

# Allegany County Board of Education



Great Teaching. Great Learning. Every Student. Every Day.

## FY2016 Superintendent's Proposed Operating Budget

**March 5, 2015**



# Budget Process



- June 2014 - Adopted FY15 Budget
- November 2014 - Chiefs, Directors, Principals , Supervisors and Board Members Solicited for Budget Requests
- December 2014- Requests Returned to Finance
- January 2015 - Requests Prioritized by Superintendent & Staff
- February 2015 - Requests Distributed to Board
- March 2015 - Superintendent's Budget Presented to Public
- March 2015 - Present Budget Request to County Commissioners
- June 2015 - Board Adopts a Budget



## FY2016 Superintendent's Proposed Operating Budget

	FY2015	FY2016	Change	
County Operating Appropriation	\$27,570,891	\$28,634,732	\$1,063,841	3.86%
County Appropriation - Pension Shift	\$1,847,253	\$2,202,813	\$355,560	19.25%
State Aid	\$73,897,044	\$73,817,254	-\$79,790	-0.11%
Non Public Placements	\$2,115,947	\$2,570,489	\$454,542	21.48%
Federal Medicare D	\$425,000	\$375,000	-\$50,000	-11.76%
Other Local Revenues	\$202,699	\$173,230	-\$29,469	-14.54%
Fund Balance	\$1,575,319	\$2,891,009	\$1,315,690	83.52%
 Total Unrestricted	 \$107,634,153	 \$110,664,527	 \$3,030,374	 2.82%
Administration	\$2,251,559	\$2,438,299	\$186,740	8.29%
Mid-level Administration	\$6,565,279	\$6,817,722	\$252,443	3.85%
Instructional Salaries	\$39,866,018	\$40,499,619	\$633,601	1.59%
Textbooks & Instructional Supplies	\$2,023,983	\$2,001,519	-\$22,464	-1.11%
Other Instructional Costs	\$2,005,624	\$2,082,877	\$77,253	3.85%
Special Education	\$15,108,956	\$15,915,387	\$806,431	5.34%
Student Personnel Services	\$608,889	\$621,790	\$12,901	2.12%
Health Services	\$694,800	\$739,392	\$44,592	6.42%
Student Transportation	\$6,248,889	\$6,457,617	\$208,728	3.34%
Operation of Plant	\$8,210,319	\$7,923,691	-\$286,628	-3.49%
Maintenance of Plant	\$1,816,842	\$1,823,986	\$7,144	0.39%
Fixed Charges	\$21,299,449	\$22,394,387	\$1,094,938	5.14%
Food Service	\$569,890	\$554,585	-\$15,305	-2.69%
Capital Outlay	\$363,656	\$393,656	\$30,000	8.25%
 Total Expenditures	 \$107,634,153	 \$110,664,527	 \$3,030,374	 2.82%

## FY2016 Superintendent's Proposed Operating Budget Revenue Sources



	FY 2015 APPROVED		FY 2016 PROPOSED		INCREASE / (DECREASE)	
	TOTAL %	%	TOTAL	%	DOLLAR	PERCENT
COUNTY - OPERATING	27,570,891	25.62%	28,634,732	25.88%	1,063,841	3.86%
COUNTY - PENSION	1,847,253	1.72%	2,202,813	1.99%	355,560	19.25%
STATE - DIRECT	73,897,044	68.66%	73,817,254	66.70%	(79,790)	(.11%)
STATE - NON PUBLICS	2,115,947	1.97%	2,570,489	2.32%	454,542	21.48%
FEDERAL	425,000	0.39%	375,000	0.34%	(50,000)	(11.76%)
OTHER LOCAL	202,699	0.19%	173,230	0.16%	(29,469)	(14.54%)
FUND BALANCE	<u>1,575,319</u>	<u>1.46%</u>	<u>2,891,009</u>	<u>2.61%</u>	<u>1,315,690</u>	<u>83.52%</u>
TOTAL	<u>107,634,153</u>	<u>100.00%</u>	<u>110,664,527</u>	<u>100.00%</u>	<u>3,030,374</u>	<u>2.82%</u>

Note: County government receives a supplemental disparity grant of \$1,632,106 for teacher pensions and \$400,000 in income tax increases according to the Governor

# WHERE THE EDUCATION DOLLAR COMES FROM CURRENT UNRESTRICTED FUND FY2016



2.76% - Other

0.34% - Federal

69.03% - State

27.87% - Local



# State Aid Factors



- Enrollment
- Inflation
- Wealth





# State Revenue Changes

## Number Of Students

	FY15 Budget	% of State	FY16 Budget	% of State	Change	% Change
<b>1 Allegany</b>	8,313.50	1.00%	8,332.75	0.99%	19.25	0.23%
2 Anne Arundel	76,181.00	9.13%	77,280.00	9.18%	1,099.00	1.44%
3 Baltimore City	79,352.00	9.51%	79,503.00	9.44%	151.00	0.19%
4 Baltimore County	104,357.75	12.51%	105,904.25	12.57%	1,546.50	1.48%
5 Calvert	15,822.75	1.90%	15,594.00	1.85%	-228.75	-1.45%
6 Caroline	5,235.00	0.63%	5,293.00	0.63%	58.00	1.11%
7 Carroll	25,948.50	3.11%	25,504.50	3.03%	-444.00	-1.71%
8 Cecil	15,100.00	1.81%	14,936.00	1.77%	-164.00	-1.09%
9 Charles	25,523.75	3.06%	25,413.00	3.02%	-110.75	-0.43%
10 Dorchester	4,505.00	0.54%	4,574.75	0.54%	69.75	1.55%
11 Frederick	39,471.50	4.73%	39,654.50	4.71%	183.00	0.46%
12 Garrett	3,785.50	0.45%	3,710.00	0.44%	-75.50	-1.99%
13 Harford	37,055.00	4.44%	36,740.25	4.36%	-314.75	-0.85%
14 Howard	51,629.75	6.19%	52,474.50	6.23%	844.75	1.64%
15 Kent	1,995.00	0.24%	1,970.00	0.23%	-25.00	-1.25%
16 Montgomery	147,462.25	17.67%	150,097.00	17.82%	2,634.75	1.79%
17 Prince George's	119,280.75	14.29%	121,619.25	14.44%	2,338.50	1.96%
18 Queen Anne's	7,471.50	0.90%	7,477.75	0.89%	6.25	0.08%
19 St. Mary's	16,890.25	2.02%	16,959.00	2.01%	68.75	0.41%
20 Somerset	2,727.00	0.33%	2,726.00	0.32%	-1.00	-0.04%
21 Talbot	4,298.50	0.52%	4,371.00	0.52%	72.50	1.69%
22 Washington	21,939.25	2.63%	21,759.50	2.58%	-179.75	-0.82%
23 Wicomico	13,929.50	1.67%	14,074.00	1.67%	144.50	1.04%
24 Worcester	6,249.00	0.75%	6,261.00	0.74%	12.00	0.19%
<b>Average</b>	834,524.00		842,229.00		7,705.00	0.94%



