

Board of Education - Fiscal Year 2023 Operating Budget Review Summary

Proposed FY 2023 Operating Budget

Proposed Operating Budget Comparison

	FY 2021 Actual	FY 2022 Approved	FY 2023 Proposed	\$ Change	% Change
Total	\$ 2,202,316,717	\$ 2,343,232,400	\$ 2,629,486,000	\$ 286,253,600	12.2%

Category	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimate	FY 2023 Proposed	\$ Change	% Change
Administration	\$ 64,321,534	\$ 67,309,000	\$ 81,780,500	\$ 82,869,800	\$ 15,560,800	23.1%
Instructional Salaries	\$ 730,383,458	\$ 806,240,500	\$ 908,416,100	\$ 868,535,200	\$ 62,294,700	7.7%
Student Personnel Services	\$ 27,422,348	\$ 38,589,400	\$ 63,073,500	\$ 58,948,200	\$ 20,358,800	52.8%
Student Transportation Services	\$ 89,913,098	\$ 107,102,100	\$ 112,382,100	\$ 124,457,500	\$ 17,355,400	16.2%
Operation of Plant	\$ 135,275,262	\$ 133,915,000	\$ 160,733,500	\$ 163,856,100	\$ 29,941,100	22.4%
Maintenance of Plant	\$ 48,179,536	\$ 53,100,500	\$ 56,674,500	\$ 58,565,100	\$ 5,464,600	10.3%
Community Services	\$ 1,145,634	\$ 5,664,900	\$ 5,448,000	\$ 5,749,400	\$ 84,500	1.5%
Fixed Charges	\$ 458,595,127	\$ 499,325,300	\$ 512,884,000	\$ 496,766,500	\$ (2,558,800)	-0.5%
Health Services	\$ 20,515,563	\$ 22,604,800	\$ 24,482,600	\$ 24,867,400	\$ 2,262,600	10.0%
Special Education	\$ 304,769,109	\$ 325,333,300	\$ 350,987,200	\$ 339,212,900	\$ 13,879,600	4.3%
Mid-Level Administration	\$ 137,739,465	\$ 149,580,900	\$ 155,172,200	\$ 156,490,300	\$ 6,909,400	4.6%
Textbooks and Instructional Materials	\$ 42,944,190	\$ 21,716,800	\$ 145,021,400	\$ 53,524,600	\$ 31,807,800	146.5%
Other Instructional Costs	\$ 119,257,614	\$ 88,813,900	\$ 174,317,900	\$ 173,393,200	\$ 84,579,300	95.2%
Food Services Subsidy	\$ 21,854,779	\$ 8,686,000	\$ 8,553,300	\$ 7,074,800	\$ (1,611,200)	-18.5%
Capital Outlay	\$ -	\$ 250,000	\$ 250,000	\$ 175,000	\$ (75,000)	-30.0%
Public Private Partnerships	\$ -	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000	\$ -	0.0%
Total	\$ 2,202,316,717	\$ 2,343,232,400	\$ 2,775,176,800	\$ 2,629,486,000	\$ 286,253,600	12.2%

Authorized Staffing - All Classifications

Fund	FY 2022 FTE Approved	FY 2023 FTE Proposed	Amount Change	% Change
General Fund	20,011	20,155	144	0.7%
Total	20,011	20,155	144	0.7%

Expenditures by Category

Category	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimate	FY 2023 Proposed	\$ Change	% Change
Compensation	\$ 1,320,712,981	\$ 1,484,962,400	\$ 1,611,128,400	\$ 1,584,444,400	\$ 99,482,000	6.7%
Fringe Benefits	422,611,463	481,766,500	510,359,700	494,242,100	12,475,600	2.6%
Operating Expenses	439,423,076	362,699,200	627,849,300	529,032,200	166,333,000	45.9%
Capital Outlay	19,569,197	13,804,300	25,839,400	21,767,300	7,963,000	57.7%
Total	\$ 2,202,316,717	\$ 2,343,232,400	\$ 2,775,176,800	\$ 2,629,486,000	\$ 286,253,600	12.2%

- The FY 2023 proposed County Contribution to the budget is \$846,997,300, representing 32.2% of the total budget.
- *Compensation*: (Increased) Due to negotiated salary improvements, staffing requirements tied to restricted grant programming, and additional allocation of staff. Part of the increase is offset by reduction of federal COVID-19 related grants and system-wide savings
- *Fringe Benefits*: (Increased) To align with anticipated post-employment benefit, healthcare, and life insurance costs.
- *Operating*: (Increased) To support academic improvements, safe and supportive environments, and family and community engagement. The increase also supports lease purchase payments for textbooks, vehicles, and technology as well as funding for charter schools. Part of the increase is driven by restricted federal grants.
- *Capital Outlay*: (Increase) To purchase new and replacement equipment.



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

April 19, 2022

MEMORANDUM

TO: Jolene Ivey, Chair
Education and Workforce Development (EWD) Committee

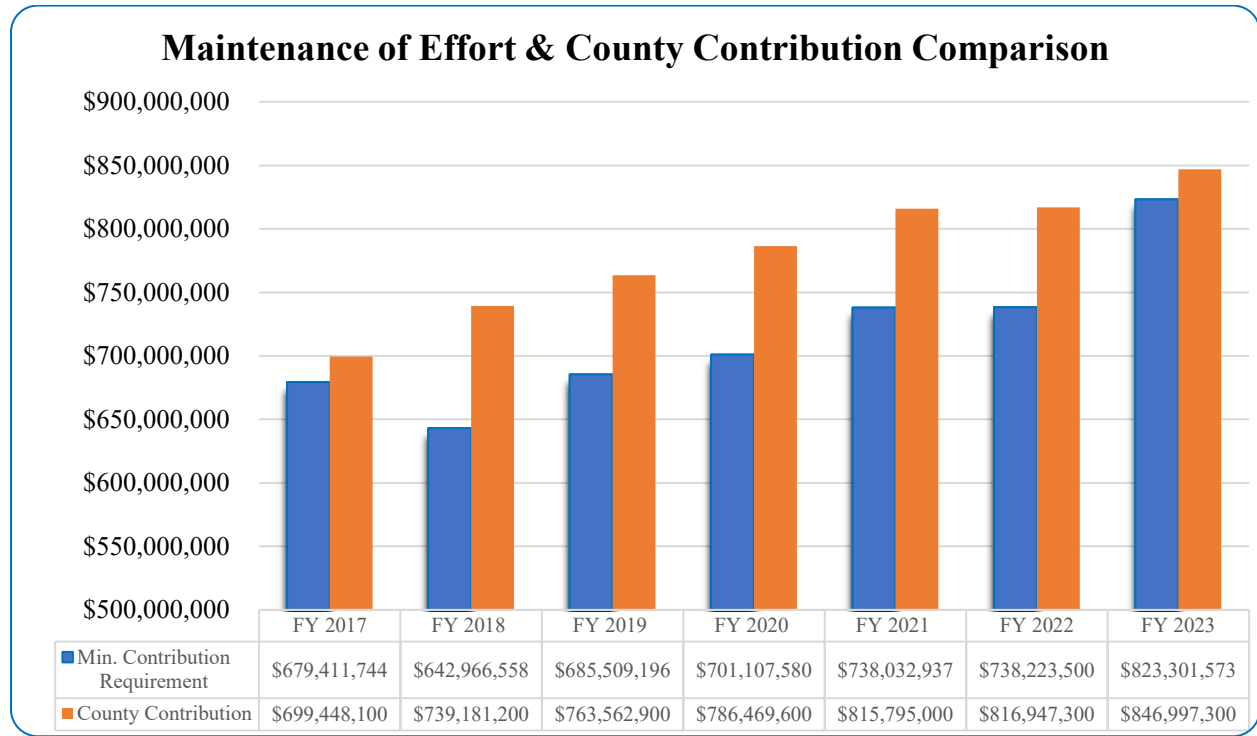
THRU: Turkessa M. Green, County Auditor *TMG*
Joseph R. Hamlin, Director of Budget and Policy Analysis *JRH*

