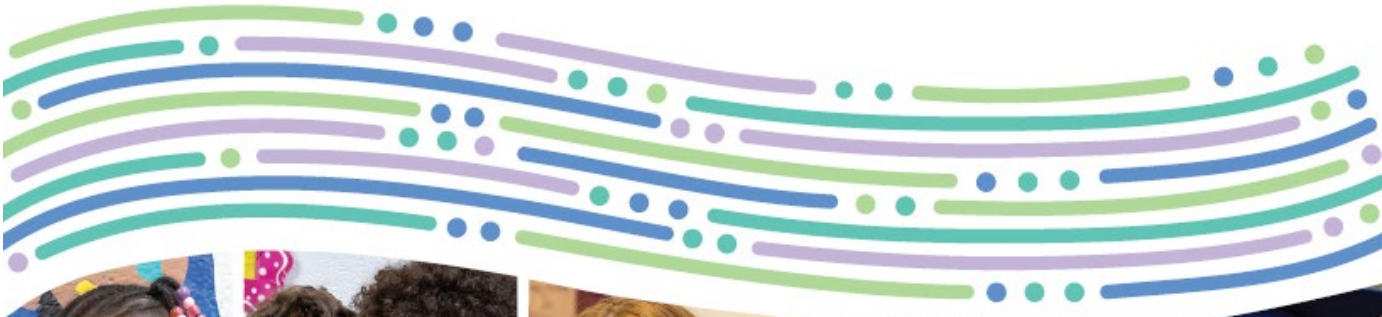


# Superintendent's Proposed FY 2025 Operating Budget

Recommended to the Board of Education, January 2024



# BOARD OF EDUCATION BUDGET WORK SESSION I JANUARY 29, 2024

# All Funding Sources – General Fund

## SUMMARY OF REVENUES in BUDGET BOOK

General Fund	Approved FY 2024	Superintendent Proposed FY 2025	Year over Year \$ Change	Year over Year % Change
County Revenue	\$ 721,187,000	\$ 761,623,167	\$ 40,436,167	5.6%
State Revenue	346,004,494	348,195,206	2,190,712	0.6%
Other Revenue	9,684,643	9,693,699	9,056	0.1%
Transfer from Tech Fund	6,700,000	-	(6,700,000)	-
Use of Fund Balance	21,000,000	10,186,596	(10,813,404)	(51.5)%
<b>Total Revenues</b>	<b>\$ 1,104,576,137</b>	<b>\$ 1,129,698,668</b>	<b>\$ 25,122,531</b>	<b>2.3%</b>

### Breakout of COUNTY Funding Change

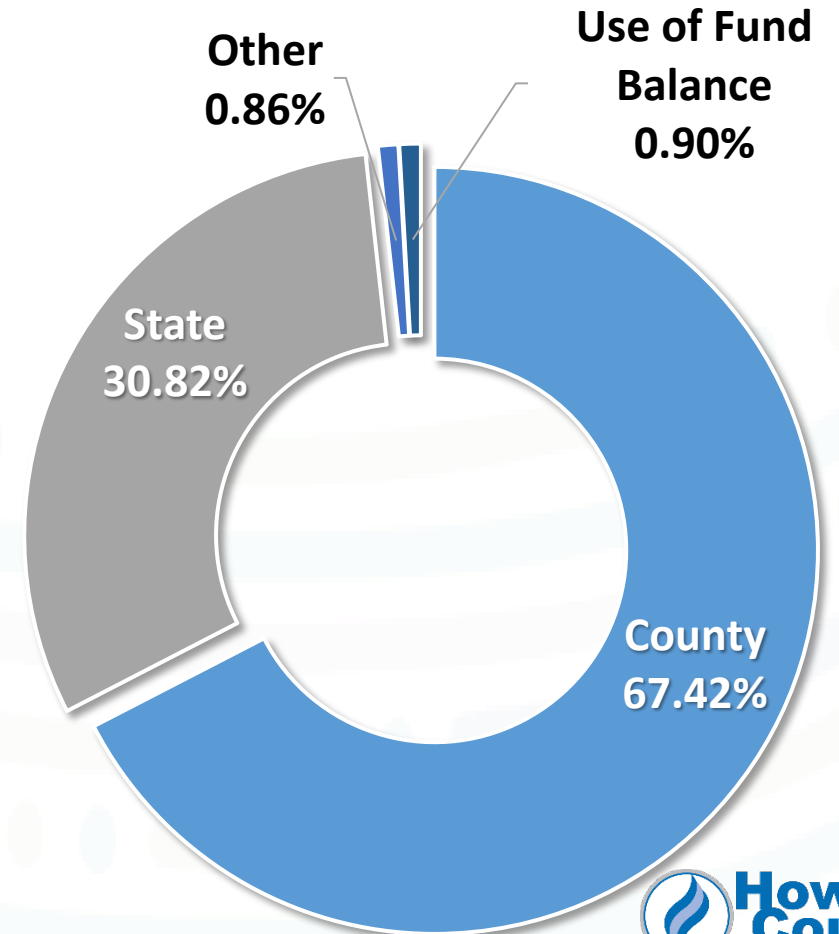
Required MOE- \$(5.7)M

Above MOE- \$47.0M

One Time Funding- \$(887,000)

