





April 19, 2024

MEMORANDUM

TO: Sydney J. Harrison, Chair
Education and Workforce Development (EWD) Committee

THRU: Joseph R. Hamlin 
Director of Budget and Policy Analysis Division

FROM: Arian Albear 
Director, Education and Workforce Development Committee

RE: Board of Education (BOE)
Fiscal Year 2025 Operating Budget Review

BUDGET OVERVIEW

The County Executive's FY 2025 Proposed Budget for the Board of Education (BOE) totals \$2,829,360,000, an increase of \$29,318,600, or 1.0%, over the FY 2024 Approved Budget. The Proposed Budget is \$6,103,552 less than the Superintendent's FY 2025 Proposed Operating Budget of \$2,835,463,552.

The increase from the FY 2025 County-approved budget is primarily due to cost-of-living adjustments (COLAs) and step increases for staff, and an addition of 108 positions due to formula-driven requirements for student/school-based budgeting resources.

FY 2025 Board of Education Requested Budget Fiscal Highlights¹

- **Base Changes** are expenditure changes required to support prior operating budget obligations. For FY 2025, an increase of \$5.4 million is expected, resulting from costs to cover the rollover of mid-year employee compensation improvements or changes from FY 2024.
- **Mandatory Costs** are expenditures required by law and support contract commitments. Mandatory Costs cover employee-negotiated contracts for compensation, state retirement and leave obligations, Blueprint legislation mandates, and other essential support. These costs are anticipated to increase by \$83.5 million in FY 2025 to support compensation-negotiated

¹ Further details on the Superintendent's Proposed Budget Books Fiscal Highlights can be found on pages 13-15.

commitments and the Blueprint mandates for workforce development and publicly funded PreK providers.

- **Costs of Doing Business** are expenditures that support students, maintain the existing workforce, and invest in operational infrastructure. Costs of Doing Business support student/school-based supports; Blueprint Phase II school construction availability payment, lease purchases, technology improvements, and building maintenance. These costs are anticipated to increase by \$52.5 million, and 108 FTE positions to provide student/school-based support, lease purchases, building maintenance and repair, technology maintenance and upgrades, and the EPA clean school bus grant match.
- **Redirected Resources** are reductions from amounts appropriated in the prior fiscal year for selected programs and services. FY 2025 redirected resources are anticipated to decrease by \$150,714,433 million and increase by 1 FTE position from several programs and services, the largest of which is a \$78.9 million decrease in Restricted Programs and a \$66.2 million decrease from Salary & Benefits Lapse and Reserve.
- **Program Continuations** reflect expenditures for phased implementations for instructional Academic programs. These expenditures are anticipated to increase by \$3 million and 18 FTE positions. The primary increases support Creative & Performing Arts (\$641,432, 6 FTEs), Special Ed K-12 Instructional Program Expansion (\$593,886, 4 FTEs), and Academic Programs Staffing: IB and AVID (\$425,824, 3 FTEs)
- **Organizational Improvements** fund instructional programs, facilities, and services consistent with the Strategic Plan, enhance teaching and learning for all students, and strengthen accountability and support systems. This category is proposed to increase by \$30.7 million and 171.5 FTE positions in the subcategories named below:
 - *Goal 3: Workforce and Operational Excellence*
 - Safety and Security Services
 - Online Classroom
 - Curriculum & Instruction: Academic Interventions and Support
 - Athletic Programs: Trainers and Other Program Support
 - Building Services: Climate Change Initiative
 - Student Services
 - Information Technology
 - Building Services
 - Special Education K-12 Instructional Programs
 - Media Relations and Strategic Communications
 - Area Offices
 - Career & Technical Education
 - Human Resources
 - Transformation, Leadership & Continuous Improvement
 - Early Learning Office
 - Purchasing
 - Strategic Planning & Resource Management CSI Dashboards

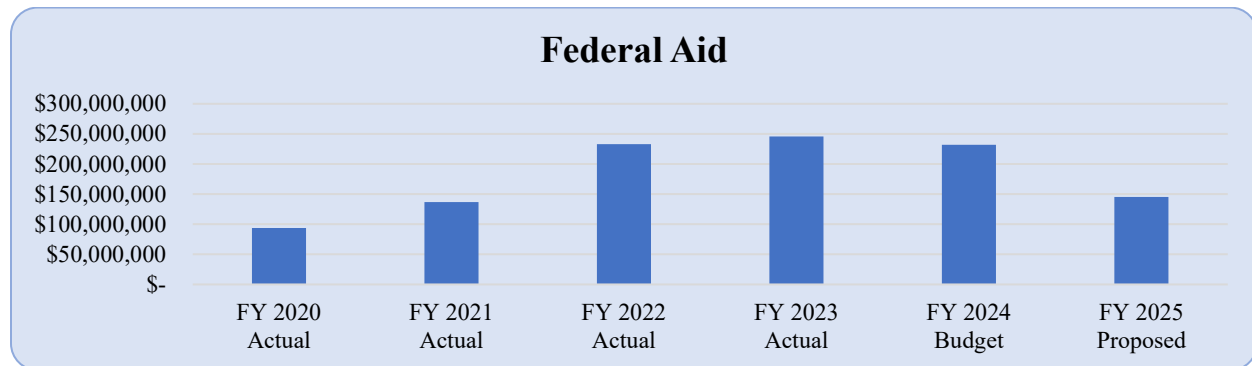
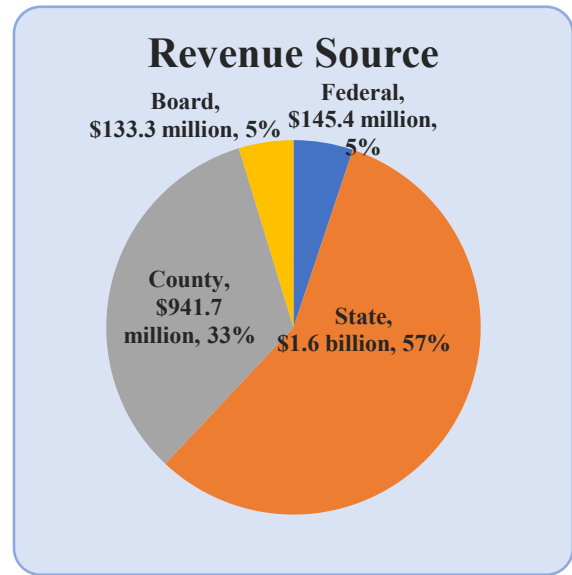
REVENUES

