

BALTIMORE CITY --- PUBLIC SCHOOLS

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2015 Budget Request

April 8, 2014

Agenda

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A. Historical Context and FY15 Outlook

- Review financial results from last three years (FY12, FY13, FY14E)
- Discuss Major Drivers and Key Strategies
- Overview of Fund Balance
- Overview of Current Budget Structure

B. Funding Schools First

- Locked Positions (General, SWD)
- Target Funds
- Alternative Option Programs (AOP)
- Charter Formula

D. Funding District Office Focus Areas

- Funding request by office

City Schools' Financial Context

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- **21st Century Buildings** is a great accomplishment to City Schools, and will improve learning conditions for thousands of students, but comes at a cost
 - Additional \$10M in operating funds contributed in 2016
 - Additional \$20M in 2017
 - Additional \$12M in maintenance costs as a conservative estimate in 2017
- **Performance-based employee contracts** moved away from predictable steps to a employee-driven compensation approach. About \$12M is paid this way now. Race to the Top (RTTT) funds were available in 2010, and were used for interval/pathway movements.
- **MD College and Career Ready Standards** is vital in FY15 budget, as some schools are not prepared for the technology needs of the Partnership for Assessment of Readiness for College and Career (PARCC).
- **External financial pressure** continues to reduce operating funds such as cost shifts from City and State funding
- **State and local revenues have increased by, at most \$20M a year** in the last three years, due mainly to a higher number of students and relative poverty

Context for FY15 Budget Goals

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Transition Year for City Schools

- Strategic themes will determine district investments for next year
- MDCCRS, RTTT, and 21st Century Schools are priorities

Continued Increase in School Investment (+\$23M)

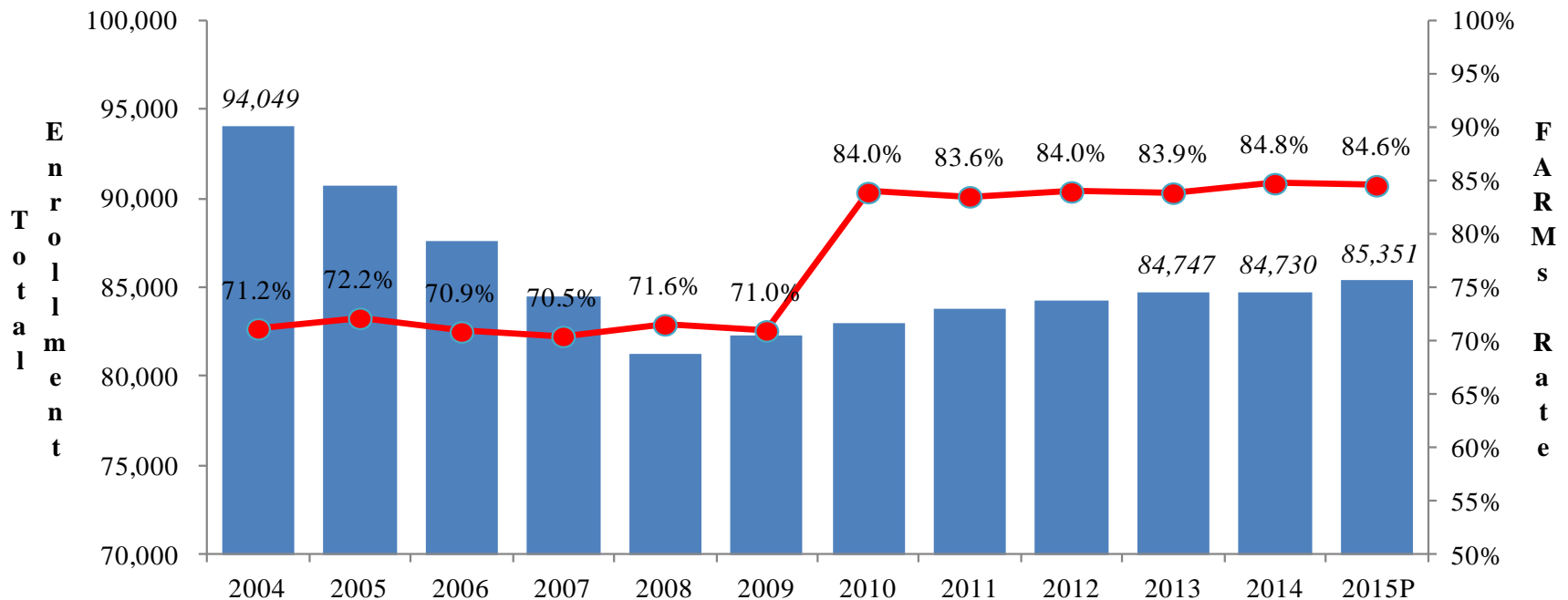
- Additional \$10M in funding to schools through FSF (Core Funding)
- Above FSF, an additional \$13M of funding

Flattening Revenue = Difficult Year for District Office Reductions

- Funding Schools First, the budgetary gap is \$31M
- We have already assumed \$10M will come from Fund Balance, leaving a \$21M gap, or 9% of the district office, but a much greater % from non-fixed costs.
- \$21M represents a 29% reduction to non-fixed costs of \$76M, which would call for considerable staff layoffs and de-funding of key contracts that serve schools.
- With \$50M of Fund Balance available, FY15 can be solved but must be done responsibly

Enrollment Trend (2004 – 2015)