Total \$40.4M

## General Fund Revenue Superintendent's Proposed FY 2025 Operating Budget



# All Funding Sources – General Fund- UPDATED

## SUMMARY OF REVENUES Based on Preliminary Estimates of State Aid

General Fund	Approved FY 2024	Superintendent Proposed FY 2025	Updated for MSDE Preliminary Estimates	Difference from Superintendent Proposed	Updated Year over Year \$ Change	Updated Year over Year % Change
County Revenue	\$ 721,187,000	\$ 761,623,167	\$ 761,024,487	\$ (598,680)	\$ 39,837,487	5.5%
State Revenue	346,004,494	348,195,206	353,997,323	5,802,117	7,992,829	2.3%
Other Revenue	9,684,643	9,693,699	9,693,699	-	9,056	0.1%
Transfer from Tech Fund	6,700,000	-	-	-	(6,700,000)	-
Use of Fund Balance	21,000,000	10,186,596	10,186,596	-	(10,813,404)	(51.5)%
<b>Total Revenues</b>	<b>\$ 1,104,576,137</b>	<b>\$ 1,129,698,668</b>	<b>\$ 1,134,902,105</b>	<b>\$ 5,203,437</b>	<b>\$ 30,325,968</b>	<b>2.7%</b>

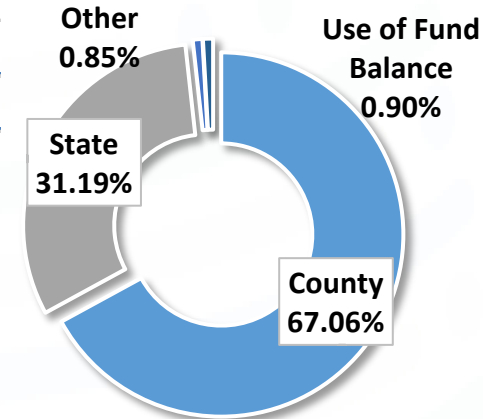
### Breakout of COUNTY Funding Change

Required MOE- \$(6.3)M

Above MOE- \$47.0M

One Time Funding- \$(887,000)