| EDUCATION REVENUE SOURCES | | | | | |
|---|---------------------------|-----------------------------|-----------------------------|------------------------|---------------------|
| Source | FY 2023 Actual | FY 2024 Approved | FY 2025 Proposed | \$ Change | % Change |
| <u>Federal Sources:</u> | | | | | |
| Unrestricted Federal Aid | \$ 44,996 | \$ 98,100 | \$ 98,100 | \$ - | 0% |
| Restricted Federal Aid | 245,503,384 | 231,640,000 | 145,342,200 | (86,297,800) | -37.3% |
| Subtotal Federal Sources | 245,548,380 | 231,738,100 | 145,440,300 | \$ (86,297,800) | -37.2% |
| <u>State Aid:</u> | | | | | |
| Foundation Program | \$ 627,697,885 | \$ 661,123,700 | \$ 651,356,200 | \$ (9,767,500) | -1.5% |
| Regional Cost Difference | 48,807,990 | - | - | - | N/A |
| Comparable Wage Index | - | 41,789,600 | 41,172,200 | (617,400) | -1.5% |
| Special Education | 48,303,371 | 66,376,400 | 73,840,600 | 7,464,200 | 11.2% |
| Nonpublic Placements | 21,370,861 | 25,578,000 | 25,578,000 | - | 0% |
| Transportation Aid | 50,286,310 | 52,868,700 | 53,763,600 | 894,900 | 1.7% |
| Compensatory Education | 254,469,286 | 352,033,600 | 346,827,100 | (5,206,500) | -1.5% |
| English Learners | 143,638,899 | 163,247,400 | 172,227,900 | 8,980,500 | 5.5% |
| Supplemental Grant | 20,505,652 | - | - | - | N/A |
| Other State Aid | 99,607 | - | - | - | N/A |
| Transition Grant | - | 20,505,700 | 17,429,800 | (3,075,900) | -15.0% |
| Educational Effort | 26,521,153 | 60,952,200 | 80,104,400 | 19,152,200 | 31.4% |
| Career Ladder | 1,699,590 | 1,737,900 | 1,879,200 | 141,300 | 8.1% |
| College and Career Ready | 900,895 | 1,568,500 | 873,900 | (694,600) | -44.3% |
| Blueprint - Prekindergarten | 22,680,915 | 22,853,400 | 25,597,800 | 2,744,400 | 12.0% |
| Blueprint - Concentration of Poverty | 45,501,837 | 58,793,000 | 104,325,800 | 45,532,800 | 77.4% |
| Blueprint - Transitional Supplemental Instruction | 9,938,599 | 10,420,500 | 7,867,200 | (2,553,300) | -24.5% |
| Maryland Safe Schools Grant | 1,718,125 | - | - | - | N/A |
| Miscellaneous Revenue/Out of County Living Arrangements | (251,493) | 96,400 | 101,800 | 5,400 | 5.6% |
| Other Restricted Grants | 8,898,344 | 3,947,400 | 5,936,100 | 1,988,700 | 50.4% |
| Subtotal State Aid | \$ 1,332,787,826 | \$ 1,543,892,400 | \$ 1,608,881,600 | \$ 64,989,200 | 4.2% |
| <u>County Revenue:</u> | | | | | |
| General County Sources | \$626,051,711 | \$684,457,800 | \$675,085,700 | \$ (9,372,100) | -1.4% |
| Real Property/BOE - Tax Increase | 38,984,738 | 39,736,300 | 41,969,800 | 2,233,500 | 5.6% |
| Personal Property/BOE - Tax Increase | 3,659,958 | 3,253,300 | 3,696,600 | 443,300 | 13.6% |
| Telecommunications Tax | - | - | 12,460,000 | 12,460,000 | N/A |
| Energy Tax | - | - | 53,415,200 | 53,415,200 | N/A |
| Transfer Tax | 128,254,393 | 152,139,900 | 122,500,000 | (29,639,900) | -19.5% |
| <u>Additional County Contribution:</u> | | | | | |
| General County Sources | - | - | 32,600,000 | \$32,600,000 | N/A |
| Telecommunications Tax | 12,621,951 | 10,935,000 | - | (10,935,000) | -100.0% |
| Energy Tax | 37,424,549 | 52,532,500 | - | (\$52,532,500) | -100.0% |
| Subtotal County Revenue | \$846,997,300 | \$943,054,800 | \$941,727,300 | (\$1,327,500) | -0.1% |
| <u>Board Sources:</u> | | | | | |
| Board Sources | \$29,974,737 | \$11,356,100 | \$13,310,800 | \$1,954,700 | 17.2% |
| Use of Fund Balance | 73,908,755 | 70,000,000 | 120,000,000 | 50,000,000 | 71.4% |
| Subtotal Board Sources | \$ 103,883,492 | \$ 81,356,100 | \$ 133,310,800 | \$ 51,954,700 | 63.9% |
| TOTAL | \$ 2,529,216,998 | \$ 2,800,041,400 | \$ 2,829,360,000 | \$ 29,318,600 | 1.0% |

- Total revenue from all funding sources for FY 2025 is proposed at \$2,829,360,000, an increase of \$29,318,600, or 1.0%, over the FY 2024 approved level.

Federal Aid

- Total Federal Aid for FY 2025 is proposed at \$145,440,300, a decrease of \$86,199,700, or 37.2%, under the FY 2024 Approved Budget. Federal funding comprises 5.1% 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.



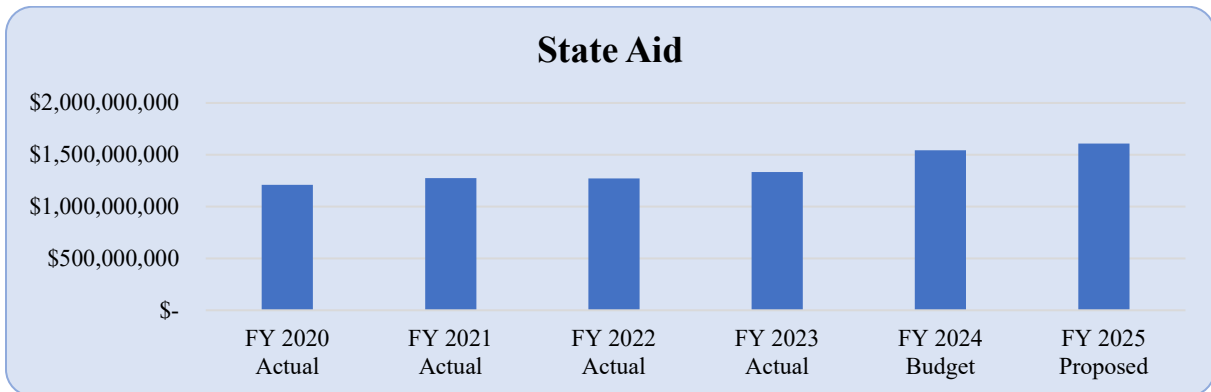
COVID-19 Pandemic Funds

- More information on how the funding was allocated within PGCPs can be found in response to questions 74 and 75 of the *First-Round Budget Review Questions*. A September 2023 report on ESSER funding allocations through the Strategic Initiatives Office can be found [here](#). The project summaries, as of September 2023, can be found [here](#).

State Aid

- Total State Aid for FY 2025 is anticipated to be \$1,608,881,600, an increase of \$64,989,200, or 4.2%, over the FY 2024 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 driven by the following categories: Concentration of Poverty (\$45.5 million), Educational Effort (\$19.2 million), Compensatory Education (\$9.0 million), and Special Education (\$7.5 million).
 - Decreases primarily in the following categories partly offset the increases above: Foundation Program (\$9.8 million), Compensatory Education (\$5.2 million), Transition Grant (\$3.1 million), and Blueprint Transitional Supplemental Instruction (\$2.6 million).