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- For decades, City Schools’ enrollment declined. The sustained reversal that began in 2008 is expected to continue.
- Effective campaign in 2010 significantly improved our reporting of FARMS-eligible students

Source: MSDE Division of Business Services

Revenue Snapshot

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	<u>FY12</u>	<u>FY13</u>	<u>FY14E</u>	<u>FY15P</u>
State Revenue				
Foundation	\$ 397,253,062	\$ 399,416,192	\$ 408,455,689	\$ 410,660,390
Compensatory	312,098,809	314,689,465	323,375,146	327,714,001
Limited English Proficient	12,810,488	14,486,266	17,814,422	17,323,553
Special Education	53,766,183	54,427,767	56,139,426	55,312,268
Transportation	19,106,491	18,539,726	19,486,216	19,167,522
Guaranteed Tax Base	33,682,310	31,539,724	38,064,494	39,426,835
Supplemental Grant	18,310,933	18,310,933	18,310,933	18,310,933
Other (Stipends)	1,526,543	1,934,000	1,730,272	1,832,136
Non - Public	19,318,149	19,335,545	19,335,545	19,335,545
Total State Revenue	\$ 867,872,968	\$ 872,679,619	\$ 902,712,143	\$ 909,083,183
City of Baltimore Revenue				
Basic Maintenance of Effort	\$ 201,345,916	\$ 195,218,263	\$ 205,549,607	\$ 202,823,712
Teacher Pension Pass-Through	-	12,922,862	16,380,092	14,824,485
Retiree Health Pass-Through	40,767,147	28,825,206	28,298,920	28,298,920
Other City Revenue	7,143,623	7,213,121	6,213,121	7,213,121
Total City of Baltimore Revenue	\$ 249,256,686	\$ 244,179,452	\$ 256,441,740	\$ 253,160,238
Other Revenue				
Federal Revenue	\$ 25,303,986	\$ 13,566,502	\$ 9,522,878	\$ 9,563,646
Other Revenue (incl. Fund Bal.)	14,809,256	8,592,015	21,225,000	16,225,000
Total Other Revenue	\$ 40,113,242	\$ 22,158,517	\$ 30,747,878	\$ 25,788,646
Total Revenue	\$ 1,157,242,896	\$ 1,139,017,588	\$ 1,189,901,761	\$ 1,188,032,068
Key Metrics				
Total Enrollment	78,618	78,871	79,268	79,352
Per Pupil Revenue	\$ 14,720	\$ 14,442	\$ 15,011	\$ 14,972
FARMs Rate	84.55%	84.53%	85.46%	85.63%

FY15 Revenue Assumptions

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State of Maryland

- Funded enrollment projected to increase by 200 students
- FARMs students projected to increase by 808 students
- Wealth growth of the State continues to outpace that of the City by 1% (3% State/2%City)
- Pre-K not factored in (but could generate an additional \$5-\$10M in future years)

City of Baltimore

- Maintenance of Effort funding remains, increasing only by enrollment growth
- Transition services, crossing guards, and a portion of school nurse support continues

Federal Revenue

- E-Rate, appearing to have stabilized, will remain steady at \$5M per year with little growth (0.5%)
- Do not assume another round of Race to the Top or other competitive grant that may offset general fund costs

Other Revenue

- Continue to draw on fund balance to support the budget though in smaller amounts. This leads to a perceived per pupil revenue decline.

Expenditure Snapshot

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	<u>FY12</u>	<u>FY13</u>	<u>FY14E</u>	<u>FY15E</u>
Summary of Expenses				
Personnel	\$ 610,450,635	\$ 604,865,385	\$ 611,984,438	\$ 618,383,635
Benefits	175,003,192	171,068,081	183,798,011	190,414,707
Total Personnel Costs	\$ 785,453,827	\$ 775,933,466	\$ 795,782,449	\$ 808,798,342
Student Transportation	\$ 34,237,643	\$ 36,165,032	\$ 38,040,326	\$ 40,107,983
Building Maintenance	14,812,330	13,622,147	14,771,770	17,771,770
Utilities	29,395,909	30,832,914	32,530,123	32,204,822
All Other OTPS	152,800,006	166,682,752	181,727,006	181,727,006
Total OTPS	\$ 231,245,889	\$ 247,302,844	\$ 267,069,225	\$ 271,811,581
Retiree Health	\$ 40,767,147	\$ 28,825,206	\$ 28,298,920	\$ 28,298,920
Pension Shift	-	12,922,862	16,380,092	14,824,485
Debt Service	20,267,000	20,069,008	21,432,573	22,272,573
Non Public Transfer	50,545,844	49,131,839	50,000,091	50,000,091
Nurse Withholding	-	-	-	2,500,000
GTB for CIP per MOU	-	-	-	10,000,000
Total Other Fixed Costs	\$ 111,579,991	\$ 110,948,915	\$ 116,111,676	\$ 127,896,069
Total Expenses	\$ 1,128,279,707	\$ 1,134,185,225	\$ 1,178,963,350	\$ 1,208,505,992
Gross Operating Surplus/(Deficit)	\$ 28,963,189	\$ 4,832,363	\$ 10,938,411	\$ (20,473,925)
Net Operating Surplus/(Deficit)	\$ 28,963,189	\$ 4,832,363	\$ 10,938,411	\$ (20,473,925)

FY15 Expense Assumptions

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Personnel & Benefits

- Personnel costs will continue to drive overall expenses, with contractual increases driving costs
- Overall, very conservative estimates; could be driven down if retirement assumptions are used
- Includes \$25M of Temps and Stipends (historical average) (60%, or \$15M at schools)
- Assumes 2% vacancy factor using simple historical average, assumption could be refined
- Net benefits anticipated to grow by 4% with the exception of Teacher Pension and Retiree Health Costs

Other Than Personnel (OTPS)

- Forced flat; assumes City Schools can renegotiate contracts to keep costs flat
- Notable exceptions are Maintenance (up), Transportation (up), and Utilities (down)

Bottom Line

- Projecting deficits beginning in FY15, increasing thereafter if there are no structural changes
- Assuming Funding Schools First, this means additional reductions to District Office
- Fund balance, though available, will likely have various priorities .