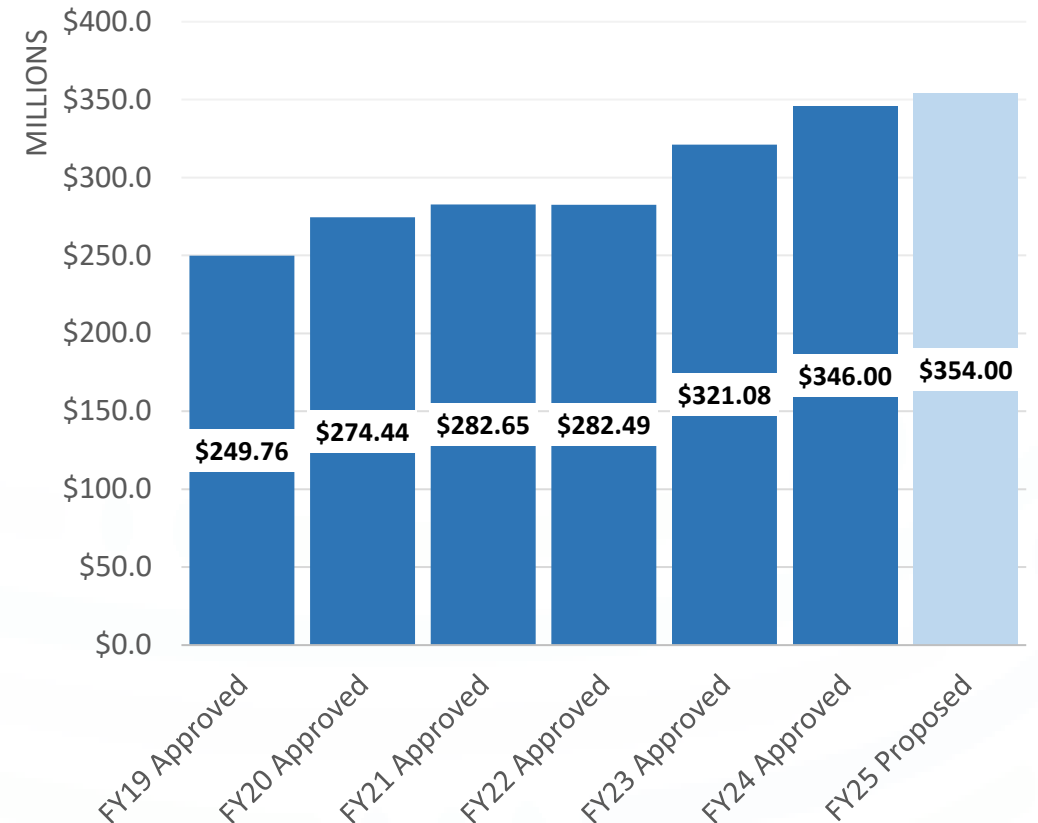
**Total \$39.8M**



# State Funding Sources– General Fund-UPDATED

	1/19/2024		Year over Year % Change	
	Approved FY 2024	State Updated FY 2025		\$ Change
<b>State Funding</b>				
Foundation	\$ 216,373,137	\$ 219,203,901	\$ 2,830,764	1.31%
Comparable Wage Index	13,888,992	14,070,698	181,706	1.31%
Transportation	23,945,467	24,334,062	388,595	1.62%
Compensatory Education	50,013,380	49,517,497	(495,883)	-0.99%
English Learners	14,975,429	15,464,623	489,194	3.27%
Special Education	21,482,341	26,645,477	5,163,136	24.03%
Transitional Supplemental Instruction	2,015,901	1,304,790	(711,111)	-35.28%
College and Career Readiness	1,896,347	1,387,961	(508,386)	-26.81%
Career Ladder	860,798	916,149	55,351	6.43%
Full Day Pre-K and Pre-K Exp	1,810,959	2,416,683	605,724	33.45%
Blueprint Transition Grant	41,743	35,482	(6,261)	-15.00%
LEA Tuition	200,000	200,000	-	0.00%
Less Medicaid Grant	(1,500,000)	(1,500,000)	-	0.00%
<b>Subtotal State Funds</b>	<b>\$ 346,004,494</b>	<b>\$ 353,997,323</b>	<b>\$ 7,992,829</b>	<b>2.31%</b>

State Funding FY19 to FY25 Proposed (updated)



**Preliminary State Revenues net change \$8.0 million, 2.3%**

- Foundation ↑
- Special Education ↑
- English Learners ↑
- PreK Funding ↑
- Career Ladder ↑
- Comp Wage Index ↑
- Transportation ↑
- Compensatory Education ↓
- Transitional Suppl. Instruction ↓
- College and Career Readiness ↓
- Blueprint Transition Grant ↓

# How Funding is Calculated

55,960  
Student Enrolment (for funding)

## PER PUPIL FUNDING (Major Aid Programs)

Foundation  
Transportation (Disabled)  
Compensatory Education  
English Learners  
Special Education  
Transitional Supplemental Instruction  
College and Career Readiness  
Full Day Prekindergarten

