



April 24, 2023

MEMORANDUM

TO: Edward Burroughs, III, Chair
Education and Workforce Development (EWD) Committee

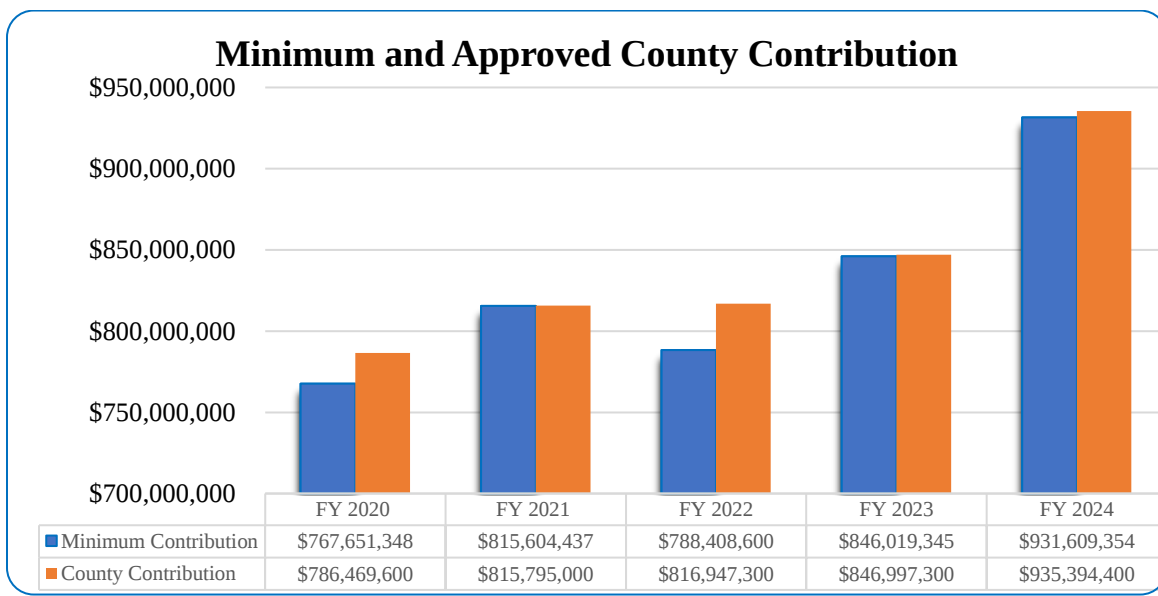
THRU: Josh Hamlin
Director of Budget and Policy Analysis

FROM: Arian Albear
Budget and Policy Analyst

RE: Board of Education (BOE)
Fiscal Year 2024 Operating Budget Review

BUDGET OVERVIEW

The County Executive's FY 2024 Proposed Budget (the "Proposed Budget") for the Board of Education (BOE) totals \$2,792,119,800, an increase of \$161,908,800, or 6.2%, over the FY 2023 Approved Budget. The Proposed Budget is \$3,785,045 more than the Board's FY 2024 Requested Annual Operating Budget of \$2,788,334,755. The difference is the result of additional Energy and Telecommunications taxes received since the BOE Proposed Budget was received. The FY 2024 Proposed County Contribution is \$935,394,400; this is equivalent to the Minimum Contribution requirement.



FY 2024 Board of Education Requested Budget Fiscal Highlights¹

- **Base Changes** are expenditure changes that are required to support prior operating budget obligations. For FY 2024, an increase of \$3.9 million is expected resulting from costs to cover the roll-over of mid-year employee compensation improvements or changes from FY 2023.
 - **Mandatory Costs** are expenditures that are required by law and support contract commitments. These costs are anticipated to increase by \$117.2 million in FY 2024 to support compensation negotiated commitments, teacher retirement, and family paid leave.
 - **Costs of Doing Business** are expenditures which provide essential support to students, maintain the existing workforce, and invest in operational infrastructure. These costs are anticipated to increase by \$55.9 million and 340 FTE positions to support student/school-based supports; lease purchases; new schools opening; maintenance and custodial supplies/service contracts (inflation); technology operations; utility usage; and technology licenses, maintenance, and upgrades.
 - **Redirected Resources** are anticipated to decrease by \$101.9 million and 9.14 FTE positions from programs and services on a system-wide basis to fund increases in the mandatory/costs of doing business and to fund organizational improvement increases. The largest decrease is in Restricted Programs mainly associated with the federal COVID-19 pandemic relief grants (\$98.8 million).
 - **Program Continuations** reflect expenditures that provide for phased implementations for Academic programs. These expenditures are anticipated to increase by \$10.3 million and 113 FTE positions. The increase supports: Special Education ECC Expansion (\$4.7 million, 60 FTE); Autism Program Expansion (\$1.6 million, 19 FTE), Charter Schools Special Education Expansion (\$1.6 million, 15 FTE), PreK Accreditation and Instructional Support (\$0.8 million, 9 FTE), and other smaller programs.
 - **Organizational Improvements** fund instructional programs, facilities, and services that are consistent with the Strategic Plan that enhances teaching and learning for all students and strengthens accountability and support systems. This category is proposed to increase by \$9.2 million and 59 FTE positions in the subcategories named below:
 - *Goal 3: Workforce and Operational Excellence*
 - Instructional Technology School-Based Support
 - Climate Change Initiative, HVAC Apprentice Program and Compliance Mandates
 - Safety and Security Services
 - Student Services
 - Pupil Accounting & School Boundaries
 - Translation and Interpretation Services
 - Office of Employee and Labor Relations
 - Office of Equity & Excellence
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¹ Further details on the CEO's Proposed Budget Books Fiscal Highlights can be found on pages 15-17.

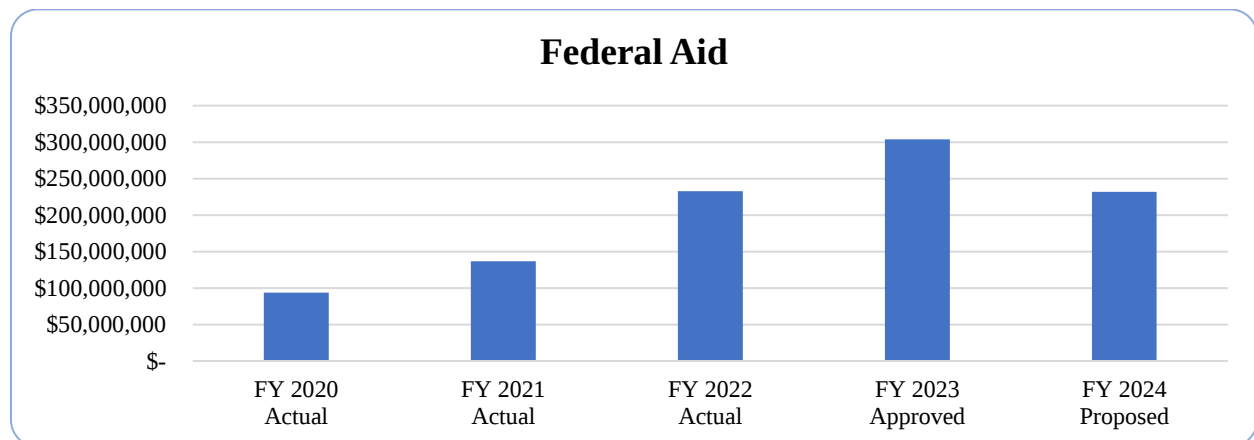
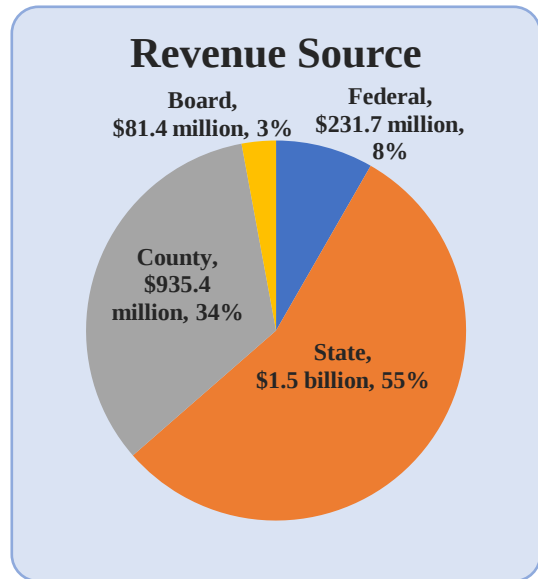
REVENUES