Historical View – Fund Balance

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	<u>FY09</u>	<u>FY10</u>	<u>FY11⁽¹⁾</u>	<u>FY12</u>	<u>FY13</u>
Fund Balance (General Funds '000s)					
Reserved	\$52,974	\$43,855	\$ -	\$ -	\$ -
Unreserved	29,996	18,169	-	-	-
Non-spendable ⁽²⁾	-	-	377	215	28
Committed ⁽³⁾	-	-	20,000	20,000	20,000
Assigned ⁽⁴⁾	-	-	37,958	63,021	54,448
Unassigned ⁽⁵⁾	-	-	14,743	17,961	30,587
Total General Fund	\$ 82,970	\$ 62,024	\$ 73,078	\$ 101,197	\$ 105,063

(1) Fund balance categories changed in Fiscal 2011 to comply with GASB 54

(2) Non-spendable: Includes fund balance amounts that are either (1) not in spendable form of permanent fund inventory and prepaid expenses, and /or (2) are legally or contractually required to be maintained intact such as a permanent fund.

(3) Committed: Includes fund balance amounts that can be used only for the specific purposes determined by formal action (Board resolution) of the Board of Education

(4) Assigned: Includes fund balance amounts that are intended to be used by the Board for specific purposes.

(5) Unassigned: Represents the residual classification for the Board general fund and includes all spendable amounts not contained in the four classifications described above.

6/30/13 Fund Balance

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FY 13 Fund Balance (General Fund '000s)

Assigned Fund Balance

Prior-Year Encumbrances	\$ 27,825
Other	
Food Services Deficit Reserve	3,500
Transfer to Capital Projects	8,123
FY14 Budget Appropriation	15,000
Sub Total Other	<u>\$ 26,623</u>

Total Assigned Fund Balance \$ 54,448

Unassigned Fund Balance

Litigation & Contingency	\$ 15,000
Disaster Recovery	2,000
Bus Fleet	2,000
PARCC Technology	3,000
Other	8,587

Total Unassigned Fund Balance \$ 30,587

Budget Stabilization \$ 20,000

Prepays \$ 28

Total Fund Balance on 6/30/13 \$ 105,063

Assigned Fund Balance:

- Prior year expenditures and capital projects, and
- Contingency funds to cover possible Enterprise Fund deficit, capital projects and appropriation to cover budget gaps

Unassigned Fund Balance:

- Contingency funds for potential legal obligations
- Large pre-planned initiatives

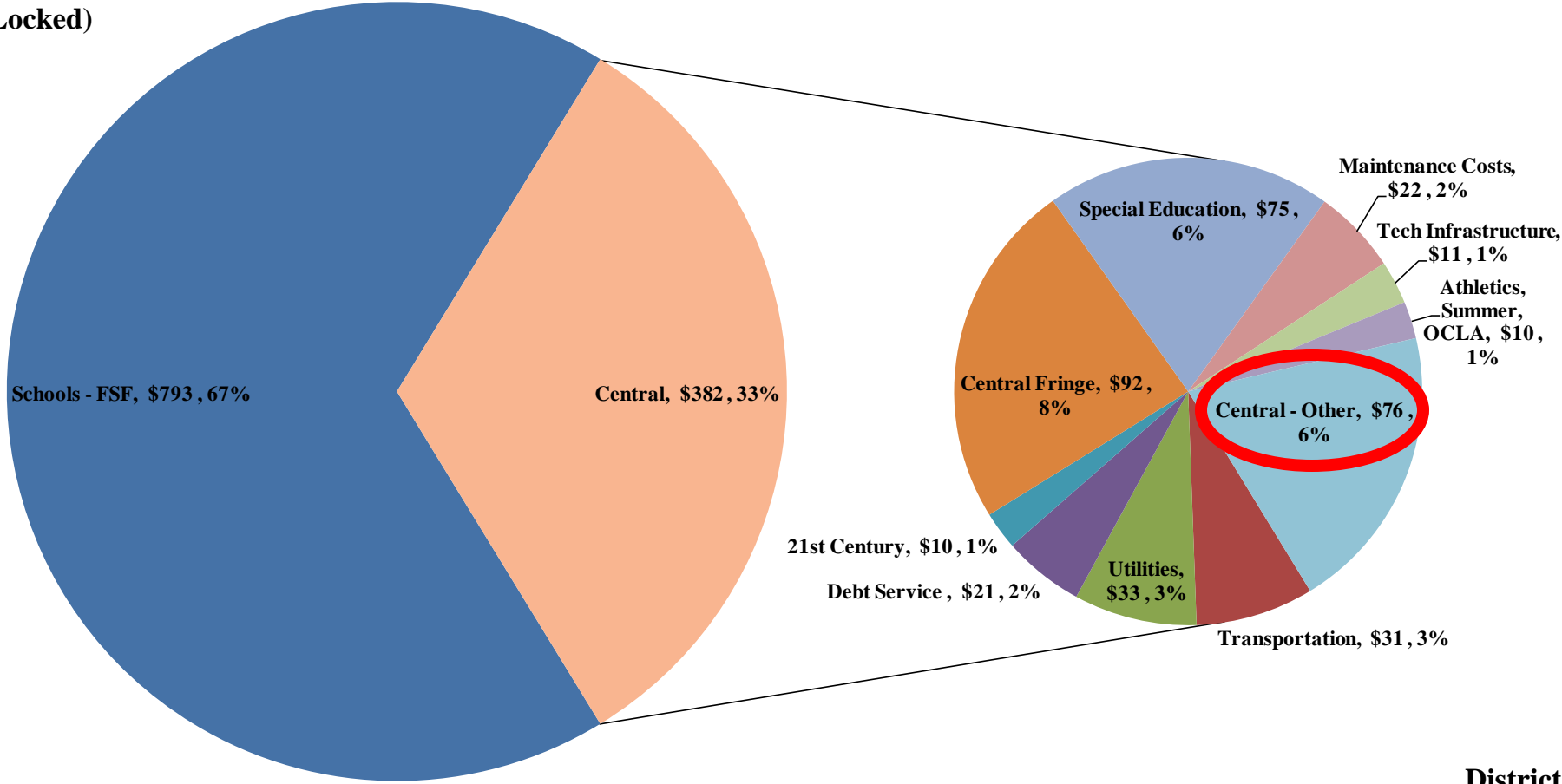
Budget Stabilization:

- Can be used only for the specific purposes determined by Board Resolution

Only half is “usable” (about \$50M)

FY14 Distribution of Dollars (\$ in millions)

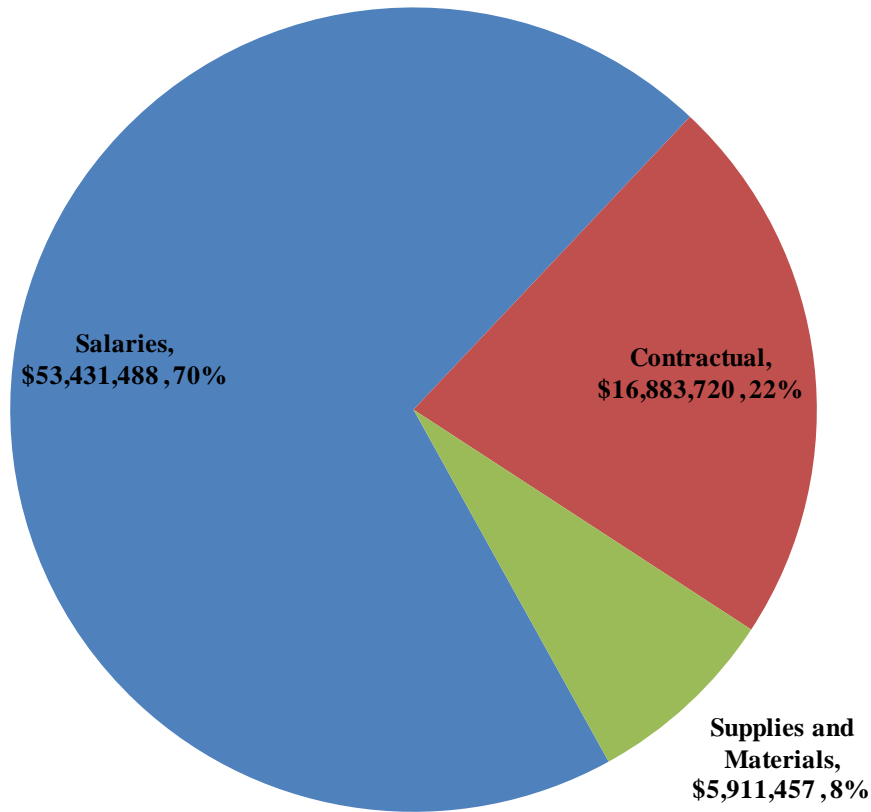
Schools
(FSF and
Locked)



District
Office

FY14 Non-Fixed District Office Detail

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Breakdown of \$76M:

- **\$53M** in salaries represents ~ **693 FTEs** (Includes 140 School Police, 70 Network Staff, 27 Academic Content Liaisons)
- **\$17M** in contracts fund services such as:
 - IT Support (\$1.4M)
 - Waste Removal (\$1M)
 - Teacher Recruitment (\$.9M)
 - Legal services for non-resident teachers (\$.8M)
- **\$6M** of Supplies and Materials cover:
 - \$2.8M of Instructional Supplies
 - \$1M in Office Supplies
 - \$.475M for Postage
 - \$.255M of Staff Development Materials

FY15 Guiding Principles

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Avoid Major Funding Changes in Transition Year

- Maintain Fair Student Funding formula weights at historic levels
- Allow only the Base Weight (goes to all students) to fluctuate
- Basis for the Charter Formula has not changed from FY14 (Revenue and Budget-Based approach)

Continued Investment In Schools

- FY15 would be the third consecutive year that we fund schools first and preserve buying power for FSF schools
- Despite 5 closing schools, additional funding to traditional schools is estimated at \$9.8M, delivered via FSF
- Additional resources to schools in the form of locked funding and the Charter Formula totaled \$12.8M
- Total incremental investment in schools = \$22.6M, posing a net decrease of over \$10M to District Office assuming a \$10M Fund Balance contribution