State Share \$

County Share \$

County funds the greater of  
Required Local Share

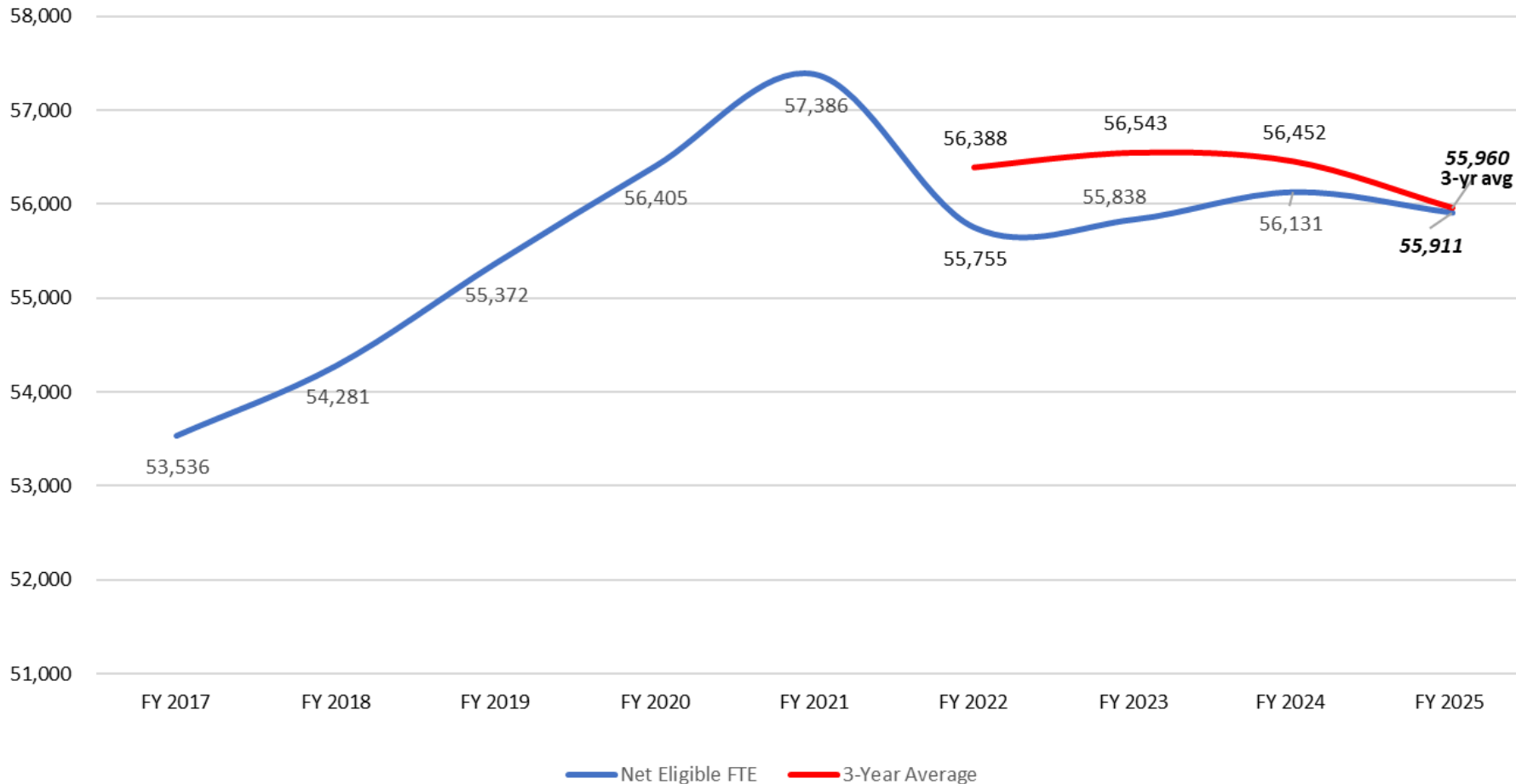
- OR -

Prior Year's Per Pupil Maintenance  
of Effort (MOE) multiplied by  
enrollment

The amount shared between  
state and local is adjusted for  
each county's relative wealth

# Enrollment Trends

Student Enrollment Count-Revenue Basis  
FY 2017 to FY2025 Proposed



- ❖ The total enrollment count used to calculate formula-based funding revenues is declining by 492, almost 1%
- ❖ There are also enrollment counts for certain aid programs

# Statutory Funding Amounts for FY25

## Statutory Per Pupil Funding Amounts Minimum School Fund and Major Aid Programs

Relative wealth cost share shifted more of the funding to the state

Statute Citation	Program	Per Pupil Amount Fiscal Year 2024	Per Pupil Amount Fiscal Year 2025	Dollar Change	Percent Change	Estimated Percent State Funded <sup>(1)</sup>	Estimated Percent Local Funded <sup>(2)</sup>
5-201	Foundation	\$ 8,642	\$ 8,789	\$ 147	1.70%	44.57%	55.43%
5-215	Transition Grant	\$ 8,642	\$ 7,471	\$ (1,171)	-13.55%	100.00%	0.00%
5-216	Comparable Wage Index	\$ 555	\$ 564	\$ 9	1.62%	44.57%	55.43%
5-222	Compensatory Education (percent of Foundation)	\$ 7,519	\$ 7,559	\$ 40	0.53%	40.00%	60.28%
5-217	College and Career Readiness	\$ 567	\$ 595	\$ 28	4.94%	45.82%	54.18%
5-223(c)(1)(i)	Concentration of Poverty Personnel Grant (per school)	\$ 272,823	\$ 286,464	\$ 13,641	5.00%	100.00%	0.00%
5-224	English Language Learner (percent of Foundation)	\$ 8,642	\$ 8,965	\$ 323	3.74%	42.77%	57.23%
5-225	Special Education (percent of Foundation)	\$ 7,951	\$ 8,701	\$ 750	9.43%	41.93%	58.07%
5-226	Transitional Supplemental Instruction	\$ 680	\$ 522	\$ (158)	-23.24%	40.19%	59.81%
5-229	Prekindergarten-Full Day	\$ 11,594	\$ 13,003	\$ 1,409	12.15%	37.61%	62.39%

(1) The percentages shown determine the amount of required state funding. The percentages are adjusted annually based on relative wealth factors. The percentages shown reflect the FY24 splits and will be updated when preliminary revenue estimates are received from MSDE.

