



February 1, 2024

Commissioners of St. Mary's County
St. Mary's County Government
P.O. Box 653
Chesapeake Building
41770 Baldrige Street
Leonardtown, MD 20650

Dear Commissioners:

St. Mary's County Public Schools (SMCPS) is pleased to present its FY2025 budget. In preparing next year's budget, SMCPS faced some significant challenges. First, all federal pandemic funding will sunset in FY2025. The expiration of these funding programs will have implications felt throughout the school system, especially because almost 100 grant-funded positions will end. In addition to the pandemic funding "cliff," State funding is projected to remain at FY2024 levels, with no additional revenues expected despite the high cost of implementing legislation related to The Blueprint for Maryland's Future. Over the past several years, SMCPS and the Commissioners of St. Mary's County have worked together effectively to uphold our shared obligations to our students, schools and community. This continued partnership and collaboration will be essential as we find a way to address these latest challenges.

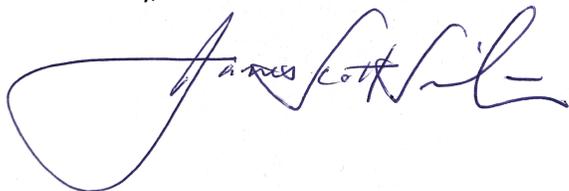
Confronted with a difficult fiscal landscape, SMCPS identified three priorities which we feel must be incorporated within the FY2025 budget. First, we believe it is critical that SMCPS continue to honor its negotiated agreements. One key component of the pending EASMC/ESP agreement is a starting salary of \$60,000 for all teachers, which is mandated by The Blueprint for Maryland's Future. Second, the budget includes funding to cover a projected increase in health insurance costs, which are expected to grow by at least 10% in FY2025. Finally, SMCPS has prioritized provisions within the budget which will support our contracted school bus operations with driver wage and contract increases. These increases are desperately needed to offset rising operating and maintenance costs and will allow SMCPS to remain competitive in the recruitment and retention of contracted bus drivers and attendants.

To allow SMCPS to fulfill the three critical needs identified above, the FY2025 budget reflects a 3.05% increase over the current operating budget. SMCPS was able to identify \$3.2M in projected FY2024 budgetary savings which can be used towards expenses in FY2025. However, in the face of flat State funding and the costly requirements of the Blueprint legislation, SMCPS will require the support of the Commissioners as part of our mutual commitment to our students and our community. We are requesting that the local government provide an additional \$9.6M in recurring funds over the amount provided in FY2024. This funding support is critical to our shared obligation to successfully implement The Blueprint for Maryland's Future, thus providing the best possible opportunities and outcomes for each of our students. The assessment of a \$0.056 "Blueprint Tax" as a component of the FY2025

property tax rates may well be worth considering, as it would generate an additional \$8.6M in revenues that could be used to fund the legal mandates of the Blueprint legislation.

I think we all recognize that the continued progress and success of our school system are vital to our entire community. I appreciate your support of St. Mary's County Public Schools and look forward to our continued partnership in building a promising future for our students and our county.

Sincerely,

A handwritten signature in blue ink, appearing to read "James Scott Smith". The signature is stylized with a large loop at the beginning and a horizontal line at the end.

J. Scott Smith, Ed.D.
Superintendent of Schools

Attachments

cc: Ms. Tammy McCourt, Assistant Superintendent
Ms. Jeannett Cudmore, St. Mary's County Chief Financial Officer