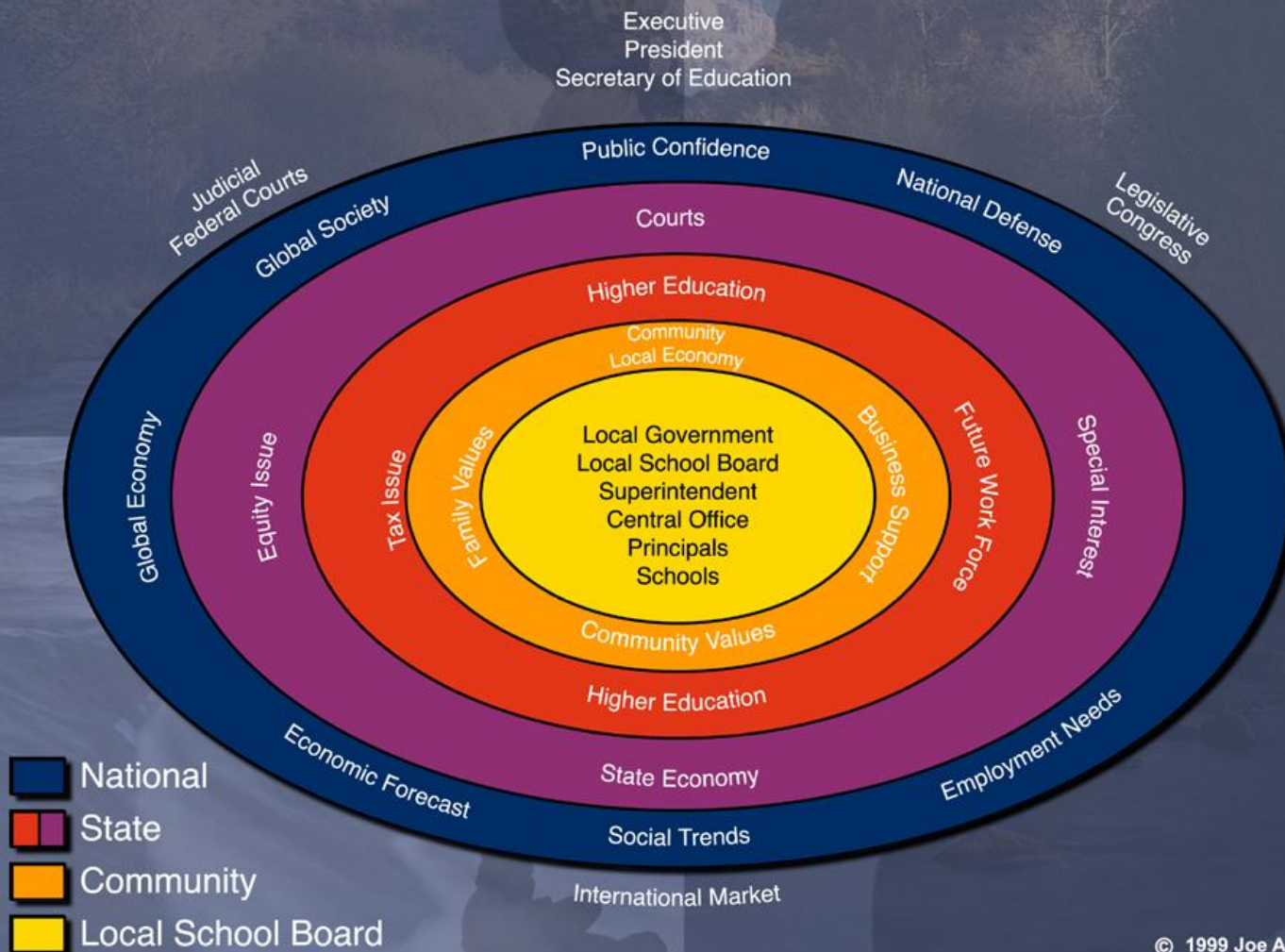
# BCPS Goals

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- To improve achievement for all students
- To maintain a safe and orderly learning environment in every school
- To use resources effectively and efficiently

