

BALTIMORE COUNTY PUBLIC SCHOOLS

Darryl L. Williams, Ed.D. ♦ Superintendent ♦ 6901 North Charles Street ♦ Towson, MD ♦ 21204

September 9, 2022

The Honorable John A. Olszewski, Jr.
Baltimore County Executive
Historic Courthouse
400 Washington Avenue
Towson, Maryland 21204

Dear Dr. Olszewski:

This letter is in response to your August 24, 2022, letter regarding the supplemental funding request. Thank you for the opportunity to share more information regarding our commitment to people and progress through increased compensation for our vital workforce. Baltimore County Public Schools (BCPS) remains committed to making fiscally responsible decisions, while attracting and retaining a highly trained, diverse staff. This letter and accompanying overview outline a five-year, fiscally sustainable plan that prioritizes new Blueprint for Maryland's Future funding and identifies expenditure savings in our base budget to fund our recent FY 2023 compensation request within the total operating budget.

As requested, this plan includes:

- FY 2023 restructuring for all bargaining units permanently funded in FY 2024.
- Planned increases to Other Post Employee Benefits (OPEB).
- Existing American Rescue Plan/ ESSER funding cliff.

We are grateful that you and the County Council have provided unprecedented funding for the school system this year at 3.1% above Maintenance of Effort (MOE) in recognition of the critical needs of schools. This plan assumes a modest increase of 0.6% for FY 2024 and a reduction of 0.7% in FY 2026 and 1.5% in FY 2027 respectively. In FY 2025, there is an anticipated need of an additional 4.2% above MOE to incorporate 15 additional minutes for all students, increased pay for substitutes and temporary employees and fund 131.5 FTE paraeducators to support math and reading for extended day student support.

Our analysis indicates that this plan is achievable. The budget team has incorporated all known funding requirements and accounted for upcoming expectations including \$15 minimum wage for staff and the Blueprint goal of \$60,000 teacher starting salary by FY 2027. While we have not entered the FY 2024 budget season, we are confident that the targets outlined in this plan can be met even if adjustments become necessary in the future.

We look forward to working together to support our education professionals. We believe it is in the best interests of our students, staff, and community to honor the negotiated union contracts. We also understand the need to be responsible financial stewards.

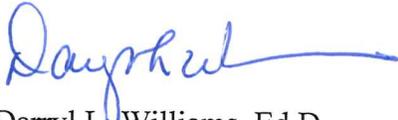
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Thank you in advance for your continued partnership and support of the BCPS workforce. My team and I are available to meet with you to discuss this plan at your earliest convenience. Please let me know if you have any questions or would like to further discuss our plan.

Sincerely,



Darryl L. Williams, Ed.D.
Superintendent

Copies to:

Members of the Board of Education of Baltimore County
Baltimore County Council

FY 2024 – FY 2027 PRO-FORMA

- **BALANCED PLAN**
- **REVENUES**
 - County Funding Above MOE:
 - FY 2023 - \$28.71 M (3.1%)
 - FY 2024 - \$33.59 M (3.7%)
 - FY 2025 - \$67.35 M (7.3%) (federal funding cliff)
 - FY 2026 - \$22.46 M (2.4%)
 - FY 2027 - \$15.25 M (1.6%)
 - Use of BCPS Fund Balance:
 - FY 2023 - \$31.33 M + \$13.72 M (supplemental)
 - FY 2024 - \$46.33 M
 - FY 2025 - \$46.33 M
 - FY 2026 - \$36.33 M
 - FY 2027 - \$31.33 M
 - Use of ESSER Funds
 - FY2023 - \$35.90 M
- **EXPENDITURES**
 - FY 2024 Expense Reduction Commitment - \$16.00 M
This itemized list is preliminary and not exhaustive. It projects the anticipated areas of consideration for reductions.
 - Central Office
 - Reduce central office positions
 - Reduce auto stipends
 - Implement revised cell phone stipend policy
 - Reduce mileage reimbursement budget
 - Eliminate additional operating budget funded initiatives

