
Superintendent's Report To the Baltimore County Board of Education

December 4, 2007

The winter season is also our budget season, so I would like to use this evening's report to share some background information about the fiscal climate. I often talk about the variables that affect public education, and the economy is certainly a major variable. These are fiscally challenging times, and that impacts the availability of dollars for our schools.

Under the Maryland General Assembly's Budget Reconciliation Act, state aid to Baltimore County schools is projected to increase by approximately 1%, or \$4.6 million. This slight increase in state aid, however, could be effectively negated by the revenues we will probably lose due to declining enrollment.

In the face of essentially flat funding levels from the state, it is unclear at this point what level of funding we might expect from county government. Therefore, as we continue in our discussions about budget issues, we will develop a proposed budget that addresses these challenges but continues to place the academic needs of our students as a priority.

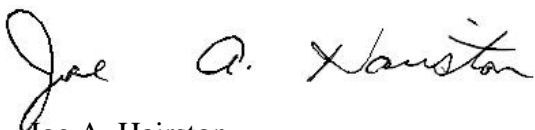
Attached to this report are some additional notes prepared by our Department of Fiscal Services.

Putting students first, believing in all students, and following our *Blueprint for Progress* continues to yield positive results for this school system and continues to attract national praise.

Just last week, *U.S. News & World Report* recognized two Baltimore County schools – Eastern Technical High School and Hereford High School – as among the top high schools in the nation.

In its first ever ranking of America's best high schools, *U.S. News & World Report* assessed schools based on their performance on state tests, success in educating disadvantaged students, and offerings of college-level coursework. Out of the almost 19,000 public high schools evaluated, the top 100 schools were awarded gold medals, the next 405 received silver medals, and an additional 1,086 were recognized with bronze medals.

Eastern Technical and Hereford high schools earned silver medals. Both schools were also among the 10 Baltimore County schools appearing on the *Newsweek* magazine list, released in May, of the top five percent of high schools in the nation.



Joe A. Hairston
Superintendent

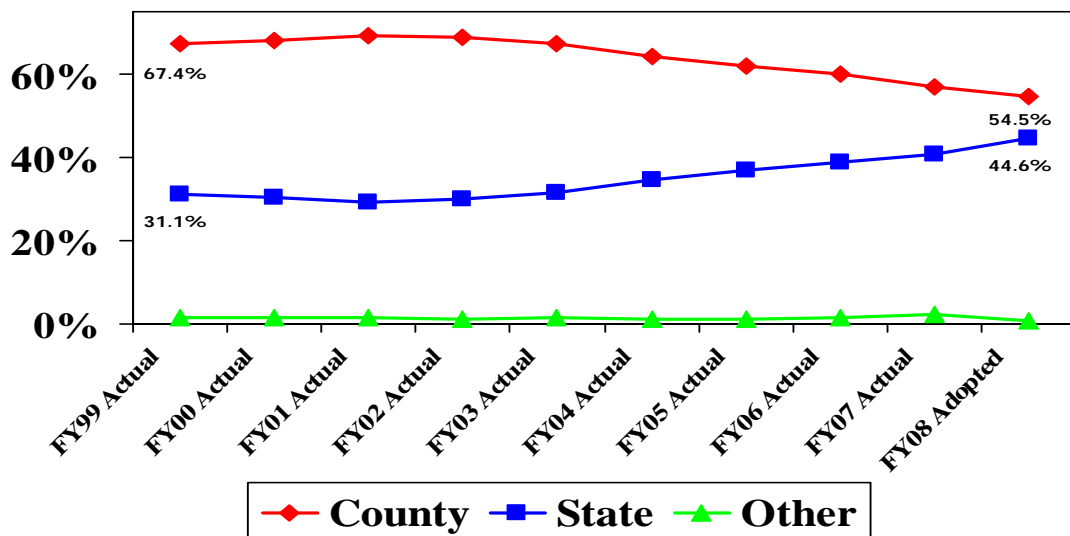
FY 2009 OPERATING BUDGET REVENUE ESTIMATES

Notes from the Baltimore County Public Schools Department of Fiscal Services December 3, 2007

