

Board of Education - Fiscal Year 2022 Operating Budget Review Summary

Proposed FY 2022 Operating Budget

Proposed Operating Budget Comparison

	FY 2020 Actual	FY 2021 Approved	FY 2022 Proposed	\$ Change	% Change
Total	\$2,078,956,308	\$2,278,138,000	\$2,342,580,100	\$64,442,100	2.8%

Expenditures by State Category

Category	FY 2020 Actual	FY 2021 Approved	FY 2021 Estimate	FY 2022 Proposed	\$ Change	% Change
Administration	\$ 62,021,984	\$ 90,229,400	\$ 88,810,500	\$ 67,309,000	\$ (22,920,400)	-25.40%
Instructional Salaries	\$ 698,953,670	\$ 787,312,900	\$ 787,584,400	\$ 806,240,500	\$ 18,927,600	2.40%
Student Personnel Services	\$ 22,119,069	\$ 32,604,100	\$ 45,521,600	\$ 38,589,400	\$ 5,985,300	18.4%
Student Transportation Services	\$ 110,507,123	\$ 119,085,200	\$ 111,716,500	\$ 107,102,100	\$ (11,983,100)	-10.1%
Operation of Plant	\$ 126,767,724	\$ 140,487,900	\$ 142,519,600	\$ 133,915,000	\$ (6,572,900)	-4.7%
Maintenance of Plant	\$ 53,690,435	\$ 48,425,100	\$ 48,241,800	\$ 53,100,500	\$ 4,675,400	9.7%
Community Services	\$ 2,493,468	\$ 4,583,000	\$ 4,775,000	\$ 5,664,900	\$ 1,081,900	23.6%
Fixed Charges	\$ 432,180,424	\$ 452,743,700	\$ 476,294,300	\$ 498,673,000	\$ 45,929,300	10.1%
Health Services	\$ 17,876,345	\$ 24,549,800	\$ 24,951,100	\$ 22,604,800	\$ (1,945,000)	-7.9%
Special Education	\$ 296,775,373	\$ 314,579,300	\$ 322,436,000	\$ 325,333,300	\$ 10,754,000	3.4%
Mid-Level Administration	\$ 131,544,079	\$ 142,869,000	\$ 145,052,700	\$ 149,580,900	\$ 6,711,900	4.7%
Textbooks and Instructional Materials	\$ 18,176,871	\$ 20,284,300	\$ 21,260,800	\$ 21,716,800	\$ 1,432,500	7.1%
Other Instructional Costs	\$ 105,649,743	\$ 94,882,300	\$ 92,650,000	\$ 88,813,900	\$ (6,068,400)	-6.4%
Food Services Subsidy	\$ 200,000	\$ 5,178,100	\$ 7,416,900	\$ 8,686,000	\$ 3,507,900	67.7%
Capital Outlay	\$ -	\$ 323,900	\$ 275,000	\$ 250,000	\$ (73,900)	-22.8%
Public Private Partnerships	\$ -	\$ -	\$ -	\$ 15,000,000	\$ 15,000,000	100.0%
Total	\$ 2,078,956,308	\$ 2,278,138,000	\$ 2,319,506,200	\$ 2,342,580,100	\$ 64,442,100	2.8%

Authorized Staffing - All Classifications

Fund	FY 2021 FT Approved	FY 2022 FT Proposed	Change Amount	% Change
General Fund	20,061	20,011	(50)	-0.2%
Total	20,061	20,011	(50)	-0.2%

Expenditures by Category

Category	FY 2020 Actual	FY 2021 Approved	FY 2021 Estimate	FY 2022 Proposed	Change Amount	% Change
Compensation	\$ 1,273,936,703	\$ 1,441,123,700	\$ 1,457,579,300	\$ 1,484,962,400	\$ 43,838,700	3.0%
Fringe Benefits	412,246,772	435,245,300	458,722,600	481,114,200	\$ 45,868,900	10.5%
Operating Expenses	366,391,093	385,447,600	388,051,900	362,699,200	\$ (22,748,400)	-5.9%
Capital Outlay	26,381,740	16,321,400	15,152,400	13,804,300	\$ (2,517,100)	-15.4%
Total	\$ 2,078,956,308	\$ 2,278,138,000	\$ 2,319,506,200	\$ 2,342,580,100	\$ 64,442,100	2.8%

- The FY 2022 proposed County Contribution to the budget is \$816,295,000.
- *Compensation*: (Increased) Due to negotiated salary improvements and additional allocation of student based staffing resources offset by salary lapse and other office restructuring.
- *Fringe Benefits*: (Increased) To align with anticipated health and life insurance premium increases.
- *Operating*: (Decreased)
- *Capital Outlay*: (Decreased)



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

April 26, 2021

MEMORANDUM

TO: Calvin S. Hawkins, II, Council Chair
Committee of the Whole (COW)