EDUCATION REVENUE SOURCES					
Source	FY 2022 Actual	FY 2023 Approved	FY 2024 Proposed	\$ Change	% Change
<u>Federal Sources:</u>					
Unrestricted Federal Aid	\$ 44,888	\$ 98,100	\$ 98,100	\$ -	0.0%
Restricted Federal Aid	232,848,420	303,583,000	231,640,000	(71,943,000)	-23.7%
Subtotal Federal Sources	232,893,308	303,681,100	231,738,100	\$ (71,943,000)	-23.7%
<u>State Aid:</u>					
Foundation Program	\$ 556,271,594	\$ 627,698,000	\$ 661,123,700	\$ 33,425,700	5.3%
Geographic Cost of Education Index	45,228,485	48,808,000	-	(48,808,000)	-100.0%
Comparable Wage Index	-	-	41,789,600	41,789,600	N/A
Special Education	49,067,544	56,217,700	66,376,400	10,158,700	18.1%
Nonpublic Placements	18,350,440	21,432,900	25,578,000	4,145,100	19.3%
Transportation Aid	41,502,028	50,289,300	52,868,700	2,579,400	5.1%
Compensatory Education	254,469,286	254,469,300	352,033,600	97,564,300	38.3%
English Learners	117,340,016	143,635,500	163,247,400	19,611,900	13.7%
Net Taxable Income	17,209,766	-	-	-	N/A
Supplemental Grant	20,505,652	-	-	-	N/A
Other State Aid	83,378	-	96,400	96,400	N/A
Transition Grant	-	20,505,700	20,505,700	-	0.0%
Educational Effort	-	26,525,600	60,691,000	34,165,400	128.8%
Career Ladder	-	1,699,600	1,737,900	38,300	2.3%
College and Career Ready	-	1,402,000	1,568,500	166,500	11.9%
Blueprint - Prekindergarten	12,381,078	20,612,900	22,853,400	2,240,500	10.9%
Blueprint - Teacher Salary Incentives	13,386,052	-	-	-	N/A
Blueprint - Concentration of Poverty	20,008,775	54,717,400	58,793,000	4,075,600	7.4%
Blueprint - Mental Health Coordinators	54,463	-	-	-	N/A
Blueprint - Special Education	9,235,445	-	-	-	N/A
Blueprint - Transitional Supplemental Instruction	5,364,854	10,110,600	10,420,500	309,900	3.1%
Blueprint - Supplemental Instruction/Tutoring	-	-	-	-	N/A
Blueprint - Hold Harmless Grants - Declining	79,209,700	-	-	-	N/A
Blueprint - Hold Harmless Grants - Disabled	4,563,000	-	-	-	N/A
Maryland Safe Schools Grant	-	-	-	-	N/A
Miscellaneous Revenue	(1,243,901)	-	-	-	N/A
Other Restricted Grants	8,963,140	24,080,500	3,947,400	(20,133,100)	-83.6%
Subtotal State Aid	\$ 1,271,950,795	\$ 1,362,205,000	\$ 1,543,631,200	\$ 181,426,200	13.3%
<u>County Revenue:</u>					
General County Sources	\$513,979,313	\$584,925,100	\$648,984,100	\$ 64,059,000	11.0%
Real Property/BOE - Tax Increase	42,825,127	38,131,800	39,736,300	1,604,500	4.2%
Personal Property/BOE - Tax Increase	3,369,215	3,248,600	3,253,300	4,700	0.1%
Telecommunications Tax	13,422,235	10,935,000	10,935,000	0	0.0%
Energy Tax	74,897,137	73,868,400	80,345,800	6,477,400	8.8%
Transfer Tax	168,454,273	135,888,400	152,139,900	16,251,500	12.0%
Subtotal County Revenue	\$ 816,947,300	\$ 846,997,300	\$ 935,394,400	\$ 88,397,100	10.4%
<u>Board Sources:</u>					
Board Sources	\$11,468,694	\$12,931,400	\$11,356,100	(\$1,575,300)	-12.2%
Use of Fund Balance	-	104,396,200	70,000,000	(34,396,200)	-32.9%
Subtotal Board Sources	\$ 11,468,694	\$ 117,327,600	\$ 81,356,100	\$ (35,971,500)	-30.7%
TOTAL	\$ 2,333,260,097	\$ 2,630,211,000	\$ 2,792,119,800	\$ 161,908,800	6.2%

- Total revenue from all funding sources for FY 2024 is proposed at \$2,792,119,800, an increase of \$161,908,800, or 6.2%, over the FY 2023 approved level. This is mainly due to increased Blueprint funding requirements from State and County sources.

Federal Aid

- Total Federal Aid for FY 2024 is proposed at \$231,738,100, a decrease of \$71,943,000, or 23.7%, under the FY 2023 Approved Budget. Federal funding comprises 8.3% of the Board's total proposed funding.
- The decrease in federal funding reflects the tapering off of COVID-19 related grants such as ESSER I, II, & III.



COVID-19 Pandemic Funds

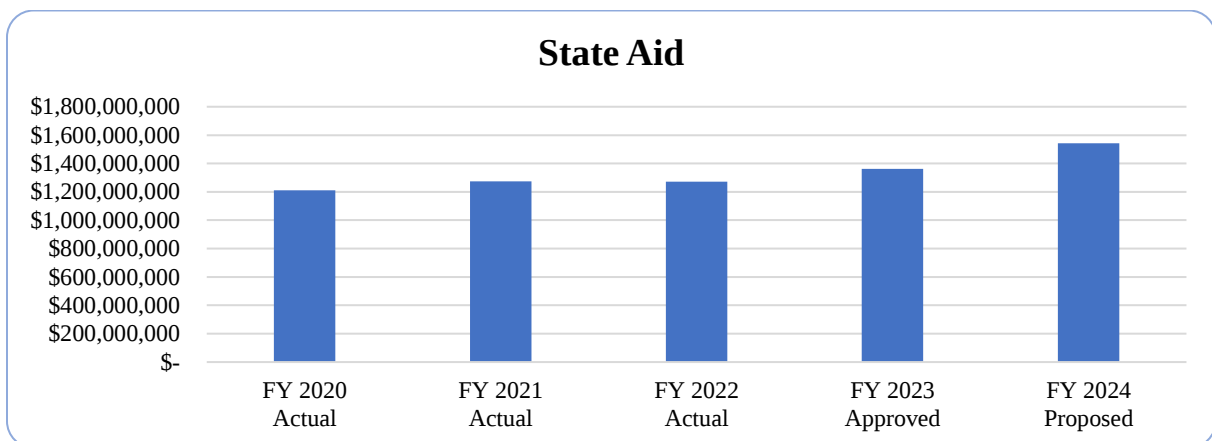
- PGCPs received the following federal funding related to the COVID-19 pandemic:
 - ESSER I: \$ 30,000,000
 - ESSER II: \$122,234,705
 - ESSER III: \$274,000,000
- More information of how the funding was allocated within PGCPs can be found as a response to question 69 of the *First-Round Budget Review Questions*.

State Aid

- Total State Aid for FY 2024 is anticipated to be \$1,543,631,200, an increase of \$181,426,200, or 13.3%, over the FY 2023 Approved Budget.
 - The increase is mainly due to continued implementation of the formula changes in the Blueprint for Maryland's Future (House Bill 1300) legislation. Increases are in the following categories: Compensatory Education (\$57.1 million), Comparable Wage Index (\$40.8 million), Educational

Effort (\$29.8 million), Foundation Program (\$17.2 million), English Learners' Aid (\$15.6 million), Special Education (\$8.9 million), Concentration of Poverty – Personnel Grant (\$4.8 million), Concentration of Poverty – Per Pupil Grant (\$4.8 million), and Prekindergarten Expansion (\$1.4 million).

- These increases are partly offset by decreases in the following categories: Geographic Cost of Education Index (\$48.8 million), Reserve Future Grants (\$20.7 million), Non-Public Placements (\$1.6 million), Special Education Infants & Toddlers Grant (\$1.5 million), Transportation Aid (\$1 million), and Transitional Supplemental Instruction Carryover Grant (\$0.5 million).
- State Aid comprises 55.3% of the Board's total proposed funding.



- Federal and State Aid combined are \$1,775,369,300, or 63.6%, of the Proposed FY 2024 Budget.