- State Aid comprises 56.9% of the Board's total proposed funding.



- Federal and State Aid are \$1,754,321,900, or 62.0%, of the Proposed FY 2025 Budget.

Blueprint for Maryland's Future

- The State's Blueprint for Maryland's Future legislation substantially altered 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 reflects the regional differences in 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.

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.

County Contribution

- The FY 2025 proposed County Contribution to the Board of Education is \$941,727,300, a decrease of \$1,327,500, or 0.1%, under the FY 2024 Approved Budget. The decrease is primarily due to mandated Blueprint formula-driven adjustments offset by removing the

energy and telecommunications tax as additional County aid. County source revenue comprises 33.3% of the Board's total proposed funding.

- The County Contribution is composed of County revenue from sources discussed below:
 - General County Sources – the largest category and proposed at \$675,085,700 for FY 2025, a decrease of 1.4%.
 - 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 \$41,969,800, an increase of 5.6%.
 - 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 \$3,696,600, an increase of 13.6%.
 - 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 2025 is \$12,460,000. The historical decrease in Telecommunications Tax revenue is due to market shifts from landline to wireless services (some non-taxable).
 - Beginning in FY 2025, the Telecommunications Tax is no longer added above the County Contribution to the Board of Education.
 - The Telecommunications Tax is levied upon all telecommunications bills in the County (including wireless phones).
 - A portion of the revenue from the County's Energy Tax is earmarked for the school system. The revenue anticipated in FY 2025 is \$53,415,200.
 - Beginning in FY 2025, the Energy Tax is no longer added above the County Contribution to the Board of Education.
 - 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 2025 is \$122,500,000, a decrease of 19.5%.
 - The Transfer Tax is imposed upon the recordation of instruments conveying title to real property or any other interest in real property. The tax rate is unchanged at 1.4% for FY 2025.
- 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, Full-day Prekindergarten, College and Career Ready, 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 Aid / 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 2025 State Relief = Education Effort Adjustment x 45% (phased up to 100% by FY 2030)
- For FY 2025, \$2,434,200 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 is a decrease of 8.7% from the previous year.
- County Aid to the Board of Education accounts for 33.3% of the budget.

Board Sources and Fund Balance

- Board Sources are proposed at \$133,310,800 for FY 2025, an increase of \$51,954,700, or 63.9%, over the FY 2024 Approved Budget. The increase is driven by a \$50 million additional use of Fund Balance. Board Sources represent 4.7% of the total proposed budget.
- Board Sources other than Fund Balance increased by \$1,954,714, or 17.2%. This is due to higher-than-expected interest income and revenues from the School Bus Stop Arm program.
- The Board of Education proposes using \$120,000,000 of their total fund balance as a revenue source for FY 2025. This amount is an increase of \$50 million, or 71.4% over the prior year amount. As of June 30, 2023, the Board of Education's total Fund Balance was segmented into the following categories:
 - Restricted: \$ 0
 - Non-Spendable: \$ 4,596,554 (for non-capital inventories and pre-paid expenses)
 - Committed: \$ 70,000,000 ("use of fund balance" for FY 2024)
 - Assigned: \$ 157,939,149 (to encumbrances and specific liabilities/litigation)
 - Unassigned: \$ 30,615,188

- BOE is well below the recommended level of two (2) months of regular general fund revenues or expenditures.² The unrestricted total of \$258.6 million equates to 1.10 months³ of expenditures (an additional \$210 million is required to meet the minimum requirement).

EXPENDITURES

- FY 2025 proposed expenditure is \$2,829,360,000, an increase of \$29,318,600, or 1.0%, over the FY 2024 Approved Budget.

| Change in Expenditures by Category | | | | | | |
|---|---------------------------|-----------------------------|-----------------------------|-----------------------------|----------------------|---------------------|
| Category | FY 2023 Actual | FY 2024 Approved | FY 2024 Estimate | FY 2025 Proposed | \$ Change | % Change |
| Compensation | \$ 1,508,206,183 | \$ 1,703,678,100 | \$ 1,718,366,800 | \$ 1,762,121,600 | \$ 58,443,500 | 3.4% |
| Fringe Benefits | 470,196,520 | 562,020,700 | 528,988,000 | 540,118,300 | (21,902,400) | -3.9% |
| Operating Expenses | 526,462,051 | 500,448,200 | 526,790,300 | 484,296,100 | (16,152,100) | -3.2% |
| Capital Outlay | 30,011,250 | 33,894,400 | 37,061,400 | 42,824,000 | 8,929,600 | 26.3% |
| Total | \$ 2,534,876,004 | \$ 2,800,041,400 | \$ 2,811,206,500 | \$ 2,829,360,000 | \$ 29,318,600 | 1.0% |

- Compensation is proposed to increase by \$58.4 million, or 3.4%, primarily due to negotiated and pending FY 2025 salary improvements for various collective bargaining units; staffing requirements tied to student-based budgeting requirements; program expansions, including the Creative and Performing Arts and Special Education K-12 instructional programs and additional requirements for safety and security services. This is partially offset by reducing federal restricted grant resources and other system-wide savings initiatives. Compensation costs include funding for all 21,136 full-time equivalent positions.
- Fringe Benefits are proposed to decrease by \$21.9 million, or 3.9%, due to anticipated post-employment benefits, healthcare, and life insurance costs, and the net differential between the initial Board request and the County Executive's proposed budget.
- Operating Expenses are proposed to decrease by \$16.2 million, or 3.2%, to align with projected costs.
- Capital Outlay expenditures are proposed to increase by \$8.9 million, or 26.3%, to purchase new and replacement equipment.