(2) Howard County funds education at an amount greater than the required local share. Therefore, instead of these per pupil dollars and percentage splits, the required maintenance of effort per pupil calculation is used.

# FY 2025 Required Funding



State Required Funding  
\$8.0M increasing 2.3%



County MOE  
Funding \$(6.3)M  
decreasing (1.0)%



# County Funding Sources- General Fund- UPDATED

- ❖ Proposed County Revenues- \$761.0M
- ❖ Recurring revenues growing \$40.7M, 5.7%
- ❖ Total revenue change is \$39.8M, 5.5%

- **MOE Declining in FY25**
  - Enrollment is down
  - 3-year average

County Funding	Approved FY 2024	Superintendent Proposed FY 2025	\$ Change	Year over Year % Change
Maintenance of Effort (MOE)	\$ 648,770,253	\$ 714,024,487	\$ (6,275,513)	(1.0)%
FY24 Above MOE <sup>(1)</sup>	71,529,747			
FY25 Above MOE	-	47,000,000	(24,529,747)	(34.3)%
<b>Subtotal Recurring</b>	<b>\$ 720,300,000</b>	<b>\$ 761,024,487</b>	<b>\$ 40,724,487</b>	<b>5.7%</b>
Non-Recurring <sup>(</sup>	887,000	-	(887,000)	(100.0)%
<b>TOTAL COUNTY FUNDING</b>	<b>\$ 721,187,000</b>	<b>\$ 761,024,487</b>	<b>\$ 39,837,487</b>	<b>5.5%</b>

## How MOE is Calculated

Prior Year Recurring/ Prior Year enrollment

$$\text{\$720.3M} / 56,452 = \text{\$12,760}$$

*Per pupil Amount to Maintain*

Per pupil Amount x Enrollment

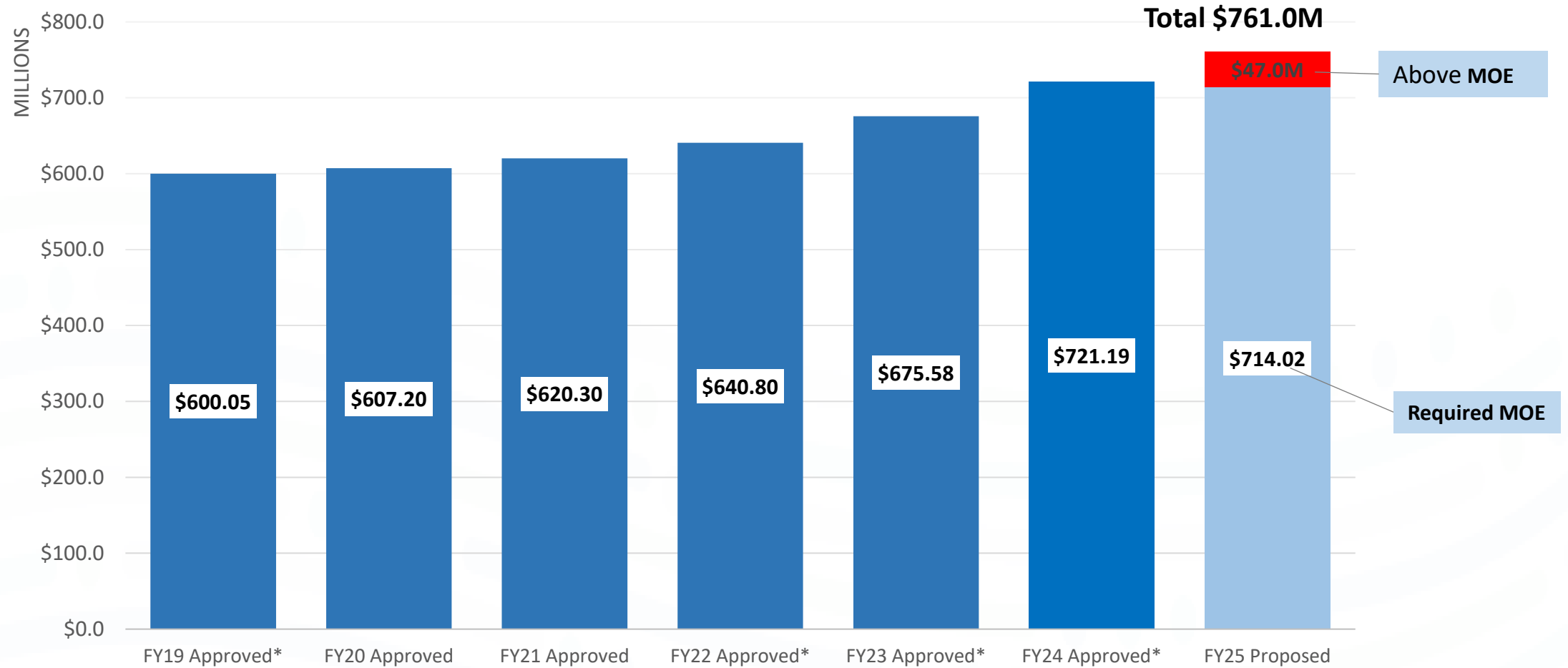
$$\text{\$12,760} \times 55,960 = \text{\$714.0M}$$

**FY 25 Required MOE**

(1) FY24 Above MOE becomes recurring revenue to be maintained in the FY25 MOE calculation. The FY25 MOE of \$714.0 million compares to the FY24 subtotal recurring of \$720.3 million.

