



FY2014 Proposed Operating Budget

Board of Education

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Charles County Public Schools

James E. Richmond

Superintendent

Paul T. Balides

Assistant Superintendent for Finance, Business Administration and Technology

The Charles County Public Schools Operating Budget was prepared by the Division of Finance and Business Administration. If there are questions regarding this document, please contact Paul T. Balides, Assistant Superintendent for Finance, Business Administration and Technology, P.O. Box 2770, La Plata, MD 20646. 301-934-7350.

The Charles County public school system does not discriminate on the basis of race, color, religion, national origin, sex, age or disability in its programs, activities or employment practices. For inquiries, please contact Patricia Vaira, Section 504 Coordinator (students) or Keith Hettel, Section 504 Coordinator (employees/adults), at Charles County Public Schools, Jessie L. Starkey Administration Building, P.O. Box 2770, La Plata Maryland 20646. (301) 932-6610/870-3814. For special accommodations call (301) 934-7230 or TDD 1-800-735-2258 two weeks prior to the event.

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SUPERINTENDENT OF SCHOOLS
SECRETARY-TREASURER

Board of Education of Charles County

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February 25, 2013

Board of Commissioners of Charles County
P.O. Box 2150
La Plata, Maryland 20646

Dear Commissioners:

The Board of Education's fiscal year 2014 operating budget request is \$339.6 million, which represents a \$23.4 million or 15 percent increase over FY2013. The budget maintains successful programs that promote student achievement and success. We are proud to be part of the country's top state school system, which has been ranked first in the nation for five consecutive years.

Our primary objective in this budget is to maintain strong academic programs as well as provide strong support to the classroom, students and staff. This budget covers the basic needs of our school system, and is submitted to you prior to starting negotiations with our employee groups. Expenditure increases accommodate new Federal sequestration mandates, technology requirements, a reserve for negotiations (including health care costs), and initial staffing for St. Charles High School. The budget is balanced with reliance on additional county funding, fund balance, and budget reductions related to unfilled positions. Employees remain one step behind. We are committed to maintaining employment, core academic programs and class size.

We are asking for \$2 million for security cameras, door and lock upgrades, and signage and access modifications as well as \$600,000 to phase in an elementary school resource officer program. The school system already has a successful school resource officer program that provides a Charles County Sheriff's Office deputy at each of the county's middle and high schools. Also included is a \$3.1 million cost increase for health insurance, \$725,000 to reinstate the Summer Reading Academy program and \$1.8 million for technology infrastructure for online testing requirements mandated by the federal Race to the Top.

The Board of Education understands the continuing economic challenges affecting the nation, state and county. However, economic recovery and growth relies heavily on the continued success of our schools. We remain committed to working with the Charles County Commissioners to secure adequate funding and to provide a world-class education for our children.

Thank you for your consideration of our proposed FY2014 operating budget.

Sincerely,

Roberta S. Wise
Chairman

cc: Board Members

James E. Richmond
Superintendent of Schools

ACTION ITEM FOR THE BOARD OF EDUCATION

SUBJECT:

FY2014 Proposed Operating Budget.

OVERVIEW:

Attached is the proposed FY2014 operating budget for consideration by the Board of Education (BOE). This budget is based on January estimates of state funding, a proposed increase from the county, and decreasing the year-end fund balance obligation. Expenditure increases accommodate, new Federal sequestration mandates, technology requirements, a reserve for negotiations (including health care costs), initial staffing for St. Charles High School, school safety and Other Post-Employment Benefits (OPEB). The budget is balanced with reliance on additional county funding, fund balance, and budget reductions related to unfilled positions.

While the budget incorporates a reserve for two STEP/Level increase, the budget does not further reduce or eliminate successful programs and school improvements that support the Master Plan. We plan to build on our academic success and meet accountability benchmarks by maintaining the infrastructure and support built over the past years.

BUDGET IMPLICATIONS:

The FY2014 operating budget request of \$339.6 million reflects an increase in funding of \$23.9 million (7.6 percent) over FY2013. Of this total amount, state funding is assumed to increase \$1.6 million (1.08 percent) and county funding is requested to increase \$23.4 million (15.2 percent). Other revenue adjustments include reducing the fund balance target to \$3.1 million, in order to reduce our reliance on one-time funding sources to fund operations. In the Food Services program, lunch prices will increase \$0.10 to comply with federal price subsidy requirements.