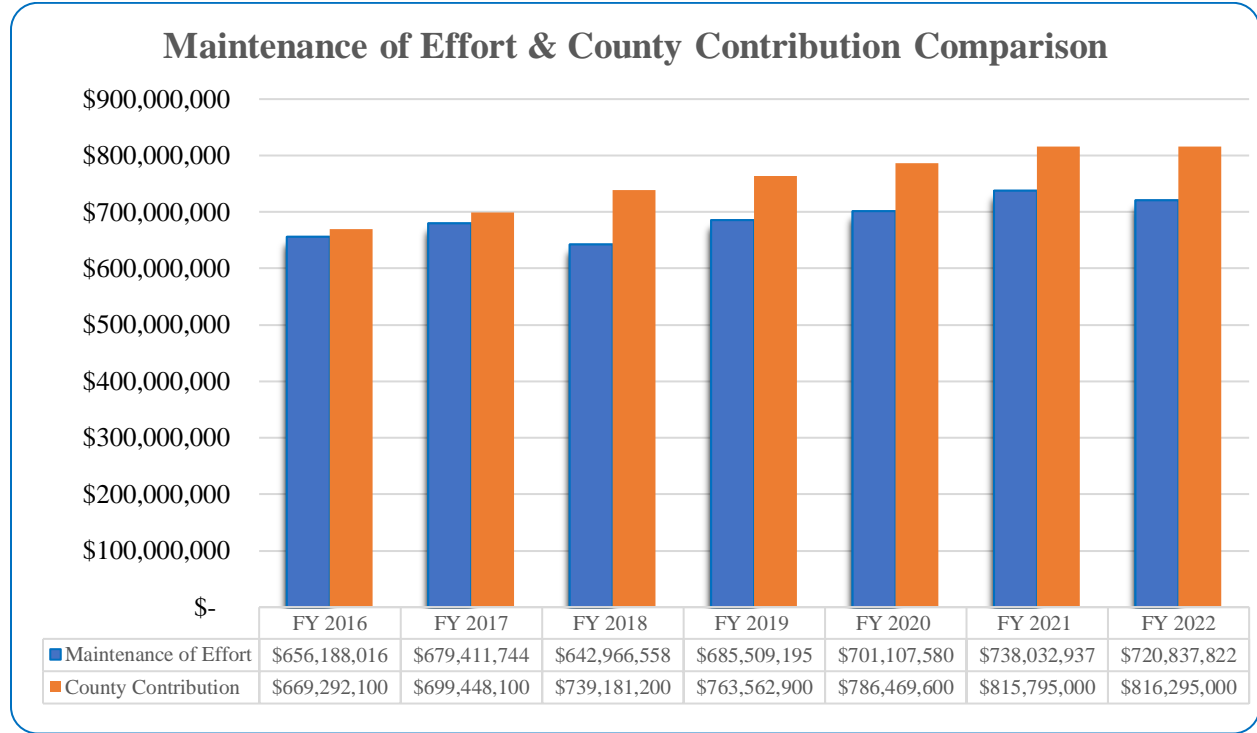
THRU: David H. Van Dyke, County Auditor

FROM: Arian Albear, Legislative Budget and Policy Analyst

RE: Board of Education
Fiscal Year 2022 Operating Budget Review

Budget Overview

The County Executive's FY 2022 Proposed Budget (the "Proposed Budget") for the Board of Education (the "Board" or "BoE") totals \$2,342,580,100, an increase of \$64,442,100, or 2.8%, over the approved budget for FY 2021. The Proposed Budget is \$19,240,740, or 0.8%, more than the Board's FY 2022 Requested Annual Operating Budget of \$2,361,820,840. The FY 2022 Proposed County Contribution is \$816,295,000 and the Maintenance of Effort (MOE) requirement is \$720,837,822.



IMPACT OF COVID-19 PANDEMIC

Impact on Personnel

- April 1, 2020, educators shifted from 100% in-person to 100% virtual instruction. This required additional technological purchases, training, and cyber-security.
- Reduction in personnel has only occurred in the Before and After School Extended Learning Program.

Employee Safety

- Steps taken to ensure employee safety in schools and buildings include:
 - Placing appropriate signage to remind staff to wear a mask, social distance, wash hands, and limit inter-personal interactions in offices; Implement teleworking schedules; Improvement of air filters; Conduct air quality assessments; Install Plexiglass barriers; Place air purifiers; Order and maintain inventory of Personal Protective Equipment (PPE); Clean buildings thoroughly; Place Electrostatic Machines to disinfect and clean; Install hand sanitize dispensers; Train building custodians and supervisors in Centers for Disease Control and Prevention (CDC) guidelines; Restrict student access to water fountains; Open buildings by appointment only; Test for COVID-19 whenever there is a suspected case; Provide schools with rapid-testing kits; Allow all school staff to receive their vaccine before a return to school; Place restrictions on school buses for staff and students.

Employee Recruitment and Retention

- Recruitment conducted virtually throughout the pandemic.
- The pandemic has had a positive impact on retention.

Operations and Services

- Postponement of the student apprentice program – the 2021 graduating class missed the opportunity to work as apprentices.
- Several Capital Projects were delayed for approximately three (3) months.
- Delays in delivery of supplies for buses and some non-bus vehicles, delays in titling vehicles.
- Building Services staff worked at a modified 50% capacity for all maintenance and custodial personnel.
- Average number of days to complete a work order increased from 127 to 180 days (currently 146 days).

Additional Funding

Program	Grant Name	Amount
CARES Act	Coronavirus Relief Fund – Technology Grant	\$14 million
CARES Act	Coronavirus Relief Fund – Tutoring Grant	\$16 million
CARES Act	Elementary and Secondary School Emergency Relief Fund (ESSER)	\$30 million
CARES Act	Governor’s Emergency Education Relief Fund – K-12 Grant (ESSER)	\$2 million
CARES Act	Governor’s Emergency Education Relief Fund – Innovative Approaches to Connecting with Students Grant	\$0.4 million
Governor’s Office of Rural Broadband	Governor’s Broadband for Unserved Students Grant	\$0.5 million
	Total	\$62.9 million

- Additional applications were submitted for the following grants: Coronavirus Response Relief Supplemental Appropriations Act – ESSER II Grant - \$122 million and Coronavirus Response Relief Supplemental Appropriations Act – GEER II Grant – Innovative Approaches to Connecting with