FROM: Arian Albear, Legislative Budget and Policy Analyst *AA*

RE: Board of Education (BOE)
Fiscal Year 2023 Operating Budget Review

Budget Overview

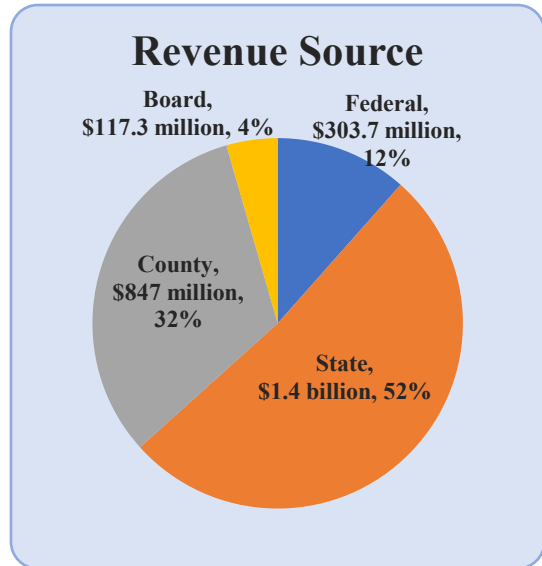
The County Executive's FY 2023 Proposed Budget (the "Proposed Budget") for the Board of Education (the "Board" or "BOE") totals \$2,629,486,000, an increase of \$286,253,600, or 12.2%, over the approved budget for FY 2022. The Proposed Budget is equivalent to the Board's FY 2023 Requested Annual Operating Budget of \$2,629,486,035. The FY 2023 Proposed County Contribution is \$846,997,300 and the Maintenance of Effort (MOE) requirement is \$823,301,573.



Proposed Budget Revenue

EDUCATION REVENUE SOURCES					
Source	FY 2021 Actual	FY 2022 Approved	FY 2023 Proposed	\$ Change	% Change
<u>Federal Sources:</u>					
Unrestricted Federal Aid	\$ 70,046	\$ 98,100	\$ 98,100	\$ -	0.0%
Restricted Federal Aid	136,472,480	126,315,300	303,583,000	177,267,700	140.3%
Subtotal Federal Sources	136,542,526	126,413,400	303,681,100	\$ 177,267,700	140.2%
<u>State Aid:</u>					
Foundation Program	\$ 567,228,429	\$ 555,666,200	\$ 627,698,000	\$ 72,031,800	13.0%
Geographic Cost of Education Index	45,949,535	45,228,500	48,808,000	3,579,500	7.9%
Special Education	47,383,106	46,343,700	56,217,700	9,874,000	21.3%
Nonpublic Placements	21,432,897	22,770,300	21,432,900	(1,337,400)	-5.9%
Transportation Aid	45,665,360	41,502,000	50,289,300	8,787,300	21.2%
Compensatory Education	298,753,795	254,510,200	254,469,300	(40,900)	0.0%
English Learners	126,626,576	117,340,000	143,635,500	26,295,500	22.4%
Net Taxable Income	29,900,219	17,202,200	-	(17,202,200)	-100.0%
Supplemental Grant	20,505,652	20,505,700	-	(20,505,700)	-100.0%
Tax Increment Financing	880,030	700,800	-	(700,800)	-100.0%
Other State Aid	91,432	-	-	-	0.0%
Transition Grant	-	-	20,505,700	20,505,700	N/A
Educational Effort	-	-	26,525,600	26,525,600	N/A
Career Ladder	-	-	1,699,600	1,699,600	N/A
College and Career Ready	-	-	1,402,000	1,402,000	N/A
Blueprint - Prekindergarten	15,555,578	12,381,100	20,612,900	8,231,800	66.5%
Blueprint - Teacher Salary Incentives	13,386,052	13,386,100	-	(13,386,100)	-100.0%
Blueprint - Concentration of Poverty	17,686,962	18,164,800	54,717,400	36,552,600	201.2%
Blueprint - Mental Health Coordinators	83,333	83,300	-	(83,300)	-100.0%
Blueprint - Special Education	10,114,897	10,114,900	-	(10,114,900)	-100.0%
Blueprint - Transitional Supplemental Instruction	5,487,088	4,819,600	10,110,600	5,291,000	109.8%
Blueprint - Supplemental Instruction/Tutoring	-	24,336,100	-	(24,336,100)	-100.0%
Blueprint - Hold Harmless Grants	-	-	-	-	-
- Declining Enrollment	-	79,612,500	-	(79,612,500)	-100.0%
Blueprint - Hold Harmless Grants	-	-	-	-	-
- Disabled Transportation	-	4,563,000	-	(4,563,000)	-100.0%
Maryland Safe Schools Grant	747,960	-	-	-	0.0%
Miscellaneous Revenue	(658,309)	-	-	-	0.0%
Other Restricted Grants	7,091,034	8,473,500	23,355,500	14,882,000	175.6%
Subtotal State Aid	\$ 1,273,911,626	\$ 1,297,704,500	\$ 1,361,480,000	\$ 63,775,500	4.9%
<u>County Revenue:</u>					
General County Sources	\$539,074,451	\$568,179,600	\$584,925,100	\$ 16,745,500	2.9%
Real Property/BOE - Tax Increase	41,092,795	36,504,000	38,131,800	1,627,800	4.5%
Personal Property/BOE - Tax Increase	3,807,023	2,923,700	3,248,600	324,900	11.1%
Telecommunications Tax	14,845,333	13,500,000	10,935,000	(2,565,000)	-19.0%
Energy Tax	73,332,473	72,420,000	73,868,400	1,448,400	2.0%
Transfer Tax	143,642,925	123,420,000	135,888,400	12,468,400	10.1%
Subtotal County Revenue	\$ 815,795,000	\$ 816,947,300	\$ 846,997,300	\$ 30,050,000	3.7%
<u>Board Sources:</u>					
Board Sources	\$7,813,725	\$18,231,500	\$12,931,400	(\$5,300,100)	-29.1%
Use of Fund Balance	-	83,935,700	104,396,200	20,460,500	24.4%
Subtotal Board Sources	\$ 7,813,725	\$ 102,167,200	\$ 117,327,600	\$ 15,160,400	14.8%
TOTAL	\$ 2,234,062,877	\$ 2,343,232,400	\$ 2,629,486,000	\$ 286,253,600	12.2%