Blueprint for Maryland's Future

- The State's Blueprint for Maryland's Future legislation substantially alters State Aid formulas and mandated appropriations beginning in FY 2023. Formula-based calculations impacted include State Share of the Foundation Program, College and Career Readiness (through FY 2026), State Compulsory Education, English Learner Aid, Pre-Kindergarten, Career Ladder, Comparable Wage Index, Transitional Supplemental Instruction, and Students with Disabilities. State revenue also includes Transportation Aid, Transition Aid, Regional Cost Difference, Concentration of Poverty, and Education Effort.
- Beginning in FY 2024, the County receives Comparable Wage Index funding that reflect the regional differences of the cost to hire personnel that are due to factors outside of the control of local jurisdictions (replacing the Geographic Cost of Education Index).
- From FY 2024, each county Board of Education shall distribute \$62 per pupil to the local workforce development board to be used in support of Career Counseling Programs for Middle and High School Students, per Education Article 5-213. The impact totals \$7.8 million.

Time to Care Act

- During the 2022 legislative session, the General Assembly passed the Time to Care Act, requiring all employers to pay employees for family and medical leave through a new state fund, or self-insurance. PGCPs estimates that the impact would total about \$5 million in FY 2024.

County Contribution

- The FY 2024 proposed County Contribution to the Board of Education is \$935,394,400, an increase of \$88,397,100, or 10.4%, over the FY 2023 Approved Budget. The increase is primarily due to mandated, Blueprint formula-driven adjustments. County source revenue comprises 33.5% of the Board's total proposed funding.
- The County Contribution is composed of County revenue from the various sources discussed below:
 - General County Sources – the largest category and proposed at \$648,984,100 for FY 2024, an increase of 11.0%.
 - Real Property Tax rate for FY 2024 is \$1.00 per \$100 of assessable value (\$0.04 per \$100 is dedicated to the BOE). Revenue anticipated from the tax is \$39,736,300, an increase of 4.2%.
 - Personal Property Tax rate for FY 2024 is \$2.50 per \$100 of assessable value (\$0.10 per \$100 is dedicated to the BOE). Revenue anticipated from the tax is \$3,253,300, an increase of 0.1%.
 - Net proceeds of the Telecommunications Tax are dedicated to the school system, with a caveat that up to 10% of the net proceeds must be used to fund school renovation and systemic replacement projects. The revenue anticipated from the Tax in FY 2024 is \$10,935,000, equivalent to the FY 2023 approved amount. The historical decrease in Telecommunications Tax revenue is due to market shifts from landline to wireless services (some of which are non-taxable).
 - The Telecommunications Tax is a tax levied upon all telecommunications bills in the County (including wireless phones).
 - All revenue from the County's Energy Tax is earmarked for the school system. The revenue anticipated in FY 2024 is \$80,345,800, an increase of 8.8%.
 - The Energy Tax is levied upon organizations transmitting, distributing, manufacturing, producing, or supplying electricity, natural gas, fuel oil, or propane for the County based on units of energy sold.
 - All revenue from the County's Transfer Tax is earmarked for the school system. The revenue anticipated in FY 2024 is \$152,139,900, an increase of 12.0%.
 - The Transfer Tax is imposed upon recordation of instruments conveying title to real property, or any other interest in real property. All transfer tax revenue is dedicated to the BOE. The tax rate is unchanged at 1.4% for FY 2024.
- State law requires each County to, at least, provide local funds for the next fiscal year at the same per pupil level as the current fiscal year, or its required local share – whichever is greater. The per pupil MOE is calculated as the greater of (1) prior year FTE enrollment, or (2) the three-year moving average of FTE enrollment.
- Beginning in FY 2022, the local share requirement continues to include the local share of the Foundation formula, but also includes the local share of the Compensatory Education, English Learner, Special Education, Comparable Wage Index (CWI) (beginning in FY 2024), Full-day Prekindergarten (beginning in FY 2023), College and Career Ready (CCR), Transitional Supplemental Instruction (TSI) (through FY 2026), and Career Ladder aid programs.

- Funding formulas are calculated as follows:
 - Local Education Effort (LEE) = County's Local Share of Major Education Aid / Local County's Wealth
 - State Average Education Effort (SAEE) = Total State Counties Local Share of Major Education / Total State Counties Wealth
 - Local Education Effort Index = LEE / SAEE (must be above 1.0 for two consecutive years to receive state relief)
 - Maximum Local Share = Local County's Wealth x SAEE
 - Education Effort Adjustment = Local Share of Major Education Aid – Maximum Local Share
 - FY 2024 State Relief = Education Effort Adjustment x 20% (phased up to 100% by FY 2030)
- The Board of Education's requested County Contribution is a formed in the following manner: begin with the greater of Maintenance of Effort (MOE) Requirement or Local Share Requirement; subtract the State Relief Education Effort Adjustment; and add the Energy and Telecommunications Taxes to achieve the Minimum Contribution. The Board of Education may then request an amount above the Minimum Contribution to form the Requested County Contribution.²

Five-Year History of County Maintenance of Effort Calculation							
Fiscal Year	Maintenance of Effort (MOE) Requirement	Local Share Requirement	State Relief Education Effort Adjustment	Energy and Telecom Taxes	Minimum Contribution	Amount Over Minimum Contribution	Requested County Contribution
2024	\$ 798,828,853	\$ 972,515,800	\$ (56,329,913)	\$ 51,760,900	\$ 967,946,787	\$ -	\$ 967,946,787
2023	\$ 766,762,200	\$ 823,471,998	\$ (26,521,153)	\$ 49,068,500	\$ 846,019,345	\$ 977,955	\$ 846,997,300
2022	\$ 738,223,500	\$ -	\$ -	\$ 50,185,100	\$ 788,408,600	\$ 28,538,700	\$ 816,947,300
2021	\$ 738,032,937	\$ -	\$ -	\$ 77,571,500	\$ 815,604,437	\$ 190,563	\$ 815,795,000
2020	\$ 701,107,580	\$ -	\$ -	\$ 66,543,768	\$ 767,651,348	\$ 18,818,252	\$ 786,469,600

- For FY 2024, \$2,665,300 is proposed for Crossland High School's Career and Technical Education (CTE) program from annual Video Lottery Terminal (VLT) revenue and is reflected within the County Contribution. This an increase of 9.6% from the previous year.

Board Sources and Fund Balance

- Board Sources are proposed at \$81,356,100 for FY 2024, this is a decrease of \$35,971,500, or 30.7%, over the FY 2023 Approved Budget. The decrease is driven by less use of Fund Balance. Board Sources represent 2.9% of the total proposed budget.
- Board Sources other than Fund Balance decreased by \$1,175,300, or 12.2%. This is due to decrease in Use of Building & Custodial Services.
- The Board of Education is proposing to use \$70,000,000 of their total fund balance as a revenue source for FY 2024. This amount is a decrease of \$34,396,200, or 32.9% under the prior year amount. As of June 30, 2022, the Board of Education's total Fund Balance was segmented into the following categories:

² The "Five-Year History of County Maintenance Effort Calculation" shown in the chart contains outdated numbers from the CEO Proposed FY 2024 Budget. Due to new Blueprint formula requirements, several of the factors involved in the calculation are not available until much later and may result in a different final "Minimum Contribution" requirement from the County.

- Restricted: \$ 0
 - Non-Spendable: \$ 13,257,804 (for non-capital inventories and pre-paid expenses)
 - Committed: \$ 117,028,351 (“use of fund balance” for FY 2023)
 - Assigned: \$ 142,720,217 (to encumbrances and specific liabilities/litigation)
 - Unassigned: \$ 39,029,239
- BOE is well below the recommended level of two (2) months of regular general fund revenues or expenditures.³ The unrestricted total of \$298.8 million equates to 1.35 months of expenditures (an additional \$144.5 million required to the meet minimum requirement).

EXPENDITURES

- FY 2024 proposed expenditure is \$2,792,119,800, an increase of \$161,908,800, or 6.2%, over the FY 2023 Approved Budget.