Strategic Use of Fund Balance

- District used \$27.7M in FY13 (and \$15M in current year), but has never assigned the funds to specific investments
- The FY15 request from Fund Balance will identify specific investment needs, much of which will preserve RTTT work streams (\$16M of RTTT coming offline in FY15)

Funding Schools First (Steps 1-3)

BCPS Direct Education Funding

	FY14 Adjusted	FY15 Proposed	Change
Step 1: General Funds Available to the District	\$ 1,174,977,705	\$ 1,188,032,067	\$ 13,054,362
Step 2: Setting the Minimum Requirement for FY15 Unlocked School Funding			
Begin with the FY14 Unlocked Funding for Traditional Schools	\$ 386,342,343	\$ 386,342,343	\$ -
Adjustment for increase in salary and benefits		9,859,601	\$ 9,859,601
FY15 Guaranteed Minimum Allocation to Traditional Schools	\$ 386,342,343	\$ 396,201,944	\$ 9,859,601
Step 3: Determine the Total Unlocked Funding for Traditional Schools			
Base Funding	\$ 337,993,560	\$ 347,881,184	\$ 9,887,624
Self-Contained Supplement	1,419,815	1,420,456	641
Dropout Prevention	9,841,513	9,951,551	110,038
Basic	20,951,403	21,331,929	380,526
Advanced	16,136,052	15,729,560	(406,492)
Fluctuation Cap		(112,735)	(112,735)
Total Fair Student Funding Allocation	\$ 386,342,343	\$ 396,201,944	\$ 9,859,601

Funding Schools First (Steps 4-5)

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	FY14 Adjusted	FY15 Proposed	Change
Step 4: Determine the Additional Direct Allocations to the Schools			
Initial Reserves Set Aside for All Schools & In-School Programs	\$ 4,024,357	\$ 2,165,308	\$ (1,859,049)
General Education Locked Allocation - District Office Directed	81,390,599	87,858,700	6,468,101
General Education Targeted Funds	2,102,701	3,030,951	928,250
Alternative Options Schools & Programs	17,500,000	11,913,522	(5,586,478)
Amount Allocated to Charter schools	108,626,284	117,060,304	8,434,020
OTPS - Resource Schools	-	471,713	471,713
Skipped Schools Funding - Resource Schools	279,240	223,256	(55,984)
Locked Funding for Students with Disabilities - District Office Directed	108,912,222	113,460,095	4,547,873
Unlocked Funding for Students with Disabilities - School Directed	83,510,898	82,976,217	(534,681)
Additional Locked & Unlocked School Allocations	\$ 406,346,301	\$ 419,160,066	\$ 12,813,765
FY15 Schools First Funding	\$ 792,688,644	\$ 815,362,010	\$ 22,673,366
District Administration Allocation			
Step 5: Determine the Funds Available for the District Office			
Total General Funds	\$ 1,174,977,705	\$ 1,188,032,067	\$ 13,054,362
Minus the Direct Allocation to Traditional Schools	386,342,343	396,201,944	9,859,601
Minus all Additional Allocations to the Schools	406,346,301	419,160,066	12,813,765
FY15 Funds Available for District Office	\$ 382,289,061	\$ 372,670,057	\$ (9,619,004)

Locked Position Changes

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General Education Locked

- Pre-K increase is to support additional classes necessary to enroll students from Headstart
- ESOL increase is to support an anticipated increase in ELL Pre-K students from Headstart
- Additional increases are for supplemental support for AOP schools transitioning to fair student funding and anticipated increase in enrollment
- Funding for CTE includes 177 locked positions (\$16M).

Special Education Locked

- Increase in Social Workers and Psychologists are to provide increased social-emotional supports and focus on programs for students with emotional disabilities
- Increase in Speech Language Pathologists to support work of early intervention in the early grades, specifically for literacy
- Additional increases are to support AOPs as a result of school closures and anticipated increase in enrollment

General Education Locked

General Funds

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Position	Allocated FY14			Projected FY15			Change
	FTE	Salary	Budget	FTE	Salary	Budget	
Custodial Worker I/12 mth	5.0	\$ 50,323	\$ 251,615	5.0	\$ 51,779	\$ 258,894	\$ 7,279
Custodial Worker I/5 Hour	0.0	36,140	-	0.0	37,314	-	-
Custodial Worker II	4.0	53,247	212,988	4.0	54,464	217,857	4,869
Principal - Alternative/Innovative Schools	10.0	130,343	1,303,430	0.0	-	-	-
Principal - Elementary	48.0	134,055	6,434,640	0.0	-	-	-
Principal - High	28.0	144,609	4,049,052	0.0	-	-	-
Principal	60.0	137,470	8,248,200	147.0	138,115	20,302,903	267,581
Teacher - Secondary JROTC	21.0	98,932	2,077,572	25.0	100,313	2,507,818	430,246
Teacher - Secondary - BSA	14.0	88,335	1,236,690	10.0	90,469	904,687	(332,003)
Assistant - ESOL	15.0	43,244	648,660	16.0	43,890	702,233	53,573
Paraeducator				1.0	58,228	58,228	58,228
Paraeducator - ESOL	25.0	53,009	1,325,225	30.0	53,584	1,607,505	282,280
Teacher - ESOL	105.5	86,052	9,078,486	116.0	89,008	10,324,936	1,246,450
Teacher - Mentor/10 mo	4.0	97,069	388,276	4.0	111,566	446,265	57,989
Department Head I	3.0	103,533	310,599	0.0	105,698	-	(310,599)
Educational Associate/10mth	1.0	97,069	97,069	1.0	103,624	103,624	6,555
Teacher - Vocational	140.0	86,365	12,091,100	152.0	89,004	13,528,677	1,437,577
Paraeducator - Pre K	192.0	57,090	10,961,280	195.5	59,926	11,715,547	754,267
Teacher - Pre-K	187.0	88,834	16,611,958	187.5	89,784	16,834,545	222,587
Assistant Principal	0.0		-	4.0	124,759	499,036	499,036
Guidance Counselor	0.0		-	2.0	96,947	193,894	193,894
Social Worker	0.0		-	2.0	109,302	218,603	218,603
Nurses			4,716,938			7,433,446	2,716,508
Locked General Fund Allocation	862.5		\$80,043,778	902.0		\$87,858,700	

