

Superintendent's Proposed FY26 Operating Budget

January 29, 2025



Review of Previous Budget Reductions

- **Between FY09 and FY19, the Board reduced expenditures by a cumulative total of approximately \$40m**
- **Reductions included:**
 - **System-wide positions reduced**
 - **Various programs**
 - **General spending reductions**
 - **School closures**
 - **Seven years without employee compensation increases**

Previous Position Reductions

- 375.5 FTE total
- Teachers – 188.5
- Central administrators - 30
- Central professional – 29.5
- School administration – 12
- Clerks and clerical – 54
- Custodians / Plant Operations – 45.5
- Other - 16

Previous Program Reductions

- After School Community Learning Centers
- CCPS Educational Foundation and Community Partnership Office
- Substance Abuse Office
- Recess monitors
- Kindergarten assistants
- High school crisis counselors
- Reduced site-based substitute allocations
- Closed three schools

Other Previous Reductions

- **Transportation stabilization fund**
- **Transportation efficiency plan (40 buses)**
- **School maintenance project funds**
- **Utilities budget**
- **Computer replacement budget**
- **Reductions in duty year for certain employee groups**
- **Seven years without permanent employee compensation**
- **Millions in general expenditures**
 - **Salary savings**
 - **Office expenditures**
 - **Materials and equipment**

Local Revenue Outlook

- **County Adopted Operating Plan includes an FY26 ongoing revenue increase of \$7.2m over FY25**
- **Superintendent's proposed budget remains based on that amount despite reductions in anticipated State revenue**
- **State revenue based on Governor's budget requires Board spending reductions**

State Revenue Outlook

- Year 3 of transition to new Blueprint formula
- Flat overall enrollment
 - Increase in compensatory education enrollment
 - Increase in multilingual learners enrollment
- Outlook has changed since the December 18th budget work session
- Governor's budget updates
 - Reduces State targeted per pupil amounts
 - Passes \$93m in teacher pensions costs to counties;
 - \$2.3m estimated for Carroll

State Revenue Outlook

- At December work session, we anticipated \$6.1m increase in Foundation funding
- With the reduction to the State targeted per pupil amounts in the Governor's budget, we anticipate \$2.1m in Foundation funding
- Additional Blueprint program dedicated revenues of \$4.3m

State Changes to Foundation Funding

	Original Blueprint		Changes from Delaying Teacher Time		
	Foundation Target Per Pupil	Diff. from Prior Year	Amt. Reduced for Teacher Time	Adj. Target Per Pupil	Diff. from Expected Annual Incr.
FY23	\$8,310				
FY24	\$8,642	\$332			
FY25	\$8,789	\$147			
FY26	\$9,226	\$437	\$163	\$9,063	\$274
FY27	\$9,732	\$506	\$334	\$9,398	\$172
FY28	\$10,138	\$406	\$215	\$9,923	\$191
FY29	\$10,564	\$426	\$698	\$9,866	-\$272
FY30	\$11,004	\$440	\$891	\$10,113	-\$451
FY31	\$11,442	\$438	\$1,093	\$10,349	-\$655
FY32	\$11,898	\$456	\$1,306	\$10,592	-\$850
FY33	\$12,365	\$467	\$1,527	\$10,838	-\$1,060

On-Going Revenue Summary

Revenue
Estimates

Change
from FY25

State Revenue - Foundation

\$2.1m

County Revenue Request

7.2m

Total Increase

\$9.3m

Preliminary Expenditures

Utilities	\$3.3m
Insurances, including employee benefits	6.7m
Technology student devices	1.9m
Special ed hourly and contractual services	0.3m
Curriculum and Instruction – materials/textbooks/digital	0.4m
Inflationary impacts across all other areas	<u>0.3m</u>
Total Preliminary Expenditure Increases	\$12.9m

Preliminary Budget Deficit

Preliminary
Estimates

Change
from FY25

Projected Revenue

\$9.3m

Preliminary Expenditures

12.9m

Total Deficit

-\$3.6m

Expenditure Reductions in FY26 Proposed Operating Budget

Phase-in utilities increases with fund balance	\$0.5m
End 1:1 technology ratio grades 3-5	1.0m
End Outdoor School program (9.8 FTE)	1.1m
Reduce materials of instruction budget	0.4m
Reduce transportation reimbursement formula salary from 5% to 3%	0.2m
Reduce 3.0 FTE central office clerical; other reductions	<u>0.4m</u>
Total Expenditure Reductions	<u>\$3.6m</u>

Items Not Included in Proposed FY26 Budget

- **Employee compensation, including existing contracts**
 - Three contracts have FY26 salary commitments
 - Renegotiations will be required
- **Additional Blueprint Requirements**
 - additional Pre-k
 - dual enrollment / AP program growth
 - additional positions to mitigate class size increases
- **Infrastructure needs – technology, security, maintenance**
- **Other system needs-based requests**

Other Discussion Items

- **Blueprint fiscal compliance required through phase-in FY25-FY27**
- **Superintendent will report fiscal compliance actions at Feb. 12th Board meeting**
- **Will shift millions in staffing resources among schools**
- **Will require additional position reductions**