STAKEHOLDERS INVOLVEMENT:

Board of Education, students, parents, teachers, staff, Charles County Commissioners, the Maryland State Department of Education, and the Education Association of Charles County (EACC) and the American Federation of State, County and Municipal Employees (AFSCME) unions.

RECOMMENDATION/FUTURE DIRECTION:

That the Board of Education (BOE) approve and submit to the County Commissioners for consideration. The tentative budget development calendar remains as follows:

1. BOE budget submission to the county – February 28, 2013
2. County Commissioners' public hearing – April 30, 2013
3. Board adopts final budget - June 11, 2013

Attachment: Budget Planning Model

CHARLES COUNTY PUBLIC SCHOOLS FY2014 BUDGET PLANNING MODEL

DESCRIPTION	FTE	FY2014 COST
BASE REVENUE BUDGET		\$ 315,621,948
REVENUE INCREASES:		
Minimum Maintenance of Effort (MOE based on 153.5 Full-time Equivalent (FTE) enrollment decline \$890K)		(890,240)
Teachers' Pension (SB1301)		1,053,129
Additional County Funding Request		23,282,640
15% TOTAL ADDITIONAL COUNTY FUNDING REQUEST (Teachers' Pension/MOE)		23,445,529
STATE FUNDING (MSDE 1/18/2013)		1,671,772
FUND BALANCE TRANSFER (Base transfer requirement \$4.2 million)		(1,135,572)
TOTAL REVENUE INCREASES:		23,981,729
TOTAL REVENUE BUDGET		339,603,677
Percent Increase		7.6%
BASE EXPENDITURE BUDGET		\$ 315,621,948
REQUESTED COST INCREASES:		
LAPSED SALARY SAVINGS TARGET	(18.0)	(1,000,000)
TEACHERS' PENSION (SB1301)		1,053,129
HEALTH INSURANCE (Estimate 10%)		3,122,000
SCHOOL SECURITY UPGRADES (Cameras, door locks, etc.)		2,000,000
ADDITIONAL RESOURCE OFFICERS (Phase 1 of 3)		600,000
RESERVE NEGOTIATIONS (Estimate Two BASE STEP / SCALE)		9,495,000
AUTOMATED TEACHERS' SUBSTITUTE CALLING SYSTEM		100,000
SUMMER READING ACADEMY (Including transportation)		725,000
ST. CHARLES HIGH SCHOOL (Principal, Director, Technical Coordinator)	3.0	427,700
FEDERAL FUND SEQUESTRATION (Transfer from Restricted Funds)	6.5	758,400
TECHNOLOGY INFRASTRUCTURE (Race to the Top)		1,842,500
OPEB BASE FUNDING		4,000,000
STUDENT TRANSPORTATION		858,000
TOTAL REQUESTED COST INCREASES:	(8.5)	23,981,729
TOTAL EXPENDITURE BUDGET		339,603,677
NET SURPLUS/(DEFICIT)	(8.5)	-