Special Education Locked

General Funds

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Position	Allocated FY14			Projected FY15			Change
	FTE's	Salary	Total	FTE's	Salary	Total	
Assistant - Licensed Therapy	2.0	\$ 67,192	\$ 134,384	2.0	\$ 70,035	\$ 140,070	\$ 5,686
Assistant - Non-Instructional/10mth	4.0	46,277	185,108	4.0	48,050	192,200	7,092
Assistant - Non-Instructional/12mth	1.0	53,789	53,789	1.0	55,889	55,889	2,100
Assistant - Special Education	138.0	49,436	6,822,168	126.0	51,572	6,498,014	(324,154)
Assistant Principal	4.0	123,456	493,824	4.0	124,759	499,036	5,212
Audiologist	3.0	116,520	349,560	3.0	113,751	341,254	(8,306)
Educational Associate/12mth	1.0	112,322	112,322	1.0	115,775	115,775	3,453
Guidance Counselor	2.0	97,066	194,132	2.0	96,947	193,894	(238)
IEP Team Associate	7.1	105,637	750,023	10.0	107,906	1,079,065	329,042
Occupational Therapist	30.0	91,867	2,756,010	30.0	97,466	2,923,989	167,979
Office Assistant	2.0	58,890	117,780	3.0	53,783	161,348	43,568
Physical Therapist	10.0	95,088	950,880	10.0	94,727	947,272	(3,608)
Principal - Elementary	1.0	134,055	134,055	0.0	-	-	(134,055)
Principal	3.0	144,609	433,827	4.0	138,115	552,460	118,633
Psychologist	130.0	103,485	13,453,050	136.0	104,951	14,273,304	820,254
Secretary	3.0	58,890	176,670	3.0	61,013	183,039	6,369
Secretary II - School	1.0	58,890	58,890	0.0	-	-	(58,890)
Social Worker	163.0	108,073	17,615,899	165.0	109,302	18,034,773	418,874
Special Education Paraeducator - PreK				48.0	59,077	2,835,703	
Special Education Paraeducator	370.0	56,480	20,897,600	327.0	59,077	19,318,227	1,256,330
Speech Language Pathology Assistant	1.0	76,005	76,005	0.0	78,852	-	(76,005)
Speech Pathologist	126.6	95,101	12,039,787	130.0	95,902	12,467,239	427,452
Teacher - Elementary	4.0	86,611	346,444	4.0	89,387	357,547	11,103
Teacher - Secondary	11.0	88,335	971,685	11.0	90,469	995,156	23,471
Teacher- Special Education - PreK				40.0	95,183	3,807,320	
Teacher - Special Education	262.0	93,917	24,606,254	236.0	95,183	22,463,190	1,664,257
Team Support Paraprofessional	2.0	45,743	91,486	4.0	48,068	192,271	100,785
New Hope Contract			4,601,963			4,832,061	230,098
Locked SWD Allocation	1,281.7	\$ 108,423,594	\$ 1,304.0	\$ 113,460,095			

General Education Targeted

General Funds

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School	FY14	FY15	Purpose / Notes
Thomas Jefferson Elementary	\$ 112,500	\$ 200,000	International Baccalaureate
The Mount Washington School	131,250	100,000	International Baccalaureate
Baltimore City College	234,000	200,000	International Baccalaureate
Digital Harbor High School	15,000	-	Moved to CAO Budget
Baltimore School for the Arts	1,246,275	1,246,275	Support for skilled staffing and TWIGS program
New Song	213,676	213,676	Operating Support for lease
Lakewood	150,000	150,000	Pre-K support
Francis M. Wood	108,160	-	Title I Eligible High School (FSF in FY15)
Harbor City	171,080	-	Title I Eligible High School (FSF in FY15)
Lakeland Elementary/Middle		50,000	UMBC Partnership
Langston Hughes Elementary		135,000	21st Century Schools - Impact
Abbottston Elementary		135,000	21st Century Schools - Impact
John Eager Howard Elementary		135,000	21st Century Schools - Impact
Mary E. Rodman Elementary		135,000	21st Century Schools - Impact
Dr. Rayner Browne Elem/Middle		200,000	21st Century Schools - Impact
The Mount Washington School		131,000	Space Rental for Pre-K (Archdiocese)
Total	\$ 2,381,941	\$ 3,030,951	