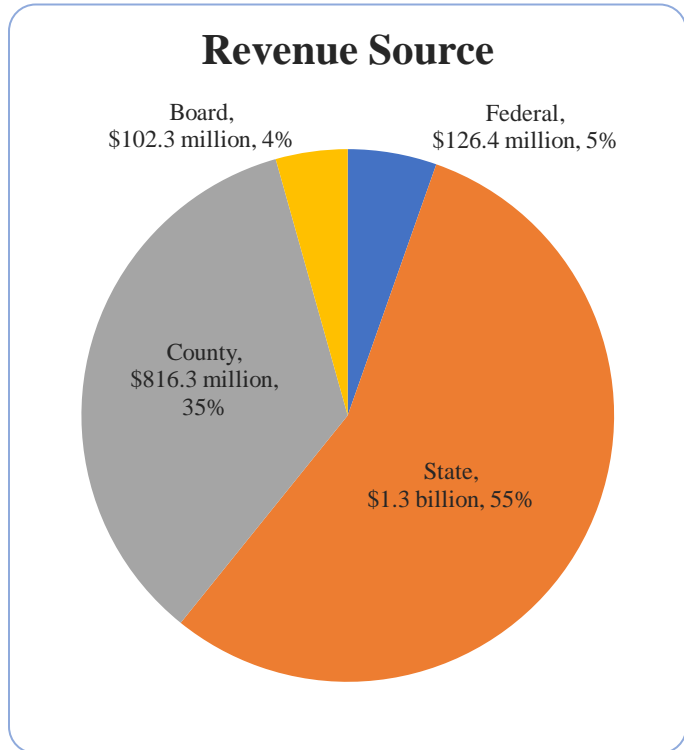
Proposed Budget Revenue

EDUCATION REVENUE SOURCES					
Source	FY 2020 Actual	FY 2021 Approved	FY 2022 Proposed	\$ Change	% Change
<u>Federal Sources:</u>					
Unrestricted Federal Aid	\$ 63,494	\$ 98,200	\$ 98,100	\$ (100)	-0.1%
Restricted (R) Federal Aid	93,595,573	124,407,300	126,315,300	1,908,000	1.5%
Subtotal Federal Sources	93,659,067	124,505,500	126,413,400	\$ 1,907,900	1.5%
<u>State Aid:</u>					
Foundation Program	\$ 549,243,367	\$ 567,228,400	\$ 555,666,200	\$ (11,562,200)	-2.0%
Geographic Cost of Education Index	44,290,251	45,949,500	45,228,500	(721,000)	-1.6%
Special Education	45,841,198	47,576,000	46,343,700	(1,232,300)	-2.6%
Nonpublic Placements	24,202,750	23,863,800	22,770,300	(1,093,500)	-4.6%
Transportation Aid	44,368,583	45,654,500	41,502,000	(4,152,500)	-9.1%
Compensatory Education	289,088,420	298,753,800	254,510,200	(44,243,600)	-14.8%
Limited English Proficiency	113,918,817	126,626,600	117,340,000	(9,286,600)	-7.3%
Net Taxable Income	27,763,521	29,900,200	17,202,200	(12,698,000)	-42.5%
Guaranteed Tax Base	-	-	-	0	0.0%
Supplemental Grant and Other State Aid	20,505,652	20,505,700	20,505,700	0	0.0%
Tax Increment Financing	546,785	880,000	700,800	(179,200)	-20.4%
Other State Aid	336,111	-	-	0	0.0%
Kirwan - Prekindergarten	14,026,871	15,555,600	12,381,100	(3,174,500)	-20.4%
Kirwan - Teacher Salary Incentives	13,386,052	13,386,100	13,386,100	0	0.0%
Kirwan - Concentration of Poverty (R)	2,752,577	16,174,100	18,164,800	1,990,700	12.3%
Kirwan - Mental Health Coordinators (R)	83,333	83,300	83,300	0	0.0%
Kirwan - Special Education (R)	9,957,730	10,114,900	10,114,900	0	0.0%
Kirwan - Transitional Supplemental Instruction (R)	3,554,091	4,819,600	4,819,600	0	0.0%
Blueprint - Supplemental Instruction/Tutoring (R)	-	-	24,336,100	24,336,100	100.0%
Blueprint - Hold Harmless - Declining Enrollment	-	-	79,612,500	79,612,500	100.0%
Blueprint - Hold Harmless - Disabled Transportation	-	-	4,563,000	4,563,000	100.0%
Other Restricted Grants (R)	7,708,038	12,046,700	8,473,500	(3,573,200)	-29.7%
Subtotal State Aid	\$ 1,211,574,147	\$ 1,279,118,800	\$ 1,297,704,500	\$ 18,585,700	1.5%
<u>County Revenue:</u>					
General County Sources	\$537,782,763	\$527,861,400	\$567,527,300	\$ 39,665,900	7.5%
Real Property/BOE - Tax Increase	33,935,146	38,629,300	36,504,000	(2,125,300)	-5.5%
Personal Property/BOE - Tax Increase	3,248,588	3,403,600	2,923,700	(479,900)	-14.1%
Telecommunications Tax	17,896,343	20,002,000	13,500,000	(6,502,000)	-32.5%
Energy Tax	71,731,636	93,304,400	72,420,000	(20,884,400)	-22.4%
Transfer Tax	121,875,124	132,594,300	123,420,000	(9,174,300)	-6.9%
Subtotal County Revenue	\$ 786,469,600	\$ 815,795,000	\$ 816,295,000	\$ 500,000	0.1%
<u>Board Sources:</u>					
Board Sources	\$17,892,994	\$19,393,000	\$18,231,500	\$ (1,161,500)	-6.0%
Use of Fund Balance	-	39,325,700	83,935,700	44,610,000	113.4%
Subtotal Board Sources	\$ 17,892,994	\$ 58,718,700	\$ 102,167,200	\$ 43,448,500	74.0%
TOTAL	\$ 2,109,595,808	\$ 2,278,138,000	\$ 2,342,580,100	\$ 64,442,100	2.8%

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¹ (R) - Restricted

- Total revenue from all funding sources for FY 2022 is proposed to increase by \$64,442,100, or 2.8%, over the FY 2021 approved level. This is mainly due to increased use of fund balance and the Blueprint for Maryland’s Future grants. State Aid increases are partially offset by decreases in funding for Compensatory Education, Net Taxable Income, and Foundation Program grants.



Federal Aid

- Total Federal Aid for FY 2022 is proposed at \$126,413,400, an increase of \$1,907,900, or 1.5%, over the FY 2021 Approved Budget. FY 2021 estimated revenues are \$154,414,500 an increase of \$29,909,000 over the FY 2021 Approved Budget. Federal funding comprises 5.4% of the Board’s total proposed funding.

State Aid

- Total State Aid for FY 2022 is anticipated to be \$1,297,704,500, an increase of \$18,585,700, or 1.5%, over the FY 2021 approved level. This increase is mainly due to the Blueprint for Maryland’s Future grants and the Kirwan – Concentration of Poverty grant (12.3%) which are partly offset by decreases in Transportation Aid (-9.1%), Compensatory Education (-14.8%), Limited English Proficiency (-7.3% - due to drop in enrollment), Net Taxable Income (-42.5%), Tax Increment Financing (-20.4%), and Kirwan – Prekindergarten funding (-20.4%) as well as Other Restricted Grants (-29.7%). State Aid comprises 55.4% of the Board’s total proposed funding.

The Blueprint for Maryland’s Future grants for FY 2022 are:

- Supplemental Instruction/Tutoring (Restricted) \$24,336,100
- Hold Harmless Grants – Declining Enrollment \$79,612,500
- Hold Harmless Grants – Disabled Transportation \$4,563,000

- Direct State Aid (in millions) to PGCPs projected as a result of the Blueprint for Maryland’s Future – Implementation (HB 1300) and Blueprint for Maryland’s Future – Revisions (HB 1372) for the years up to FY 2030 are summarized below:

Bill	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
HB 1300 (2020)	\$151.8	\$193.0	\$249.4	\$289.7	\$347.7	\$408.6	\$483.2	\$571.3	\$669.2
HB 1372 (2021)	(\$151.8)	\$1.8	\$4.7	\$8.5	\$17.1	\$21.8	\$27.5	\$14.4	\$10.9
Combined	\$0.0	\$194.8	\$254.1	\$298.2	\$364.8	\$430.4	\$510.7	\$585.7	\$680.1

- From FY 2024, the Geographic Cost of Education Index (GCEI) will be repealed and replaced by the Comparable Wage Index (CWI). CWI includes only wage costs while GCEI is a broader cost index.

For Prince George's County, the CWI Adjustment is 0.129 multiplied by the foundation program amount. Additionally, Tax Increment Financing Grants are repealed.

- Federal and State Aid combined are proposed at \$1,424,117,900, or 60.8% of the proposed FY 2022 budget.

County Contribution

- The FY 2022 proposed County Contribution to the Board of Education is \$816,295,000, an increase of \$500,000, or 0.1%, over the FY 2021 approved budget. The increase is to access the Blueprint for Maryland's Future – Hold Harmless Grants listed above. County source revenue comprises 34.8% of the Board's total proposed funding.
- The County Contribution is composed of County revenue from the various sources discussed below:
 - All revenue from the County's Energy Tax are earmarked for the school system. FY 2022 proposed funding include a decrease of \$20,884,400, or 22.4% to \$72,420,000.
 - The Energy Tax is levied upon organizations transmitting, distributing, manufacturing, producing, or supplying electricity, gas, steam, coal, fuel, oil, or liquefied petroleum gas for the County based on units of energy sold.
 - All revenue from the County's Transfer Tax are earmarked for the school system. FY 2022 proposed funding include a decrease of \$9,174,300, or 6.9% to \$123,420,000.
 - The Transfer Tax is imposed upon every written instrument conveying title to real property, or upon leasehold interest, offered for record and recorded by the State. The tax rate is unchanged at 1.4% for FY 2022.
 - Net proceeds of the Telecommunications Tax are dedicated to the school system with a caveat that 10% of the net proceeds be utilized to fund school renovation and systemic replacement projects. FY 2022 proposed funding include a decrease of \$6,502,000, or 32.5% to \$13,500,000. 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 monthly tax levied upon all telecommunications bills in the County (including wireless phones).
 - The Real Property Tax rate for FY 2022 is \$1.00 per \$100 of assessable value; the revenue anticipated from the tax is \$36.5 million.
 - The Personal Property Tax rate for FY 2022 is \$2.50 per \$100 of assessable value; the revenue anticipated from the tax is \$2.9 million.
- For FY 2022, \$1,511,000 is proposed to be provided to the Board of Education for Crossland High School from annual local gaming revenue to support operations and is reflected within the County Contribution.
- Direct Local County Appropriations (in millions) to PGCPs projected as a result of the Blueprint for Maryland's Future – Implementation (HB 1300) and Blueprint for Maryland's Future – Revisions (HB 1372) for the years up to FY 2030 are summarized below:

Bill	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
HB 1300 (2020)	\$8.5	\$38.8	\$64.1	\$60.0	\$77.9	\$90.7	\$105.0	\$126.5	\$141.9
HB 1372 (2021)	(\$8.5)	\$0.0	\$0.0	\$0.3	\$8.0	\$10.0	\$10.0	\$9.7	\$10.1
Combined	\$0.0	\$38.8	\$64.1	\$60.3	\$85.9	\$100.7	\$115.0	\$136.2	\$152.0

Fund Balance

- The Board of Education is proposing to use \$83,935,700 of their total fund balance as a revenue source for FY 2022. This amount is an increase of \$44,610,000, or 113.4% over the prior year amount. As of June 30, 2020, the Board of Education's total Fund Balance was \$256,294,445, of which \$77,958,131 was unassigned.²
- If fully spent, the unassigned fund balance as of June 30, 2022 will be negative \$5.9 million. In practice, this will artificially reduce reserves for specific liabilities and litigation.

Proposed Budget Expenditures

Change in Expenditures by Category					
Category	FY 2020 Actual	FY 2021 Approved	FY 2022 Proposed	\$ Change	% Change
Compensation	\$ 1,273,936,703	\$ 1,441,123,700	\$ 1,484,962,400	\$ 43,838,700	3.0%
Fringe Benefits	412,246,772	435,245,300	481,114,200	45,868,900	10.5%
Operating Expenses	366,391,093	385,447,600	362,699,200	(22,748,400)	-5.9%
Capital Outlay	26,381,740	16,321,400	13,804,300	(2,517,100)	-15.4%
Total	\$ 2,078,956,308	\$ 2,278,138,000	\$ 2,342,580,100	\$ 64,442,100	2.8%

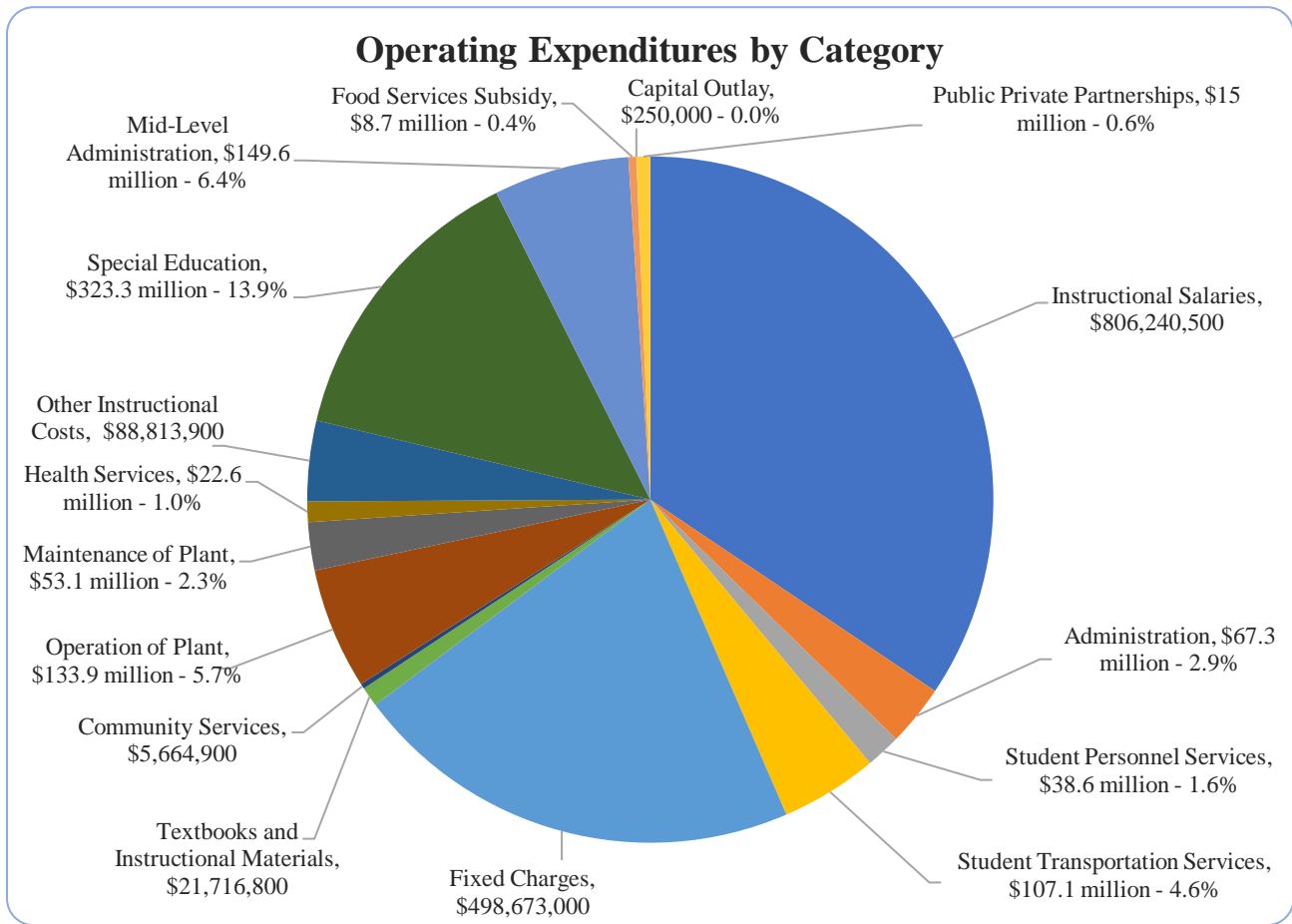
- FY 2022 total proposed expenditure is \$2,342,580,100, an increase of \$64,442,100, or 2.8%, over the FY 2021 Approved Budget.
- Compensation is proposed to increase by 3%, primarily due to negotiated FY 2021 mid-year and FY 2022 salary improvements for various collective bargaining units and the additional allocation of student based budgeting staffing resources. Increases are partially offset by salary lapses and other office restructuring initiatives. Compensation costs include funding for all 20,011 full-time employees.
- Fringe Benefits are proposed to increase by 10.5% due to anticipated health and life insurance costs.
- Operating Expenses are proposed to decrease by 5.9% to align with projected costs.
- Capital Outlay expenditures are proposed to decrease by 15.4%.

² 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.