Attachment: Operating Revenue

CHARLES COUNTY PUBLIC SCHOOLS Operating Revenue Budget Report

*** PROPOSED ***

DESCRIPTION	FISCAL YEARS		13 BUDGET	14 BUDGET	14 VARIANCE \$	% CHANGE
	12 FINAL \$					
GENERAL FUND						
50 - STATE REVENUES						
5031 - STATE-FOUNDATION PROGRAM	105,369,133	105,697,001	105,633,955	(63,046)	-0.06%	
5036 - STATE-COMPENSATORY AID	25,069,116	25,657,787	27,542,515	1,884,728	7.35%	
5033 - STATE-TRANSPORTATION	9,963,881	10,076,310	10,225,683	149,373	1.48%	
5032 - STATE-SPECIAL ED FORMULA	6,009,445	6,402,398	6,218,747	(183,651)	-2.87%	
5048 - STATE - GCEI	3,474,788	3,498,074	3,512,428	14,354	0.41%	
5046 - STATE-GUARANTEED TAX BASE	1,362,352	832,998	312,976	(520,022)	-62.43%	
5030 - STATE-NONPUBLIC SPECIAL ED	1,148,759	1,188,000	1,188,000	(0)	0.00%	
5045 - STATE-LIMITED ENGLISH	870,466	827,929	928,965	101,036	12.20%	
5044 - STATE-MEDICAID REVENUES	748,758	620,000	909,000	289,000	46.61%	
5041 - STATE-OUT-OF-COUNTY LIVING	52,361	0	0	(0)	0.00%	
50 - STATE REVENUES Total	154,069,058	154,800,497	156,472,269	1,671,772	1.08%	
51 - FEDERAL REVENUES						
5155 - ROTC	548,161	430,000	430,000	(0)	0.00%	
5153 - FEDERAL IMPACT AID	417,479	300,000	300,000	(0)	0.00%	
5161 - FEDERAL IMPACT AID-SPECIAL ED	58,854	40,000	40,000	(0)	0.00%	
51 - FEDERAL REVENUES Total	1,024,494	770,000	770,000	(0)	0.00%	
52 - LOCAL REVENUES						
5208 - TUITION-OUT-OF-STATE	523,669	449,400	449,400	(0)	0.00%	
5211 - RENT-SCHOOL FACILITIES	303,653	410,100	410,100	(0)	0.00%	
5216 - TUITION-OTHER MD COUNTIES	276,172	290,000	290,000	(0)	0.00%	
5207 - TUITION-SUMMER SCHOOL	140,250	133,000	133,000	(0)	0.00%	
5226 - VENDING COMMISSIONS	68,340	82,000	82,000	(0)	0.00%	
5222 - RESTITUTION	59,972	60,000	60,000	(0)	0.00%	
5221 - MISCELLANEOUS REFUNDS	105,784	35,000	35,000	(0)	0.00%	
5212 - PAYROLL TRANSFERS	92,780	100,000	100,000	(0)	0.00%	
5209 - TUITION-PARENT PAYMENTS	68,496	104,100	104,100	(0)	0.00%	
5206 - TUITION-SUMMER YOUTH CAMP	27,553	30,000	30,000	(0)	0.00%	
5210 - INTEREST INCOME	30,334	74,880	74,880	(0)	0.00%	
5227 - TUITION-NOVEL	18,570	30,000	30,000	(0)	0.00%	
5262 - NET INSURANCE RECOVERY	11,883	10,000	10,000	(0)	0.00%	
5215 - SALE OF PROPERTY	18,130	10,000	10,000	(0)	0.00%	
5219 - PRINT SHOP REVENUES	0	600	600	(0)	0.00%	
5225 - REBATES-FOOD SERVICES	0	0	0	(0)	0.00%	
5220 - INSURANCE RECOVERY	0	0	0	(0)	0.00%	
5204 - PRIOR YEAR FUND BALANCE TRANSFER	0	4,275,171	3,139,599	(1,135,572)	-26.56%	
52 - LOCAL REVENUES Total	1,745,585	6,094,251	4,958,679	(1,135,572)	-18.63%	
53 - LOCAL COUNTY APPROPRIATIONS						
5301 - COUNTY-APPROPRIATIONS	145,620,700	153,957,200	177,402,729	23,445,529	15.23%	
53 - LOCAL COUNTY APPROPRIATIONS Total	145,620,700	153,957,200	177,402,729	23,445,529	15.23%	
GENERAL FUND Total	302,459,837	315,621,948	339,603,677	23,981,729	7.60%	
FOOD SERVICE	10,664,265	10,358,648	11,134,026	775,378	7.49%	
RESTRICTED	20,914,184	14,249,149	16,215,420	1,966,271	13.80%	
Grand Total	334,038,286	340,229,745	366,953,123	26,723,378	7.85%	

Note: Food Service includes a \$0.10 price increase.

Attachment: Operating Budget by Category and Object Code

CHARLES COUNTY PUBLIC SCHOOLS Operating Budget by Category and By Object Code Report