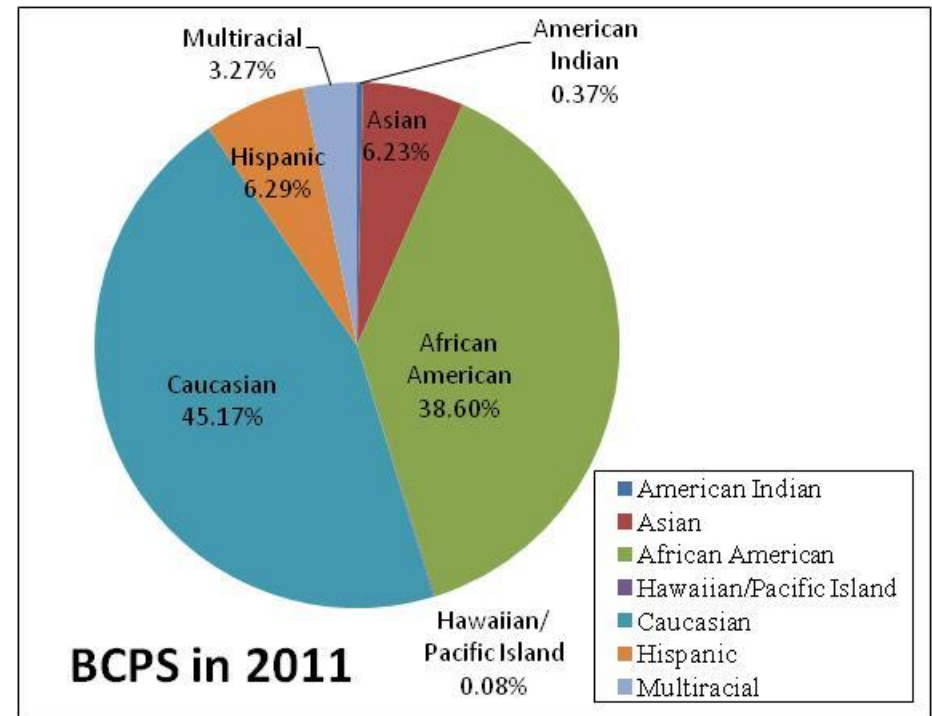
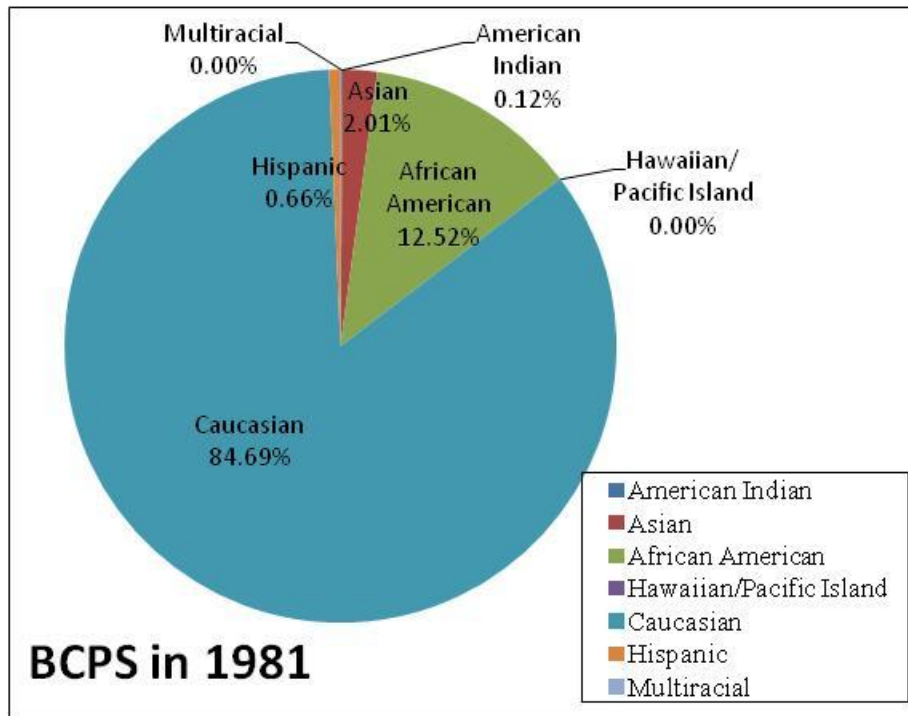


# Variables That Influence Public Education in America



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# Our Changing Demographics



\* Categories for Multiracial and Hawaiian/Pacific Island were not tracked in 1981.

# *Position Reductions*

Central office, non-classroom based resource teachers	(15.0) FTEs	\$(1,067,805)
Operation of plant positions – projected retirement incentive program	(9.0) FTEs	\$(632,277)
Administration positions	(5.0) FTEs	\$(454,890)
Professional development – new service delivery model	(8.4) FTEs	\$(408,233)
Department chair scheduling	(6.1) FTEs	\$(381,268)
Administration positions – projected retirement incentive program	(2.5) FTEs	\$(148,280)
<b>Total</b>	<b>(46 FTEs)</b>	<b>(\$3,092,753)</b>