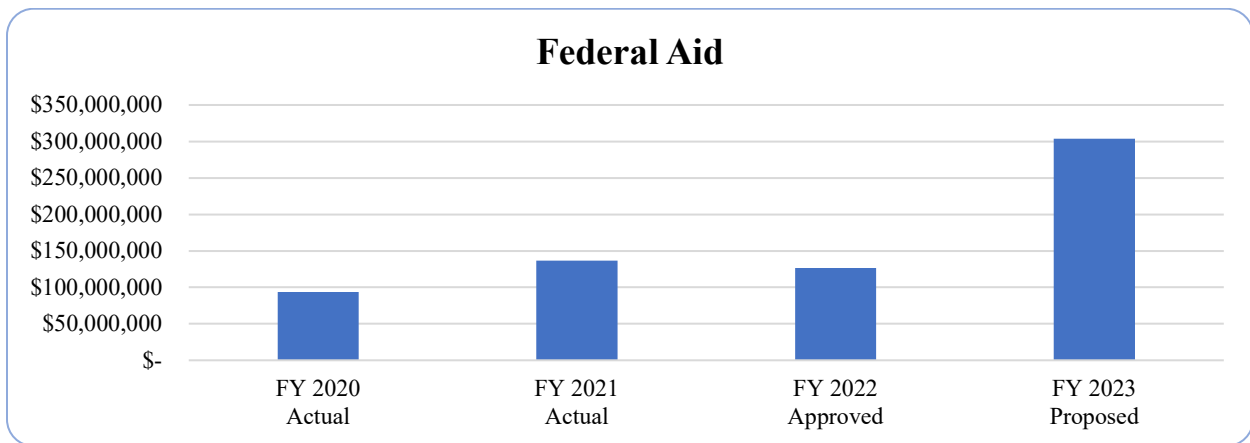
- Total revenue from all funding sources for FY 2023 is proposed at \$2,629,486,000, an increase of \$286,253,600, or 12.2%, over the FY 2022 approved level. This is mainly due to a large increase in federal aid and use of fund balance. State Aid indicates a phasing out of some grants being moved to other programs.



Federal Aid

- Total Federal Aid for FY 2023 is proposed at \$303,681,100, an increase of \$177,267,700, or 140.2%, over the FY 2022 Approved Budget. FY 2022 estimated revenues are \$574,278,100 an increase of \$447,864,700 over the FY 2022 Approved Budget. Federal funding comprises 11.5% of the Board’s total proposed funding.

- Notably, the increase in Federal Aid is relative to the approved 2022 Budget; however, it reflects a decrease when compared to the FY 2022 Estimate as the BOE received a substantial Coronavirus Relief Grants and American Rescue Plan (ARP) Act grant in FY 2022, which was not included in the approved budget.



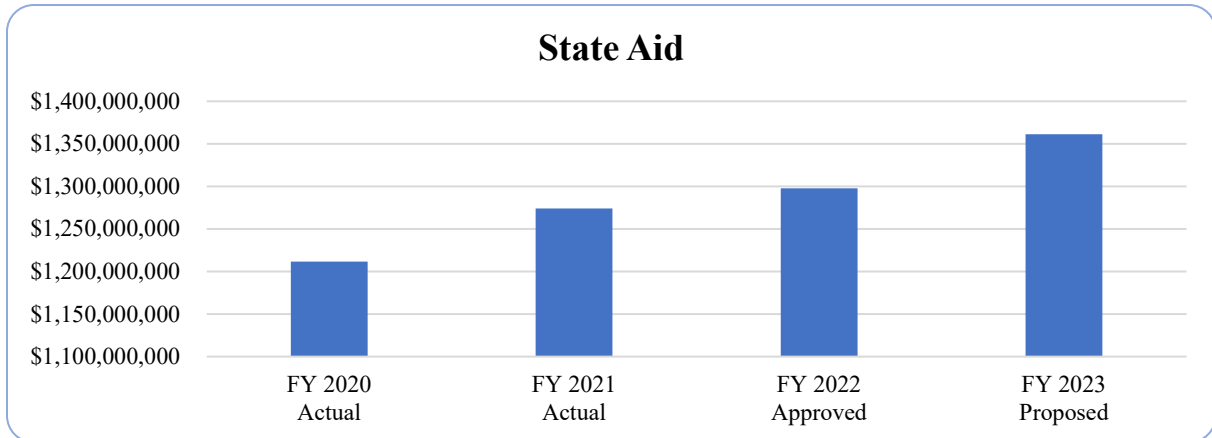
State Aid

- Total State Aid for FY 2023 is anticipated to be \$1,361,480,000, an increase of \$63,775,500, or 4.9%, over the FY 2022 Approved Budget. This increase is mainly due to the Foundation grant (\$72 million), Blueprint for Maryland’s Future – Concentration of Poverty grant (\$36.5 million), Educational Effort grant (\$26.5 million), and the English Learners grant (\$26.3 million). These increases are partly offset by decreases in the Hold Harmless Grants: Declining Enrollment (\$79.6 million) and Disabled Transportation (\$4.6 million). State Aid comprises 51.8% of the Board’s total proposed funding.

The Blueprint for Maryland’s Future Act grants for FY 2023 are:

- Prekindergarten \$20,612,900

- Concentration of Poverty \$54,717,400
 - Transitional Supplemental Instruction \$10,110,600
- *HB 1450 – Blueprint for Maryland’s Future – Implementation Plans and Fund – Alterations*, enacted this year, amends the Blueprint law to delay certain report requirements from State agencies. HB 1450 amends the Maintenance of Effort (MOE) requirements for County contributions; however, because Local Share was higher than MOE for the County, the amendments will require no significant change.



- Federal and State Aid combined are \$1,665,161,100, or 63.3%, of the Proposed FY 2023 Budget.

County Contribution

- The FY 2023 proposed County Contribution to the Board of Education is \$846,997,300, an increase of \$30,050,000, or 3.7%, over the FY 2022 Approved Budget. The increase is due to mandated, formula-driven adjustments. County source revenue comprises 32.2% 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 \$584,925,100 for FY 2023, an increase of 2.9%.
 - Real Property Tax rate for FY 2023 is \$1.00 per \$100 of assessable value (\$0.04 per \$100 is dedicated to the BOE). Revenue anticipated from the tax is \$38.1 million, an increase of 4.5%.
 - Personal Property Tax rate for FY 2023 is \$2.50 per \$100 of assessable value (\$0.10 per \$100 is dedicated to the BOE). Revenue anticipated from the tax is \$3.2 million, an increase of 11.1%.
 - 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 2023 is \$10,935,000, a decrease of 19%. 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 2023 is \$73,868,400, an increase of 2%.
 - 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 2023 is \$135,888,400, an increase of 10.1%.
 - 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 2023.
- 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 2023 State Relief = Education Effort Adjustment x 20% (phased up to 100% by FY 2030)
- The Board of Education’s requested County Contribution is a factor of: “Minimum Required County Contribution,” “Education Effort Adjustment,” and “Energy, Telecom Taxes, and Program Shift” which form the Maintenance of Effort calculation. These, together with the “Amount Over Maintenance of Effort” add to the Requested County Contribution. The chart below summarizes the five-year history of these calculations:

Five-Year History of County Maintenance of Effort Calculation						
Fiscal Year	Minimum Required County Contribution	Education Effort Adjustment	Energy and Telecom Taxes, Program Shift	Maintenance of Effort	Amount Over Maintenance of Effort	Requested County Contribution
2023	\$ 823,301,573	\$ (26,524,941)	\$ 49,068,500	\$ 845,845,132	\$ 2,243,966	\$ 848,089,098
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
2019	\$ 685,509,196	\$ -	\$ 64,456,106	\$ 749,965,302	\$ 13,597,598	\$ 763,562,900

- For FY 2023, \$2,432,000 is proposed for Crossland High School’s Career and Technical Education (CTE) program from annual local gaming revenue and is reflected within the County Contribution. This an increase of 12.4% from the previous year.