CATEGORY

DESCRIPTION	FISCAL YEARS		*** PROPOSED ***			
	12	13	14			
	FINAL \$	BUDGET	BUDGET	VARIANCE \$	% CHANGE	
GENERAL FUND						
01 - ADMINISTRATION	8,168,716	8,924,192	8,945,934	21,742	0.24%	
02 - MID-LEVEL ADMINISTRATION	20,399,638	21,715,836	22,056,582	340,746	1.57%	
03 - INSTRUCTION						
71 - SALARIES & WAGES	118,696,961	124,103,457	123,780,443	(323,014)	-0.26%	
73 - SUPPLIES & MATERIALS	4,314,386	4,920,970	4,998,273	77,303	1.57%	
OTHER INSTRUCTION COST	2,046,414	2,183,615	2,243,130	59,516	2.73%	
03 - INSTRUCTION Total	125,057,761	131,208,042	131,021,846	(186,195)	-0.14%	
04 - SPECIAL EDUCATION	28,165,760	29,590,300	29,963,479	373,179	1.26%	
05 - STUDENT PERSONNEL SERVICE	3,178,565	3,565,051	3,565,051	0	0.00%	
06 - STUDENT HEALTH SERVICES	2,693,420	2,795,900	2,795,900	0	0.00%	
07 - STUDENT TRANSPORTATION	24,378,330	25,140,274	26,227,544	1,087,270	4.32%	
08 - OPERATION OF PLANT	22,845,104	25,359,354	25,959,354	600,000	2.37%	
09 - MAINTENANCE OF PLANT	6,005,020	6,283,611	6,283,611	0	0.00%	
10 - FIXED CHARGES (Unallocated STEP/LEVEL increases)	49,869,429	58,141,002	76,017,689	17,876,687	30.75%	
12 - COMMUNITY SERVICE	734,632	726,290	752,090	25,800	3.55%	
13 - CAPITAL OUTLAY	2,778,474	2,172,097	6,014,597	3,842,500	176.90%	
GENERAL FUND Total	294,274,851	315,621,948	339,603,677	23,981,729	7.60%	
FOOD SERVICE	10,796,702	10,358,648	11,134,026	775,378	7.49%	
RESTRICTED	20,914,184	14,249,149	16,215,420	1,966,271	13.80%	
Grand Total	325,985,738	340,229,745	366,953,123	26,723,378	7.85%	

DESCRIPTION	FISCAL YEARS		*** PROPOSED ***			
	12	13	14			
	FINAL \$	BUDGET	BUDGET	VARIANCE \$	% CHANGE	
GENERAL FUND						
71 - SALARIES & WAGES	185,336,069	195,108,223	195,455,854	347,630	0.18%	
72 - CONTRACTED SERVICES	36,707,207	38,038,884	43,629,555	5,590,671	14.70%	
73 - SUPPLIES & MATERIALS	7,876,365	8,163,109	8,244,372	81,263	1.00%	
74 - OTHER CHARGES	9,628,294	11,475,162	11,538,898	63,736	0.56%	
75 - EQUIPMENT	1,567,629	1,455,274	1,455,274	0	0.00%	
78 - FIXED CHARGES (Unallocated STEP/LEVEL increases)	49,869,429	58,141,002	76,017,689	17,876,687	30.75%	
79 - TRANSFERS	3,289,858	3,240,294	3,262,036	21,742	0.67%	
GENERAL FUND Total	294,274,851	315,621,948	339,603,677	23,981,729	7.60%	
FOOD SERVICE						
71 - SALARIES & WAGES	3,667,828	3,782,283	3,765,186	(17,097)	-0.45%	
72 - CONTRACTED SERVICES	49,307	93,700	104,550	10,850	11.58%	
73 - SUPPLIES & MATERIALS	5,391,831	4,945,616	5,736,998	791,382	16.00%	
74 - OTHER CHARGES	35,234	62,649	57,292	(5,357)	-8.55%	
75 - EQUIPMENT	0	60,000	60,000	0	0.00%	
78 - FIXED CHARGES (Unallocated STEP/LEVEL increases)	1,652,502	1,414,400	1,410,000	(4,400)	-0.31%	
FOOD SERVICE Total	10,796,702	10,358,648	11,134,026	775,378	7.49%	
RESTRICTED						
71 - SALARIES & WAGES	13,064,157	9,005,865	9,079,562	73,697	0.82%	
72 - CONTRACTED SERVICES	1,708,303	650,830	2,180,569	1,529,739	235.04%	
73 - SUPPLIES & MATERIALS	1,784,292	1,275,436	1,160,593	(114,843)	-9.00%	
74 - OTHER CHARGES	375,533	566,811	431,361	(135,450)	-23.90%	
75 - EQUIPMENT	515,373	1,300	209,409	208,109	16008.37%	
78 - FIXED CHARGES (Unallocated STEP/LEVEL increases)	3,364,081	2,449,222	2,691,388	242,166	9.89%	
79 - TRANSFERS	102,446	299,685	462,539	162,854	54.34%	
RESTRICTED Total	20,914,184	14,249,149	16,215,420	1,966,271	13.80%	
Grand Total	325,985,738	340,229,745	366,953,123	26,723,378	7.85%	

Attachment: Full-Time Equivalent Staff
CHARLES COUNTY PUBLIC SCHOOLS
Full-time Equivalent Staff Report