# County Funding Sources- General Fund

## COUNTY FUNDING FY 2019 TO FY 2025 PROPOSED



\* FY19, FY22, FY23, and FY24 included one-time funding

# Other Funding Sources- General Fund

❖ Federal and Other Revenues decreasing by \$(17.5)M, (46.8)%

❖ Decline reflects the decreased amount of one-time funds being used

❖ Use of fund balance \$10.2M, the total available as of June 30. Amount available will change

General Fund	Approved FY 2024	Superintendent Proposed FY 2025	Year over Year \$ Change	Year over Year % Change
<b>Federal Funding</b>				
ROTC Reimbursement	\$ 250,000	\$ 250,000	\$ -	0.00%
Impact Aid	160,000	160,000	-	0.00%
<b>Total Federal Funds</b>	<b>\$ 410,000</b>	<b>\$ 410,000</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Other Funding</b>				
Summer School Tuition	\$ 805,000	\$ 205,000	\$ (600,000)	-74.53%
Non-Resident Tuition	375,000	375,000	-	0.00%
Investment Income	2,500,000	4,000,000	1,500,000	60.00%
Use of School Facilities	1,250,000	1,250,000	-	0.00%
Athletic Program Gate Receipts	350,000	350,000	-	0.00%
LEA Tuition-Other Counties	140,000	140,000	-	0.00%
Miscellaneous Revenues	2,333,750	1,477,888	(855,862)	-36.67%
Capital Projects Overhead	825,893	790,811	(35,082)	-4.25%
Grant Administration Fees	350,000	350,000	-	0.00%
Food Services: Fixed, Indirect	345,000	345,000	-	0.00%
<b>Total Other Funds</b>	<b>\$ 9,274,643</b>	<b>\$ 9,283,699</b>	<b>\$ 9,056</b>	<b>0.1%</b>
Use of Fund Balance	21,000,000	10,186,596	(10,813,404)	-51.49%
Transfer from Technology Services Fund	6,700,000	-	(6,700,000)	-100.00%
<b>Combined Total</b>	<b>\$ 37,384,643</b>	<b>\$ 19,880,295</b>	<b>\$ (17,504,348)</b>	<b>(46.8)%</b>

# Addressing the Gap- UPDATED

Proposed FY25 Operating Budget= **\$1.13 Billion**

Mandated and  
Priority  
Expenditures

**\$71.7M**

Projected  
Decrease in  
Revenues  
before Above-MOE

**\$26.9M**

**\$98.6 Million Budget GAP**

**\$47.0M Above MOE Request from the County**  
**\$10.2M Use of Fund Balance**  
**\$46.6M Reductions to Existing Services**