Expenditures by State Category

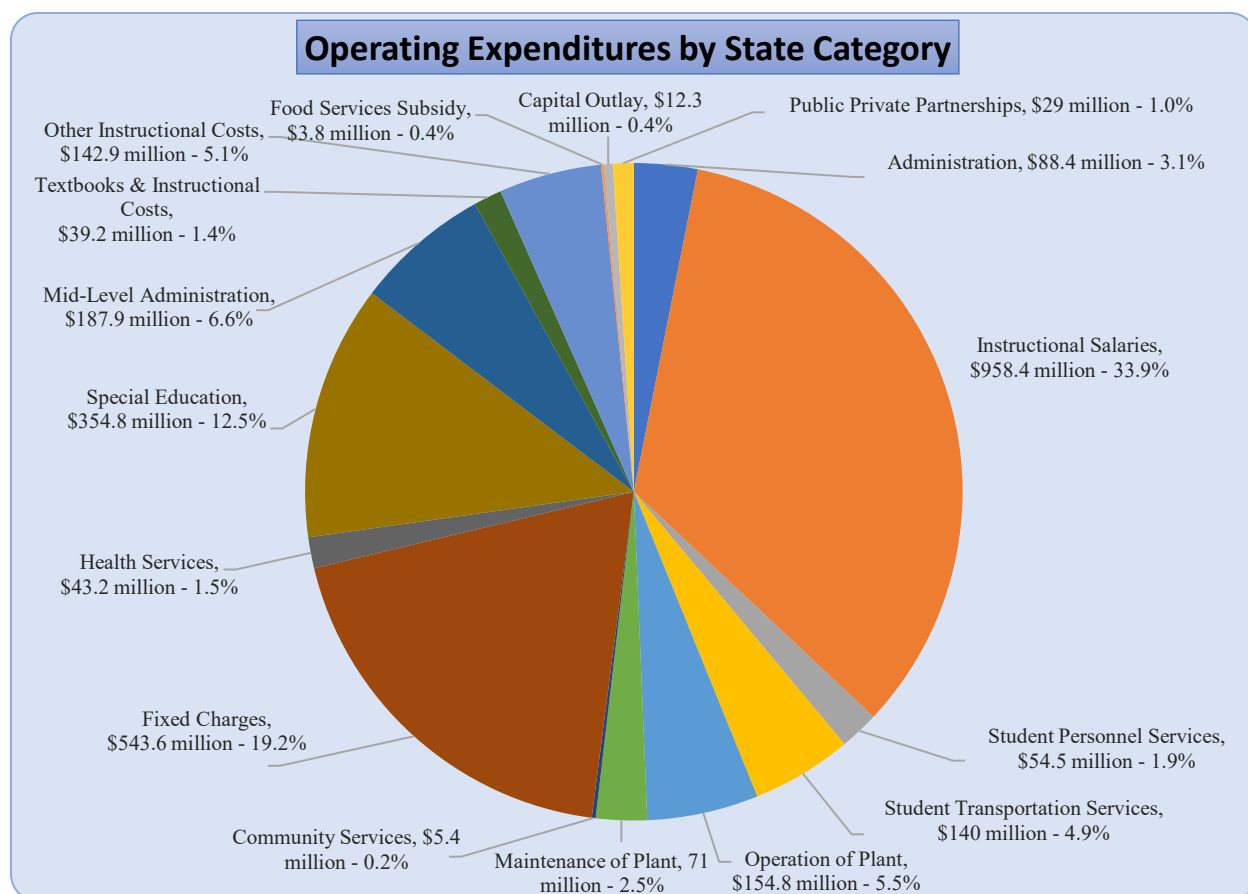
- By State Expenditure Category, increases are proposed for Mid-Level Administration, Instructional Salaries, Public-Private Partnerships, Health Services, Fixed Charges, Capital Outlay, and Special Education. Decreases are proposed for Other Instructional Costs, Student

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.

³ Last year, the amount equates to 1.35 months of expenditures.

Personnel Services, Food Service Subsidy, Textbooks and Instructional Materials, Operation of Plant, Maintenance of Plant, Student Transportation Services, Administration, and Community Services. The table and chart below summarize the expenditures:

| Changes in Expenditures - by State Category | | | | | | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|----------------------|-------------|
| Category | FY 2023 Actual | FY 2024 Approved | FY 2024 Estimate | FY 2025 Proposed | \$ Change | % Change |
| Administration | \$ 73,836,488 | \$ 89,194,400 | \$ 91,958,600 | \$ 88,436,000 | \$ (758,400) | -0.9% |
| Instructional Salaries | 819,207,349 | 943,401,400 | 934,229,600 | 958,383,400 | 14,982,000 | 1.6% |
| Student Personnel Services | 38,962,884 | 63,912,200 | 67,633,900 | 54,494,100 | (9,418,100) | -14.7% |
| Student Transportation Services | 127,433,881 | 141,755,700 | 145,156,900 | 139,998,800 | (1,756,900) | -1.2% |
| Operation of Plant | 153,290,092 | 157,568,900 | 157,710,700 | 154,828,000 | (2,740,900) | -1.7% |
| Maintenance of Plant | 64,234,471 | 73,203,600 | 74,788,800 | 71,031,200 | (2,172,400) | -3.0% |
| Community Services | 7,966,484 | 6,014,100 | 6,077,300 | 5,395,600 | (618,500) | -10.3% |
| Fixed Charges | 487,982,574 | 532,992,100 | 531,519,500 | 543,649,700 | 10,657,600 | 2.0% |
| Health Services | 47,019,853 | 29,760,400 | 28,692,300 | 43,210,100 | 13,449,700 | 45.2% |
| Special Education | 331,092,333 | 354,703,000 | 359,060,800 | 354,815,200 | 112,200 | 0.0% |
| Mid-Level Administration | 153,371,363 | 168,551,700 | 173,770,900 | 187,893,100 | 19,341,400 | 11.5% |
| Textbooks and Instructional Materials | 56,920,393 | 42,483,100 | 40,191,100 | 39,245,400 | (3,237,700) | -7.6% |
| Other Instructional Costs | 140,223,202 | 160,680,900 | 166,539,500 | 142,922,800 | (17,758,100) | -11.1% |
| Food Services Subsidy | 1,084,631 | 8,644,900 | 6,626,600 | 3,760,600 | (4,884,300) | -56.5% |
| Capital Outlay | 2,250,006 | 12,175,000 | 12,250,000 | 12,296,000 | 121,000 | 1.0% |
| Public Private Partnerships | 30,000,000 | 15,000,000 | 15,000,000 | 29,000,000 | 14,000,000 | 93.3% |
| TOTAL | \$ 2,534,876,004 | \$ 2,800,041,400 | \$ 2,811,206,500 | \$ 2,829,360,000 | \$ 29,318,600 | 1.0% |



- The Superintendent's FY 2025 budget includes a \$145.5 million increase in School-Based Resources partially offset by cuts in central services like Curriculum & Instruction, Early Learning, Other Fixed Charges, Chief Information & Technology Officer, and Student Services. The increase in school-based resources is primarily due to higher salaries from negotiated agreements and an additional 130 school-based FTE positions.

EMPLOYEE DATA

- Proposed staffing for FY 2025 totals 21,136 full-time equivalent (FTE) positions, an increase of 279 positions, or 1.3%, over the number of FTE positions budgeted for FY 2024.

| Staffing by Position Type | | | | |
|---|-----------------------------|-----------------------------|-----------------------|---------------------|
| Positions by Category | FY 2024 Approved | FY 2025 Proposed | FTE Change | % Change |
| Aides - Paraprofessionals | 2,249 | 2,399 | 150 | 6.7% |
| Assistant Principals | 343 | 364 | 21 | 6.1% |
| Bus Drivers | 1,441 | 1,410 | (31) | -2.2% |
| Superintendent, Chiefs, Administrators, Area Assistant Superintendents | 16 | 17 | 1 | 6.3% |
| Directors, Coordinators, Supervisors, Specialists | 503 | 587 | 84 | 16.7% |
| Guidance Counselors | 395 | 411 | 16 | 4.1% |
| Librarians | 123 | 129 | 6 | 4.9% |
| Nurses | 245 | 263 | 18 | 7.3% |
| Other Professional Staff | 481 | 548 | 67 | 13.9% |
| Other Staff | 3,053 | 3,199 | 146 | 4.8% |
| Principals | 204 | 206 | 2 | 1.0% |
| Psychologists | 99 | 99 | - | 0% |
| Pupil Personnel Workers, School Social Workers | 75 | 76 | 1 | 1.3% |
| Secretaries and Clerks | 908 | 967 | 59 | 6.5% |
| Teachers | 10,548 | 10,287 | (261) | -2.5% |
| Therapists | 174 | 174 | - | 0% |
| Total FTE Positions | 20,857 | 21,136 | 279 | 1.3% |