*** PROPOSED ***

DESCRIPTION	FISCAL YEARS		13 BUDGET POSITIONS	14 BUDGET POSITIONS	FTE CHANGE
	12 ACTUAL				
GENERAL FUND					
01 - ADMINISTRATION	85.5		82.0	82.0	0.0
02 - MID-LEVEL ADMINISTRATION	264.5		267.5	270.5	3.0
03 - INSTRUCTION	1,990.2		1,926.1	1,909.3	(16.8)
04 - SPECIAL EDUCATION	457.4		467.0	472.3	5.3
05 - STUDENT PERSONNEL SERVICE	44.0		44.0	44.0	0.0
07 - STUDENT TRANSPORTATION	9.5		11.0	11.0	0.0
08 - OPERATION OF PLANT	234.8		237.3	237.3	0.0
09 - MAINTENANCE OF PLANT	54.0		57.0	57.0	0.0
12 - COMMUNITY SERVICE	0.5		0.0	0.0	0.0
13 - CAPITAL OUTLAY	4.0		4.0	4.0	0.0
GENERAL FUND Total	3,144.4		3,095.9	3,087.3	(8.5)
FOOD SERVICE	105.7		111.7	112.7	1.0
RESTRICTED					
01 - ADMINISTRATION	0.0		0.0	0.0	0.0
02 - MID-LEVEL ADMINISTRATION	6.3		6.3	6.3	0.0
03 - INSTRUCTION	35.9		34.9	33.7	(1.2)
04 - SPECIAL EDUCATION	61.1		58.8	53.5	(5.3)
05 - STUDENT PERSONNEL SERVICE	0.0		0.0		0.0
08 - OPERATION OF PLANT	0.0		0.0	0.0	0.0
11 - FOOD SERVICES	1.4		1.4	1.4	0.0
12 - COMMUNITY SERVICE	10.7		10.7	10.7	0.0
RESTRICTED Total	115.3		112.0	105.5	(6.5)
Grand Total	3,365.4		3,319.6	3,305.6	(14.0)

EXPLANATORY PARAGRAPHS

REVENUE INCREASES

County Funding Request

According to state law Maryland Annotated Code Education Article 5-202, the minimum Maintenance of Effort (MOE) funding level a county governing body shall appropriate to the school operating budget is an amount no less than the product of the county's full-time equivalent enrollment for the current fiscal year and the local appropriation on a per pupil basis for the prior fiscal year. Full-time equivalent enrollments decreased from the previous fiscal year by 153.5 students, or .59 percent from last year.

County funding also include increases to support the teachers' pension in accordance with the Budget Reconciliation and Financing Act of 2012 (Senate Bill 1301/House Bill 1801). For fiscal years 2013 through 2016, in addition to the required Maintenance of Effort amount calculated under 5-202 of the Education Article, each county shall appropriate to their Board of Education a predetermined amount pensions.

To fully fund the operating budget request, the school system is requesting additional base funding above maintenance of effort to support mandatory costs, negotiation reserves and program initiatives.

State Funding Request

State revenues are based on changes in enrollment, county wealth, and free-and-reduced-meals program eligibility. In FY2012, state revenues include deferred revenue in the amount of \$4.5 million. Charles County ranks 10th out of 24 counties for student enrollment and county wealth. Total State revenue is based on the Maryland State Department of Education (MSDE) preliminary estimates (as of 1/18/2013) of a \$1.6 million increase over the prior year. State funding is highly variable and subject to change until the legislative session ends in April.

Fund Balance Transfer

The use of fund balance relies on one-time funds to cover recurring costs. While this is not an ideal practice, it is required in order to avoid additional position-related budget cuts. The fund balance obligation will be reduced, to the extent possible, from savings related to employee attrition.

Food Service Meal Price Increase

The Healthy, Hunger-Free Kids Act of 2010 requires School Food Authorities (SFA) participating in the National School Lunch Program to bring the price of a paid student

meal to equal the amount the SFA receives as reimbursement for free student meals from the federal government. The law also limits the amount of the increase caused by this law to 10 cents in any one-year period. This price increase is also necessary to cover typical wage and food increases and reduce general fund subsidies.

REQUESTED COST INCREASES

Lapsed Salary Savings Target

The budget request includes a \$1 million increase in the lapsed salary savings target to reduce dependence on fund balance. Lapsed salary savings is the product of funds generated through employee attrition from retirements, vacancies, and position reductions or eliminations. While the system no longer benefits from savings related to turnover, increasing the lapsed salary target enables the system to reduce reliance on fund balance.