Change in Expenditures by State Category						
Category	FY 2020 Actual	FY 2021 Approved	FY 2021 Estimate	FY 2022 Proposed	\$ Change	% Change
Administration	\$ 62,021,984	\$ 90,229,400	\$ 88,810,500	\$ 67,309,000	\$ (22,920,400)	-25.4%
Instructional Salaries	698,953,670	787,312,900	787,584,400	806,240,500	18,927,600	2.4%
Student Personnel Services	22,119,069	32,604,100	45,521,600	38,589,400	5,985,300	18.4%
Student Transportation Services	110,507,123	119,085,200	111,716,500	107,102,100	(11,983,100)	-10.1%
Operation of Plant	126,767,724	140,487,900	142,519,600	133,915,000	(6,572,900)	-4.7%
Maintenance of Plant	53,690,435	48,425,100	48,241,800	53,100,500	4,675,400	9.7%
Community Services	2,493,468	4,583,000	4,775,000	5,664,900	1,081,900	23.6%
Fixed Charges	432,180,424	452,743,700	476,294,300	498,673,000	45,929,300	10.1%
Health Services	17,876,345	24,549,800	24,951,100	22,604,800	(1,945,000)	-7.9%
Special Education	296,775,373	314,579,300	322,436,000	325,333,300	10,754,000	3.4%
Mid-Level Administration	131,544,079	142,869,000	145,052,700	149,580,900	6,711,900	4.7%
Textbooks and Instructional Materials	18,176,871	20,284,300	21,260,800	21,716,800	1,432,500	7.1%
Other Instructional Costs	105,649,743	94,882,300	92,650,000	88,813,900	(6,068,400)	-6.4%
Food Services Subsidy	200,000	5,178,100	7,416,900	8,686,000	3,507,900	67.7%
Capital Outlay	-	323,900	275,000	250,000	(73,900)	-22.8%
Public Private Partnerships	-	-	-	15,000,000	15,000,000	100.0%
Total	\$2,078,956,308	\$ 2,278,138,000	\$ 2,319,506,200	\$ 2,342,580,100	\$ 64,442,100	2.8%

- FY 2022 total proposed expenditure is \$2,342,580,100, an increase of \$64,442,100, or 2.8%, over the FY 2021 Approved Budget. This increase is attributable to Instructional Salaries, Special Education, Food Service Subsidy, and Fixed Charges. Expenditures increases are partially offset by decreases in Administration and Student Transportation Services.
- Instructional Salaries are proposed to increase by \$18,927,600, or 2.4%, over the FY 2021 Approved Budget. The variance is due to additional staff and negotiated salary increases.
- Student Personnel Services expenditures are proposed to increase by \$5,985,300, or 18.4%, over the FY 2021 Approved Budget. The variance is due to base budget adjustments and anticipated grants.
- Maintenance of Plant expenditures are proposed to increase by \$4,675,400, or 9.7%, over the FY 2021 Approved Budget. The variance is due to an increase in contracted services and maintenance supplies, offset by a decrease in restricted funding due to the ending of the grant to support the enhancement of school safety in FY 2021.
- Community Services expenditures are proposed to increase by \$1,081,900, or 23.6%, over the FY 2021 Approved Budget. The variance is due to increases in grant funding for Judith P. Hoyer programs.
- Fixed Charges expenditures are proposed to increase by \$45,929,300, or 10.1%, over the FY 2021 Approved Budget. The variance is due to health and life insurance rate increases, an increase in employee benefit costs associated with proposed employee negotiated compensation commitments.
- Special Education expenditures are proposed to increase by \$10,754,000, or 3.4%, over the FY 2021 Approved Budget. The variance is due to negotiated salary increases.

- Mid-Level Administration expenditures are proposed to increase by \$6,711,900, or 4.7%, over the FY 2021 Approved Budget to support proposed negotiated compensation increases for employees within this category. The variance is due to negotiated salary increases.
- Textbook and Instructional Materials expenditures are proposed to increase by \$1,432,500, or 7.1% over the FY 2021 Approved Budget. The variance is due to money to support the reserve for future grants, offset by a reduction in programmatic discretionary funds.
- Food Service Subsidy expenditures are proposed to increase by \$3,507,900, or 67.7%, over the FY 2021 Approved Budget. The variance is due to negotiated salary increases.
- FY 2022 expenditures include the addition of the Public Private Partnership category in the amount of \$15,000,000.
- FY 2022 expenditures for Administration are proposed to decrease by \$22,920,400, or 25.4%, under FY 2021 Approved Budget. The variance is due to a reduction in restricted funds as a result of the planned ending of the Great Teachers, Great Schools, Great Leaders (TSL/G3) Grant.
- Student Transportation Services are proposed to decrease by \$11,983,100, or 10.1%, under the FY 2021 Approved Budget. The variance is due to a reduction in restricted funds related to contracted services, negotiated salary increases, and a reduction in lease purchase budget due to prepayment for bus and non-bus vehicles lease purchase payments made in FY 2021.
- Operation of Plant expenditures are proposed to decrease by \$6,572,900, or 4.7%, under the FY 2021 Approved Budget. The variance is due to reductions in restricted funds related to contracted services and other miscellaneous supplies, an increase in restricted overtime as a result of the Elementary and Secondary School Emergency Relief (ESSER) grant award, and a reduction in lease purchase budget due to prepayments for energy management lease purchases made in FY 2021.
- Health Services expenditures are proposed to decrease by \$1,945,000, or 7.9%, under the FY 2021 Approved Budget. The variance is due to decreases in the Anticipated Restricted (Grants) Reserve and Safe School Grant funds, offset by \$854,000 in negotiated salary increases.
- Other Instructional Costs are proposed to decrease by \$6,068,400, or 6.4% under the FY 2021 Approved Budget. The variance is due to a reduction in programmatic discretionary funds, offset by an increase to support reserves for future grants.
- Capital Outlay expenditures are proposed to decrease by \$73,900, or 22.8%, under the FY 2021 Approved Budget. The variance is due to reduced expenditures for Equipment Property – Self-Insurance.



Staffing Changes

- Proposed staffing for FY 2022 totals 20,011 full-time positions, a decrease of 50 full-time positions under the number of positions budgeted for FY 2021.

Staffing by Position Type				
Positions by Category	Approved FY 2020	Approved FY 2021	Proposed FY 2022	Change
CEO, Chiefs, Administrators, Area Assistant Superintendants	16	15	16	1
Directors, Coordinators, Supervisors, Specialists	445	459	462	3
Principals	217	217	212	(5)
Assistant Principals	312	317	323	6
Teachers	9,708	10,013	9,903	(110)
Therapists	171	173	173	-
Guidance Counselors	370	376	386	10
Librarians	128	127	128	1
Psychologists	95	101	99	(2)
Pupil Personnel Workers, School Social Workers	61	65	71	6
Nurses	234	234	234	-
Other Professional Staff	352	365	387	22
Secretaries and Clerks	865	884	892	8
Bus Drivers	1,448	1,441	1,441	-
Aide - Paraprofessionals	2,222	2,290	2,242	(48)
Other Staff	2,947	2,984	3,042	58
Total Positions	19,591	20,061	20,011	(50)

- The Board’s FY 2022 Requested Annual Operating Budget includes \$4,765,197 for carryover compensation costs related to FY 2021. The Board is committed to provide \$21,681,697 in step increases, \$11,809,202 in Cost of Living Adjustments (COLAs), and \$4,668,748 in Board Certified Stipends. PGCEA and ACE/AFSCME have ongoing contracts through June 30, 2022; ASASP II, ASASP III, SEIU, and Non-represented groups have contracts that will end on June 30, 2021 and negotiations have not been finalized. A breakdown of compensation enhancements by union has been provided in the table below.