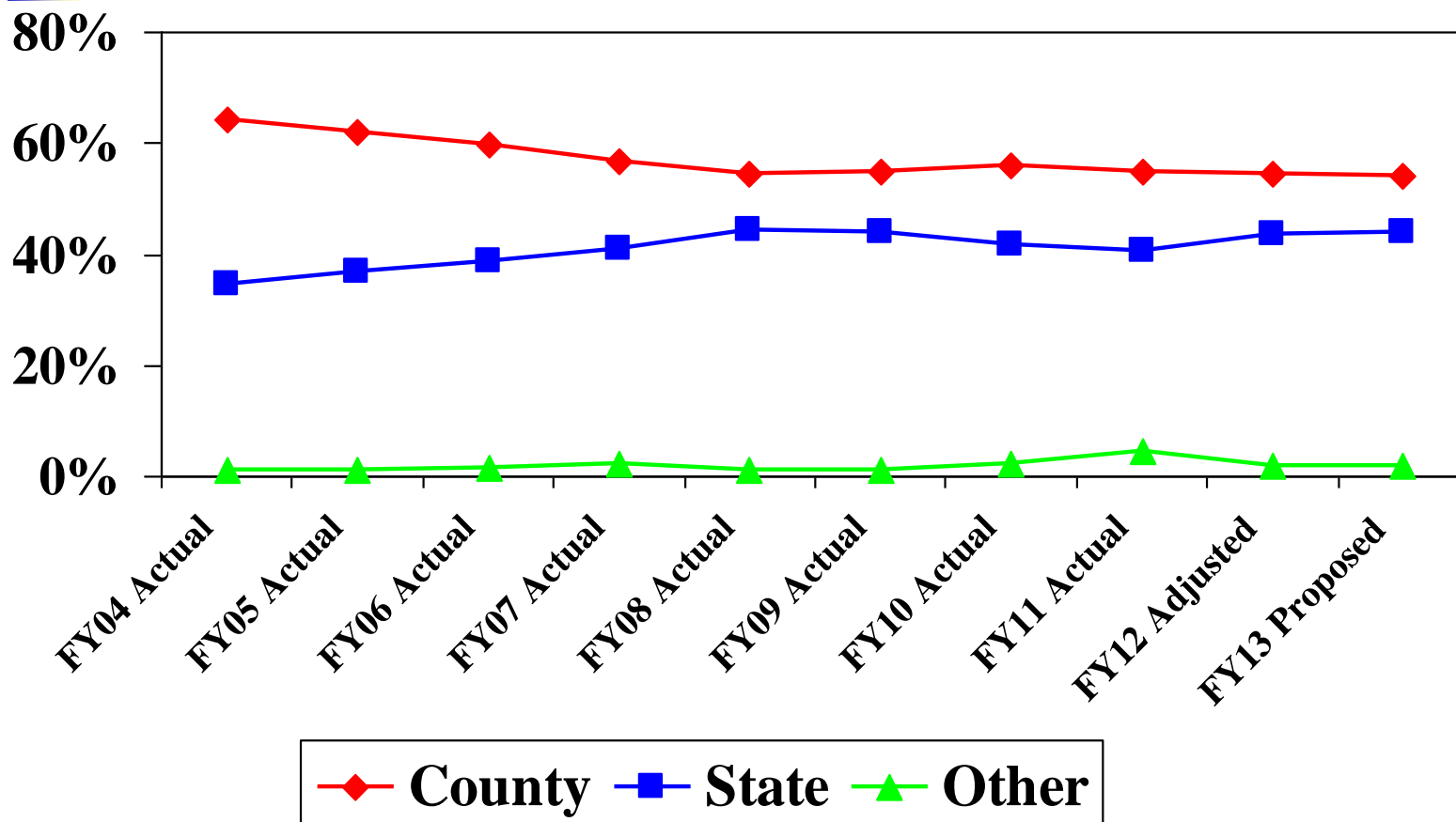
# Program Modifications

Administrative office budget reductions		\$(819,129)
Transportation – Fuel for buses		\$(614,504)
Magnet program and Career and Technology consumable materials		\$(320,000)
Facilities overtime		\$(300,000)
Elementary school summer enrichment program		\$(273,447)
<i>Language!</i> Program		\$(241,570)
Recruitment signing bonuses		\$(218,000)
Extended Year Employment program		\$(114,000)
Middle States certification		\$(48,000)
Transportation for elementary school summer enrichment program		\$(43,119)
Two day adjustment in executive compensation		\$(29,916)
<b>Total</b>		<b>(\$3,021,685)</b>

# *Maintenance of Effort*

Fiscal Year	MOE Amount	County Funding of MOE *	Amount Above MOE *	% Above MOE
2000	442,769,950	459,187,424	16,417,474	3.7%
2001	461,914,141	498,576,934	36,662,793	7.9%
2002	501,272,835	534,529,052	33,256,217	6.6%
2003	536,427,807	547,711,788	11,283,981	2.1%
2004	555,761,919	560,272,491	4,510,572	0.8%
2005	565,205,034	570,494,248	5,289,214	0.9%
2006	566,984,118	585,426,077	18,441,959	3.3%
2007	585,260,390	600,315,484	15,055,094	2.6%
2008	596,089,774	610,260,480	14,170,706	2.4%
2009	600,143,502	634,036,045	33,892,543	5.6%
2010	629,418,307	659,978,426	30,560,119	4.9%
2011	661,424,082	661,472,510	48,428	0.0%
2012	666,906,580	666,948,360	41,780	0.0%
2013 Proposed	\$673,021,305	\$673,021,305	\$0	0.0%
Average above the MOE increase, 2000-2012 = 3.0%				
*Excluding MSDE approved non-recurring costs.				