Board Sources and Fund Balance

- Board Sources are proposed at \$117,327,600 for FY 2023, this is an increase of \$15,160,400, or 14.8%, over the FY 2022 Approved Budget. The increase is driven by a use of Fund Balance partially offset by decreases in other sources. Board Sources represent 4.5% of the total proposed budget.
- Board Sources other than Fund Balance decreased by \$5,300,100, or 29.1%. This is primarily due to a decrease in interest income.
- The Board of Education is proposing to use \$104,396,200 of their total fund balance as a revenue source for FY 2023. This amount is an increase of \$20,460,500, or 24.4% over the prior year amount. As of June 30, 2021, the Board of Education’s total Fund Balance was segmented into the following categories:
 - Restricted: \$ 0
 - Non-Spendable: \$ 14,276,000 (for non-capital inventories)
 - Committed: \$ 83,935,736 (“use of fund balance” for FY 2022)
 - Assigned: \$122,254,929 (to encumbrances and specific liabilities/litigation)
 - Unassigned: \$ 71,846,311
- BOE is well below the recommended level of two (2) months of regular general fund revenues or expenditures.¹ The unrestricted total of \$278 million equates to 1.27 months of expenditures (an additional \$161.4 million required to the meet minimum requirement).
- If FY 2022 and FY 2023 budgeted use of fund balance is fully spent, the Unrestricted General Fund Balance will be \$105.1 million as of June 30, 2023, which would not cover Assigned liabilities and would not allow for any Committed Use of Fund Balance for FY 2024.
- BOE notes that the System has relied on Fund Balance in recent years due to stagnating enrollment, negotiated salary increases, and inflation in all areas. Although the State Hold Harmless Grants did not decrease the State allocation, because funding remained relatively constant, the System had to rely on use of Fund Balance to overcome higher expenditure requirements.

Proposed Budget Expenditures

- FY 2023 total proposed expenditure is \$2,629,486,000, an increase of \$286,253,600, or 12.2%, over the FY 2022 Approved Budget.

¹ 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 Category						
Category	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimate	FY 2023 Proposed	\$ Change	% Change
Compensation	\$ 1,320,712,981	\$ 1,484,962,400	\$ 1,611,128,400	\$ 1,584,444,400	\$ 99,482,000	6.7%
Fringe Benefits	422,611,463	481,766,500	510,359,700	494,242,100	12,475,600	2.6%
Operating Expenses	439,423,076	362,699,200	627,849,300	529,032,200	166,333,000	45.9%
Capital Outlay	19,569,197	13,804,300	25,839,400	21,767,300	7,963,000	57.7%
Total	\$ 2,202,316,717	\$ 2,343,232,400	\$ 2,775,176,800	\$ 2,629,486,000	\$ 286,253,600	12.2%

- Compensation is proposed to increase by 6.7%, primarily due to negotiated FY 2023 salary improvements for various collective bargaining units, staffing requirements tied to restricted grant programming, and the additional allocation of student-based budgeting staffing resources. Increases are partially offset by reduced federal COVID-19-related grants and other system-wide savings initiatives. Compensation costs include funding for all 20,155 full-time equivalent positions.
- Fringe Benefits are proposed to increase by 2.6% due to anticipated post-employment benefits, healthcare, and life insurance costs.
- Operating Expenses are proposed to increase by 45.9% to align with projected costs.
- Capital Outlay expenditures are proposed to increase by 57.7% to purchase of new equipment.

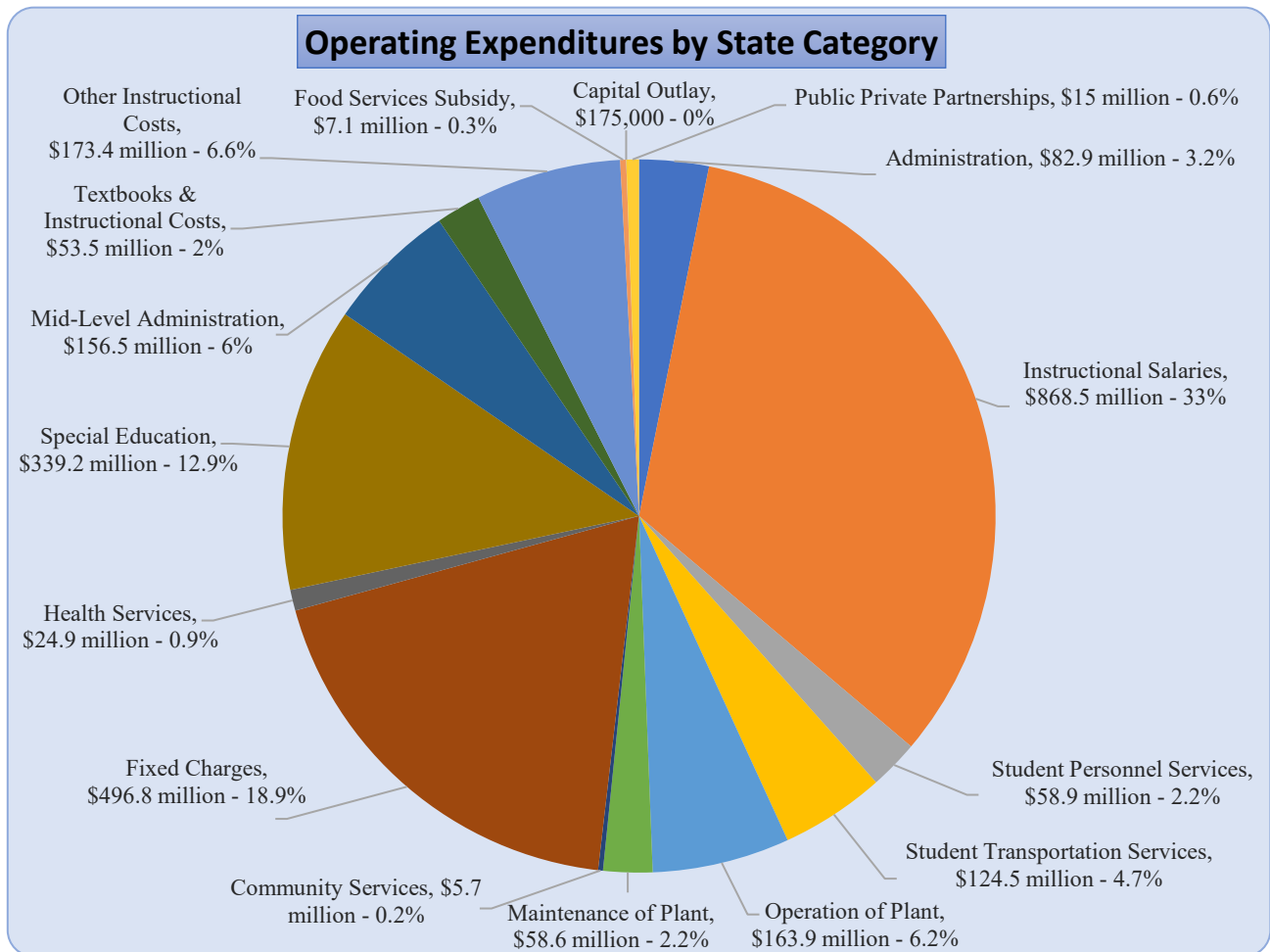
One-Time Costs

- FY 2023 One-Time Costs includes 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 students in grades 3-9 (Bridge to Excellence schools), comprehensive learning loss support for all students, 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.