Union Negotiated Compensation Agreements

- The Board's FY 2025 Requested Annual Operating Budget includes \$5,355,482 for carryover compensation costs related to FY 2024. In FY 2025, PGCPs will provide \$26,326,452 in step increases, \$54,359,161 in cost-of-living adjustments (COLAs), and \$5,379,383 in Board Certified Stipends. ASASP II, ASASP III, and SEIU have ongoing contracts ending 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.

| FY 2024 Negotiated Compensation Commitments | | | | | | |
|--|------------------------------|---|------------------------------|----------------------|---|----------------------|
| Union | Current Contract Ends | FY 2024 Step/COLA Carryover Cost | FY 2025 Step Increase | FY 2025 COLA | FY 2025 Board Certified Stipends | Total |
| ASASP II | June 30, 2024 | | 2,506,430 | 5,469,686 | \$ 158,580 | \$ 8,134,696 |
| ASASP III | June 30, 2024 | | 1,459,718 | 2,735,001 | 753,688 | 4,948,407 |
| SEIU | June 30, 2024 | 549,941 | 755,889 | 2,414,810 | | 3,720,640 |
| ACE/AFSCME | June 30, 2025 | 4,805,541 | 5,620,696 | 13,218,920 | 101,000 | 23,746,157 |
| PGCEA | June 30, 2025 | | 15,614,087 | 29,799,697 | 4,307,140 | 49,720,924 |
| Non-Represented | | | 369,632 | 721,047 | 58,975 | 1,149,654 |
| Total | | \$ 5,355,482 | \$ 26,326,452 | \$ 54,359,161 | \$ 5,379,383 | \$ 91,420,478 |

Teacher Retirement and Pensions

- The FY 2025 Proposed Budget includes \$609,229 for teacher pensions, leaving a total appropriation of \$66.7 million due to an increase in the “administrative fee” 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 |
| 2024 | 180 | 669 | 849 |
| 2025 | 244 | 840 | 1,084 |
| 2026 | 310 | 1,028 | 1,338 |
| 2027 | 412 | 1,244 | 1,656 |
| 2028 | 551 | 1,470 | 2,021 |

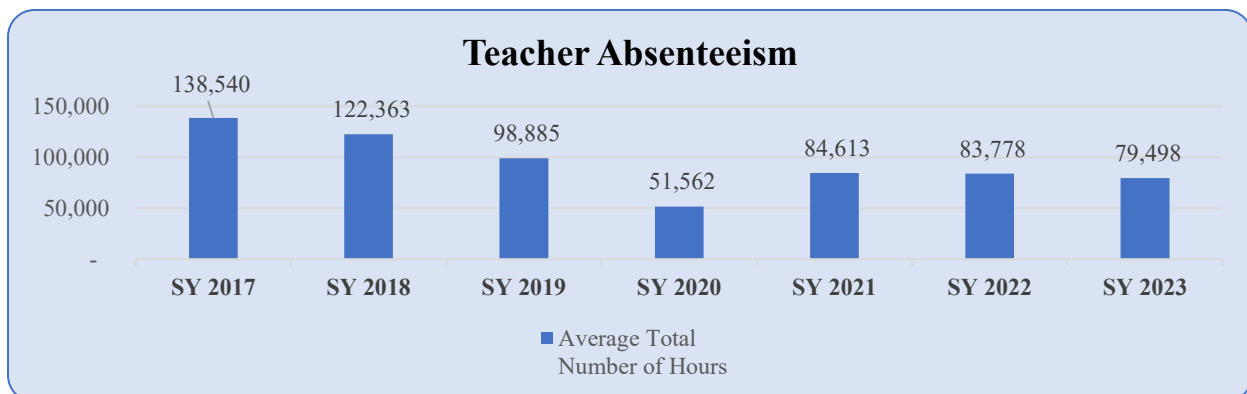
- PGCPs encourages retirees to participate and return as part of the Maryland Retire-Rehire Program for critical shortage areas.
- The valuation for Net Other Post-Employment Benefits (OPEB) Liability, as of June 30, 2023, was \$2,680,200.

| Other Post-Employment Benefits (OPEB) | |
|---|-------------|
| Total OPEB Liability | \$2,909,784 |
| Plan Fiduciary Net Position | \$229,584 |
| Net OPEB Liability | \$2,680,200 |
| Plan Fiduciary Net Position as a percentage of the Total OPEB Liability | 7.89% |

- The minimum \$15 million contribution for FY 2025 is being forward-funded in FY 2024 to help close the budget gap for FY 2025.

Attrition and Vacancies

- PGCPs defines “resignations” as notifications from employees to vacate a position or job and “separations” as including all reasons why an employee leaves PGCPs (including retirement).
- For FY 2023, ASASP II (principals and assistant principals) saw 38 separations, 7.32% of employees. PGCEA saw 1,200 separations, totaling 12.26% of employees. For FY 2023, PGCPs estimates a PGCEA attrition rate between 3% and 5% for PGCEA.
- PGCPs does not collect data on specific reasons for teacher separations.
- The attrition rate for the schools in School Year 2023 and School Year 2024 is provided in [response to question 28b](#) of the *First-Round Budget Review Questions*.
- The schools with attrition rates at 50% or higher in SY 2024 include James E. Duckworth Regional Center (91.67%), Concord ES (60.0%), Brandywine ES (51.72%), Paint Branch ES (51.43%), Apple Grove ES (50.0%). These have all trended upward since SY 2023. PGCPs notes that while Human Resources monitors school-specific turnover rates, the turnover reasons, as defined by PGCPs, have not been monitored.
- The number of vacancies, as of March 1, 2024, is 2,261 FTE positions. The associated salary lapse resulted in savings of \$68,917,685. A full list of vacancies, by category was provided in [response to question 30](#) of the *First-Round Budget Review Questions*.
- The FY 2025 budget includes \$6.1 million for terminal leave payouts based on estimated cost projections. These costs are not deferred by PGCPs but are booked as the employees leave and expense is incurred.
- Average PGCEA teacher experience per school is provided as an attachment as part of the *First-Round Budget Review Questions* [number 22](#). In all but 14 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.



STUDENT DATA

Enrollment and Cost per Pupil

- In FY 2025, PGCPs is anticipating enrollment of 132,262 students in Pre-K through 12th and 870 in nonpublic schools for students with disabilities. This is an increase of 1,113 students, or 0.8% over the FY 2023 actual enrollment.
- The Preschool student population is projected to total 4,832 students, an increase of 51, or 1.1%. Additional enrollment figures are provided in the Pupil Population chart below.