# Wealth Per Pupil Comparison

	For FY15 Budget	% of State	For FY16 Budget	% of State
<b>1 Allegany</b>	<b>294,349</b>	<b>62.10%</b>	<b>295,924</b>	<b>62.28%</b>
<b>2 Anne Arundel</b>	<b>586,971</b>	<b>123.84%</b>	<b>589,471</b>	<b>124.07%</b>
<b>3 Baltimore City</b>	<b>272,638</b>	<b>57.52%</b>	<b>282,163</b>	<b>59.39%</b>
<b>4 Baltimore County</b>	<b>474,310</b>	<b>100.07%</b>	<b>466,963</b>	<b>98.28%</b>
<b>5 Calvert</b>	<b>453,195</b>	<b>95.61%</b>	<b>461,054</b>	<b>97.04%</b>
<b>6 Caroline</b>	<b>284,996</b>	<b>60.13%</b>	<b>280,706</b>	<b>59.08%</b>
<b>7 Carroll</b>	<b>443,654</b>	<b>93.60%</b>	<b>452,479</b>	<b>95.23%</b>
<b>8 Cecil</b>	<b>372,593</b>	<b>78.61%</b>	<b>378,996</b>	<b>79.77%</b>
<b>9 Charles</b>	<b>379,644</b>	<b>80.10%</b>	<b>383,252</b>	<b>80.66%</b>
<b>10 Dorchester</b>	<b>357,707</b>	<b>75.47%</b>	<b>346,869</b>	<b>73.01%</b>
<b>11 Frederick</b>	<b>402,478</b>	<b>84.91%</b>	<b>408,646</b>	<b>86.01%</b>
<b>12 Garrett</b>	<b>623,611</b>	<b>131.57%</b>	<b>601,337</b>	<b>126.56%</b>
<b>13 Harford</b>	<b>441,781</b>	<b>93.21%</b>	<b>448,831</b>	<b>94.47%</b>
<b>14 Howard</b>	<b>536,841</b>	<b>113.26%</b>	<b>536,487</b>	<b>112.91%</b>
<b>15 Kent</b>	<b>780,720</b>	<b>164.71%</b>	<b>779,176</b>	<b>163.99%</b>
<b>16 Montgomery</b>	<b>657,040</b>	<b>138.62%</b>	<b>656,948</b>	<b>138.27%</b>
<b>17 Prince George's</b>	<b>375,004</b>	<b>79.12%</b>	<b>372,361</b>	<b>78.37%</b>
<b>18 Queen Anne's</b>	<b>559,848</b>	<b>118.12%</b>	<b>558,702</b>	<b>117.59%</b>
<b>19 St. Mary's</b>	<b>426,445</b>	<b>89.97%</b>	<b>428,173</b>	<b>90.12%</b>
<b>20 Somerset</b>	<b>290,524</b>	<b>61.29%</b>	<b>284,533</b>	<b>59.89%</b>
<b>21 Talbot</b>	<b>1,029,199</b>	<b>217.14%</b>	<b>973,486</b>	<b>204.89%</b>
<b>22 Washington</b>	<b>334,161</b>	<b>70.50%</b>	<b>339,072</b>	<b>71.36%</b>
<b>23 Wicomico</b>	<b>277,692</b>	<b>58.59%</b>	<b>271,758</b>	<b>57.20%</b>
<b>24 Worcester</b>	<b>1,094,785</b>	<b>230.97%</b>	<b>1,098,970</b>	<b>231.30%</b>
<b>Average</b>	<b>473,985</b>		<b>475,129</b>	



# Changes In The State Aid Formulas Components

Change FY16 to FY 15				
	Allegany		State	
Railroad Personal Property	1,273,000	7.31%	8,300,000	6.32%
Utility Personal Property	1,223,000	0.99%	135,762,000	1.49%
Business Personal Property	3,753,000	2.04%	-667,771,000	-5.30%
Total Personal Property	6,249,000	1.92%	-523,709,000	-2.40%
Income - Sept NTI	17,100,308	2.02%	1,767,436,061	1.39%
Full Year Real Property	-6,834,000	-0.19%	7,711,576,000	1.20%
New Construction Real	-250,000	-33.33%	48,655,000	3.87%
Railroad Real Property	83,000	0.55%	4,159,000	1.22%
Subtotal	-7,001,000	-0.20%	7,764,390,000	1.21%
Utility	1,366,000	23.48%	4,371,000	0.59%
Total Wealth	18,790,408	0.77%	4,615,706,561	1.17%

Blue – ACPS Wealth Increase Compared To State    Red – ACPS Wealth Decrease Compared to State

# State Aid Formulas - Inflation

- The state aid formulas were to increase the per pupil amounts by 1.4%
- Because of the state budget estimates, the Governor is proposing to hold the per pupil amounts at the FY2015 level and not increase them by 1.4%
- The Governor's proposed changes reduced projected state aid by \$1,203,950
- Legislation is being considered that would cap annual per pupil increases at 1% until 2020
- Future state aid increases may be limited to enrollment changes and wealth changes