Change in Expenditures by Category						
Category	FY 2022 Actual	FY 2023 Approved	FY 2023 Estimate	FY 2024 Proposed	\$ Change	% Change
Compensation	\$ 1,394,995,507	\$ 1,584,444,400	\$ 1,574,675,200	\$ 1,703,416,900	\$ 118,972,500	7.5%
Fringe Benefits	438,749,274	494,967,100	510,021,400	562,020,700	67,053,600	13.5%
Operating Expenses	485,288,197	529,032,200	540,844,400	492,787,800	(36,244,400)	-6.9%
Capital Outlay	4,690,730	21,767,300	34,147,800	33,894,400	12,127,100	55.7%
Total	\$ 2,323,723,708	\$ 2,630,211,000	\$ 2,659,688,800	\$ 2,792,119,800	\$ 161,908,800	6.2%

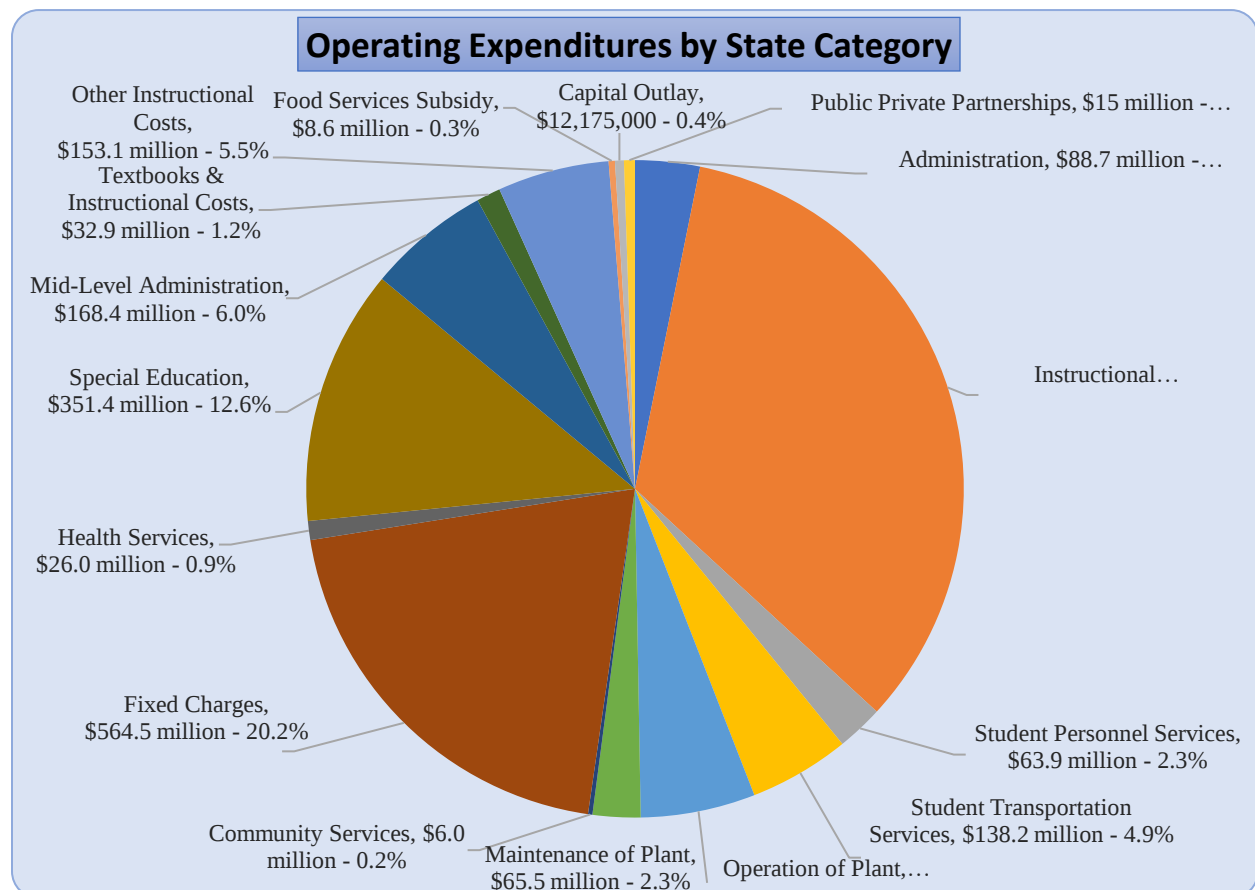
- Compensation is proposed to increase by 7.5%, primarily due to negotiated FY 2024 salary improvements for various collective bargaining units; staffing requirements tied to student-based budgeting requirements; program expansions including the Special Education Early Childhood Center and instructional technology school-based support; and additional requirements for family paid leave. Compensation costs include funding for all 20,857 full-time equivalent positions. Increases are partially offset by the reduction of federal restricted grant resources and other system-wide savings initiatives.
- Fringe Benefits are proposed to increase by 13.5% due to anticipated post-employment benefits, healthcare, and life insurance costs.
- Operating Expenses are proposed to decrease by 6.9% to align with projected costs.
- Capital Outlay expenditures are proposed to increase by 55.7% to purchase of new and replacement equipment.

Expenditures by State Category

- Increases are proposed for all categories, except Operation of Plant; Textbooks and Instructional Materials; and Other Instructional Materials, which are proposed to decrease, and Public Private Partnerships, which is proposed to remain constant. The chart below summarizes the expenditures

³ The Government Finance Officers Association (GFOA) recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two (2) months of regular general fund operating revenues or regular general fund operating expenditures.

Changes in Expenditures - by State Category						
Category	FY 2022 Actual	FY 2023 Approved	FY 2023 Estimate	FY 2024 Proposed	\$ Change	% Change
Administration	\$ 81,799,243	\$ 82,869,800	\$ 86,582,800	\$ 88,714,100	\$ 5,844,300	7.1%
Instructional Salaries	775,704,214	868,535,200	867,678,400	940,147,600	71,612,400	8.2%
Student Personnel Services	31,536,027	58,948,200	64,972,900	63,912,200	4,964,000	8.4%
Student Transportation Services	101,742,936	124,457,500	115,513,900	138,165,400	13,707,900	11.0%
Operation of Plant	150,648,920	163,856,100	164,394,300	157,388,900	(6,467,200)	-3.9%
Maintenance of Plant	51,786,342	58,565,100	59,592,000	65,543,200	6,978,100	11.9%
Community Services	1,924,368	5,749,400	5,582,100	6,014,100	264,700	4.6%
Fixed Charges	456,755,688	497,491,500	512,545,800	564,545,100	67,053,600	13.5%
Health Services	36,014,817	24,867,400	25,280,200	26,044,000	1,176,600	4.7%
Special Education	301,679,875	339,212,900	331,953,500	351,367,600	12,154,700	3.6%
Mid-Level Administration	145,423,331	156,490,300	159,747,600	168,404,700	11,914,400	7.6%
Textbooks and Instructional Materials	32,625,079	53,524,600	62,934,200	32,926,600	(20,598,000)	-38.5%
Other Instructional Costs	176,186,589	173,393,200	169,167,700	153,126,400	(20,266,800)	-11.7%
Food Services Subsidy	4,709,000	7,074,800	6,568,400	8,644,900	1,570,100	22.2%
Capital Outlay	187,279	175,000	12,175,000	12,175,000	12,000,000	6857.1%
Public Private Partnerships	15,000,000	15,000,000	15,000,000	15,000,000	-	0.0%
TOTAL	\$ 2,363,723,708	\$ 2,630,211,000	\$ 2,659,688,800	\$ 2,792,119,800	\$ 161,908,800	6.2%



One-Time Costs

- FY 2024 One-Time Costs includes \$98.6 million in funding received by the federal government to mitigate the impact of the COVID-19 pandemic. These grants include the Coronavirus Aid, Relief, and Economic Security Act of 2020 (CARES), Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSA), and the American Rescue Plan Act of 2021 (ARP). These grants are provided to enhance support through FY 2024. The school system uses the grants for the following expenses: mental health services expansion, extended learning opportunities for all students targeted through student performance data, out of classroom instructional programs, summer school enhancement and support, acceleration of one-to-one student technology, and community partnerships for outreach, re-engagement, and program coordination.