FY 2022 Negotiated Compensation Commitments						
Union	Current Contract Ends	FY 2021 Step/COLA Carryover Cost	FY 2022 Step Increase	FY 2022 COLA	FY 2022 Board Certified Stipends	Total
ASASP II	June 30, 2021	\$ -	*	*	\$ 875,000	\$ 875,000
ASASP III	June 30, 2021	-	*	*	1,743,608	1,743,608
SEIU	June 30, 2021	824,152	*	*	*	824,152
ACE/AFSCME	June 30, 2022	3,941,045	5,673,846	2,798,870	32,000	12,445,761
PGCEA	June 30, 2022	-	16,007,851	9,010,332	2,018,140	27,036,323
Non-represented		-	*	*	*	-
Total		\$ 4,765,197	\$ 21,681,697	\$ 11,809,202	\$ 4,668,748	\$ 42,924,844

*= Not yet settled. Negotiations are in progress.

Retirement

- The FY 2022 Proposed Budget includes \$48.4 million for teacher pensions, a decrease of \$750,000 under FY 2021 approved levels.
- The valuation for Net Other Post-Employment Benefits (OPEB) Liability as of June 30, 2020 was \$2,858,119.
- The number of teachers eligible to retire within the next five (5) years are detailed below:

PGCEA Members Eligible for Retirement (Cumulative)			
Fiscal Year	Years of Service Retirement	Age Service Retirement	Total
2021	180	813	993
2022	219	985	1,204
2023	273	1,196	1,469
2024	320	1,452	1,772
2025	388	1,520	1,908

Attrition and Vacancies

- The projected attrition rate for FY 2021 for PGCEA is 11% and 5% for ASASP II. The number of resignations, per union, is listed below:

Union	Total Number of Employees	Number Resigned	Percentage
PGCEA	10,372	798	7.7%
ASASP II	788	27	3.4%

- The attrition rate for the 205 schools in School Year 2020 and School Year 2021 is presented in increments of 10% below:

Attrition by Percentage Increment	Number of Schools (SY 2020)	Number of Schools (SY 2021) (as of 02/28/2021)
0-10%	68	147
10-20%	89	46
20-30%	32	6
30-40%	13	2
40-50%	3	3
50%+	0	1

- The number of vacancies as of March 1, 2021 is 1,249.44. As a result of the partial hiring freeze, only instructional positions are being filled. The associated salary lapse resulted in savings of \$43,739,317.
- The number of vacancies per category are listed below:

Category	Vacancies (as of March 1, 2021)
Administration	41.00
Mid-Level Administration	37.50
Instructional Salaries	307.64
Special Education	139.80
Student Personnel Services	32.12
Student Health Services	22.00
Student Transportation	198.36
Operation of Plant	115.49
Maintenance of Plant	38.00
Food Service	138.55
Community Services	138.98
Capital Outlays	11.00
Non-Categorized Expenditure	29.00
TOTAL	1,249.44

Cost per Pupil and Enrollment

- For FY 2022 the cost-per-pupil is projected to be \$16,629, an increase of \$59 per pupil, over the FY 2021 approved level, for students enrolled in Pre-K through 12th grade. The cost-per-pupil calculation is based on the State formula and excludes equipment, community services and outgoing transfers from total school-system costs. The cost-per-pupil may fluctuate based upon the County Council approved budget provided to the Board of Education.

- In FY 2022, the School System is anticipating enrollment of 141,192 full-time students (Pre-K through 12th), an increase of 8,624 students, or 6.5% over the FY 2021 actual enrollment. Kindergarten through high school full-time enrollment is projected to total 140,282, an increase of 8,624 students, or 6.6%.
- The Pre-School student population is projected to total 5,712 students, an increase of 1,795 Pre-School students. The number of full-time enrolled students attending a Nonpublic School is projected to remain flat at 910 students. Additional enrollment figures are provided in the Pupil Population chart below.

Pupil Population					
	FY 2020 Actual as of 30-09-2019	FY 2021 Actual as of 30-09-2020	FY 2022 Projected as of 01-02-2021	Change from FY 2021 Actual to FY 2022 Projected	
				Number	Percent
Full-Time					
Kindergarten @ 100%	9,952	8,639	10,278	1,639	19.0%
Elementary Grades 1 to 6	62,161	60,535	62,441	1,906	3.1%
Middle School Grades 7 and 8	20,385	20,669	21,288	619	3.0%
High School Grades 9 to 12	38,181	37,898	40,563	2,665	7.0%
Total Regular and Special Education	130,679	127,741	134,570	6,829	5.3%
Pre-school					
Prekindergarten	4,947	3,553	5,348	1,795	50.5%
Montessori	336	364	364	-	0.0%
Total Pre-school	5,283	3,917	5,712	1,795	45.8%
Total Pre-K to 12 Enrollment	135,962	131,658	140,282	8,624	6.6%
Nonpublic Schools for Disabled	960	910	910	-	0.0%
Total Full-Time Enrollment	136,922	132,568	141,192	8,624	6.5%
Part-Time					
Summer School:					
Regular Instructional Programs	6,693	8,256	8,256	-	0.0%
Extended School Year Services for Students with Disabilities	1,867	1,345	3,710	2,365	175.8%
Total Summer School	8,560	9,601	11,966	2,365	24.6%
Evening High School (1)	310	773	773	-	0.0%
Home and Hospital Teaching	431	11	325	314	2854.5%
Total Part-Time	9,301	10,385	13,064	2,679	25.8%

(1) Some Evening High School student enrollment numbers are also included in grades 9 - 12 full-time.

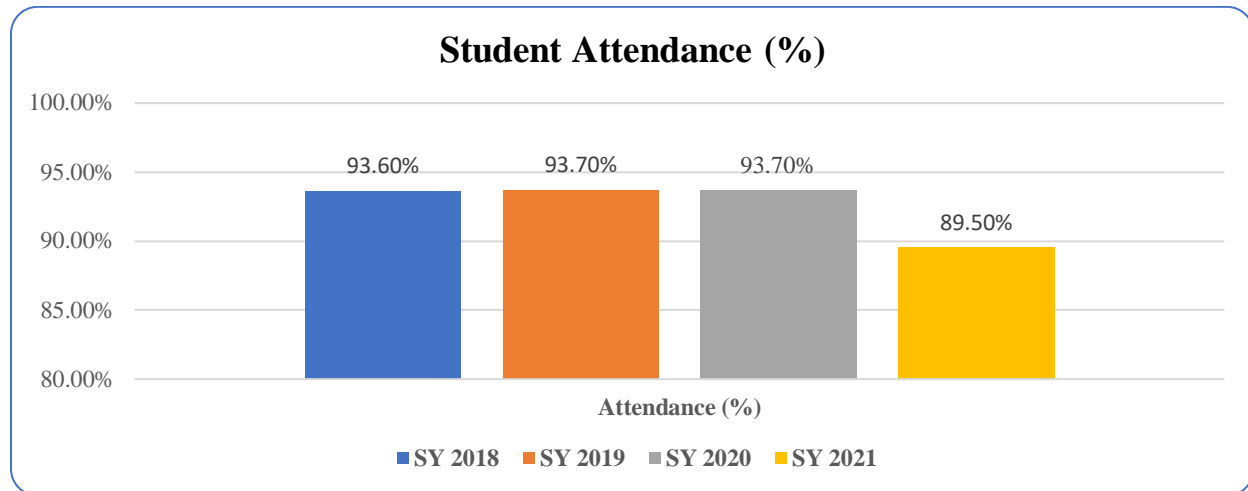
Student Data

Free and Reduced Meals (FARMS)

- Due to the COVID-19 pandemic, restrictions changed and lifted the requirement for individuals to be students of PGCPS to receive free meals.
- For School Year 2020, two (2) Middle Schools and four (4) High Schools had 20% or more FARMS participation for breakfast and all 25 Middle Schools and 25 High Schools had 20% or more FARMS participation for lunch.