1. State education aid to Baltimore County is projected to increase approximately 1%, or \$4.6 million, under the Budget Reconciliation Act adopted at the 2007 Special Session of the Maryland General Assembly. This law becomes effective 01/01/2008. By comparison, state education aid increased by \$67.6 million in the current fiscal year and was expected to increase by \$23.4 million in FY 2009.
2. Enrollment declined by 1,468 students between September 30, 2006 and September 30, 2007. This lost enrollment will likely result in lost revenues of \$5.1 million, effectively negating the 1% increase in state aid provided by the Budget Reconciliation Act.
3. In recent fiscal years, county government has permitted BCPS to redirect funding from teaching positions to other academic programs as enrollment has declined since September 30, 2004.
4. County funding exceeded Maintenance of Effort (MOE) by 7.9% and 6.6%, respectively, in FY 2001 and 2002. Between 2003 and 2008, when state aid to education increased dramatically under the Bridge to Excellence, county funding in excess of Maintenance of Effort declined. County government provided BCPS with funding that exceeded Maintenance of Effort by only 2.6% in FY 2007 and 2.4% in FY 2008.
5. The county's Spending Affordability Committee recommended that county spending growth should not exceed 5.46% in FY 2007 and 5.16% in FY 2008.
6. County government has imposed increasing budget reductions for employee turnover that began at \$6 million in FY 2004 and is now more than \$15 million in FY 2008.
7. Funds provided by the passthrough grant for special education are decreasing. It is estimated that \$3.2 million is needed to replace the lost revenues and continue to provide needed services to special education students.
8. Funds provided by the third party billing program are decreasing. It is estimated that \$6.4 million is needed to replace the lost revenues and continue to provide needed psychological, social services, and health services to students throughout the school system.

Fiscal Year	MOE Amount	County Funding of MOE *	Amount Above MOE *	% Above MOE
1999	\$429,773,428	\$436,977,416	\$7,203,988	1.7%
2000	442,769,950	459,187,424	16,417,474	3.7%
2001	461,914,141	498,576,934	36,662,793	7.9%
2002	501,272,835	534,529,052	33,256,217	6.6%
2003	536,427,807	547,711,788	11,283,981	2.1%
2004	555,761,919	560,272,491	4,510,572	0.8%
2005	565,205,034	570,494,248	5,289,214	0.9%
2006	566,984,118	585,426,077	18,441,959	3.3%
2007	585,260,390	600,315,484	15,055,094	2.6%
2008	596,089,774	610,260,480	14,170,706	2.4%
Average above the MOE increases received = 3.1%				
*Excluding MSDE approved non-recurring costs.				

Comparison of State and County General Fund Revenues



Review of Superintendent's Calendar

Past

- 11/26 **Offered brief remarks at Baltimore County Department of Social Services Toy Drive Kickoff, Cromwell Valley Elementary School**
- 11/26 **Crossroads Center Celebration**
- 11/27 **Dinner with County Executive and County Council**
- 11/28 **Shared remarks at Kenwood High School Addition Walk-Through and Renovation Update**
- 11/28 **Johns Hopkins University Regional Advisory Board Dinner, Homewood Campus**
- 12/4 **Maryland Partnership for Teaching and Learning PreK-16, University of Maryland, College Park**

Upcoming

- 12/5 **Superintendent's Student Advisory Board meeting**
- 12/7 **Public School Superintendents Association of Maryland meeting, Anne Arundel County Board of Education**
- 12/8 **University System of Maryland Holiday Open House, Hidden Waters**
- 12/8 **Towson University Holiday Open House**
- 12/9 **Reginald F. Lewis Museum of Maryland African American History and Culture Gala, Martin's Hunt Valley Mansion**
- 12/10 **To present annual remarks at Leadership Baltimore County Education Day, Sheppard Pratt Conference Center**
- 12/13 **To serve as keynote speaker as part of the Challenge Accepted Series sponsored by The First Ring Leadership Academy, Cleveland State University**
- 12/17 **To be interviewed by Dundalk High student for school television program**
- 12/19 **Lunch with Principals' Academy Planning Committee, Holiday Inn Select – Timonium**

12/19 **To present achievement award certificates at Principals' Meeting, Holiday Inn Select – Timonium**

12/20 **Reunion Dinner for Superintendent's Student Advisory Board, ESS Building**