# Board of Education Appropriation Comparison

	<u>Net Local Appropriation FY2015</u>	<u>K-12 Of Students</u>	<u>Dollar Per Student</u>		<u>Net Local Appropriation FY2015</u>	<u>K-12 Of Students</u>	<u>Dollar Per Student</u>
1 Allegany	\$ 29,418,144	8,332.75	\$ 3,530.42	1 Worcester	\$ 77,675,762	6,261.00	\$ 12,406.29
2 Anne Arundel	\$ 603,483,300	77,280.00	\$ 7,809.05	2 Howard	\$ 530,439,861	52,474.50	\$ 10,108.53
3 Baltimore City	\$ 254,684,808	79,503.00	\$ 3,203.46	3 Montgomery	\$1,476,855,309	150,097.00	\$ 9,839.34
4 Baltimore County	\$ 738,074,684	105,904.25	\$ 6,969.26	4 Kent	\$ 17,191,672	1,970.00	\$ 8,726.74
5 Calvert	\$ 115,808,239	15,594.00	\$ 7,426.46	5 Talbot	\$ 35,338,852	4,371.00	\$ 8,084.84
6 Caroline	\$ 13,437,485	5,293.00	\$ 2,538.73	6 Anne Arundel	\$ 603,483,300	77,280.00	\$ 7,809.05
7 Carroll	\$ 171,037,000	25,504.50	\$ 6,706.15	7 Calvert	\$ 115,808,239	15,594.00	\$ 7,426.46
8 Cecil	\$ 75,523,845	14,936.00	\$ 5,056.50	8 Garrett	\$ 26,690,979	3,710.00	\$ 7,194.33
9 Charles	\$ 161,921,600	25,413.00	\$ 6,371.61	9 Baltimore County	\$ 738,074,684	105,904.25	\$ 6,969.26
10 Dorchester	\$ 18,531,907	4,574.75	\$ 4,050.91	10 Queen Anne's	\$ 51,228,247	7,477.75	\$ 6,850.76
11 Frederick	\$ 233,493,582	39,654.50	\$ 5,888.20	11 Carroll	\$ 171,037,000	25,504.50	\$ 6,706.15
12 Garrett	\$ 26,690,979	3,710.00	\$ 7,194.33	12 Charles	\$ 161,921,600	25,413.00	\$ 6,371.61
13 Harford	\$ 223,667,302	36,740.25	\$ 6,087.80	13 Harford	\$ 223,667,302	36,740.25	\$ 6,087.80
14 Howard	\$ 530,439,861	52,474.50	\$ 10,108.53	14 Frederick	\$ 233,493,582	39,654.50	\$ 5,888.20
15 Kent	\$ 17,191,672	1,970.00	\$ 8,726.74	15 St. Mary's	\$ 93,910,979	16,959.00	\$ 5,537.53
16 Montgomery	\$1,476,855,309	150,097.00	\$ 9,839.34	16 Prince George's	\$ 630,218,800	121,619.25	\$ 5,181.90
17 Prince George's	\$ 630,218,800	121,619.25	\$ 5,181.90	17 Cecil	\$ 75,523,845	14,936.00	\$ 5,056.50
18 Queen Anne's	\$ 51,228,247	7,477.75	\$ 6,850.76	18 Washington	\$ 94,845,452	21,759.50	\$ 4,358.81
19 St. Mary's	\$ 93,910,979	16,959.00	\$ 5,537.53	19 Dorchester	\$ 18,531,907	4,574.75	\$ 4,050.91
20 Somerset	\$ 9,646,844	2,726.00	\$ 3,538.83	20 Somerset	\$ 9,646,844	2,726.00	\$ 3,538.83
21 Talbot	\$ 35,338,852	4,371.00	\$ 8,084.84	21 Allegany	\$ 29,418,144	8,332.75	\$ 3,530.42
22 Washington	\$ 94,845,452	21,759.50	\$ 4,358.81	22 Baltimore City	\$ 254,684,808	79,503.00	\$ 3,203.46
23 Wicomico	\$ 40,396,119	14,074.00	\$ 2,870.27	24 Wicomico	\$ 40,396,119	14,074.00	\$ 2,870.27
24 Worcester	\$ 77,675,762	6,261.00	\$ 12,406.29	25 Caroline	\$ 13,437,485	5,293.00	\$ 2,538.73
<b>Total</b>	\$5,723,520,772	842,229			\$5,723,520,772	842,229	
<b>Average</b>	\$ 238,480,032		\$ 6,264.03		\$ 238,480,032	35,093	\$ 6,264.03

Note: Appropriations From Overview of Maryland Local Governments - Department of Legislative Services January 2015 Exhibit 7.4  
Enrollment From MSDE State Aid Release

Shaded Counties Are GCEI Counties

# Change In County Maintenance of Effort

- Because of an enrollment increase and the mandated pension shift, the maintenance of effort or required minimum from county government will increase \$419,401.
- The enrollment increase will add \$63,841 to maintenance of effort
- The mandated pension shift will add \$355,560 to maintenance of effort



## Educational Effort – County Maintenance of Effort (MOE)

- Beginning in FY2015, counties that are below a statewide five-year moving average education effort level may be required to increase their per pupil MOE amounts based on certain conditions as a result of Senate Bill 848 in 2012
- Educational Effort is defined as the appropriation to the Board of Education divided by county wealth
- **Allegany County government is below the statewide five year average making it one of 9 counties that could have had the per pupil amount increased in the maintenance of effort calculation**
- Because the average statewide wealth per pupil has decreased over the last five years, no county was required to increase the per pupil amount in maintenance of effort
- Now that the statewide wealth per pupil has started to increase again, counties could be required under this provision of state law to increase the per pupil amount in maintenance of effort



# Qualifying Exclusions

- There is a provision in state law that allows for funding fund above maintenance of effort by county government and to exclude the funding above maintenance of effort in the maintenance of effort calculation
- **This helps out county government by not increasing the per pupil amount in the maintenance of effort calculation which impacts funding in future years**
- The procedure for this is in state law and county government must make a request to the Maryland State Department of Education (MSDE) by March 31<sup>st</sup>
- Approval is granted by MSDE based upon conditions specified in state law
- A total of 10 counties submitted requests for qualifying exclusions for FY2015