EMPLOYEE DATA

- Proposed staffing for FY 2024 totals 20,857 full-time equivalent (FTE) positions, an increase of 502 positions, or 2.5%, over the number of FTE positions budgeted for FY 2023.⁴

Staffing by Position Type				
Positions by Category	FY 2023 Approve	FY 2024 Proposed	FTE Change	% Change
Superintendent, Deputy, Assoc, Asisstant Superintendant	16	16	-	0.0%
Directors, Coordinators, Supervisors, Specialists	484	503	19	3.9%
Principals	205	204	(1)	-0.5%
Vice/Assistant Principals	343	343	-	0.0%
Teachers	10,181	10,548	367	3.6%
Therapists	173	174	1	0.6%
Guidance Counselors	395	395	-	0.0%
Librarians	123	123	-	0.0%
Psychologists	99	99	-	0.0%
Pupil Personnel Workers/ School Social Workers	74	75	1	1.4%
Nurses	245	245	-	0.0%
Other Professional Staff	477	481	4	0.8%
Secretaries and Clerks	900	908	8	0.9%
Bus Drivers	1,441	1,441	-	0.0%
Paraprofessionals	2,193	2,249	56	2.6%
Other Staff	3,007	3,054	47	1.6%
Total FTE Positions	20,355	20,857	502	2.5 %

Union Negotiated Compensation Agreements

- The Board's FY 2024 Requested Annual Operating Budget includes \$4,128,649 for carryover compensation costs related to FY 2022. The Board is committed to provide \$29,318,550 in step increases, \$60,122,577 in Cost-of-Living Adjustments (COLAs), and \$5,379,383 in Board Certified Stipends. ASASP II, ASASP III, and SEIU have ongoing contracts that will end on June 30, 2024; ACE/AFSCME and PGCEA have ongoing contracts through June 30, 2025. A breakdown of compensation enhancements by union has been provided in the table below.

⁴ The figures in the "Staffing by Position Type" are taken from the CEO's Proposed FY 2024 Operating Budget.

FY 2023 Negotiated Compensation Commitments						
Union	Current Contract Ends	FY 2022 Step/COLA Carryover Cost	FY 2023 Step Increase	FY 2023 COLA	FY 2023 Board Certified Stipends	Total
ASASP II	June 30, 2024		3,897,058	4,949,554	\$ 158,580	\$ 9,005,192
ASASP III	June 30, 2024		2,015,842	2,448,482	753,688	5,218,012
SEIU	June 30, 2024	510,844	674,901	2,318,035		3,503,780
ACE/AFSCME	June 30, 2025	3,617,805	6,816,814	12,115,328	101,000	22,650,947
PGCEA	June 30, 2025		15,520,998	37,607,071	4,307,140	57,435,209
Non-Represented			392,937	684,107	58,975	1,136,019
Total		\$ 4,128,649	\$ 29,318,550	\$ 60,122,577	\$ 5,379,383	\$ 98,949,159

Teacher Retirement and Pensions

- The FY 2024 Proposed Budget includes \$13.8 million for teacher pensions, an increase to \$63.9 million due to an increase in the “local share amount” passed onto PGCPs by the Maryland State Department of Education (MSDE).
- The number of teachers eligible to retire within the next five (5) years is detailed below:

PGCEA Members Eligible for Retirement (Cumulative)			
Fiscal Year	Years of Service Retirement	Age Service Retirement	Total
2023	174	618	792
2024	215	812	1,027
2025	279	986	1,265
2026	351	1,191	1,542
2027	462	1,413	1,875

- PGCPs does not incentivize delayed retirement; however, the system does encourage retirees to participate and return as part of the Maryland Retire-Rehire Program for critical shortage areas.
- The valuation for Net Other Post-Employment Benefits (OPEB) Liability, as of June 30, 2022, was \$2,586,693.

Other Post-Employment Benefits (OPEB)	
Total OPEB Liability	\$2,783,541
Plan Fiduciary Net Position	(\$196,848)
Net OPEB Liability	\$2,586,693
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	7.07%

- PGCPs contributed \$15 million in both FY 2021 and FY 2022 and there are plans to contribute an additional \$15 million in FY 2023 through the Financial Review process.

Attrition and Vacancies

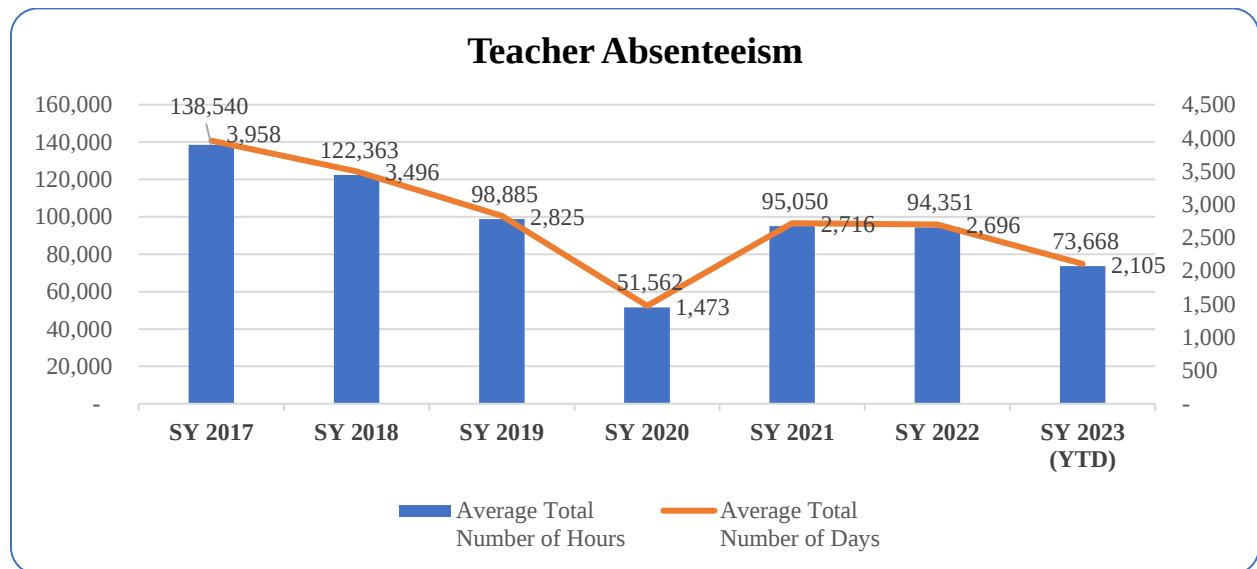
- The attrition rate for FY 2022 for PGCEA is 12.6% (8.8% in FY 2021) and 6.7% (1.5% in FY 2021) for ASASP II.
 - For FY 2023, PGCPs estimates 12%-14% at PGCEA and 7% for ASASP Unit II.
- The attrition rate for the schools in School Year 2022 and School Year 2023 is presented in increments of 10% below:

Attrition by Percentage Increment	Number of Schools (SY 2022)	Number of Schools (SY 2023) (as of 02/28/2023)
0-9.9%	26	101
10-19.9%	91	69
20-29.9%	52	25
30-39.9%	23	9
40-49.9%	10	3
50%+	4	0

- Overall, attrition percentages are trending downward from the previous school year. The schools with the highest attrition rates in the current school year are: 1) G James Gholson MS (46.30%), Tayac ES (46.15%), and Benjamin Stoddert MS (45.83%). These have all trended upward from SY 2021.
- The number of vacancies, as of March 10, 2023, is 2,364.8 FTE positions. The associated salary lapse resulted in savings of \$61,465,145.
- The number of vacancies per category are listed below:

Vacancies and Savings by Category (as of 03/10/2023)		
Category	Vacancies	Total Savings
Administration	52.5	\$ 1,783,316
Mid-Level Administration	75.0	2,314,889
Instructional Salaries	1,078.3	33,151,412
Special Education	495.5	12,519,044
Student Personnel Services	34.1	941,180
Student Health Services	29.0	839,510
Student Transportation	264.7	4,798,475
Operation of Plant	76.1	1,243,108
Maintenance of Plant	27.0	645,963
Food Service	187.5	2,026,402
Community Services	4.0	125,060
Capital Outlay	13.0	482,949
Non-Categorized Expenditure	28.0	593,838
TOTAL	2,364.7	\$ 61,465,146

- The FY 2024 budget includes \$5.1 million for terminal leave payouts based on projections of estimated costs. These costs are not deferred by PGCPs but are booked as the employees leave and expense is incurred.
- In the past, PGCPs has noted that teacher salaries are competitive for the region; however, the higher salaries at DC Charter Schools may draw qualified teachers from Prince George's County.
- Average PGCEA teacher experience, per school, is provided as an attachment as part of the *First-Round Budget Review Questions* number 21. In all but 12 schools, teachers average over ten (10) years of experience.
- The chart below shows teacher absenteeism by 'Average Total Number of Hours' and 'Average Total Number of Days' from school year 2017 to school year 2023 as of March 2023.