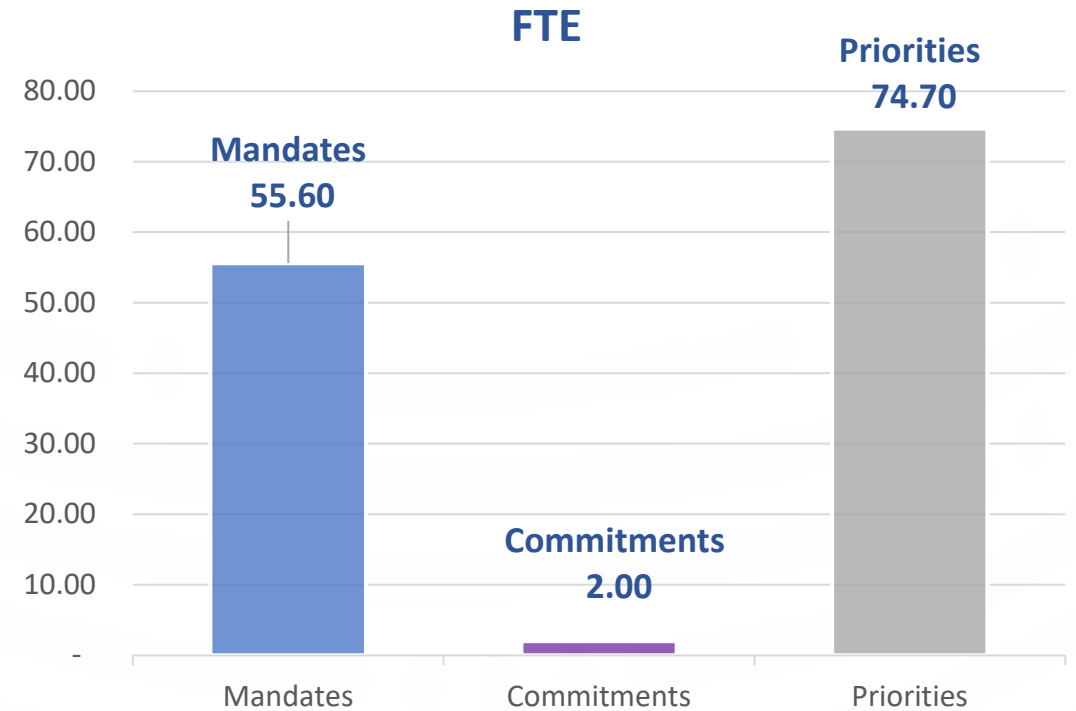
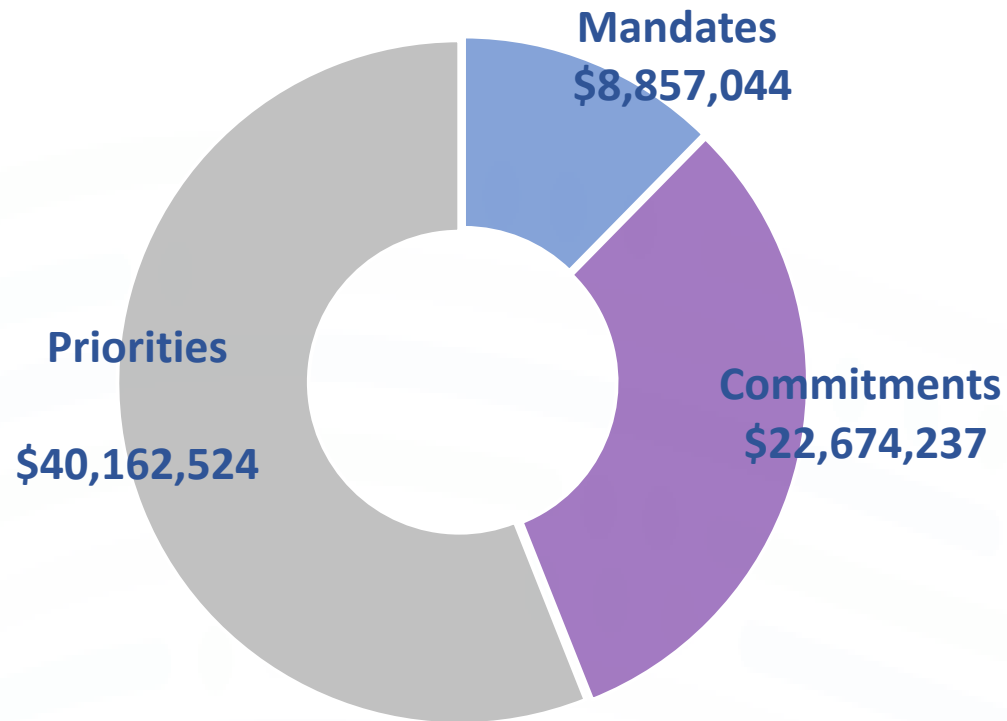
**\$5.2M Available**