# County Funding Comparison

	Required FY2014 MOE	Certified Local Appropriation	Local Funding Over MOE	Percent Above MOE		Required FY2014 MOE	Certified Local Appropriation	Local Funding Over MOE	Percent Above MOE
1 Allegany	\$ 29,770,045	\$ 29,770,045	\$ -	0.0%	1 Queen Anne's	\$ 45,129,583	\$ 48,131,684	\$ 3,002,101	6.2%
2 Anne Arundel	\$ 596,454,560	\$ 596,454,600	\$ 40	0.0%	2 Cecil	\$ 69,264,543	\$ 72,848,292	\$ 3,583,749	4.9%
3 Baltimore City	\$ 250,228,619	\$ 250,228,619	\$ -	0.0%	3 St. Mary's	\$ 83,514,449	\$ 86,955,723	\$ 3,441,274	4.0%
4 Baltimore County	\$ 704,776,585	\$ 704,776,585	\$ -	0.0%	4 Calvert	\$ 109,375,140	\$ 113,166,429	\$ 3,791,289	3.4%
5 Calvert	\$ 109,375,140	\$ 113,166,429	\$ 3,791,289	3.4%	5 Howard	\$ 482,487,622	\$ 491,335,979	\$ 8,848,357	1.8%
6 Caroline	\$ 13,416,310	\$ 13,416,327	\$ 17	0.0%	6 Charles	\$ 154,125,871	\$ 157,010,300	\$ 2,884,429	1.8%
7 Carroll	\$ 166,001,947	\$ 168,330,938	\$ 2,328,991	1.4%	7 Worcester	\$ 73,986,408	\$ 75,177,677	\$ 1,191,269	1.6%
8 Cecil	\$ 69,264,543	\$ 72,848,292	\$ 3,583,749	4.9%	8 Wicomico	\$ 39,891,465	\$ 40,520,465	\$ 629,000	1.6%
9 Charles	\$ 154,125,871	\$ 157,010,300	\$ 2,884,429	1.8%	9 Carroll	\$ 166,001,947	\$ 168,330,938	\$ 2,328,991	1.4%
10 Dorchester	\$ 18,359,680	\$ 18,359,680	\$ -	0.0%	10 Harford	\$ 219,348,244	\$ 221,300,729	\$ 1,952,485	0.9%
11 Frederick	\$ 229,354,228	\$ 229,354,228	\$ -	0.0%	11 Garrett	\$ 26,042,376	\$ 26,201,544	\$ 159,168	0.6%
12 Garrett	\$ 26,042,376	\$ 26,201,544	\$ 159,168	0.6%	12 Prince George's	\$ 570,423,478	\$ 570,441,013	\$ 17,535	0.0%
13 Harford	\$ 219,348,244	\$ 221,300,729	\$ 1,952,485	0.9%	13 Anne Arundel	\$ 596,454,560	\$ 596,454,600	\$ 40	0.0%
14 Howard	\$ 482,487,622	\$ 491,335,979	\$ 8,848,357	1.8%	14 Caroline	\$ 13,416,310	\$ 13,416,327	\$ 17	0.0%
15 Kent	\$ 17,196,312	\$ 17,196,312	\$ -	0.0%	15 Allegany	\$ 29,770,045	\$ 29,770,045	\$ -	0.0%
16 Montgomery	\$ 1,448,250,594	\$ 1,448,250,594	\$ -	0.0%	16 Baltimore City	\$ 250,228,619	\$ 250,228,619	\$ -	0.0%
17 Prince George's	\$ 570,423,478	\$ 570,441,013	\$ 17,535	0.0%	17 Baltimore County	\$ 704,776,585	\$ 704,776,585	\$ -	0.0%
18 Queen Anne's	\$ 45,129,583	\$ 48,131,684	\$ 3,002,101	6.2%	18 Dorchester	\$ 18,359,680	\$ 18,359,680	\$ -	0.0%
19 St. Mary's	\$ 83,514,449	\$ 86,955,723	\$ 3,441,274	4.0%	19 Frederick	\$ 229,354,228	\$ 229,354,228	\$ -	0.0%
20 Somerset	\$ 9,387,539	\$ 9,387,539	\$ -	0.0%	20 Kent	\$ 17,196,312	\$ 17,196,312	\$ -	0.0%
21 Talbot	\$ 35,158,265	\$ 35,158,265	\$ -	0.0%	21 Montgomery	\$ 1,448,250,594	\$ 1,448,250,594	\$ -	0.0%
22 Washington	\$ 94,453,570	\$ 94,453,570	\$ -	0.0%	22 Somerset	\$ 9,387,539	\$ 9,387,539	\$ -	0.0%
23 Wicomico	\$ 39,891,465	\$ 40,520,465	\$ 629,000	1.6%	23 Talbot	\$ 35,158,265	\$ 35,158,265	\$ -	0.0%
24 Worcester	\$ 73,986,408	\$ 75,177,677	\$ 1,191,269	1.6%	24 Washington	\$ 94,453,570	\$ 94,453,570	\$ -	0.0%
<b>Total</b>	\$ 5,486,397,433	5,518,227,137	31,829,704	0.6%	<b>Total</b>	\$5,486,397,433	5,518,227,137	31,829,704	0.6%
<b>Average</b>	\$ 228,599,893				<b>Average</b>	\$ 228,599,893			

Net Local Appropriation equals operating budget appropriation plus supplemental appropriations, less approved non recurring costs from 9 counties, less program shifts between county and board budgets and less other reconciling items