# Comparison of State and County General Fund Revenues







# *Summary of Recommendations*

## *Based on the Blueprint for Progress*

### *Performance Goals*

Goal 1 - Reach High Standards	18.3%	\$3,584,916
Goal 2 - ELL Proficiency	0.00%	-0-
Goal 3 - Highly Qualified Teachers	80.1%	15,711,541
Goal 4 - Safe Schools	5.9%	1,160,238
Goal 5 - Graduate High School	0.00%	-0-
Goal 6 - Community Engagement	2.0%	397,000
Goal 7 - Inclusive Decision Making	0.00%	-0-
Goal 8 - Efficient and Effective	(6.5)%	(1,269,382)
One-time, built-in, and other requests	0.2%	34,281
<b>Total</b>	<b>100.0%</b>	<b>\$19,618,594</b>

# Compensation and Benefits

Net benefits costs – Eligible employees and retirees per proposed FY2013 bargaining unit agreement		\$1,963,763
Salary increments per proposed FY2013 bargaining unit agreements		\$14,817,927
<b>Total</b>		<b>\$16,781,690</b>

# Student Achievement

School staffing enrollment increase	123.8 FTEs	\$5,824,105
Utility costs		\$1,612,515
Transportation for special education	12.0 FTEs	\$415,290
Grade book and enterprise software		\$397,000
Wireless access points in schools – Phase 1 expansion		\$395,250
Custodial positions for additional square footage	8.0 FTEs	\$180,000
Charter School Enrollment	5.4 FTEs	\$92,901
<b>Total</b>	<b>149.2</b>	<b>\$8,917,061</b>



# ***General Fund - \$1,246,361,191***

## ***Proposed FY13 Operating Budget***

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<b>SOURCE</b>	<b>FY12 Adj Budget</b>	<b>FY13 Proposed</b>	<b>+/-</b>	<b>% Change</b>
<b>County</b>	<b>\$668,495,342</b>	<b>\$675,001,164</b>	<b>\$6,505,822</b>	<b>1.0%</b>
<b>State</b>	<b>536,555,216</b>	<b>546,029,777</b>	<b>9,474,561</b>	<b>1.8%</b>
<b>Other</b>	<b>21,692,039</b>	<b>25,330,250</b>	<b>3,638,211</b>	<b>16.8%</b>
<b>Total General Fund</b>	<b>\$1,226,742,597</b>	<b>\$1,246,361,191</b>	<b>\$19,618,594</b>	<b>1.6%</b>





# *Proposed FY13 Budget*

## *All Funds*

<i>Fund</i>	<i>FY12 Adj Budget</i>	<i>FY13 Proposed</i>	<i>Difference</i>	<i>% Change</i>
General Fund	1,226,742,597	1,246,361,191	19,618,594	1.6%
Special Revenue	<u>87,655,456</u>	<u>74,272,536</u>	<u>(13,382,920)</u>	<u>-15.3%</u>
Operating Budget Subtotal	<b>\$1,314,398,053</b>	<b>\$1,320,633,727</b>	<b>\$6,235,674</b>	<b>0.5%</b>
Capital Projects Fund	136,528,000	85,516,000	(51,012,000)	-37.4%
Debt Service Fund	34,438,509	36,718,422	2,279,913	6.6%
Enterprise Fund	37,916,012	39,605,993	1,689,981	4.5%
Total	<b>\$1,523,280,574</b>	<b>\$1,482,474,142</b>	<b>(\$40,806,432)</b>	<b>-2.7%</b>



# *Public Hearing*

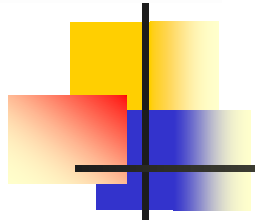
*January 17, 2012, 7:00 p.m.*

*Ridge Ruxton School*

*(Snow Date)*

*January 18, 2012, 7:00 p.m.*

*Ridge Ruxton School*



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# BALTIMORE COUNTY PUBLIC SCHOOLS PROPOSED OPERATING BUDGET FOR FY2013

**Presented by  
Joe A. Hairston, Ed.D.  
Superintendent**

**January 10, 2012**