Implications of not funding

Not implementing this initiative will maintain current fund balance obligations and will continue to place a burden on school system operations.

Teachers' Pension (SB1301)

Include funds to support the teachers' pension in accordance with the Budget Reconciliation and Financing Act of 2012 (Senate Bill 1301/House Bill 1801). The funding streams are in addition to the required maintenance of effort amount calculated under the Education Article 5-202.

Implications of not funding

Separate county revenues have been allocated for this purpose. The county is required to comply with the Act.

Health Insurance

CCPS became self-insured in FY2008. There is an ongoing insurance committee which meets on a regular basis to review and control health care costs. Changes to insurance coverage or employee contribution levels must be negotiated with the unions.

Implications of not funding

Not funding this request may result in Full-time Equivalent (FTE) position reductions or other budget cuts.

School Security Upgrades

This request would provide funds for school security upgrades at all elementary schools for security cameras, door and lock upgrades, signage and access modifications.

Implications of not funding

Not funding this request continues to delay upgrades and modifications to existing security equipment and measures.

Additional Resource Officers (Phase-in Program)

This request is to provide coverage by the Charles County Sheriff's Office at elementary schools and centers. The first of three phases will be evaluated by the Sheriff and the school system. *Please note this request should be incorporated into the Charles County Sheriff Department allocation.*

Implications of not funding

Not funding this request continues to delay plans to provide additional security at all schools.

Reserve Negotiations (Estimate Two Base Step / Scale)

This request is to set aside funding for contract negotiations including salary scale compression with the Education Association of Charles County (EACC) and the American Federation of State, County and Municipal Employees (AFSCME).

Implications of not funding

Not funding this initiative will keep the school system behind by two STEPS and may hinder the school system from acquiring highly qualified teachers in a competitive market.

Automated Teachers' Substitute Calling System

This request will support a five-year maintenance agreement for the automated teacher substitute calling system. The prior contract expires June 2013.

Implications of not funding

Automated substitute calling system will not be operable.

Summer Reading Academy

Funding is to restore the Summer Reading program in FY2014. Summer plans for 2013 allocate funds to support system wide opportunities developed by the Division of Instruction staff for designated students at the elementary, middle and high school levels. Funds have also been included to support school-based initiatives based on individual school needs and data. This funding request will allow CCPS staff to meet the specific needs of approximately 6,995 students. The opportunities start at the kindergarten level through high school and supports students in gifted as well as special education programs.

Division of Instruction staff will work with school staff to identify students who need the additional support in the following systemwide summer opportunities areas: Kindergarten Reading; Grades 1 & 2 Reading Foundations & Mathematics Investigations; Grades 1 & 2 Enrichment; Grades 6, 7 & 8 Mathematics; Grades 6, 7 & 8 Reading/Language Arts; and Grades 9, 10, 11 & 12 Student Targeting Academic Rigor with Success (STARS).

The chart below shows the total number of students served and the total funding costs with transportation for the three funding levels. All elementary and middle schools will have four-hour sessions for 12 days. All high schools will have three and a half hour sessions for five days.

School Level	Budget	# of Students
Salaries and Wages:		
Part I - Elementary	\$315,370	3,539
Part II - Middle	\$130,560	2,016
Part III - High	\$44,448	1,440
Total Salaries and Wages	\$490,378	
Supplies and Materials	\$9,622	
Total Transportation	\$225,000	
Grand Total	\$725,000	6,995

Implications for not funding:

The summer programs are designed to prepare early learners for school readiness and success and to close the achievement gap for those in the upper grades. It also supports the successful transition of identified students to the CCPS Common Core State Standards at their particular grade level. Additionally, summer enrichment opportunities would also be eliminated.

St. Charles High School

St. Charles High School is expected to open in August 2014. The following key positions are requested to support the planning and implementation of the new high school.

St. Charles High School Principal

Due to the innovative instructional organization this school is designed to accommodate, it is imperative that the principal have ample time to prepare for the opening. This preparation includes the hiring of staff in all of the core content areas as well as those for the Science, Technology, Engineering and Mathematics (STEM) specific programs and courses. The principal will be required to interview and recommend potential staff that have the unique qualities necessary to work successfully in a trans-disciplinary and collaborative high school environment. The screening and training of the key staff will require at least one full year of planning and implementation by the principal. The principal must also meet with community and parent groups to establish a clear understanding of the instructional program organization and offerings. It is therefore, highly recommended that the selection of the principal occur during the Spring of 2013.