Source: 2014 MSDE Fact Book

**Yellow shaded counties sought and were granted qualifying exclusions**



## Fund Balance Comparison



	General Fund Balance at 06/30/12	General Fund Balance at 06/30/13	General Fund Balance at 06/30/14	3 Year Change	% Change
1 Somerset	\$ 457,050	\$ 436,245	\$ 1,502,346	\$ 1,045,296	228.70%
2 Frederick	\$ 7,969,870	\$ 11,035,627	\$ 13,906,833	\$ 5,936,963	74.49%
3 Charles	\$ 19,779,597	\$ 28,645,716	\$ 33,675,678	\$ 13,896,081	70.25%
4 Kent	\$ 1,264,320	\$ 1,753,361	\$ 1,950,303	\$ 685,983	54.26%
5 Talbot	\$ 650,981	\$ 702,620	\$ 957,235	\$ 306,254	47.04%
6 Prince George's	\$ 91,334,068	\$ 144,232,901	\$ 133,035,593	\$ 41,701,525	45.66%
7 Wicomico	\$ 10,013,248	\$ 9,873,463	\$ 11,582,692	\$ 1,569,444	15.67%
8 Caroline	\$ 4,634,899	\$ 5,372,547	\$ 5,344,146	\$ 709,247	15.30%
9 Baltimore City	\$ 101,197,000	\$ 105,063,000	\$ 115,639,000	\$ 14,442,000	14.27%
10 Baltimore County	\$ 42,934,000	\$ 40,718,000	\$ 48,310,000	\$ 5,376,000	12.52%
11 Worcester	\$ 1,621,981	\$ 1,693,655	\$ 1,748,940	\$ 126,959	7.83%
12 Calvert	\$ 10,476,469	\$ 11,416,299	\$ 11,274,403	\$ 797,934	7.62%
13 Queen Anne's	\$ 2,517,741	\$ 2,198,941	\$ 2,627,057	\$ 109,316	4.34%
14 Anne Arundel	\$ 52,786,713	\$ 57,812,021	\$ 49,482,099	\$ (3,304,614)	-6.26%
15 Montgomery	\$ 43,039,353	\$ 49,292,715	\$ 36,172,233	\$ (6,867,120)	-15.96%
16 Washington	\$ 19,971,202	\$ 17,022,995	\$ 16,624,084	\$ (3,347,118)	-16.76%
17 Harford	\$ 25,796,487	\$ 22,980,377	\$ 21,391,883	\$ (4,404,604)	-17.07%
18 Carroll	\$ 21,266,981	\$ 19,685,824	\$ 15,932,458	\$ (5,334,523)	-25.08%
19 Howard	\$ 25,683,498	\$ 23,496,274	\$ 15,954,752	\$ (9,728,746)	-37.88%
20 Dorchester	\$ 1,930,464	\$ 1,600,056	\$ 995,646	\$ (934,818)	-48.42%
21 Allegany	\$ 12,627,254	\$ 9,568,077	\$ 6,459,642	\$ (6,167,612)	-48.84%
22 Garrett	\$ 4,122,557	\$ 2,419,620	\$ 2,046,401	\$ (2,076,156)	-50.36%
23 Cecil	\$ 14,963,539	\$ 12,360,200	\$ 7,127,567	\$ (7,835,972)	-52.37%
24 St. Mary's	\$ 7,681,203	\$ 6,192,150	\$ 663,067	\$ (7,018,136)	-91.37%
<b>Total</b>	\$524,720,475	\$585,572,684	\$ 554,404,058	\$ 29,683,583	5.66%
<b>Average</b>	\$ 21,863,353	\$ 24,398,862	\$ 23,100,169	\$ 1,236,816	

# Use Of The Fund Balance



<b>Balance at 6/30/14</b>	<b>\$6,459,642</b>
<b>Use in FY15 Budget</b>	<b>\$1,575,319</b>
<b>Proposed Use For FY16</b>	<b>\$2,891,009</b>
<b>Remainder</b>	<b>\$1,993,314</b>

- The fund balance remainder represents just over 4.2 days of expenditures.
- A total of 59.2% of the fund balance will be used to balance the budget
- This is sort of like using a savings account to pay the mortgage – you can not continue to pay operating costs with fund balance without replenishing fund balance or making budget cuts
- Right now the maximum amount of fund balance available for the FY2017 budget is \$1,993,314

**Maryland school systems face certain requirements on a negative fund balance more than 1% of general fund revenues**

## SOURCE AND APPLICATION OF FUNDS NON-RESTRICTED TOTALS

### SOURCE OF FUNDS

	<u>FY2015</u>		<u>FY2016</u>	
COUNTY - OPERATING	\$ 27,570,891	25.62%	\$ 28,634,732	25.88%
COUNTY - PENSION	\$ 1,847,253	1.72%	\$ 2,202,813	1.99%
STATE	76,012,991	68.21%	76,387,743	69.03%
FEDERAL	425,000	0.32%	375,000	0.34%
OTHER LOCAL	1,778,018	4.69%	3,064,239	2.77%
<b>TOTAL</b>	<u>\$ 107,634,153</u>	<u>100.55%</u>	<u>\$ 110,664,527</u>	<u>100.00%</u>