*Fund balance request for FY15

Alternative Options Program

General Funds

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Alternative Options Programs	FY15
AOPs	
Francis M. Wood Alternative (0178)	\$ 455,767 ⁽¹⁾
Harbor City Learning Center (0413)	455,767 ⁽¹⁾
Home & Hospital (303)	3,019,708
Middle Alternative Program (0734)	1,533,191
Career Academy (0854)	688,297
Success Academy Program (0855)	1,291,770
Youth Opportunity (0858)	1,108,280
Alternative Elementary School (0859)	524,312
Frederick Douglass Accelerator Program (0867)	809,639
Mervo Accelerator Program (0868)	809,639
Eager Street Academy (0884)	924,927
High School Accelerator (Location TBD)	809,639
Total Existing AOP	<u>\$ 12,430,936</u>
Other AOP Support/Startup costs	
Student Support Office	394,120
Total Other AOP	<u>\$ 394,120</u>
Total AOP	<u>\$ 12,825,056</u> ⁽²⁾

(1) Francis M Wood and Harbor City will receive these funds through locked positions

(2) Reduction from \$17.5M to \$12.8M will not reduce overall services to AOP students

Charter School Formula

General Funds

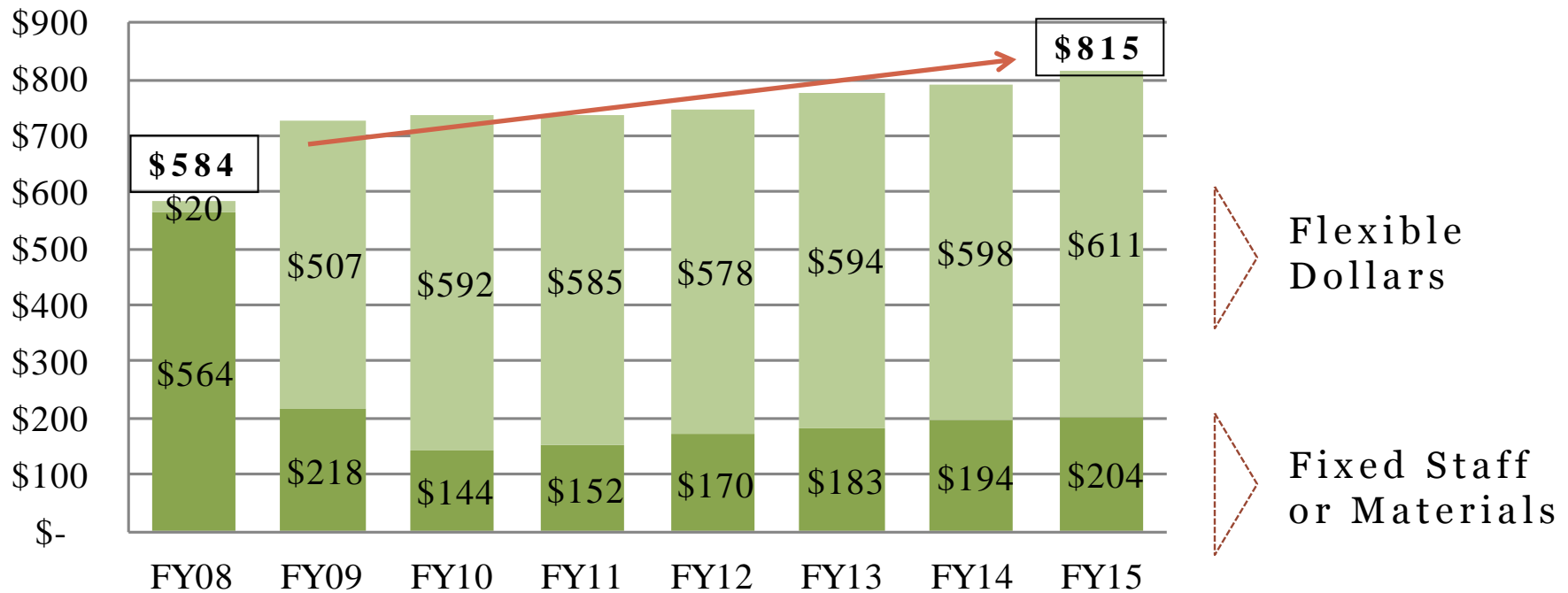
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	FY14	FY15 Proposed
Total General Funds Available for Formula	\$ 1,174,977,705	\$ 1,188,032,067
District-Wide Costs		
Less: Retiree Health Benefits	\$ 28,298,920	\$ 28,298,920
Less: Teacher Pension	-	14,824,485
Less: Debt Payments	21,432,573	23,972,573
Less: Contribution from Fund Balance	15,000,000	10,000,000
Less: Pre-K	28,658,040	28,550,093
Less: Non State/local revenue	2,360,000	8,057,136
Less: Non Public	57,141,985	48,446,728
Total District-Wide Exclusions	\$ 152,891,518	\$ 162,149,934
Funds to Allocate to Charters	\$ 1,022,086,187	\$ 1,025,882,133
Need Based Funding		
Less: Special Education	\$ 202,222,311	\$ 212,066,055
Less: ESOL	12,847,865	13,242,792
Less: Special Education Transportation	35,000,000	36,533,623
Total Need-Based Exclusions	\$ 250,070,176	\$ 261,842,470
Sub total of funds to allocate to charters	\$ 772,016,011	\$ 764,039,663
Less Overhead and Indirect Administrative Cost (2%)	\$ 15,440,320	\$ 15,280,793
Net allocable funds for charters	\$ 756,575,691	\$ 748,758,870
Enrollment (net of Pre-K and non public students)	80,062	80,524
Charter Per Pupil Allocation	\$ 9,450	\$ 9,299

Funding to Schools Continue to Increase

\$815M = 40% Increase in revenue to schools in 7 years

Funding Shift to Schools (*\$ in millions*)