STUDENT DATA

Enrollment and Cost per Pupil

- In FY 2024, PGCPS is anticipating enrollment of 140,619 students in Pre-K through 12th and 816 in nonpublic schools for students with disabilities. This is an increase of 9,495 students, or 7.2% over the FY 2023 actual enrollment.
- The Pre-School student population is projected to total 5,667 students, an increase of 843, or 17.5%. Additional enrollment figures are provided in the Pupil Population chart below.
- PGCPS plans to keep the Online Campus virtual learning school as a fixed unit after the pandemic.

Pupil Population					
	FY 2022 Actual (as of 09/30/21)	FY 2023 Actual (as of 09/30/22)	FY 2024 Projected (as of 11/01/22)	Change FY 2023 Actual to FY 2024	
				Number	Percent
<i>Full-Time</i>					
<u>Regular and Special Education Day Programs</u>					
Kindergarten @ 100%	9,336	9,284	10,085	801	8.6%
Elementary Grades 1 to 6	57,534	57,590	61,574	3,984	6.9%
Middle School Grades 7 and 8	19,981	19,818	20,995	1,177	5.9%
High School Grades 9 to 12	37,820	39,627	42,298	2,671	6.7%
Total Regular and Special Education	124,671	126,319	134,952	8,633	6.8%
<u>Pre-School</u>					
Prekindergarten	3,797	4,507	5,315	808	17.9%
Montessori	309	317	352	35	11.0%
Total Pre-School	4,106	4,824	5,667	843	17.5%
Total Pre-K to 12 Enrollment	128,777	131,143	140,619	9,476	7.2%
Nonpublic Schools - Students with Disabilities:	910	797	816	19	2.4%
Total Full-Time Enrollment	129,687	131,940	141,435	9,495	7.2%
<i>Part-Time</i>					
<u>Summer School</u>					
Regular Instructional Programs	11,975	8,179	10,000	1,821	22.3%
Extended School Year Services for Students with Disabilities	1,964	3,101	3,808	707	22.8%
Total Summer School	13,939	11,280	13,808	2,528	22.4%
Evening High School (1)	1,085	1,305	5,000	3,695	283.1%
Home and Hospital Teaching	39	79	600	521	659.5%
Total Part-Time	15,063	12,664	19,408	6,744	53.3%
(1) Some Evening High School student enrollment numbers are also included in grades 9 - 12 full-time.					
<i>Online Campus</i>					
7-12	497	359	359	-	0.0%
Total Online Campus	497	359	359	-	0.0%

- For FY 2024, the cost per pupil is projected to be an average of \$19,212 for K-12 students and \$18,817 when also accounting for Pre-kindergarten, a decrease of \$610 and \$558, per pupil, respectively. The cost per pupil calculation is based on the State formula, which excludes food service, equipment, community services, and outgoing transfers from total school system costs. The cost-per-pupil may fluctuate based upon additional receipt of funds.

Cost Per Pupil						
Group	FY 2021 Actual	FY 2022 Actual	FY 2023 Approve	FY 2024 Proposed	\$ Change	% Change
K - 12	\$ 16,139	\$ 17,792	\$ 19,822	\$ 19,212	\$ (610)	-3.1%
Pre-K - 12	\$ 15,904	\$ 15,524	\$ 19,375	\$ 18,817	\$ (558)	-2.9%

Pre-kindergarten, Kindergarten, and Preschool

- PGCPS maintains the following programs for children under five (5):
 - Infants and Toddlers Program:
 - Provides specialized instruction, related services, and service coordination through parent coaching, and home-based services.
 - 3,075 children served.
 - Special Education Preschool Program:
 - Serves students (ages 3-4 years old). Three-year old students attend a half-day program and four-year old students attend a full-day program.
 - Services provided at five (5) Early Childhood Centers (ECC): Kenmoor, H. Winship Wheatley, James Ryder Randel, Frances Fuchs, and Chapel Forge.

ECC Site	Chapel Forge	Frances Fuchs	H. Winship Wheatley	James Ryder Randall	Kenmoor	Total
3 YOs	118	237	220	99	214	888
4 YOs	86	135	194	72	105	592
TOTAL	204	372	414	171	319	1,480

- Preschool Special Education Community-Based Services:
 - Special education services in community-based settings (i.e. child care centers, Head Start programs)
 - 40 students (primarily 3 YOs)
- Early Childhood Prekindergarten:
 - Services income-eligible four-year-old students, including those with Individualized Educational Plans (IEP).
 - Full Day Capacity: 4,636
- Montessori Schools:
 - Serves three-year-old students for a half-day program and four-year-old students for a full-day program.
 - Three (3) Montessori schools (John Hanson, Judy Hoyer, and Robert Goddard)
 - Capacity: 176 for each age level.
- The Proposed FY 2024 budget includes \$4.7 million and 60 FTE positions for Special Education Early Childhood Center (ECC) Expansion at two (2) sites.

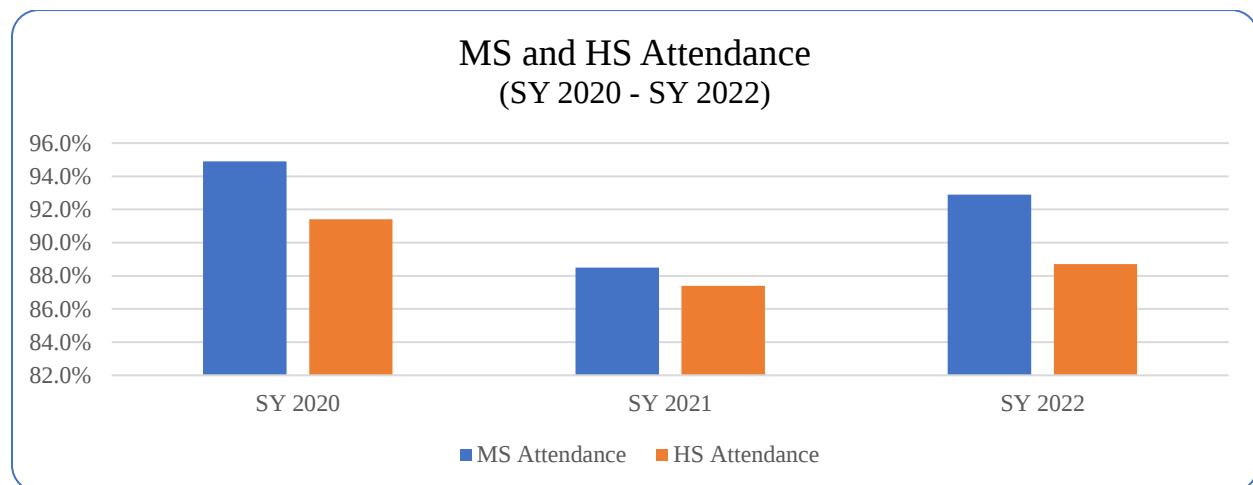
- ECCs continue to experience significant overcrowding, averaging 23 newly eligible children each month. Currently, all five (5) ECCs are overenrolled by more than 75% of the State-rated capacity.
- A full list of Prekindergarten sites was provided as an attachment in response to question 32 of the *First-Round Budget Review Questions*.
- A detailed Pre-Kindergarten expansion proposal was provided as an attachment in response to question 9d of the *First-Round Budget Review Questions*.
- Available sites and capacity for Before- and After Care Programs can be found in the attachment provided in response to question 58 of the *First-Round Budget Review Questions*.