Implications of not funding

Not funding this position will result in St. Charles High School opening without the programs and staff it is designed to accommodate. The required staffing and program development cannot be accomplished after the school opens. All of the required innovative components for St. Charles High School must be in place before the opening. Foundational work for successful implementation of programs and staff is critical.

Director of St. Charles High School Science Center

The Director of the St. Charles High School Science Center is critically important to the overall program, curriculum development and readiness to open the center in the Fall of 2014. This person will provide direction, leadership and expertise in the strategic development of programs, events, curriculum, program alignment and the implementation of the Science on a Sphere and Digital Classroom technologies. The new programs that need to be designed and developed will be for all Charles County Public Schools students and the greater community. In addition, the Director will oversee the development of curricular embedded PreK-12 experiences, as well as, afterschool, weekend and summer programs, staff development, STEM-related opportunities using the Science on a Sphere and the Digital classroom technologies. Due to the countywide scope of the programs and curriculum this work will take a great deal of time, planning and collaboration. This position will need to be filled by the Spring of 2013.

Implications of not funding

Waiting until it is time to open St. Charles High School to hire the Director and to begin the program and curriculum work will result in the Science Center not being available to the school system and the community well into

SY2015. Starting in the Spring of 2013 will provide ample time to get the work done and ready for the SY2014 opening.

Technology Coordinator for St. Charles High School

The primary responsibility for this position will be to operate and maintain the highly technical components of the Digital Classroom, Science on a Sphere and the Digital Wall in the Resource/Media Center. The coordinator will be assigned to work under the direction of the Science Center Director and in close collaboration with the CCPS Department of Technology, Evans & Sutherland and National Oceanic and Atmospheric Administration (NOAA). This person will be assigned to work exclusively at the St. Charles High School due to the critical need to maintain and operate all components of the Science Center. This position should be filled by the Spring of 2013 to allow sufficient time for training related to all functions of the technical equipment. This will require training at the Evans & Sutherland location in Salt Lake City, Utah, as well as, the NOAA location in Colorado. This timeline and training will support the school system's goal to have these highly technical programs up and running when the school opens in the Fall of 2014.

Implications of not funding

Not funding this position during the recommended timeline could result in lack of readiness to offer the Digital Classroom and Science on a Sphere programs when the school opens in the Fall of 2014.

Federal Fund Sequestration (Transfer from Restricted Funds)

The Budget Control Act (BCA) of 2011 established a Joint Select Committee in Congress charged with the task of developing a proposal to achieve at least \$1.2 trillion in deficit reduction.

This request assumes an 8.2 percent reduction in federal funds. Salaries and wage reductions include IDEA Part B (5.3 FTE), Adult Education (.2 FTE), and Title II Teacher Quality (1.0 FTE) related to class size reduction initiatives. Under this scenario, reduced funding would also impact supplies and materials (MOI) for Title I, Carl Perkins and IDEA Part B.

Implications of not funding

Not funding this request would require direct funding cuts to these programs.

Technology Infrastructure (Race to the Top)

The request includes funds for switches, controllers and wiring. The Race to the Top (RTTT) initiative includes online testing. In order to support testing the number of students required in the allotted time, the school system need to utilize laptops in the schools for testing. Our current wireless infrastructure was designed more than seven years ago and is not intended to support the number of devices in concentration required for testing. To support the number required the school system need to update our wireless infrastructure in the schools with more access points.

Implications of not funding

If we do not receive funding for the wireless upgrade, we will not be able to test the required number of students utilizing laptops and not comply with MSDE mandates.

Other Post-Employment Benefits (OPEB) Contributions

The OPEB Annual Required Contribution (ARC) represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The current ARC for the school system is \$35.3 million. The OPEB budget was eliminated in FY2013 in order to balance the budget.

Implications of not funding

Not funding this request will increase future obligations in funding the trust fund and require that the full economic impact of retiree health care remain with the general fund. The excess liability will be noted in the financial statements.

Student Transportation

The request submitted by the bus contractors' association, includes a new operation fee, reduced mile-per-gallon basis for fuel reimbursement calculations, an increase for health insurance reimbursement and administrative fees for vehicle insurance (\$583,000). There is an additional funding request to support driver attendant salary increases (\$0.50 per hour or \$275,000).