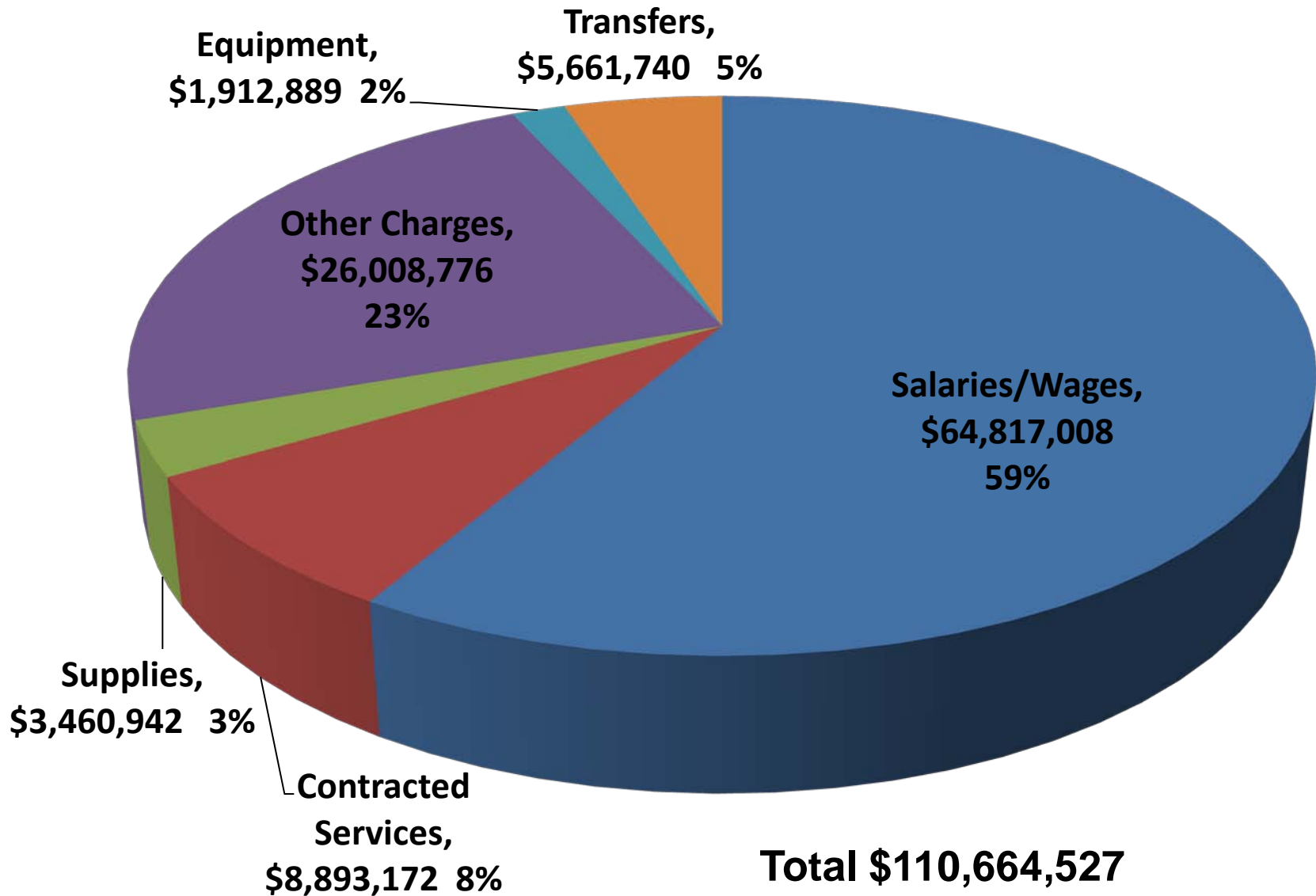
### APPLICATION OF FUNDS

	<u>FY2015</u>		<u>FY2016</u>	
SALARIES / WAGES	\$ 64,239,983	59.68%	\$ 64,817,008	58.57%
CONTRACTED SERVICES	8,355,232	7.76%	8,803,172	7.95%
SUPPLIES / MATERIALS	3,461,084	3.22%	3,460,942	3.13%
OTHER CHARGES	24,942,437	23.17%	26,008,776	23.50%
EQUIPMENT / BLDGS	1,781,816	1.66%	1,912,889	1.73%
TRANSFERS	4,853,601	4.51%	5,661,740	5.12%
<b>TOTAL</b>	<u>\$ 107,634,153</u>	<u>100.00%</u>	<u>\$ 110,664,527</u>	<u>100.00%</u>





## FY2016 Proposed Budget Expenditures





## FY 2016 PROPOSED INCREASES BY BUDGET CATEGORY



<b>CATEGORY:</b>	<b><u>APPROVED FY2015</u></b>	<b><u>PROPOSED FY2016</u></b>	<b><u>INCREASE/ (DECREASE)</u></b>	<b><u>INCREASE/ (DECREASE)</u></b>
<b>Administration</b>	2,251,559	2,438,299	186,740	8.29%
<b>Mid Level Administration</b>	6,565,279	6,817,722	252,443	3.85%
<b>Instruction - Salaries</b>	39,866,018	40,499,619	633,601	1.59%
<b>Textbooks &amp; Inst'l Supplies</b>	2,023,983	2,001,519	(22,464)	(1.11%)
<b>Other Inst'l Costs</b>	2,005,624	2,082,877	77,253	3.85%
<b>Special Education</b>	15,108,956	15,915,387	806,431	5.34%
<b>Student Personnel</b>	608,889	621,790	12,901	2.12%
<b>Health Services</b>	694,800	739,392	44,592	6.42%
<b>Transportation</b>	6,248,889	6,457,617	208,728	3.34%
<b>Operation of Plant</b>	8,210,319	7,923,691	(286,628)	(3.49%)
<b>Maintenance of Plant</b>	1,816,842	1,823,986	7,144	.39%
<b>Fixed Charges</b>	21,299,449	22,394,387	1,094,938	5.14%
<b>Food Service</b>	569,890	554,585	(15,305)	(2.69%)
<b>Community Services</b>	0	0	0	.00%
<b>Capital Outlay</b>	<u>363,656</u>	<u>393,656</u>	<u>30,000</u>	<u>8.25%</u>
<b>TOTAL</b>	<b><u>107,634,153</u></b>	<b><u>110,664,527</u></b>	<b><u>3,030,374</u></b>	<b><u>2.82%</u></b>

# Superintendent's Proposed Operating Budget FY 2016



## Increases / (Decreases):

1 Increase in Health Care Costs	\$703,809
2 Increase in Non Public Costs	844,758
3 Increase in Retirement Costs	230,450
4 Increase for Purchasing One Additional Bus	95,172
5 Increase for Bus Security and Monitoring System	80,000
6 Increase for New General Ledger/Payroll/HR System	231,000
7 Instructional Program Enhancements	715,011
8 Increase for GASB 45 OPEB Contribution	100,000
9 Improvements for Fiber and Telephone Systems	71,118
10 Other Budget Changes - Net	<u>(40,944)</u>

Requested Budget Expenditure Increase

\$3,030,374

Difference or Shortfall (Amount needed from County)

(\$1,063,841)