Benchmark Assessments

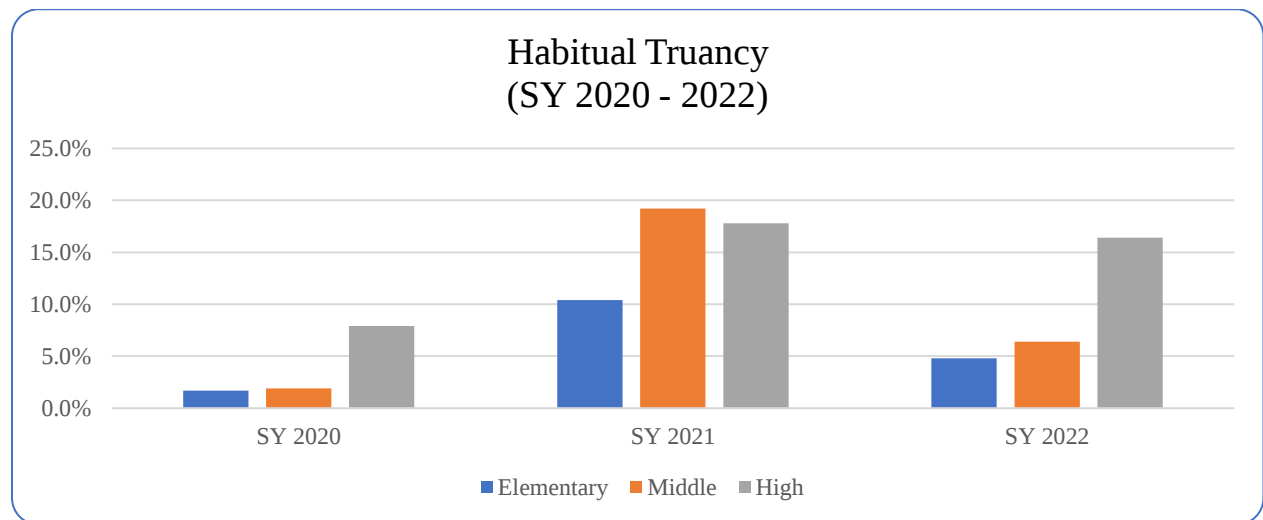
- Benchmark assessment scores, per school, for Reading and Language Arts and Mathematics can be found as an attachment in response to questions 33 (Elementary School), 35 (Middle School), and 37 (High School) of the *First-Round Budget Review Questions*.
- A discussion on current and planned remediation efforts to address low-scoring schools and students can be found in the responses to questions 34 (Elementary School), 36 (Middle School), and 38 (High School) of the *First-Round Budget Review Questions*.

Attendance and Truancy

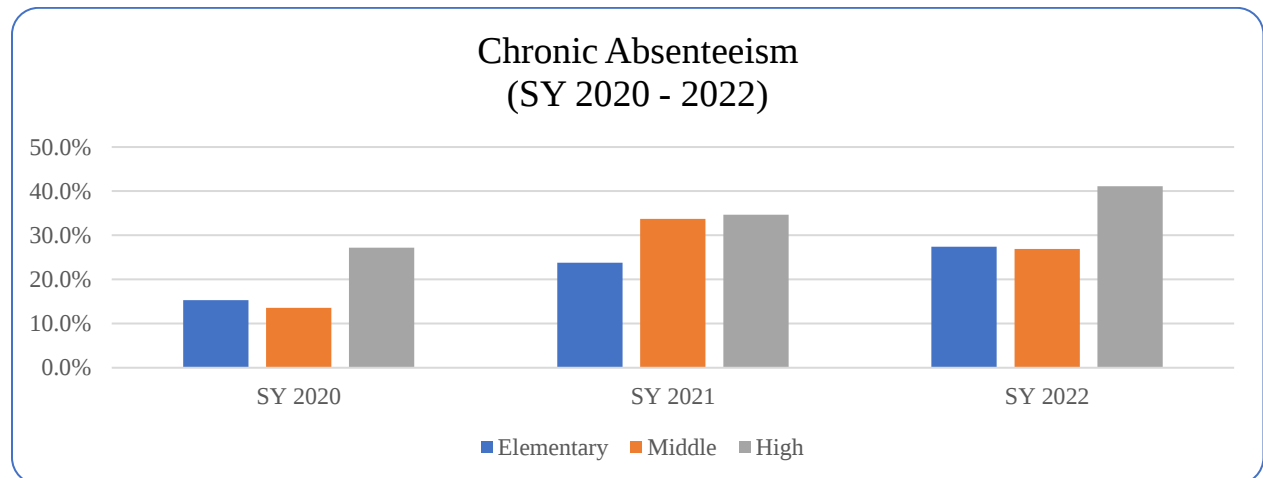
- The student attendance rates for School Years 2020 through 2022 is shown below:



- Habitual Truancy, defined as the percentage of students with unexcused absence rates over 20%, is generally trending downward since SY 2021.



- Chronic Absenteeism, defined as the percentage of students with absence rates (excused or unexcused) over 10%, has increased in Elementary and High Schools since SY 2020, while Middle Schools increased in SY 2021 and decreased in SY 2022.

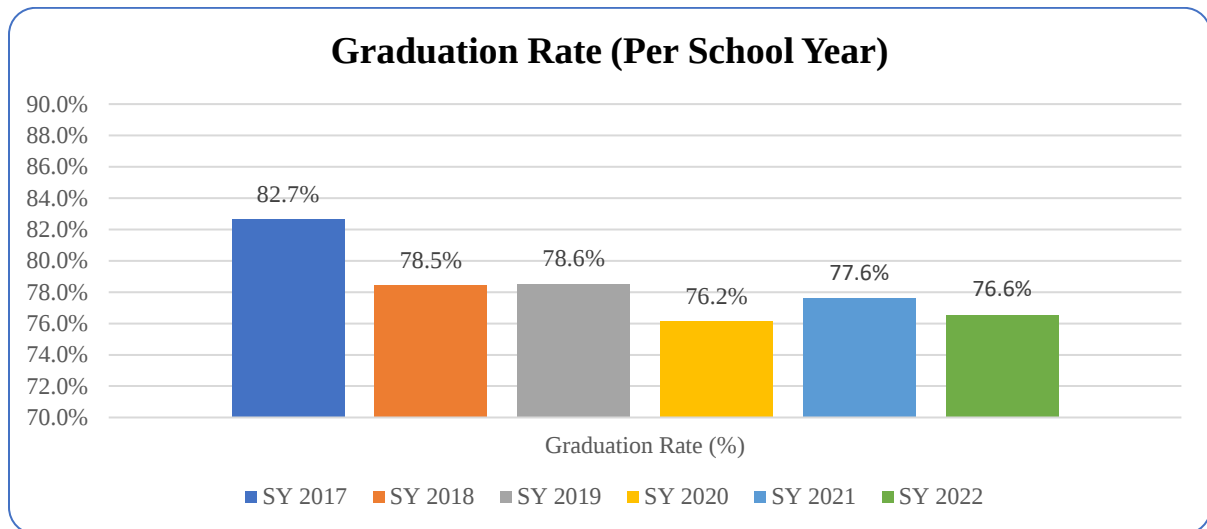


- Truancy data from SY 2019 to SY 2022, per school, can be found in the attachment provided in response to question 12 of the *Second-Round Budget Review Questions*.
- To reduce truancy, PGCPS has done instituted the following school-based and district-level initiatives:
 - Hazel Telehealth and Tele-therapy
 - Mental Health Supports
 - SMART Goals
 - School Instructional Team Referral (SIT)
 - ALLHERE – ChatBot
 - Attendance Taskforce
 - CEO and State Joint Letter and Video
 - GEER Grant
 - Pupil Personnel Workers
 - School Messenger

- Further information regarding the initiatives listed above can be found in the attachment in response to question 41 of the *First-Round Budget Review Questions*.