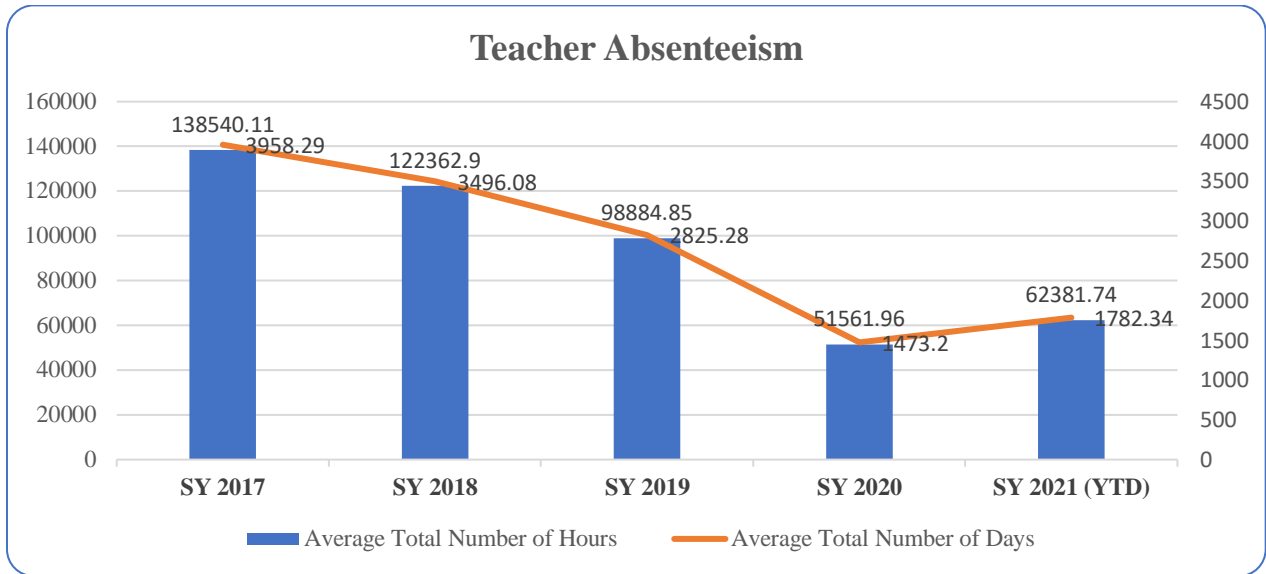
Student and Teacher Attendance

- The student attendance rates for School Years 2018, 2019, 2020, and 2021 (as of March 15, 2021) is listed below:



- During the pandemic, the Attendance Administrative Procedure 5113 was amended to provide guidance on how attendance would be taken during virtual learning and hybrid instructional models. These include:
 - Evening Programs: when submitting assignments or in attendance for scheduled live instruction.
 - Pre-K-3rd Grade: Teachers must take attendance at the beginning of each day. For students unable to sign in, parents must ensure check-in is complete before the next instructional day to be marked “present.”
 - Special Education Students: Marked present when: participating in live instruction, completing asynchronous learning activities and assignments, documentation is provided from home and school team of the student being presented with recorded lessons, learning activities, and/or instructional materials of daily lesson.
 - Technological Issues: Absence due to documented technological issue will be considered “present” with reason code (TC).
- To reduce truancy, PGCPs has done the following:
 - Hired over 64 mental health clinicians staffed in 93 schools;
 - Instituted a School Instructional Team (SIT) Referral for chronically absent students;
 - Launched the ALLHERE – Chatbot to communicate with parents in 33 schools identified as having the highest chronic absentee rates;
 - Coordinated an Attendance Taskforce;
 - Used Governor’s Emergency Education Relief (GEER) grant to support the Prince George’s Re-Engagement Program (PG-REP) to help re-enroll students that may have dropped out of the school system;
 - Hired Pupil Personnel Workers who sent monthly chronic absenteeism and habitually truant data to principals; and
 - Rolled out SchoolMessenger, a district-wide communication tool for the district, schools, and teachers to communicate with parents, students, and community members.

- 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 2021 as of March 2021.



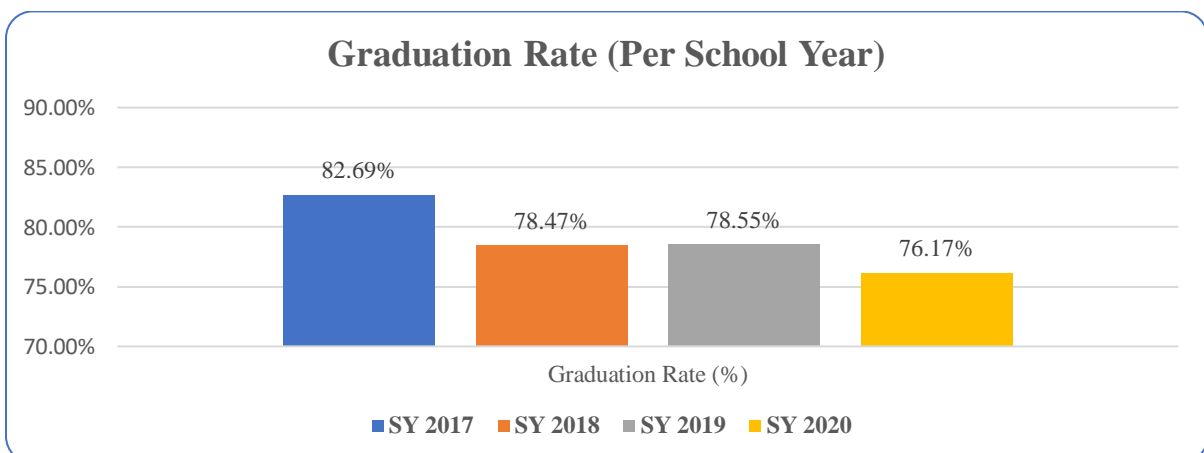
Public versus Private School

- The chart below summarizes the percentage of the County population that attends public rather than private school:

Age Group	PGCPS Enrollment 2019	American Community Survey Estimate 2019	% PGCPS Enrollment
5 to 14 years	100,799	110,581	91%
15 to 17 years	26,911	31,507	85%

Graduation and Dropout Rates

- Average graduation rates from SY 2017 to SY 2020 is presented in the chart below:



- Graduation rates, per school, for the high schools and specialty schools in SY 2019 and SY 2020 is presented in increments of 10% in the chart below:

Graduation Rate (%)	Number of Schools (SY 2019)	Number of Schools (SY 2020)
-60%	3	2
60-70%	5	7
70-80%	9	5
80-90%	6	10
90-100%	8	8
Total	31	32

- Graduation rates, per student group, are listed below:

Graduation Rates (SY 2017 – SY 2020)				
Service/Student Group	SY 2017	SY 2018	SY 2019	SY 2020
Black/African American	88.5%	85.3%	84.3%	84.3%
Hispanic	65.9%	62.4%	64.4%	62.3%
White	84.9%	80.5%	83.9%	78.4%
Asian	93.7%	93.4%	93.9%	89.2%
Other/More than one race	90.4%	83.0%	87.2%	86.0%
Students w/ disabilities	71.9%	66.3%	63.8%	66.0%
English Learner	51.1%	55.4%	59.0%	57.3%
Free/Reduced Meals	77.5%	72.9%	73.6%	72.6%
Title I	83.7%	70.4%	74.2%	65.6%
District Average	82.7%	78.5%	78.6%	76.2%