- Other
 - Align teacher positions with enrollment
 - Revise permanent substitute teacher initiative
 - Utilize salary turnover savings
- Assumptions:
 - Funds OPEB at CE requested additional \$7 M per year FY 2024 – FY 2027
 - Funds opening of new Northeast area MS in FY 2025
 - Begins phase-in of new full-day prekindergarten in FY 2024 & FY 2025
 - Assumes 3% increases on built-ins FY 2024 – FY 2027
- **ENROLLMENT**
 - Assumptions
 - FY 2024: +1,500
 - FY 2025: +1,000
 - FY 2026: +1,000
 - FY 2027: +1,000
- **SALARIES**
 - FY 2023 restructuring for all bargaining units permanently funded in FY 2024
 - Does not fund future restructurings
 - Funds steps in FY 2024 – FY 2027 for all bargaining units
 - Funds 2% COLA in FY 2026 and FY 2027
- **ESSER FUNDING CLIFF**
 - Funds extended day (15 minutes) beginning in FY 2025 - \$32.82 M
 - Funds \$4 extra for substitutes and temporary employees in FY 2025 - \$8.87 M
 - Funds 131.5 FTE paras for extended day support in FY 2025 - \$4.26 M

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FY2023-FY2027 Proposed Five Year Pro-Forma

Includes Enrollment Growth, Mandated Programs, and Essential One-times, as of 9/8/22

(Reported in Millions of Dollars)

			FY2023	FY2024	FY2025	FY2026	FY2027			
REVENUE AND EXPENDITURE PROJECTIONS	Bargaining Unit Salary Increase	FTE/ Enrollment	Enrollment +1,500, use three year average	FTE/ Enrollment +1,000	FTE/ Enrollment +1,000	FTE/ Enrollment +1,000	FTE/ Enrollment +1,000			
REVENUE - Based on Enrollment Increase of:		(351.35)			1,000	1,000	1,000			
Major State Aid			\$25.32		\$23.82	\$46.60	\$49.44			
Other State - Non-Public, OCLA, ASP, NBC			0.21		0.21	0.21	0.22			
Blueprint for MD's Future			3.69		0.57	0.34	0.79			
Federal/ESSER	35.90		0.00		0.00	0.00	0.00			
County Revenue Adj. for 3 Yr. Avg. Enrollment			0.00		7.16	9.15	9.24			
County Funding above MOE			33.59		67.35	22.46	15.25			
Prior Year One-time Funding			(1.05)		(2.88)	(2.17)	(0.62)			
Current Year One-time Funding			2.88		2.17	0.62	0.45			
Prior Year Use of Fund Balance			(31.33)		(46.33)	(46.33)	(36.33)			
Current Year Use of Fund Balance	13.72		46.33		46.33	36.33	31.33			
TOTAL REVENUE			\$49.62	\$79.64	\$98.41	\$67.22	\$69.76			
EXPENDITURES										
Salary steps all (excl. associated benefits)			19.31		19.70	20.09	20.49			
All bargaining units restructuring carryover	49.62		34.73							
3% FY2023 COLA carryover			11.12							
2% full year COLA all employees						20.75	21.17			
Teacher Staffing for Enrollment Growth					9.9	0.60	51.7			
Extended Day from ESSER						52.4	3.27			
Temporary emp. extra \$4/hr. from ESSER						32.82				
Revise permanent sub initiative (Kelly contract)			4.56			3.58				
Subs. extra \$4/hr. from ESSER (Kelly contract)						5.29				
Health insurance existing employees			5.26		5.42	5.58	5.75			
Health Insurance for requested FTE additions			0.57		4.45	0.90	0.88			
FICA/Wcomp for requested additions			4.17		4.98	3.60	3.66			
OPEB			7.00		7.00	7.00	7.00			
Subtotal Compensation Costs	-	\$49.62	-	\$86.72	9.9	\$83.83	52.4	\$61.19	51.7	\$62.31
Expense reduction commitment			-	(\$16.00)						
Subtotal	-	\$0.00	-	(\$16.00)	-	\$0.00	-	\$0.00	-	\$0.00