Comparative Per Pupil Funding

Per Pupil Revenues for Public Schools in Fiscal 2024

County	State	Local	Total	Ranking by Total Per Pupil Funding	
Allegany	\$13,469	\$4,443	\$17,912	1.	Baltimore City \$22,751
Anne Arundel	7,300	10,761	18,061	2.	Somerset 21,816
Baltimore City	17,114	5,637	22,751	3.	Worcester 21,437
Baltimore	9,322	8,932	18,255	4.	Prince George's 20,847
Calvert	8,309	10,307	18,616	5.	Howard 20,195
Caroline	15,287	3,002	18,289	6.	Dorchester 20,104
Carroll	7,836	8,922	16,758	7.	Montgomery 19,879
Cecil	10,508	6,170	16,678	8.	Kent 19,869
Charles	10,489	8,213	18,701	9.	Charles 18,701
Dorchester	14,405	5,698	20,104	10.	Calvert 18,616
Frederick	8,906	8,856	17,762	11.	Caroline 18,289
Garrett	9,048	8,748	17,795	12.	Baltimore 18,255
Harford	8,880	8,529	17,409	13.	Anne Arundel 18,061
Howard	7,346	12,848	20,195	14.	Wicomico 17,981
Kent	7,957	11,912	19,869	15.	Talbot 17,930
Montgomery	7,049	12,831	19,879	16.	Allegany 17,912
Prince George's	13,282	7,565	20,847	17.	Garrett 17,795
Queen Anne's	6,926	9,714	16,640	18.	Frederick 17,762
St. Mary's	9,457	7,599	17,056	19.	Harford 17,409
Somerset	17,804	4,012	21,816	20.	Washington 17,175
Talbot	5,883	12,047	17,930	21.	St. Mary's 17,056
Washington	12,029	5,146	17,175	22.	Carroll 16,758
Wicomico	14,467	3,514	17,981	23.	Cecil 16,678
Worcester	5,638	15,799	21,437	24.	Queen Anne's 16,640
Total	\$10,127	\$9,300	\$19,427		

Source: Local School Budgets, Department of Legislative Services

Per Pupil Revenues for Public Schools in Fiscal 2025

County	State	Local	Total	Ranking by Total Per Pupil Funding	
Allegany	\$15,627	\$4,401	\$20,028	1.	Baltimore City \$23,147
Anne Arundel	7,735	11,368	19,102	2.	Worcester 22,845
Baltimore City	17,657	5,489	23,147	3.	Somerset 22,759
Baltimore	9,973	9,234	19,206	4.	Howard 21,512
Calvert	7,060	11,092	18,152	5.	Montgomery 21,349
Caroline	16,305	3,491	19,796	6.	Kent 21,188
Carroll	8,236	9,329	17,565	7.	Prince George's 21,112
Cecil	10,846	6,844	17,690	8.	Dorchester 21,009
Charles	11,024	8,680	19,704	9.	Allegany 20,028
Dorchester	15,465	5,544	21,009	10.	Caroline 19,796
Frederick	9,254	9,082	18,336	11.	Charles 19,704
Garrett	9,326	9,348	18,674	12.	Talbot 19,238
Harford	9,531	8,697	18,227	13.	Baltimore 19,206
Howard	7,811	13,700	21,512	14.	Anne Arundel 19,102
Kent	8,604	12,584	21,188	15.	Wicomico 18,839
Montgomery	7,567	13,782	21,349	16.	Garrett 18,674
Prince George's	13,858	7,254	21,112	17.	Frederick 18,336
Queen Anne's	7,163	10,498	17,662	18.	Harford 18,227
St. Mary's	9,726	8,047	17,772	19.	Calvert 18,152
Somerset	18,739	4,020	22,759	20.	St. Mary's 17,772
Talbot	6,333	12,905	19,238	21.	Washington 17,708
Washington	12,554	5,154	17,708	22.	Cecil 17,690
Wicomico	15,186	3,652	18,839	23.	Queen Anne's 17,662
Worcester	6,180	16,665	22,845	24.	Carroll 17,565
Total	\$10,629	\$9,655	\$20,284		

Source: Local School Budgets, Department of Legislative Services

Comparative State Staffing Ratios

- **CCPS Student:Staff Ratio Rankings:**
 - 13th in Teachers
 - 24th in Support of Instruction (professional learning, mentoring, instructional specialists, etc.)
 - 17th in educational support professionals
 - 23rd in central office and school administration
- **There is no path to Blueprint compliance and budget reductions without deeply impacting schools**
- **We need to have serious community discussions about reasonable expectations**

Fund Balance

- **Unassigned Fund Balance**
 - **\$18.1m (4.5%) at June 30, 2024**
 - **Board acted to assign \$6m for FY26 budget**
 - **Proposed budget assigns another \$0.6m**
 - **Leaves \$11.5m (2.7%) unassigned**
- **Board Policy DBDA – Fund Balance Reserve**
 - **Minimum: 1% of Unrestricted Operating Budget \$4.2m**
 - **Maximum: 5% of Unrestricted Operating Budget \$21.2m**

Proposed Fund Balance Uses – FY26

Included in Proposed Budget

Winchester Building Infrastructure CIP	\$5.0m
Teacher induction program with Dr. Grasmick and Towson University	1.0m
Phase-in Utilities Increases	0.5m
Transportation - Admin	0.1m

For consideration in Final Budget

- **Infrastructure - Security, Technology, Maintenance**

FY26 Budget Timeline

- **FY26 Operating Budget public hearing and Board work session (Feb. 5th at 6pm)**
- **Board's budget request discussed at February Board meeting (Feb. 12th) (possible adoption)**
- **If needed, Board's budget request adopted at special late February Board meeting (Feb. 26th)**
- **Forwarded to County by March 1st**
- **County budget public hearing (early May)**
- **Board work session scheduled (May 7th)**
- **Final adoption at Board meeting (May 14th)**

QUESTIONS AND DISCUSSION