Expenditures by State Category

- Increases are proposed for all categories, except Fixed Charges, Food Services Subsidy, and Capital Outlay, which are proposed to decrease, and Public Private Partnerships, which is proposed to remain constant. The chart below summarizes the FY 2023 Proposed Budget expenditures

Changes in Expenditures - by State Category						
Category	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimate	FY 2023 Proposed	\$ Change	% Change
Administration	\$ 64,321,534	\$ 67,309,000	\$ 81,780,500	\$ 82,869,800	\$ 15,560,800	23.1%
Instructional Salaries	730,383,458	806,240,500	908,416,100	868,535,200	62,294,700	7.7%
Student Personnel Services	27,422,348	38,589,400	63,073,500	58,948,200	20,358,800	52.8%
Student Transportation Services	89,913,098	107,102,100	112,382,100	124,457,500	17,355,400	16.2%
Operation of Plant	135,275,262	133,915,000	160,733,500	163,856,100	29,941,100	22.4%
Maintenance of Plant	48,179,536	53,100,500	56,674,500	58,565,100	5,464,600	10.3%
Community Services	1,145,634	5,664,900	5,448,000	5,749,400	84,500	1.5%
Fixed Charges	458,595,127	499,325,300	512,884,000	496,766,500	(2,558,800)	-0.5%
Health Services	20,515,563	22,604,800	24,482,600	24,867,400	2,262,600	10.0%
Special Education	304,769,109	325,333,300	350,987,200	339,212,900	13,879,600	4.3%
Mid-Level Administration	137,739,465	149,580,900	155,172,200	156,490,300	6,909,400	4.6%
Textbooks and Instructional Materials	42,944,190	21,716,800	145,021,400	53,524,600	31,807,800	146.5%
Other Instructional Costs	119,257,614	88,813,900	174,317,900	173,393,200	84,579,300	95.2%
Food Services Subsidy	21,854,779	8,686,000	8,553,300	7,074,800	(1,611,200)	-18.5%
Capital Outlay	-	250,000	250,000	175,000	(75,000)	-30.0%
Public Private Partnerships	-	15,000,000	15,000,000	15,000,000	-	0.0%
TOTAL	\$ 2,202,316,717	\$ 2,343,232,400	\$ 2,775,176,800	\$ 2,629,486,000	\$ 286,253,600	12.2%



Staffing Changes

- Proposed staffing for FY 2023 totals 20,155 full-time equivalent (FTE) positions, an increase of 144 positions, or 0.7%, over the number of positions budgeted for FY 2022.

Staffing by Position Type				
Positions by Category	FY 2022 Approved	FY 2023 Proposed	Amount Change	% Change
CEO, Chiefs, Administrators, Area Assistant Superintendents	16	16	-	0.0%
Directors, Coordinators, Supervisors, Specialists	462	468	6	1.3%
Principals	212	207	(5)	-2.4%
Assistant Principals	323	333	10	3.1%
Teachers	9,903	10,108	205	2.1%
Therapists	173	172	(1)	-0.6%
Guidance Counselors	386	392	6	1.6%
Librarians	128	123	(5)	-3.9%
Psychologists	99	98	(1)	-1.0%
Pupil Personnel Workers, School Social Workers	71	73	2	2.8%
Nurses	234	244	10	4.3%
Other Professional Staff	387	470	83	21.4%
Secretaries and Clerks	892	890	(2)	-0.2%
Bus Drivers	1,441	1,441	-	0.0%
Aide - Paraprofessionals	2,242	2,137	(105)	-4.7%
Other Staff	3,042	2,983	(59)	-1.9%
Total Positions	20,011	20,155	144	0.7%

- The Board's FY 2023 Requested Annual Operating Budget includes \$3,947,744 for carryover compensation costs related to FY 2022. The Board is committed to provide \$4,037,964 in step increases, \$5,028,693 in Cost-of-Living Adjustments (COLAs), and \$2,161,608 in Board Certified Stipends. ASASP II, ASASP III, and SEIU have ongoing contracts that will end on June 30, 2024; PGCEA and ACE/AFSCME have ongoing contracts through June 30, 2022, and are currently in negotiations with PGCPs. A breakdown of compensation enhancements by union has been provided in the table below.

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		1,951,280	2,328,874	\$ 875,000	\$ 5,155,154
ASASP III	June 30, 2024		1,134,133	1,148,366	1,286,608	3,569,107
SEIU	June 30, 2024	460,451	672,037	1,240,452		2,372,940
ACE/AFSCME	June 30, 2022	3,487,293	*	*	*	3,487,293
PGCEA	June 30, 2022		*	*	*	0
Non-represented			280,514	311,001		591,515
Total		\$ 3,947,744	\$ 4,037,964	\$ 5,028,693	\$ 2,161,608	\$ 15,176,009

*= Not yet settled. Negotiations are in progress.

Teacher Retirement and Pensions

- The FY 2023 Proposed Budget includes \$49.2 million for teacher pensions, a decrease of \$832,899 under FY 2022 approved levels.

- 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
2022	181	928	1,109
2023	229	1,100	1,329
2024	276	1,286	1,562
2025	339	1,447	1,786
2026	409	1,634	2,043

- 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, 2021 was \$2,911,750,000.

Other Post-Employment Benefits (OPEB)	
Total OPEB Liability	\$3,122,474,000
Plan Fiduciary Net Position	(\$210,724,000)
Net OPEB Liability	\$2,911,750,000
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	6.75%

- PGCPs contributed \$15 million in both FY 2020 and FY 2021 and there are plans to contribute an additional \$15 million in FY 2022 through the Financial Review process.
- The FY 2023 Board of Education Requested Budget includes \$4.9 million for terminal leave payouts based upon projections of estimated costs for employees.

Attrition and Vacancies

- The attrition rate for FY 2021 for PGCEA is 8.8% and 1.5% for ASASP II. The number of resignations, per union, is listed below:

Union	Total Number of Employees	Number Resigned	Percentage
PGCEA	10,380	909	8.8%
ASASP II	812	12	1.5%

- The attrition rate for the schools in School Year 2021 and School Year 2022 is presented in increments of 10% below:

Attrition by Percentage Increment	Number of Schools (SY 2021)	Number of Schools (SY 2022) (as of 02/28/2022)
0-9.9%	52	185
10-19.9%	99	13
20-29.9%	40	2
30-39.9%	7	1
40-49.9%	2	1
50%+	2	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) Community Based Classroom (40%), Glassmanor ES (33.3%), and North Forestville ES (23.1%). The latter have decreased their attrition rate in comparison with the 2021 school year.
- The number of vacancies as of March 4, 2022 is 1,735.78. The associated salary lapse resulted in savings of \$68,326,613.
- The number of vacancies per category are listed below:

Vacancies by Category		
Category	Vacancies (as of 03/01/2021)	Vacancies (as of 03/04/2022)
Administration	41.00	51.00
Mid-Level Administration	37.50	38.50
Instructional Salaries	307.64	592.22
Special Education	139.80	367.41
Student Personnel Services	32.12	31.62
Student Health Services	22.00	53.00
Student Transportation	198.36	283.83
Operation of Plant	115.49	72.43
Maintenance of Plant	38.00	34.00
Food Service	138.55	184.77
Community Services	138.98	2.00
Capital Outlay	11.00	9.00
Non-Categorized Expenditure	29.00	16.00
TOTAL	1249.44	1735.78
YTD Cost Savings	\$ 43,739,317	\$ 68,326,613

- PGCPS notes 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.

Cost per Pupil and Enrollment

- For FY 2023, the cost per pupil is projected to be an average of \$19,691 for K-12 students and \$19,239 when also accounting for Pre-kindergarten, a decrease of \$355 and \$212, 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 the County Council approved budget provided to the Board of Education.