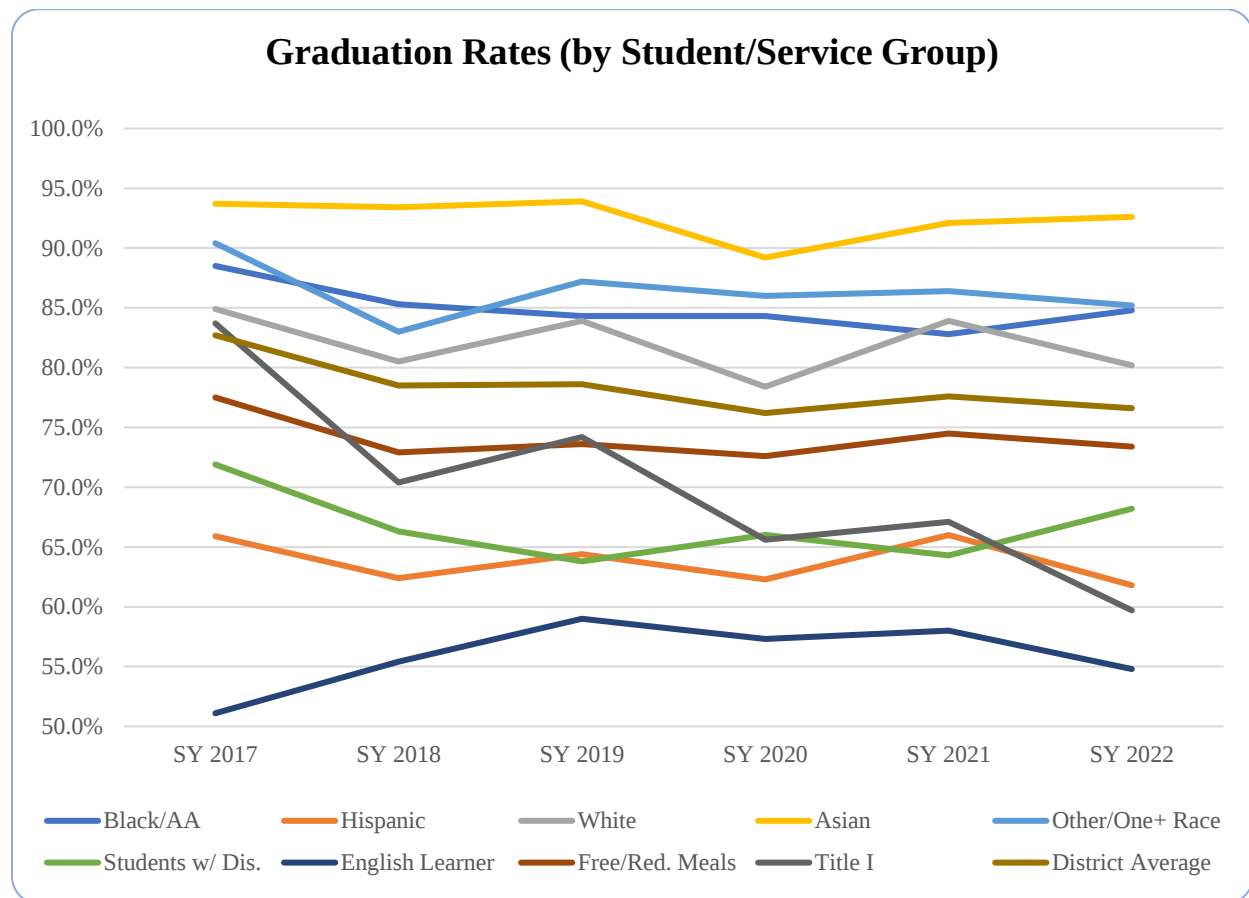
Graduation and Dropout Rates

- Graduation rates decreased from 77.6% in SY 2021 to 76.6% in SY 2022, a drop of 1.0%. Average graduation rates from SY 2017 to SY 2022 is presented in the chart below:



- Graduation rates, per school, for all high schools and specialty schools, is provided as a response to question 47 of the *First-Round Budget Review Questions*.
- Graduation rates, per student group, increased for three (3) student groups: Black/African American (2%), Asian (0.5%), and Students with Disabilities (3.9%). The largest rate drops occurred among Title I students (7.4%). Graduation rates from SY 2017 to SY 2022 are listed below:

Graduation Rates (SY 2017 – SY 2022)							
Service/Student Group	SY 2017	SY 2018	SY 2019	SY 2020	SY 2021	SY 2022	SY 2022 - SY 2021 Change
Black/African American	88.5%	85.3%	84.3%	84.3%	82.8%	84.8%	2.0%
Hispanic	65.9%	62.4%	64.4%	62.3%	66.0%	61.8%	-4.2%
White	84.9%	80.5%	83.9%	78.4%	83.9%	80.2%	-3.7%
Asian	93.7%	93.4%	93.9%	89.2%	92.1%	92.6%	0.5%
Other/More than one race	90.4%	83.0%	87.2%	86.0%	86.4%	85.2%	-1.2%
Students w/ disabilities	71.9%	66.3%	63.8%	66.0%	64.3%	68.2%	3.9%
English Learner	51.1%	55.4%	59.0%	57.3%	58.0%	54.8%	-3.2%
Free/Reduced Meals	77.5%	72.9%	73.6%	72.6%	74.5%	73.4%	-1.1%
Title I	83.7%	70.4%	74.2%	65.6%	67.1%	59.7%	-7.4%
District Average	82.7%	78.5%	78.6%	76.2%	77.6%	76.6%	-1.0%



- Dropout Rates were highest among English Learners (32.6%), Title I (31.2%), Hispanic (29.2%), and Title I (24.28%) groups. Dropout rates, per student group, are listed below:

Dropout Rates (SY 2017 – SY 2022)							
Service/Student Group	SY 2017	SY 2018	SY 2019	SY 2020	SY 2021	SY 2022	Change SY 2022 to SY 2021
Black/African American	8.0%	9.9%	9.9%	9.8%	10.2%	8.5%	-1.7%
Hispanic	28.6%	31.0%	29.3%	31.0%	26.1%	29.2%	3.1%
White	11.7%	14.3%	11.7%	17.9%	12.9%	15.2%	2.4%
Asian	4.8%	4.3%	3.6%	8.1%	6.1%	4.7%	-1.4%
Other/More than one	7.2%	10.1%	9.2%	9.2%	8.6%	7.1%	-1.5%
Students w/ disabilities	13.4%	20.3%	13.9%	13.0%	13.9%	12.8%	-1.1%
English Learners	39.8%	36.2%	33.9%	32.6%	31.9%	32.6%	0.7%
Free/Reduced Meals	17.3%	20.5%	19.3%	20.4%	16.5%	18.1%	1.6%
Title I	10.2%	23.3%	21.4%	28.4%	24.3%	31.2%	6.9%
District Average	13.4%	16.2%	15.7%	17.8%	15.4%	16.0%	0.7%

Free And Reduced Meals (FARM) Students

- Due to the COVID-19 pandemic and virtual learning, restrictions changed and lifted the requirement for individuals to be students of PGCPs to receive free meals. As a result, PGCPs provided 100% free meals to all students for SY 2021 and SY 2022.
- Applications for Free and Reduced Meals are due again beginning July 1, 2022.
- The response to question 43 of the *First-Round Budget Review Questions* details the enrollment percentage participation, per school.

Specialty Programs

- For FY 2023, PGCPs notes 13 specialty programs at different school levels. The attachment provided as a response to questions 52 and 53 of the *First-Round Budget Review Questions* provides a detailed list of specialty programs available, per school, and their respective capacity.

Career and Technical Education (CTE) Programs

- For FY 2024, PGCPs notes twenty-three (23) high schools with CTE programs. Further details on the types of programs offered, per school, can be found in the attachment provided as a response to questions 54 and 55 of the *First-Round Budget Review Questions*.

Non-Traditional Programs

- PGCPs maintains a non-traditional school program with three (3) regional campuses:

Region	Capacity
North	292
Middle	230
South	120

- During the 2021-2022 school year, a redesign of the five (5) existing alternative school (Annapolis Road, Green Valley, Croom, Tall Oaks, and Community-Based Classroom) resulted in a shift to the three (3) regional schools listed above.
- Further information and details on each of the regional programs was provided as a response to question 56 of the *First-Round Budget Review Questions*.

Class Size

- As of March 30, 2023, average number of students per homeroom or section is listed below:
 - *Elementary Schools*: 19.6
 - *Combination Schools*: 18.0
 - *Middle Schools*: 20.7
 - *High Schools*: 17.6
 - *Alternative High Schools*: 6.1
 - Non-Traditional Program Middle: 16

- Non-Traditional Program North: 5
- Non-Traditional Program South: 6
- Online Campus: 14
- *Charter Schools*: 20.4
- *Early Childhood Centers*: 12.8
- *Regional Schools*: 4 (C. Elizabeth Rieg) and 3 (James E. Duckworth)

Relocatable Classrooms

- There are currently 563 relocatable classrooms in PGCPs's inventory. 510 are used as classroom space and 53 units are for central office staff offices. During FY 2022, PGCPs switched from single classroom units to large, modular buildings consisting of six (6) to ten (10) classrooms.
- The attachment provided as a response to question 60 of the *First-Round budget Review Questions* details the location, number of buildings, and year built for each temporary building.

Partnerships

- A complete list of schools with partnerships agreements for financial and/or in-kind donations and memoranda of understanding for mentoring/tutoring programs for SY 2022-2023 can be found in the attachment provided as a response to questions 61 of the *First-Round Budget Review Questions*.