ANNE ARUNDEL COUNTY PUBLIC SCHOOLS

FY2016 Approved Operating Budget & Budget Outlook

Wednesday, December 2, 2015
Anne Arundel County Public Schools

Operating Budget
A 12-Step Process

1. Kicking Off the Process
2. Program Manager Review
3. Director Review
4. Associate & Assistant Superintendent Review
5. Deputy Superintendent & Chief Review
6. Superintendent Review
7. Superintendent Decision, Recommendation & Presentation
8. Board Request
9. County Executive Recommendation
10. County Council Approval
11. Board Adoption
12. Budget Implementation

FY2016 Approved Operating Budget
FY2016 Operating Revenues

$ 1,085,497,700

- County Funds: 57.2%
- State: 31.1%
- Federal: 3.7%
- Restricted Revenue from Other Sources: 1.2%
- Food Services Fund: 2.7%
- Local & Fund Balance: 4.0%
FY2016 Operating Budget

$1,055,947,700
(excludes Special Revenue)

Instruction
- Teachers
- Instructional Assistants
- Specialist

School Support
- Principals
- Assistant Principals
- School Secretaries
- Curriculum Coordinators
- Guidance Counselors
- Psychologists

Business Support
- Custodians
- Accountants
- Bus Drivers
- Secretaries
- Clerks/Technicians
- Specialists

Central Administration
- Superintendent
- Deputy Superintendents
- Chief Officers
- Directors

- Salaries/Benefits (870.2M)
- Transportation (46.2M)
- Materials of Instruction (34.1M)
- Utilities (31.2M)
- Non-Public Placements (24.8M)
- Technology/Communications (19.5M)
- Contracts (16.8M)
- Business Support (8.2M)
- Professional Development (4.3M)
- Equipment (0.6M)

M - Millions
## Per Pupil Expenditure

<table>
<thead>
<tr>
<th>School System</th>
<th>FY2003</th>
<th>Rank</th>
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<tbody>
<tr>
<td>Montgomery</td>
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<tr>
<td>Kent</td>
<td>$9,461</td>
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<tr>
<td>Worcester</td>
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<td>Baltimore City</td>
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<tr>
<td>Somerset</td>
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<tr>
<td>Howard</td>
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<tr>
<td><strong>Total State</strong></td>
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<td><strong>Anne Arundel</strong></td>
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<tr>
<td>Wicomico</td>
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<tr>
<td>Garrett</td>
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<tr>
<td>Queen Anne's</td>
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<tr>
<td>Talbot</td>
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<tr>
<td>St. Mary's</td>
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<td>Allegany</td>
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<td>Prince Georges</td>
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<td>Caroline</td>
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**Source:** The Fact Book for 2002-2003, Maryland State Department of Education

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<th>School System</th>
<th>FY2012</th>
<th>Rank</th>
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<tbody>
<tr>
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<tr>
<td>Montgomery</td>
<td>$14,891</td>
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<td>Howard</td>
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<td>Baltimore City</td>
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<td>Garrett</td>
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<td>Prince George's</td>
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<td>Allegany</td>
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<tr>
<td>Somerset</td>
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<td><strong>Total State</strong></td>
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<td>Dorchester</td>
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<td>Calvert</td>
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<td>Baltimore</td>
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<td>Carroll</td>
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<td>Caroline</td>
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<td>23</td>
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<tr>
<td>Queen Anne's</td>
<td>$11,593</td>
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</tbody>
</table>

**Source:** The Fact Book for 2013-2014, Maryland State Department of Education
State Thornton Funding Formula
Per Pupil Funding Level

4,124   4,291   5,029   5,958   6,694   6,694   6,829   6,860

Total FY2016 Approved Operating Budget
County Maintenance of Effort (MOE) Requirement

- Official student enrollment count as of September 30, 2013 divided into FY2015 county contribution less debt service creates the PPA for FY2015

- Official student enrollment count as of September 30, 2014 multiplied by FY2015 PPA to determine MOE amount for FY2016

- Since there was a 1,080 increase in students, MOE for FY2016 was $8,476,132
County Maintenance of Effort (MOE) Requirement

Teacher System Pension Requirement:
- Teacher System Pension no longer 100% paid by Maryland State Department of Education
- Phased-in over 4 years (*began in FY2013*)
- FY2016 Requirement is $18,693,986
  - FY2017 est = $23,751,648
County Maintenance of Effort (MOE) Requirement

FY2016:

- MOE was $8,476,132
- Teacher System Pension Requirement was $2,763,509
- Total County Obligation = $11,239,641

The county met this obligation in FY2016 by $5,102,959
FY2017 Revenue Projections

- Federal Revenue – Flat Funding
- State Revenue – Increase based on enrollment growth of 755 students
- County Funding – Maintenance of Effort only
- Fund Balance – Flat Funding

Estimated Total Revenue Increase

$15-$20M
FY2017 Expenditure Projections

- Pension Increase - $3-$5M
- Health Care - $10-15M
- Workers Comp/Unemployment - $2M
- Non Publics - $4M
- Contract/Charter Schools - $1M
- Negotiated Compensation Increases - Unknown

Estimated Expenditure* Increase

$20-$27M

*Contractual, Mandated or Negotiated Items only – No expansion
Balancing FY17

$20-$27M Expenditures

$15-$20M Revenue

(FY2017 Estimated Known Increases)
FY2017 Issues

• County has stated future funding may be near MOE level only.
  – MOE equates to flat funding per student.

• Compensation increases for employees to regain competitiveness with neighboring counties.

• Ability to offer and/or expand challenging alternatives to raise achievement for all students.
FY2017 Issues (cont.)

Program Enhancements are budgetary recommendations that cannot be funded within the existing base budget.

Examples include:

• Staffing requests
• New school openings
• Expansion of current programs
• New instructional programs or delivery models
• Broad replacement of existing equipment
## Important Dates to Remember

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
</table>
| January 5 & 7 2016 | Public Hearing on Superintendent’s Recommended Operating & Capital Budgets  
    January 5 – Old Mill High School – Auditorium 7:00 P.M.  
    January 7 – Parham Building – Board Room – 7:00 P.M. |
| February 17  | Board of Education approves Requested Operating & Capital Budgets  
    Parham Building – Board Room – 10:00 A.M. |
| March 1  | Board of Education’s Requested Operating & Capital Budgets forwarded to County Executive |
| May 1  | County Executive’s deadline to send the Recommended Operating & Capital Budgets to County Council for consideration |
| May  | County Council holds public hearings |
| June 15  | County Council’s deadline to approve final budgets |
| June 22  | Board of Education’s adoption of FY2017 Operating & Capital Budgets |
| July 1  | FY2017 Budgets implemented |