AND/OR

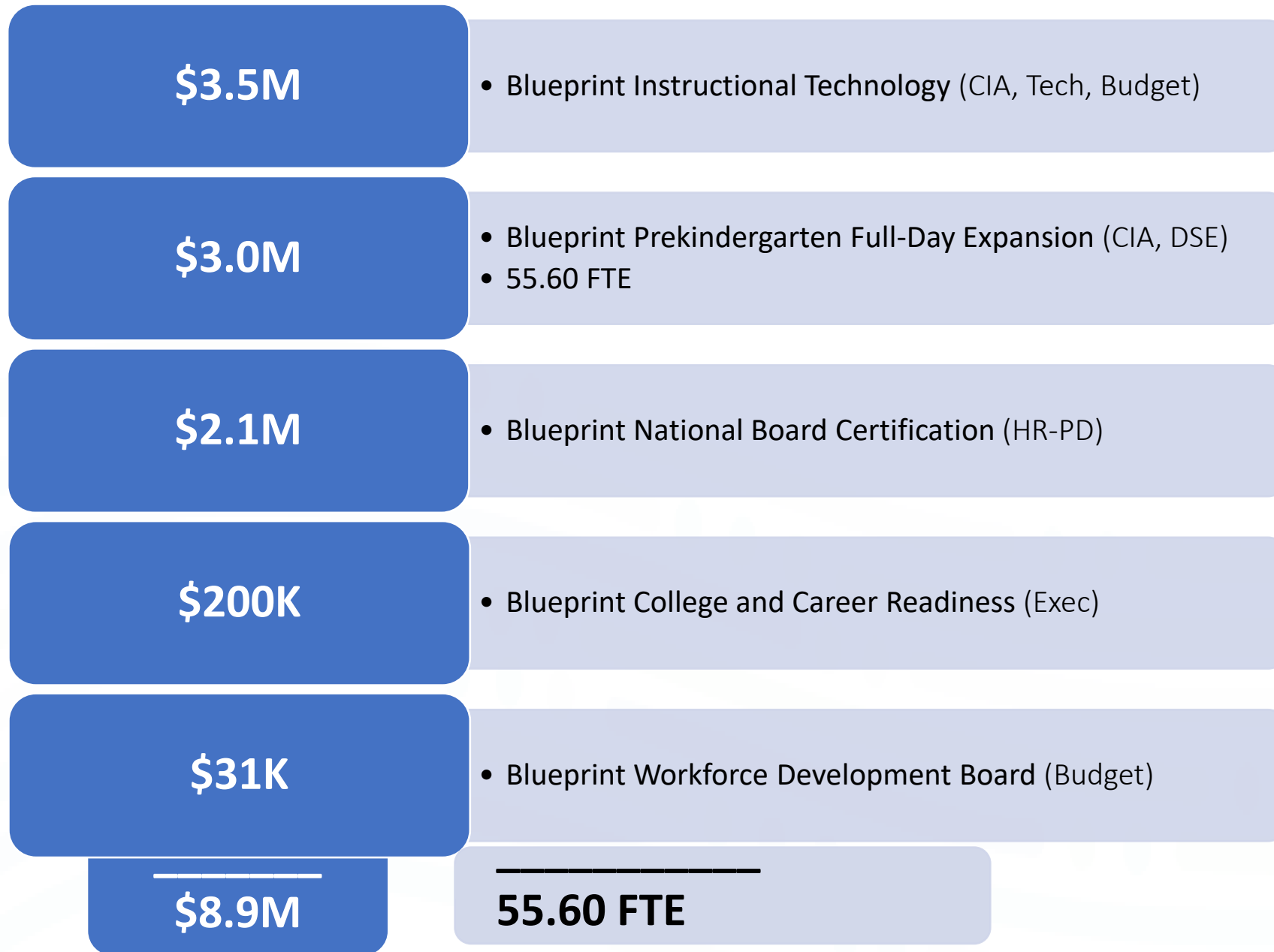
\*Reduce Cuts \* Reduce Above MOE \* Reduce Fund Bal \* Increase Budget Adds

# FY 2025 Budget Additions

**\$71.7 million and 132.30 full time equivalent (FTE) positions**



# MANDATES



## Expenditure Budget Development— Definition of Terms

### MANDATE

- An increase in expenditures that is legally required

# COMMITMENTS

\$19.7M

- Health Insurance & Other Financial Obligations (HR, Admin)

\$9.0M

- Student Transportation (Admin)

\$2.9M

- New Positions Benefits Costs Marker (Budget)

\$302K

- Guilford Park High School Grade 11 (SMIL)
- 2.0 FTE

\$(9.2)M

- Year over Year Budgeted Personnel Cost Changes (Budget)

\$22.7M

2.0 FTE

**Expenditure Budget Development—Definition of Terms**

## COMMITMENT

- An increase in expenditures necessary to support a contractual obligation that was previously approved by the Board

# PRIORITIES

\$25.8M

- Compensation Marker (Budget)

\$7.3M

- Special Education (DSE)
- 51.50 FTE

\$2.6M

- Facilities-Utility Cost Increases (Budget)

\$1.8M

- Student Device Technology and Technology Contracts (Tech)

\$1.6M

- COVID-Grants Transition (Multiple)
- 13.0 FTE

\$559K

- Enrollment Adjustments (SMIL)
- 7.2 FTE

\$538K

- Other (Board, Print, Accounting)
- 3.0 FTE

\$40.2M

74.7 FTE

## Expenditure Budget Development—Definition of Terms

### PRIORITY

- An expenditure increase requested to support a Superintendent or Board defined policy, goal, objective, or issue

- Academics PISWB
  - \$776K and 9.0 FTE
- Academics CIA
  - \$624K and 2.0 FTE
- Admin.
  - \$82.4K and 1.0 FTE
- HR-PD
  - \$66.3K and 1.0 FTE



# Questions