- In FY 2023, the School System is anticipating enrollment of 131,683 students in Pre-K through 12th and 910 in nonpublic schools for students with disabilities. This is an increase of 2,906 students, or 2.3% over the FY 2022 actual enrollment.

Cost Per Pupil					
Group	FY 2021 Actual	FY 2022 Approved	FY 2023 Proposed	\$ Change	% Change
K - 12	\$ 16,139	\$ 20,046	\$ 19,691	\$ (355)	-1.8%
Pre-K - 12	\$ 15,904	\$ 19,451	\$ 19,239	\$ (212)	-1.1%

- The Pre-School student population is projected to total 5,482 students, an increase of 1,376, or 33.5%. 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.
- PGCPS plans to keep the Online Campus virtual learning school as a fixed unit after the pandemic.

Pupil Population						
	FY 2021 Actual (as of 09/30/20)	FY 2022 Actual (as of 09/30/21)	FY 2023 Projected (as of 02/01/22)	FY 2022 Actual to FY 2023 Projected		
				Number	Percent	
Full-Time						
<u>Regular and Special Education Day Programs</u>						
Kindergarten @ 100%	8,639	9,336	9,677	341	3.7%	
Elementary Grades 1 to 6	60,535	57,534	57,325	(209)	-0.4%	
Middle School Grades 7 and 8	20,669	19,981	19,944	(37)	-0.2%	
High School Grades 9 to 12	37,898	37,820	39,255	1,435	3.8%	
Total Regular and Special Education	127,741	124,671	126,201	1,530	1.2%	
<u>Pre-School</u>						
Prekindergarten	3,553	3,797	5,130	1,333	35.1%	
Montessori	364	309	352	43	13.9%	
Total Pre-School	3,917	4,106	5,482	1,376	33.5%	
Total Pre-K to 12 Enrollment	131,658	128,777	131,683	2,906	2.3%	
Nonpublic Schools for Disabled	910	910	910	-	0.0%	
Total Full-Time Enrollment	132,568	129,687	132,593	2,906	2.2%	
Part-Time						
<u>Summer School</u>						
Regular Instructional Programs	8,256	11,975	13,975	2,000	16.7%	
Extended School Year Services for Students with Disabilities	1,345	1,964	3,356	1,392	70.9%	
Total Summer School	9,601	13,939	17,331	3,392	24.3%	
Evening High School (1)	774	1,085	2,000	915	84.3%	
Home and Hospital Teaching	11	39	600	561	1438.5%	
Total Part-Time	10,386	15,063	19,931	4,868	32.3%	
(1) Some Evening High School student enrollment numbers are also included in grades 9 - 12 full-time.						
Online Campus						
7-12	-	497	720	223	44.9%	
Total Online Campus	-	497	720	223	44.9%	

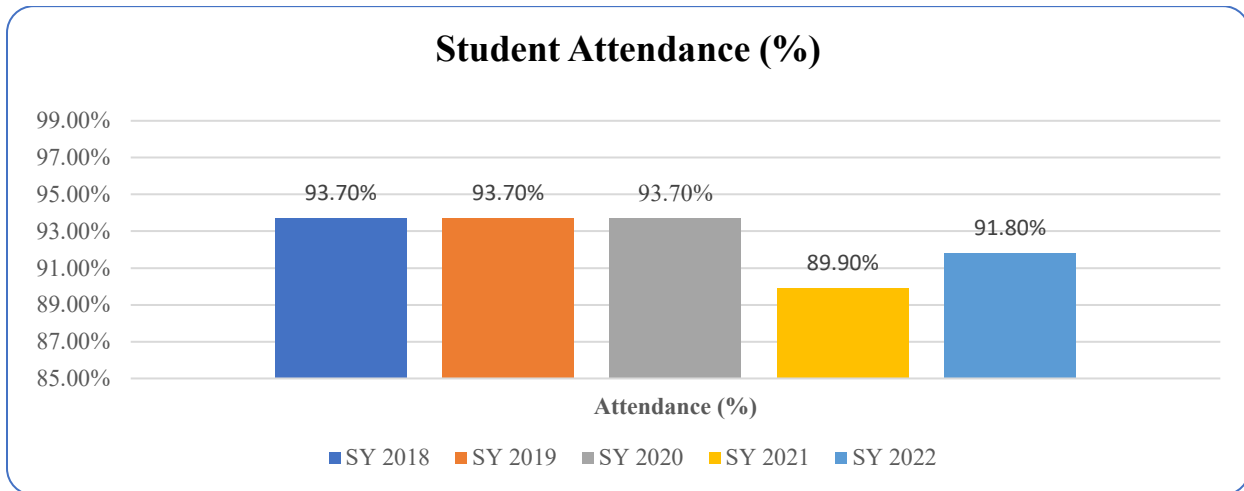
Student Data

Free and Reduced Meals (FARMs)

- 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.

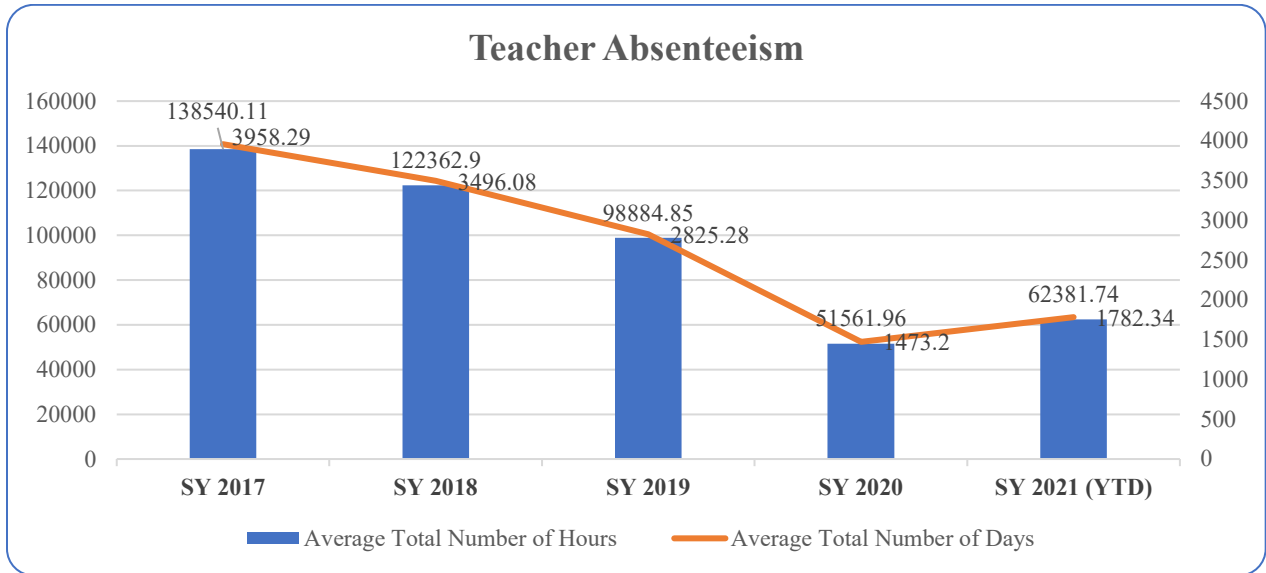
Student and Teacher Attendance

- The student attendance rates for School Years 2018, 2019, 2020, 2021, and 2022 (as of March 09, 2022) is listed below:



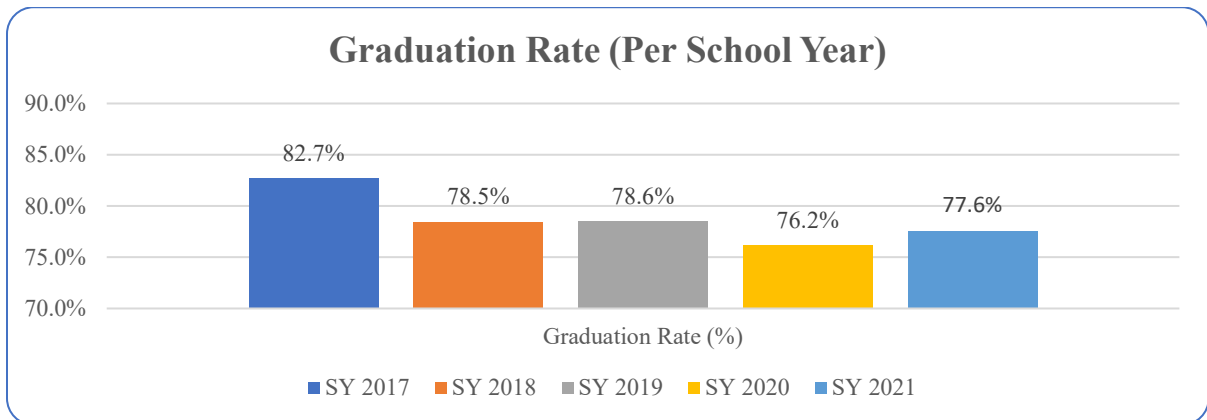
- To reduce truancy, PGCPS has done the following:
 - School-based initiatives
 - Individualized school plan.
 - Hired 140 mental health clinicians staffed in 144 schools;
 - Instituted a School Instructional Team (SIT) Referral for chronically absent students;
 - Used the ALLHERE – Chatbot to communicate 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 help re-enroll students that may have dropped out of the school system;
 - Pupil Personnel Workers who send monthly chronic absenteeism and habitually truant data to principals; and
 - Used SchoolMessenger, a district-wide communication tool for the district, schools, and teachers to communicate with parents, students, and community members.
 - Created a joint message with the State’s Attorney’s Office outlining the legal consequences of chronic absenteeism for parents and guardians.

- 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. The latest numbers for SY 2021 actual and SY 2022 to date were not provided – the chart will be updated once Audits & Investigation receives the update.



Graduation and Dropout Rates

- Graduation rates increased from 76.2% in SY 2020 to 77.6% in SY 2021, an increase of 1.4%. Average graduation rates from SY 2017 to SY 2021 is presented in the chart below:

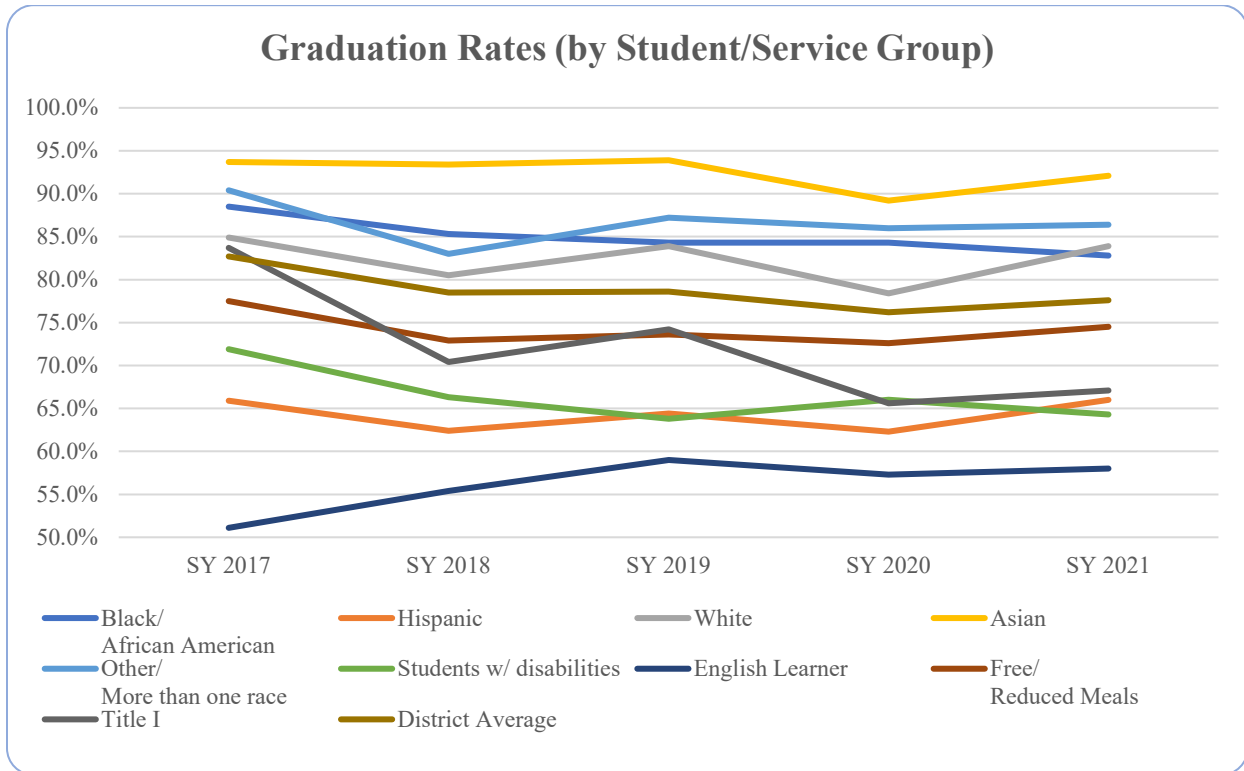


- Graduation rates, per school, for the high schools and specialty schools in SY 2020 and SY 2021 is presented in increments of 10% in the chart below (schools that did not graduate students were omitted from the count):

Graduation Rate (%)	Number of Schools (SY 2020)	Number of Schools (SY 2021)
0-59.9%	2	1
60-69.9%	7	6
70-79.9%	5	8
80-89.9%	10	5
90-100%	8	10
Total	32	30

- The schools with the highest graduation percentages for SY 2021 were: Academy of Health Sciences at PGCC (100%), College Park Academy (98.15%), and Chesapeake Math and IT Public Charter (96.81%). The schools with the lowest graduation percentages for SY 2021 were: Central HS (59.1%), Tall Oaks HS (60.8%), and International HS @ Langley Park (62.7%).
- Graduation rates, per student group, increased for all but two (2) student groups. The “Black/African American” decreased by 1.5% to 82.8% and “Students with disabilities” decreased by 1.7% to 64.3%. The lowest graduation rates are among English Learners (58%), Students with disabilities (64.3%, and Hispanic (66%). Graduation rates from SY 2017 to SY 2021 are listed below:

Graduation Rates (SY 2017 – SY 2021)						
Service/Student Group	SY 2017	SY 2018	SY 2019	SY 2020	SY 2021	SY 2021 - SY 2020 Change
Black/African American	88.5%	85.3%	84.3%	84.3%	82.8%	-1.5%
Hispanic	65.9%	62.4%	64.4%	62.3%	66.0%	3.7%
White	84.9%	80.5%	83.9%	78.4%	83.9%	5.5%
Asian	93.7%	93.4%	93.9%	89.2%	92.1%	2.9%
Other/More than one race	90.4%	83.0%	87.2%	86.0%	86.4%	0.4%
Students w/ disabilities	71.9%	66.3%	63.8%	66.0%	64.3%	-1.7%
English Learner	51.1%	55.4%	59.0%	57.3%	58.0%	0.7%
Free/Reduced Meals	77.5%	72.9%	73.6%	72.6%	74.5%	1.9%
Title I	83.7%	70.4%	74.2%	65.6%	67.1%	1.5%
District Average	82.7%	78.5%	78.6%	76.2%	77.6%	1.4%