Impact to District Office

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Initial FY15 Central Office Budget Target Summary

As of March 20, 2014

		Notes
Estimated District Revenue Allocation	\$ 1,178,032,067	State up \$6M, City down \$3M
Contribution from Fund Balance	10,000,000	\$5M lower than current budget (for planning purposes)
School Allocation	<u>(815,362,010)</u>	From Funding Schools First
Total Allocation for Central Office	<u>372,670,057</u>	
Debt Service	(23,972,573)	School buses, BDS Lease
Fringe for Central	(90,168,028)	Bulk is Retiree Health and Other Non-Distributables.
Utilities	(30,748,766)	Costs expected to drop
MSA Payment	(10,000,000)	Dedicated funds for 21st Century Buildings
Contingency	(2,000,000)	District wide reserve
Central Office Increases	(9,520,849)	Anticipated increases to contracts, services, etc.
External Assignments	<u>(757,088)</u>	No Change
Total - Central Office Fixed Costs	<u>(167,167,304)</u>	
Target FY15 Allocation for Central Office	372,670,057	From Above
Total - Central Office Fixed Costs	<u>(167,167,304)</u>	From Above
FY15 Central Office Remaining Allocation	<u>205,502,753</u>	FY15 Central Target
FY14 Central Office Budget Allocation	<u>\$ 226,454,936</u>	Prior Year Target
Change (FY14 to FY15)	(20,952,183)	

In order to make \$21M in reductions and provide key supports to schools, \$27M is needed from Fund Balance

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Supports Funded by Initial \$10M:

- Targeted Funding for specific schools (slide 18); (\$3M)
- Cost of increased salary on Locked positions (General Ed. and Special Ed.); (\$2M)
- Board commitment to Maintenance Plan (\$3M)
- Additional budgetary support to transportation (\$2M)



\$10M

Additional Supports in Need of Funding:

- Summer School programs (see slide 25); (\$4M)
- MDCCRS through Science and Social Studies investment for schools (\$4M)
- School-Serving Programs (\$1.1M)
- General Fund investment in key work streams jumpstarted by Race to the Top – 23.5 FTEs (\$3.3M)
- 21st Century Buildings Rezoning Study (\$.7M)
- Technology, key staff, and contractual support for other district priorities (\$3.4M)



\$17M

APPENDIX

FY15 Fund Balance Details: Academics

Department Name	Description	Total
Academics	Race to the Top	\$1.4M
	<ul style="list-style-type: none"> - 6.5 ED Principal Support - 2 Curriculum Writers - 1 Joint Governing Panel Associate (PSASA) 	
	MD College and Career Ready Standards	\$4.0M
	<ul style="list-style-type: none"> - Science Curriculum Roll-out - Social Studies Curriculum Roll-out 	
	School-Serving Programs	\$1.1M
	<ul style="list-style-type: none"> - Pre-k@Play (Transportation), Mindfulness (School Climate Support), Ingenuity Project, Discovery Education, College Board, Dual Enrollment 	
	Summer Credit Recovery	\$0.7M
<ul style="list-style-type: none"> - HS Credit Recovery (\$.5M; 1,300 students) - Middle School Promotion (\$.2M; 400) 		
Summer School for 6,450 students	\$3.6M	
<ul style="list-style-type: none"> - Read to Succeed (\$2.0M; 3,000 students) - 22nd Century Pioneers (\$.4M; 1,500 students) - Gear Up, AP Prep, LTW (\$.2M; 450 students) - Transportation & Cleaning (\$1M) 		

FY15 Fund Balance Details : Operations and ITD

Department Name	Description	Total
Operations	21st Century Buildings Consultant services for planning and rezoning for student assignment policy.	\$.7M
	Other - GPS on all of Buses - this includes inventory, training and consultants for all buses (adding GPS) - Replacement of routing software and operating system & staff training - Rental Property Costs: St. Marks parking lot (Central office parking)	\$1.0M
Information Technology	Other - Increased support for ISS service (field technicians); \$665K. - Additional temp agency support for helpdesk workflow management; \$285K. - Yearly Software Support and Licenses for Oracle Business Intelligence; \$350K - Staffing and consulting costs for teacher effectiveness and evaluation systems (OPMS, LU/AU System, Peer Review); \$350K - HC and Finance Modernization to enhance current systems capabilities in areas of financial reporting, benefits, certification; \$496K	\$2.0M

FY15 Fund Balance Details : OAA, Human Capital

Department Name	Description	Total
Achievement and Accountability	Race to the Top - Director of Effectiveness and School Evaluation and Accountability (SEA) - Manager of Program Evaluation - Program Evaluator – Effectiveness Framework	\$.4M
	Other RTTT - Teacher/School Leader Effectiveness Evaluation Contracts and supplies (e.g. student growth model, 360 feedback tool, roster validation)	\$.4M
Human Capital	Race to the Top - Director of Teacher Effectiveness - 2 HC Strategists - 3 Compensation Staff	\$.75M

FY15 Fund Balance Details : COS, Finance, FCE

Department Name	Description	Total
Chief of Staff	Race to the Top - 4 Joint Governing Panel Associates (BTU) - Staff Specialist to support 21 st Century buildings MOU and initiatives	\$.67M
Finance	Other - Risk Management Analysis (\$100K)	\$.1M
Family and Community Engagement	21st Century Buildings - Contractual staff to support Year 1 and Year 2 Community Meetings	\$.1M
	Total Additional Request:	\$17M