# Proposed Operating Budget Non-Restricted Summary Expenditures – FY2016

**SALARY AND WAGES (EXCLUDING TRANSPORTATION) \$ 64,817,008**

**FIXED CHARGES**

**Salaries & Fixed Charges  
represent 78.8%  
of the total budget**

**22,394,387**

**UTILITIES**

**2,094,975**

**TRANSPORTATION (INCLUDING SALARIES)**

**6,457,617**

**SUB-TOTAL**

**\$ 95,763,987**

**SUPPLIES, MATERIALS, INFO TECHNOLOGY, CONTRACTED**

**SERVICES, MAINTENANCE, CAPITAL OUTLAY, ETC.**

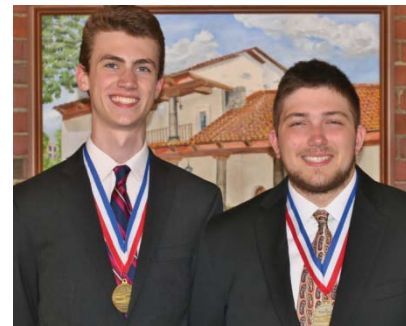
**14,900,540**

**GRAND TOTAL NON-RESTRICTED**

**\$ 110,664,527**

# ***ALLOCATIONS TO SCHOOLS FY2016***

		<u>FY2016</u>	<u>Change</u>
ATHLETIC TRANSPORTATION	\$	34,500	\$0
BAND TRANSPORTATION		21,000	0
COMMENCEMENT EXPENSES		5,500	0
OFFICE SUPPLIES		94,100	0
EQUIPMENT REPAIR		70,000	0
STUDENT ACCOUNTING SOFTWARE		10,000	0
OPERATIONS		40,000	0
EQUIPMENT		50,000	0
COMPETITIONS		21,000	0
SUPPLIES & MATERIALS		680,500	0
	\$	<u>1,026,600</u>	<u>\$0</u>







# ***Where The Money Goes*** ***Allegany County vs. State Average***

<b><u>Category</u></b>	<b><u>2012-13 Allegany County Bd of Ed</u></b>	<b><u>*2012-13 State Average</u></b>
Instruction	40.6%	38.7%
Fixed Charges	25.4%	27.2%
Special Education	11.7%	10.7%
Operations	6.9%	6.1%
Mid-level Administration	6.0%	6.4%
Student Transportation	5.2%	5.0%
Administration	1.6%	2.7%
Maintenance	1.3%	2.0%
Other	1.3%	1.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

\*Source of Data

2012-2013 Selected Financial Data; Maryland Public Schools

Part 3 Analysis of costs, Table 9 Percent Distribution of Current Expenses.

Includes State share of Fixed Charges

## Free and Reduced Lunch Percentages For FY2015

### 6th Highest In The State

1	Baltimore City	84.6%
2	Somerset	68.6%
3	Dorchester	64.7%
4	Prince George's	63.7%
5	Wicomico	57.3%
6	<b>Allegany</b>	<b>55.8%</b>
7	Caroline	55.3%
8	Kent	49.4%
9	Washington	49.4%
10	Baltimore County	47.0%
11	Garrett	47.0%
12	Worcester	43.7%
13	Talbot	41.5%
14	Cecil	41.4%
15	Montgomery	33.8%
16	Charles	33.8%
17	Anne Arundel	32.6%
18	St. Mary's	31.8%
19	Harford	30.5%
20	Frederick	25.6%
21	Queen Anne's	25.5%
22	Calvert	23.0%
23	Howard	19.6%
24	Carroll	19.1%

State Average 44.1%



# An Overview of the Allegany County Public Schools



- A cost of living (COLA) increase is recommended
  - Last COLA for teachers was July 1, 2011
  - Last COLA for all other units was July 1, 2010
- In general on a per pupil basis compared to state averages:
  - We have better student to teacher ratios
  - Teachers have more supplies and equipment
- In the face of budget reductions over the past few years, we have continued to prioritize support of the classroom
  - ACPS spends less per pupil and percentage wise on administration and mid-level administration than the average school system in Maryland
  - Expenditures instruction remain above state averages
- The FY2016 budget has increased instructional staffing



## So What If The School System Receives Additional State Aid ?

- The school system could receive additional state aid that is not in the Superintendent's Budget
- The amount budgeted is what the Maryland State Department of Education communicated to the school system on January 23, 2015 based upon the Governor's proposal to freeze per pupil funding amounts and not expand the net taxable income program
- Additional state revenues could reduce the use or draw on the fund balance.
- The Superintendent's Budget is requesting \$1.4 million more from county government of which county government must increase school system funding by approximately \$400,000

## Future Considerations Beyond June 30, 2016

- July 1, 2016 is only 16 months away.
- A State Adequacy Study is underway that may revise the state aid formulas. There is a proposal to cap the per pupil inflation adjustment at 1% in the current formulas.
- Using the fund balance to backfill reductions of state aid and county aid will soon not be an indefinitely viable option
- Large textbook purchases whether in paper or electronic form should be expected in the future and may be difficult to adopt without adequate funding
- School systems will be responsible for the normal cost of pensions for teachers previously paid for by state government. The normal cost is greater than the previously forecasted by state government. FY2016 is the last year for the legislatively mandated amounts for the teacher pension shift. FY2017 will see an increase in the per pupil county appropriation



# Future Considerations Beyond June 30, 2016

- We remain concerned about
  - Inflation, energy prices, healthcare, and increasing matches for elementary and middle school after school programs
  - Our ability to meet maintenance of effort for special education and vocational educational programs
  - Mandates from federal and state government
  - Cash flow is becoming more difficult to manage





# SUPERINTENDENT'S BUDGET FY16



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This budget is the result of a lot of work and cooperation from many people. The efforts of Dr. Cox, Jeff Blank, Nil Grove, Dr. Kim Green, Vince Montana, all Directors and Supervisors, Joy Blankenship, Carol Logsdon and Michele Crowe in the Finance Office should be recognized. Mia Cross provided the pictures



Cost per Pupil Belonging\* by Category: Maryland Public Schools: 2012 - 2013  
(Excludes State Share of Teachers' Retirement)