Pupil Population

| | FY 2023 Actual as of 09/30/22 | FY 2024 Actual for 09/30/23 | FY 2025 Projected as of 09/30/24 | Change from FY 2024 Actual to FY 2025 Projected | |
|---|--|--------------------------------------|---|---|--------------|
| Full-Time | | | | | |
| <u>Regular and Special Education Day Programs:</u> | | | | | |
| Kindergarten @ 100% | 9,284 | 9,259 | 9,242 | (17) | -0.2% |
| Elementary Grades 1 to 6 | 57,590 | 57,703 | 57,883 | 180 | 0.3% |
| Middle School Grades 7 and 8 | 19,818 | 19,582 | 19,436 | (146) | -0.7% |
| High School Grades 9 to 12 | 39,627 | 40,000 | 40,869 | 869 | 2.2% |
| Total Regular and Special Education | 126,319 | 126,544 | 127,430 | 886 | 0.7% |
| <u>Pre-school:</u> | | | | | |
| Prekindergarten | 4,507 | 4,459 | 4,480 | 21 | 0.5% |
| Montessori | 317 | 322 | 352 | 30 | 9.3% |
| Total Pre-School | 4,824 | 4,781 | 4,832 | 51 | 1.1% |
| Total Pre-K to 12 Enrollment | 131,143 | 131,325 | 132,262 | 937 | 0.7% |
| Nonpublic Schools - Students with Disabilities | 797 | 694 | 870 | 176 | 25.4% |
| Total Full-Time Enrollment | 131,940 | 132,019 | 133,132 | 1,113 | 0.8% |
| Part-Time | | | | | |
| <u>Summer School:</u> | | | | | |
| Regular Instructional Programs | 8,179 | 12,363 | 13,000 | 637 | 5.2% |
| Extended School Year Services for Students with Disabilities | 3,101 | 1,810 | 4,100 | 2,290 | 126.5% |
| Total Summer School | 11,280 | 14,173 | 17,100 | 2,927 | 20.7% |
| Evening High School ⁽¹⁾ | 1,305 | 1,135 | 1,500 | 365 | 32.2% |
| Home and Hospital Teaching | 79 | 55 | 600 | 545 | 990.9% |
| Total Part-Time | 12,664 | 15,363 | 19,200 | 3,837 | 25.0% |
| <u>Online Campus⁽¹⁾</u> | | | | | |
| 7-12 | 359 | 231 | 267 | 36 | 15.6% |
| Total Online Campus | 359 | 231 | 267 | 36 | 15.6% |

⁽¹⁾ Evening High School - A portion of the Evening HS student enrollment total is also included in the full-time enrollment for grades 9 - 12.

Online Campus, the student count is also included in the Full Time count in the appropriate grade span.

Note: The K-12 enrollment represents the headcount. It does not reflect the full time equivalent enrollment used for the state aid funding purposes.

- The Online campus is expanding by 36 students to 267 pupils in FY 2025.
- For FY 2025, the cost per pupil is projected to be an average of \$20,987 for K-12 students and \$20,568 when also accounting for Pre-kindergarten, an increase of \$5 and \$72, 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 2022 Actual | FY 2023 Actual | FY 2024 Approved | FY 2025 Proposed | \$ Change | % Change |
| K - 12 | \$ 17,792 | \$ 18,982 | \$ 20,982 | \$ 20,987 | \$ 5 | 0.0% |
| Pre-K - 12 | \$ 15,524 | \$ 18,566 | \$ 20,496 | \$ 20,568 | \$ 72 | 0.4% |

Pre-kindergarten, Kindergarten, and Preschool

- PGCPs maintains the following programs and seats available for children under five (5):
 - Prekindergarten, Four-year-old by Sept. 1 (4,460 seats)
 - Montessori Three/Four-years-old by Sept. 1 (352 seats)
 - Three-year-olds attend half-day.
 - Preschool special education (3,272 seats)
 - Accepts all students with IEPs.
- A full list of prekindergarten sites was attached in [response to question 33](#) of the *First-Round Budget Review Questions*.
- A pre-kindergarten expansion proposal was attached in [response to question 34](#) of the *First-Round Budget Review Questions*.
- PGCPs has also partnered with three (3) childcare providers (Ideal Child Care, Themba Creative Learning, and Reid Temple) and the 1-Family Child Care Alliance of Maryland to offer 59 three-year-olds and 80 four-year-olds full-day free prekindergarten seats for the 2023-2024 school year.
- PGCPs has also increased the number of MSDE-accredited schools with a prekindergarten program from 21 to 47 and is on track to add an additional 25 schools by June 30, 2024. A list of schools with MD Excels accreditation was provided in [response to question 34](#) of the *First-Round Budget Review Questions*.

Before- and After-School Programs

- A list of schools with before- and after-school programs and their capacity was attached in response to question 64 of the *First-Round Budget Review Questions*. PGCPs contracts with four (4) vendors to provide services.

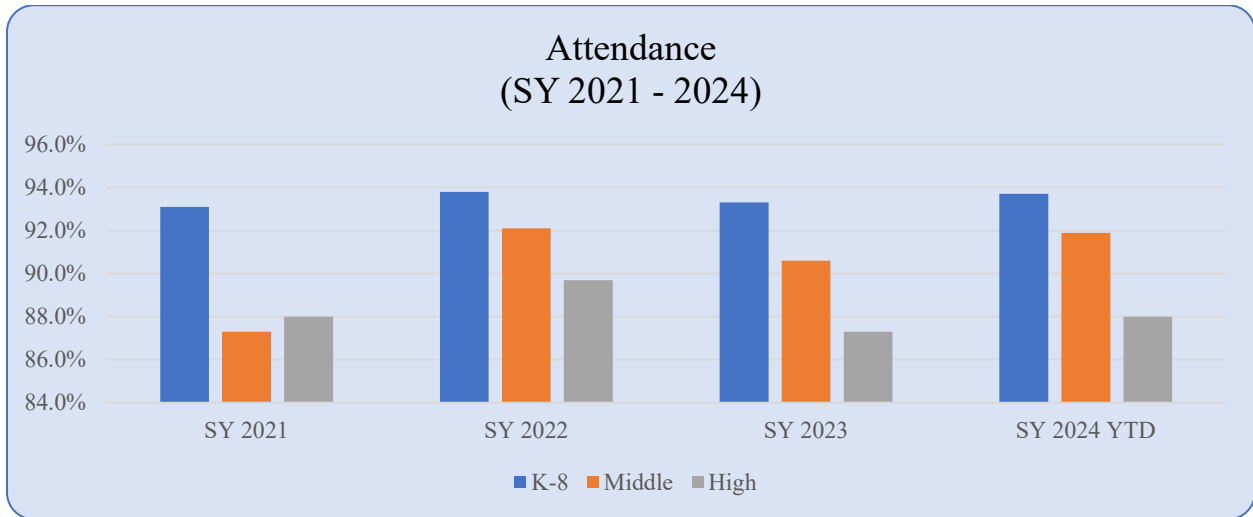
Benchmark Assessments

- Benchmark assessment scores, per school, for Reading and Language Arts and Mathematics can be found as an attachment in response to questions 35 (Elementary School), 37 (Middle School), and 39 (High School) of the *First-Round Budget Review Questions*.