- Dropout Rates, per student group, are listed below:

Dropout Rates (SY 2017 – SY 2020)				
Service/Student Group	SY 2017	SY 2018	SY 2019	SY 2020
Black/African American	7.96%	9.91%	9.94%	9.80%
Hispanic	28.55%	31.00%	29.34%	30.95%
White	11.69%	14.29%	11.68%	17.93%
Asian	4.80%	4.28%	3.61%	8.08%
Other/More than one	7.19%	10.06%	9.22%	9.15%
Students w/ disabilities	13.42%	20.34%	13.85%	12.95%
English learners	39.75%	36.24%	33.88%	32.62%
Free/Reduced Meals	17.28%	20.49%	19.32%	20.36%
Title I	10.24%	23.33%	21.35%	28.37%
District Average	13.40%	16.20%	15.70%	17.80%

- PGCPS notes the following strategies to mitigate historical low graduation rates among Hispanic students:
 - ESOL Language Lab I course for English learners;
 - Evening and Summer school classes for overage and under-credited students;
 - GED Options Program; and

- Encouraging Dual Enrollment, Advanced Placement courses, and Specialty Programs.
- For FY 2020, the school system estimates around \$20 million in forgone State Aid due to students dropping out. The chart below summarizes the amount per category:

FY 2020 State Aid Funding			
State Formula Aid*	Student Count	Per Pupil	Amount
Foundation	1,858	\$7,244	\$13,459,352
State Comp Ed	1,149	\$3,513	\$4,036,437
LEP	487	\$3,586	\$1,746,382
SPED Formula	115	\$2,680	\$308,200
Title I**	404	0	0
Total	4,013		\$19,550,371

* Represents the State share

** There is not a specific State Aid formula for Title I students

Specialty Programs

- For FY 2022, PGCPs notes twenty (20) specialty programs at different school levels notes below:
 - *High School*: 3-D Scholars, Academy of Aerospace Engineering and Aviation Technology, Academy of Health Sciences/Academy of Teacher Preparedness, International Baccalaureate, Pathways in Technology Early College High School (P-Tech): Hospitality Services Management & Health Information, Science and Technology, French Immersion, International School, and Visual Arts.
 - *K-8 / Middle Schools*: Creative and Performing Arts, French Immersion, International Baccalaureate, Spanish Immersion, and Talented & Gifted.
 - *Montessori Schools*: Montessori.
 - *Elementary Schools*: Chinese Immersion, Dual Language, International Baccalaureate, Spanish Immersion, and Talented & Gifted.

Career Academy Programs

- For FY 2022, PGCPs notes twenty-three (23) high schools with career academy programs.

Class Size

- As of March 30, 2021, average class size per type of school is listed below:
 - *Combination Schools*: 19 students per homeroom/section
 - *Middle Schools*: 21 students per section
 - *High Schools*: 18 students per section
 - *Alternative High Schools*: 5 students per section
 - *Charter Schools*: 20 students per homeroom/section
 - *Early Childhood Centers*: 7 students per room
 - *Regional Schools*: 3 students per section

Relocatable Classrooms

- There are currently 528 relocatable classrooms in the school system.

Prekindergarten Sites

- There are currently 221 prekindergarten sites with 4,860 seats available (880 half-day seats and 3,980 full-day seats).

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 2020-2021 can be found in the attachment to question 37 in the First-Round Questions responses submitted by PGCPs.

FY 2022 Board of Education Requested Budget Fiscal Highlights

(Please note – Amounts may not total due to rounding)

- **Base Changes** are expenditures changes that are required to support prior operating budget obligations. For FY 2022, \$20.9 million are proposed with the number of full-time equivalent (FTE) positions remaining flat.
- **Mandatory Costs** are expenditures that are required by law and support contract commitments. These costs are anticipated to increase by \$42.9 million, including and are summarized below:
 - \$39.6 million for Compensation Negotiated Commitments
 - \$750,000 for Unemployment
 - \$2.5 million for Community Schools Clinicians
- **Costs of Doing Business** are expenditures which provide essential health/safety services and maintains the existing workforce. These costs are anticipated to increase by \$50.6 million as summarized below:
 - \$17.00 million for Health Insurance
 - \$ 2.30 million for Life Insurance
 - \$ 8.45 million for Maintenance
 - \$ 7.45 million for Lease Purchase
 - \$ 0.44 million for Part-Time
 - \$15.00 million for Alternative Construction Financing
- The School System reduced and **redirected resources** for a net decrease of \$99.18 million 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:
 - (\$ 4.04) million for Academics
 - (\$ 0.25) million for Accountability
 - (\$ 0.12) million for Board of Education / Internal Audit
 - (\$ 0.77) million for Business Management Services
 - (\$ 0.01) million for Chief Executive Officer
 - (\$ 0.95) million for Chief of Staff
 - (\$ 4.52) million for Chief Operating Officer
 - (\$ 0.76) million for Human Resources
 - (\$ 1.31) million for Information Technology
 - (\$ 3.43) million for School Support & Leadership

- (\$ 0.75) million for Retirement & Admin Fee
 - (\$29.65) million for Lease Purchase Prepayment
 - (\$ 4.00) million for Salary Lapse
 - (\$ 2.50) million for Program Efficiencies
 - (\$43.12) million for Restricted Programs
 - (\$ 2.00) million for Utilities
 - (\$ 1.00) million for Worker's Compensation
- **Program Continuations** reflect expenditures that provide for phased-in program implementations. These expenditures are anticipated to increase by \$1.11 million and will provide 11.00 FTE positions, as summarized below:
- \$ 1.11 million for Immersion Programs, an increase of 11.00 FTEs
 - The increase will support nine (9) FTE 7th grade Spanish immersion teachers at Kettering Middle School, two (2) FTE 7th grade Chinese immersion teachers at Greenbelt Middle School, and one (1) FTE 4th grade Spanish immersion teacher at Cool Spring Elementary School.
- The School System anticipates expenditure increases totaling \$25.97 million for **organizational improvements** as summarized below:
- Focus Area 2: School Quality and Student Success (Student Attendance, Discipline, and Access to Well-Rounded Curriculum)
 - \$ 0.27 million for Equity & Excellence
 - \$ 0.50 million for STEAM Internships
 - \$ 2.10 million for TAWS Program
 - \$ 0.10 million for Special Education Audit
 - \$10.00 million for Bridge to Excellence
 - \$10.00 million for English Tutoring
 - \$ 3.00 million for At-Risk Student Support
 - The Equity & Excellence program is a school-based equity program to model and implement culturally responsive and culturally relevant teaching practices, promote learning on implicit biases and asset-based beliefs, and support marginalized populations. In FY 2022, 207 schools will participate by having an equity lead.

Programs and initiatives within the BOE's FY 2022 Requested Budget which are not proposed to be funded by the County Executive total \$83,690,840, or 3.5% of the total request. Details of the specific items are listed within the Board of Education's FY 2022 Requested Budget (pages 15-17) and are footnoted above.