- Dropout Rates were highest among English Learners (31.94%), Hispanic (26.1%), and Title I (24.28%) groups. Dropout rates, per student group, are listed below:

Dropout Rates (SY 2017 – SY 2021)						
Service/Student Group	SY 2017	SY 2018	SY 2019	SY 2020	SY 2021	Change SY 2020 to SY 2021
Black/African American	7.96%	9.91%	9.94%	9.80%	10.17%	0.37%
Hispanic	28.55%	31.00%	29.34%	30.95%	26.10%	-4.85%
White	11.69%	14.29%	11.68%	17.93%	12.85%	-5.08%
Asian	4.80%	4.28%	3.61%	8.08%	6.14%	-1.94%
Other/More than one	7.19%	10.06%	9.22%	9.15%	8.64%	-0.51%
Students w/ disabilities	13.42%	20.34%	13.85%	12.95%	13.85%	0.90%
English Learners	39.75%	36.24%	33.88%	32.62%	31.94%	-0.68%
Free/Reduced Meals	17.28%	20.49%	19.32%	20.36%	16.53%	-3.83%
Title I	10.24%	23.33%	21.35%	28.37%	24.28%	-4.09%
District Average	13.40%	16.20%	15.70%	17.80%	15.36%	-2.44%

Specialty Programs

- For FY 2023, PGCPs notes twenty-one (21) specialty programs at different school levels:
 - *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 Management, Science and Technology, French Immersion, International School, and Visual and Performing 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 2023, PGCPs notes twenty-three (23) high schools with career academy programs.

Alternative Schools

- PGCPs maintains five (5) alternative schools:

School Name	Capacity
Annapolis Road	120
Green Valley	230
Community-Based Classroom	100
Croom	120
Tall Oaks	192

Class Size

- As of March 30, 2021, average class size per type of school is listed below:
 - *Elementary Schools*: 18.6 students per homeroom
 - *Combination Schools*: 18.1 students per homeroom/section
 - *Middle Schools*: 20.7 students per section
 - *High Schools*: 17.6 students per section
 - *Alternative High Schools*: 6.1 students per section
 - *Charter Schools*: 19.9 students per homeroom/section
 - *Early Childhood Centers*: 9.5 students per room
 - *Regional Schools*: 2.8 students per section

Relocatable Classrooms

- There are currently 503 relocatable classrooms in the school system.

Programs for Children Under Five (5) and Prekindergarten Sites

- PGCPS maintains the following programs for children under five (5):
 - Infants and Toddlers: early intervention program which provides services and supports to young children with developmental delays.
 - 7/1/21 to 3/9/22, 2,505 children served.
 - Preschool Opportunities for Two Year Olds: The capacity for 60 students with Individualized Family Service Plans (IFSPs) and 15 “typical peers” or non-Individualized Educational Plan (IEP) students.
 - Preschool Opportunities for Three Year Olds: The capacity for 211 students with IEPs and 150 “typical peers.”
 - Prekindergarten: The capacity for 4,380 students.
 - Montessori (Specialty/Lottery): The capacity depends on school:
 - John Hanson Montessori: 3 YOs (65) | 4 YOs (60)
 - Judith P. Hoyer Montessori: 3 YOs (50) | 4 YOs (45)
 - Robert Goddard Montessori: 3 YOs (65) | 4 YOs (60)
- There are currently 219 prekindergarten sites with 4,380 seats available full-day seats. Five sites offer co-taught special education.

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 questions 41, 43, and 44 in the First-Round Questions responses submitted by PGCPS.

FY 2023 Board of Education Requested Budget Fiscal Highlights

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

- **Base Changes** are expenditure changes that are required to support prior operating budget obligations. For FY 2023, a decrease of \$5.3 million is expected resulting from the three year negotiated Longevity Step adjustments which end in June 30, 2022.
- **Mandatory Costs** are expenditures that are required by law and support contract commitments. These costs are anticipated to increase by \$72.7 million, including and are summarized below:
 - \$ 69.2 million for Compensation Negotiated Commitments
 - \$ 2.9 million for Charter School Expansion & Renewal (Legends Charter School)
 - \$ 0.5 million for Dual Enrollment Fees and Textbooks
- **Costs of Doing Business** are expenditures which provide essential health/safety services and maintains the existing workforce. These costs are anticipated to increase by \$31.4 million as summarized below:
 - \$ 31.9 million for Lease Purchase (Supports pre-payment)
 - \$ (1.9 million) for Student/School Based Supports (Due to reduction in enrollment)
 - \$ 0.9 million for Technology Maintenance and Upgrades
 - \$ 0.5 million for Mental Health and Case Management

- **Redirected Resources** are anticipated to decrease by \$251.1 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:
 - (\$ 0.005) million for Academics
 - \$ 0.23 million for Accountability
 - (\$ 0.32) million for Business Management Services
 - (\$ 0.002) million for Chief Executive Officer
 - (\$ 0.16) million for Chief of Staff
 - (\$ 0.43) million for Chief Operating Officer
 - \$ 0.06 million for Human Resources
 - \$ 0.01 million for Information Technology
 - (\$ 0.11) million for School Support & Leadership
 - (\$ 1.92) million for School-Based Resources
 - (\$231.03) million for Restricted Programs
 - (\$ 2.00) million for Central Office Reductions
 - (\$ 14.00) million for Restricted Funds Reprogramming
 - (\$ 0.18) million for Retirement Admin Fee
 - (\$ 0.25) million for Unemployment
 - (\$ 1.00) million for Worker's Compensation

- **Program Continuations** reflect expenditures that provide for phased implementations for Academic programs. These expenditures are anticipated to increase by \$1.59 million and will provide 14.50 FTE positions, as summarized below:
 - \$ 1.08 million for Immersion Programs, an increase of 10.00 FTEs
 - Nine (9) FTE 8th grade Spanish immersion teachers at Kettering MS and expanded to the 5th grade at Cool Springs ES.
 - One (1) FTE 8th grade Chinese immersion teacher.
 - \$ 0.36 million for 3 Dimensional Education – Public Safety, an increase of three (3) FTEs
 - At Surrattsville HS)
 - \$ 0.09 million for World Languages, an increase of 1 FTE
 - Spanish teacher at James Madison MS
 - \$ 0.05 million for International Baccalaureate Program, an increase of 0.5 FTEs
 - At Frederick Douglass' Middle Years Program (MYP)

- **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 \$5.1 million and 23 FTE positions in the subcategories named below:
 - Goal 1: Educational Excellence
 - Edgenuity Software Licenses
 - Judy Hoyer Early Learning Hubs
 - Early Childhood-Year Round Services
 - Children's Aid: National Center for Community Schools
 - Junior Achievement Finance Park
 - Goal 2: Workforce and Operational Excellence
 - Building Services Support and Maintenance
 - Safety and Security Services

- Strategic Planning and Resource Management
- Goal 3: Workforce and Operational Excellence
 - Communications Enhancements
 - Office of General Counsel
 - Testing, Research and Evaluation
 - Monitoring & Accountability