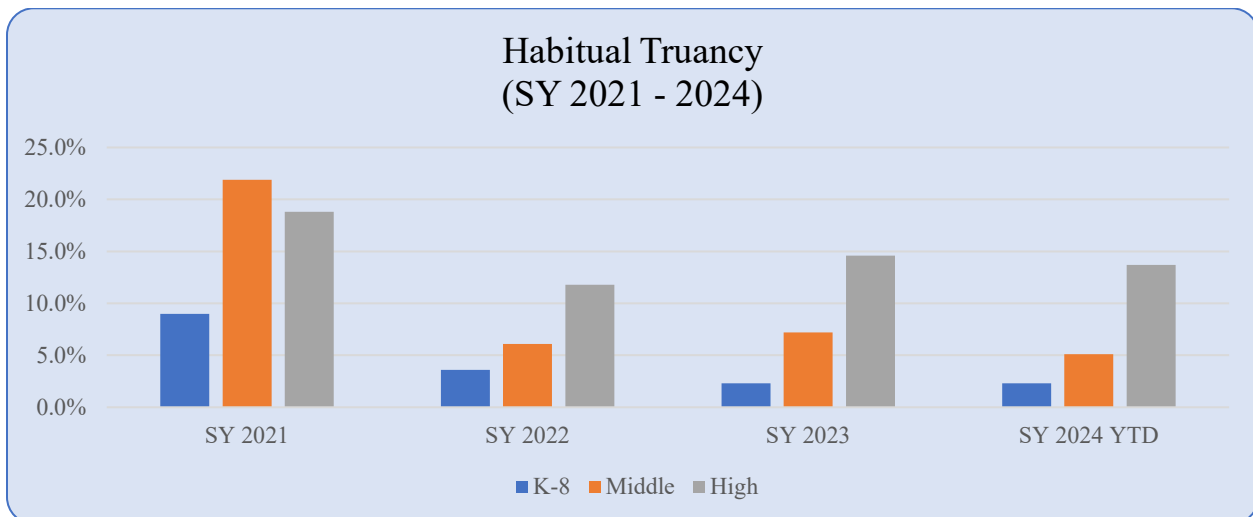
- A discussion on current and planned remediation efforts to address low-scoring schools and students can be found in the responses to questions 36 (Elementary School), 38 (Middle School), and 40 (High School) of the *First-Round Budget Review Questions*.

Attendance and Truancy

- The student attendance rates for School Years 2020 through 2023 is shown below:



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

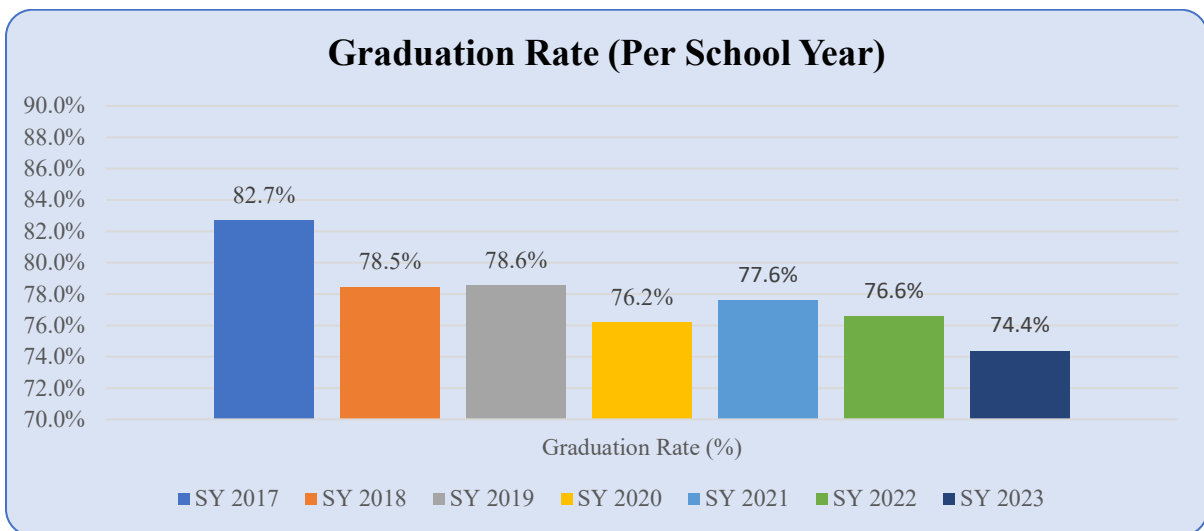


- Chronic Absenteeism, defined as the percentage of students with absence rates (excused or unexcused) over 10%.

- Attendance and truancy data from SY 2021 to SY 2024, per school, can be found in the attachment provided in [response to question 45 and 46](#) of the *First-Round Budget Review Questions*.
- To reduce truancy and chronic absenteeism, PGCPs has instituted the following initiatives:
 - School-Based Initiatives
 - SMART Goals
 - School Instructional Team Referral (SIT)
 - Hazel Telehealth and Tele-therapy
 - Mental Health Supports
 - District-Level Initiatives
 - ALLHERE – ChatBot
 - Attendance Taskforce
 - Pupil Personnel Workers
 - School Messenger
 - Stat Day – Area 3 High School Office
 - Monitoring of Processes
 - Anti-Truancy Pilot Program
 - Joint Truancy Letter with the State’s Attorney’s Office
 - Anti-Truancy Video
- Further information regarding the initiatives listed above can be found in the attachment in [response to question 47](#) of the *First-Round Budget Review Questions*.

Graduation and Dropout Rates

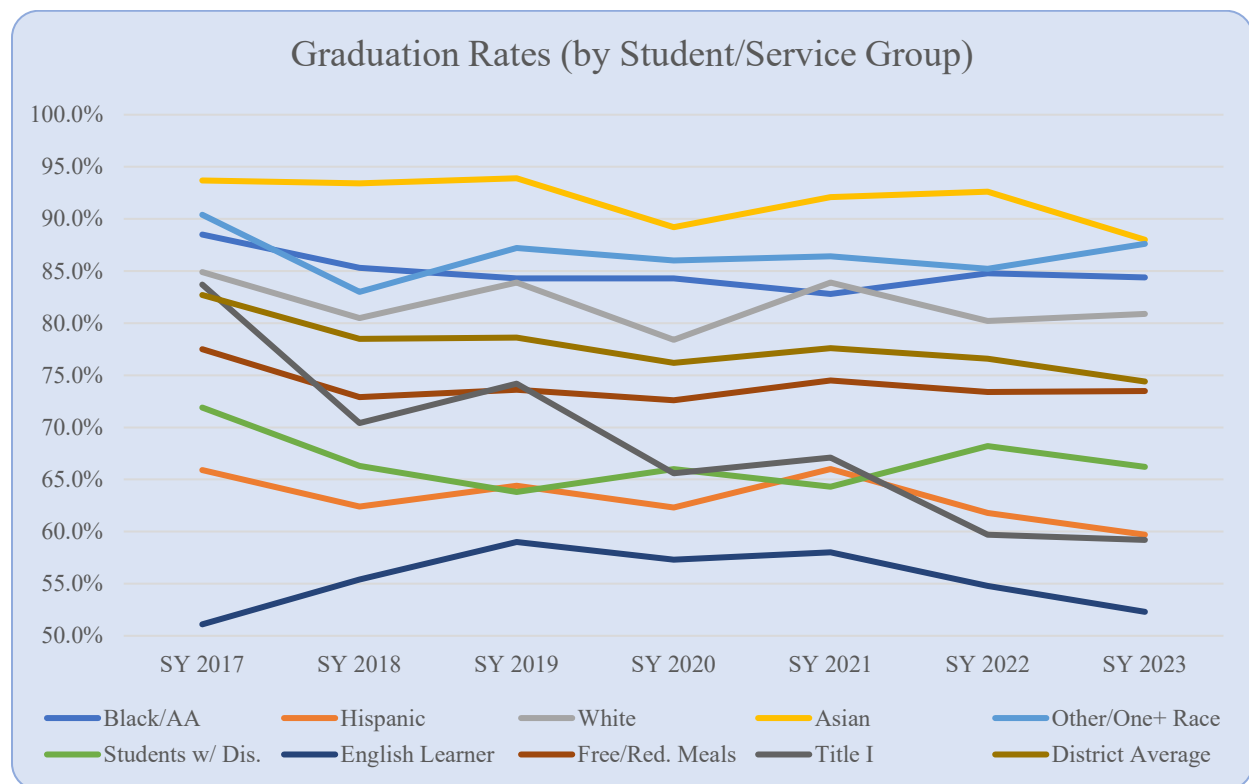
- Graduation rates decreased from 76.6% in SY 2022 to 74.38% in SY 2023, a drop of 2.22%. Average graduation rates from SY 2017 to SY 2023 is presented in the chart below:



- Graduation rates, per school, for all high schools and specialty schools, can be found in the Maryland Report Card website [here](#).
- Graduation rates, per student group, increased for three (3) student groups: Other/More than one (2.4%), White (0.7%), and Free/Reduced Meals (0.1%). The largest rate drops occurred among Asian students (4.6%). Graduation rates are listed below:

| Graduation Rates (SY 2018 – SY 2023) | | | | | | | |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------------------|
| Service/Student Group | SY 2018 | SY 2019 | SY 2020 | SY 2021 | SY 2022 | SY 2023 | SY 2023 - SY 2022 Change |
| Black/African American | 85.3% | 84.3% | 84.3% | 82.8% | 84.8% | 84.4% | -0.4% |
| Hispanic | 62.4% | 64.4% | 62.3% | 66.0% | 61.8% | 59.7% | -2.2% |
| White | 80.5% | 83.9% | 78.4% | 83.9% | 80.2% | 80.9% | 0.7% |
| Asian | 93.4% | 93.9% | 89.2% | 92.1% | 92.6% | 88.0% | -4.6% |
| Other/More than one race | 83.0% | 87.2% | 86.0% | 86.4% | 85.2% | 87.6% | 2.4% |
| Students w/ disabilities | 66.3% | 63.8% | 66.0% | 64.3% | 68.2% | 66.2% | -2.0% |
| English Learner | 55.4% | 59.0% | 57.3% | 58.0% | 54.8% | 52.3% | -2.5% |
| Free/Reduced Meals | 72.9% | 73.6% | 72.6% | 74.5% | 73.4% | 73.5% | 0.1% |
| Title I | 70.4% | 74.2% | 65.6% | 67.1% | 59.7% | 59.2% | -0.5% |
| District Average | 78.5% | 78.6% | 76.2% | 77.6% | 76.6% | 74.4% | -2.2% |

- By sex, school year 2023 graduation rates are 80.25% for female and 68.89% for male students.



- Dropout Rates were highest among English Learners (38.3%), Title I (34.5%), and Hispanic (33.1) groups. Dropout rates, per student group, are listed below:

| Dropout Rates (SY 2018 – SY 2023) | | | | | | | |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------------------|
| Service/Student Group | SY 2018 | SY 2019 | SY 2020 | SY 2021 | SY 2022 | SY 2023 | Change SY 2022 to SY 2023 |
| Black/African American | 9.9% | 9.9% | 9.8% | 10.2% | 8.5% | 9.3% | 0.8% |
| Hispanic | 31.0% | 29.3% | 31.0% | 26.1% | 29.2% | 33.1% | 3.9% |
| White | 14.3% | 11.7% | 17.9% | 12.9% | 15.2% | 15.5% | 0.3% |
| Asian | 4.3% | 3.6% | 8.1% | 6.1% | 4.7% | 8.8% | 4.1% |
| Other/More than one | 10.1% | 9.2% | 9.2% | 8.6% | 7.1% | 5.6% | -1.5% |
| Students w/ disabilities | 20.3% | 13.9% | 13.0% | 13.9% | 12.8% | 13.5% | 0.7% |
| English Learners | 36.2% | 33.9% | 32.6% | 31.9% | 32.6% | 38.3% | 5.7% |
| Free/Reduced Meals | 20.5% | 19.3% | 20.4% | 16.5% | 18.1% | 18.7% | 0.6% |
| Title I | 23.3% | 21.4% | 28.4% | 24.3% | 31.2% | 34.5% | 3.3% |
| District Average | 16.2% | 15.7% | 17.8% | 15.4% | 16.0% | 19.1% | 3.1% |

- By sex, school year 2023 dropout rates are 14.34% for female and 23.43% for male students.

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.
- The [response to question 49](#) of the *First-Round Budget Review Questions* details the enrollment percentage participation, per school.
- Currently, 124 schools participate in the Community Eligibility Provision. More information on the schools can be found in [response to question 50](#) of the *First-Round Budget Review Questions*.
- Additionally, 83 schools participate in the Maryland Meals for Achievement Program.

Specialty Programs

- A list of specialty programs, per school, was provided as an attachment in response to question 60 of the *First-Round Budget Review Questions*. The attachment provides capacity and enrollment data.

Career and Technical Education (CTE) Programs

- CTE programs, per school, were provided as an attachment in response to question 61 of the *First-Round Budget Review Questions*. The attachment provides capacity and enrollment data.

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 62 of the *First-Round Budget Review Questions*.

Community Schools

- The Community School Model is a national model where schools serve as the hub of the community, providing both academic and social-emotional support for students and their families. The PGCPs Office of Community Schools (OCS) coordinates around the [Six Pillars of Community Schools](#) and [Wrap-Around Services](#).
- Currently, there are 109 Community Schools in the system: eight (8) high schools, 14 middle schools, four (4) K-8 schools, 81 elementary schools, one (1) early childhood center, and one (1) special education center. The schools serve over 60,000 students and is supported by 109 community school coordinators and 10 central office staff members.

Class Size

- Average class size, per school, was provided as an attachment in response to question 56 of the *First-Round Budget Review Questions*.

Relocatable Classrooms

- There are currently 563 relocatable classrooms in PGCPs's inventory. 510 are used as classroom space and 53 units are for other uses. 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 65 of the *First-Round budget Review Questions* details the location, number of buildings, and year built for each temporary building.

Community Partnerships

- PGCPs notes that there are three external partners: Hillside Work-Scholarship Connection, La Clínica del Pueblo, and Latin American Youth Center: Promotor Pathway. Information on the partnership was provided as an attachment in response to question 66 of the *First-Round budget Review Questions*.