Local Education Agency	Total Cost per Pupil		Adminis- tration		Mid-level Adminis- tration		Instructional Salaries and Wages		Textbooks and Instructional Supplies		Other Instructional Costs		Special Education		Student Personnel Services		Health Services		Student Transpor- tation		Operation of Plant		Maintenance of Plant		Fixed Charges	
	Cost	Rank	Cost	Rank	Cost	Rank	Cost	Rank	Cost	Rank	Cost	Rank	Cost	Rank	Cost	Rank	Cost	Rank	Cost	Rank	Cost	Rank	Cost	Rank	Cost	Rank
Total State	\$ 12,684.87		\$ 369.95		\$ 864.86		\$ 4,775.80		\$ 237.52		\$ 239.87		\$ 1,455.96		\$ 90.51		\$ 75.03		\$ 672.61		\$ 828.86		\$ 271.34		\$ 2,802.56	
Allegany	12,816.12	8	221.02	21	821.37	14	5,044.14	5	332.51	2	203.61	5	1,599.76	4	84.46	11	93.40	17	718.85	13	949.65	6	184.89	20	2,562.45	10
Anne Arundel	11,859.95	15	357.97	7	774.59	19	4,597.44	13	410.75	1	204.61	4	1,222.38	11	81.45	12	0.00	22	634.25	16	787.54	15	181.06	21	2,607.92	9
Baltimore City	13,823.94	3	807.97	1	1,042.23	5	4,397.23	21	270.02	7	834.83	1	1,970.32	1	190.61	2	0.00	22	536.89	20	824.75	12	176.37	22	2,772.72	7
Baltimore	12,178.97	11	404.63	5	830.12	12	4,384.88	22	255.72	8	132.80	13	1,398.84	9	90.17	10	138.36	5	511.72	22	834.66	10	312.94	6	2,884.14	4
Calvert	12,089.67	12	306.44	13	719.15	21	4,989.89	6	143.71	24	90.90	16	1,444.99	7	80.70	13	87.77	19	860.30	8	926.87	7	200.67	17	2,238.27	21
Caroline	10,982.75	23	321.21	10	788.76	18	4,535.27	17	166.62	23	149.07	9	1,000.29	22	115.08	6	112.93	10	705.64	15	690.22	24	140.86	24	2,256.80	20
Carroll	11,914.39	13	182.66	24	870.61	11	4,583.01	14	315.68	4	67.25	21	1,204.39	14	49.93	21	124.32	7	764.03	11	955.75	4	252.77	10	2,543.98	11
Cecil	11,435.30	20	275.08	15	885.06	10	4,460.60	20	238.15	10	140.27	11	1,429.37	8	65.05	16	99.65	15	620.53	17	735.03	22	277.25	8	2,209.26	22
Charles	11,902.25	14	327.84	8	811.76	16	4,786.21	10	207.36	15	83.66	18	1,152.39	16	135.00	5	106.51	14	963.66	4	950.38	5	238.94	11	2,138.56	23
Dorchester	12,326.36	10	308.15	12	1,073.82	1	4,790.95	9	283.26	6	293.22	3	1,204.56	13	100.61	8	119.26	8	754.48	12	801.70	13	231.02	13	2,365.33	19
Frederick	11,455.84	19	228.02	20	730.06	20	4,682.50	12	174.49	19	45.65	24	1,087.75	20	63.53	18	143.14	4	444.57	24	832.42	11	266.32	9	2,757.39	8
Garrett	13,261.12	6	373.63	6	638.37	23	5,213.92	4	234.02	12	87.03	17	1,078.19	21	173.08	3	151.94	3	1,128.08	1	1,082.26	2	196.88	19	2,903.70	3
Harford	11,718.81	17	292.90	14	679.40	22	4,462.32	19	207.80	14	82.10	19	1,148.30	17	43.45	24	87.64	20	835.12	9	749.62	20	332.97	4	2,797.17	5
Howard	13,621.90	4	215.85	22	1,047.30	3	5,814.33	2	236.07	11	59.49	23	1,740.91	2	55.38	20	118.00	9	708.07	14	727.04	23	389.57	2	2,509.89	13
Kent	13,338.66	5	528.21	2	1,043.25	4	4,959.97	8	183.81	18	170.13	7	1,379.22	10	109.72	7	161.10	1	1,005.53	3	990.85	3	280.45	7	2,526.43	12
Montgomery	13,864.92	2	255.71	16	921.59	7	5,625.41	3	173.44	20	76.37	20	1,635.80	3	71.71	15	0.13	21	592.59	18	786.55	16	221.65	14	3,503.98	1
Prince George's	12,911.23	7	457.56	4	827.26	13	4,213.43	24	184.65	16	509.18	2	1,537.91	6	90.50	9	109.65	13	904.26	6	905.56	8	381.81	3	2,789.46	6
Queen Anne's	10,792.12	24	239.84	18	638.00	24	4,468.68	18	184.45	17	101.72	15	1,089.88	19	61.19	19	88.24	18	829.15	10	772.70	18	197.66	18	2,120.61	24
St. Mary's	11,501.44	18	208.62	23	907.47	8	4,320.82	23	251.44	9	126.93	14	1,113.36	18	77.60	14	111.18	11	886.05	7	797.20	14	212.38	16	2,488.37	15
Somerset	12,758.59	9	458.32	3	1,012.03	6	4,987.10	7	171.95	21	66.11	22	1,171.12	15	243.71	1	110.64	12	1,006.07	2	736.21	21	323.81	5	2,471.51	17
Talbot	11,087.15	22	243.35	17	892.43	9	4,580.31	15	171.91	22	151.13	8	975.48	23	45.60	23	0.00	22	525.81	21	773.66	17	236.75	12	2,490.73	14
Washington	11,391.17	21	321.23	9	790.62	17	4,540.32	16	304.36	5	140.81	10	972.65	24	64.35	17	159.26	2	455.76	23	835.99	9	432.46	1	2,373.36	18
Wicomico	11,774.45	16	316.61	11	816.30	15	4,777.39	11	229.37	13	139.11	12	1,211.39	12	147.75	4	97.59	16	571.97	19	765.93	19	216.63	15	2,484.41	16
Worcester	15,123.82	1	231.37	19	1,056.69	2	6,401.74	1	329.51	3	189.20	6	1,574.84	5	48.11	22	135.12	6	946.39	5	1,135.57	1	154.94	23	2,920.35	2