Expenses are primarily a function of the fleet's bus replacement cycle and fuel market price. Currently, the budget provides base funds to accommodate fuel price levels averaging \$4.25 per gallon. The average fuel price as of December was \$3.87. Every \$0.25 increase in the price of gas cost approximately \$220,000.

CCPS received State approval for extending the service cycle of a bus from 12 years to 15 years of service in accordance with Maryland Annotated Code Education Article 7-804. The number of buses beyond the 13-year life cycle is approximately 30 equating to a replacement cost of \$2,996,000 or an average cost per bus of approximately \$99,867 (including excise tax). The contractors have requested that the system revert back to the

12-year cycle, however, this cost is not included in the Superintendent's operating budget request.

Implications of not funding

Implications of not funding this initiative may delay ratification of the contract, or a potential disruption in service.

FY2014 Supplemental Budget (Unfunded Requests)

Row Labels	FTE	AMOUNT
SCHOOL REQUESTS		
ELEMENTARY		\$1,049,459
MIDDLE		\$1,115,975
HIGH		\$1,453,188
CENTER		\$26,900
SCHOOL ADMINISTRATION	9.0	\$991,082
RESEARCH AND ASSESSMENT		
RESEARCH AND ASSESSMENT		
Non-Teaching Positions		
Middle School Test Coordinators	8.0	\$507,056
Non-Teaching Positions Total	8.0	\$507,056
Contracted Services		
Upgrades to Data Warehouse	0.0	\$100,000
Contracted Services Total	0.0	\$100,000
RESEARCH AND ASSESSMENT Total	8.0	\$607,056
ASSISTANT SUPERINTENDENT OF INSTRUCTION		
ASSISTANT SUPERINTENDENT OF INSTRUCTION		
Supplies & Materials		
Textbooks	0.0	\$674,217
SpringBoard HS, MS Math & RELA	0.0	\$528,030
Science	0.0	\$378,802
Elementary Reading	0.0	\$166,285
Study Island	0.0	\$74,715
AVID	0.0	\$20,000
CTE	0.0	\$17,178
Library Media	0.0	\$17,000
Investigations (Elementary Math)	0.0	\$15,370
Middle School Math	0.0	\$12,000
Social Studies	0.0	\$10,210
High School Math	0.0	\$7,080
Supplies & Materials Total	0.0	\$1,920,887
Other Charges		
Stipends for RTTT Curriculum Development and Training	0.0	\$384,449
Gifted Education	0.0	\$343,399
Project Lead the Way and Gateway to Technology	0.0	\$132,475
STEM	0.0	\$55,800
Other Charges Total	0.0	\$916,123
Other Salaries		
HS Math Content Specialists	10.0	\$815,000
Other Salaries Total	10.0	\$815,000
Contracted Services		
Consultants (Common Core, Springboard, Next Generation Math)	0.0	\$452,000
Contracted Services Total	0.0	\$452,000
ASSISTANT SUPERINTENDENT OF INSTRUCTION Total	10.0	\$4,104,010
ASSISTANT SUPERINTENDENT OF FINANCE, BUSINESS ADMINISTRATION & TECHNOLOGY		
ASSISTANT SUPERINTENDENT OF FINANCE, BUSINESS ADMINISTRATION & TECHNOLOGY		
Supplies & Materials		
Laptop and PC replacements	0.0	\$2,600,000
Supplies & Materials Total	0.0	\$2,600,000
Equipment		
Data Center Upgrade	0.0	\$400,000
WAN Infrastructure Upgrade	0.0	\$232,500
LAN Infrastructure Upgrade	0.0	\$80,000
Equipment Total	0.0	\$712,500
Contracted Services		
Edline	0.0	\$162,000
Contracted Services Total	0.0	\$162,000
Non-Teaching Positions		
Temporary Interns	5.0	\$100,000
Non-Teaching Positions Total	5.0	\$100,000
ASSISTANT SUPERINTENDENT OF FINANCE, BUSINESS ADMINISTRATION & TECHNOLOGY Total	5.0	\$3,574,500
ASSISTANT SUPERINTENDENT OF SUPPORTING SERVICES		
ASSISTANT SUPERINTENDENT OF SUPPORTING SERVICES		
Other Charges		
Various Identified Projects at Schools	0.0	\$1,681,488
Thomas Stone High School Asphalt Replacement	0.0	\$414,821
Stadium Fields	0.0	\$128,000
Other Charges Total	0.0	\$2,224,309
Supplies & Materials		
Radio Upgrade	0.0	\$400,000
Supplies & Materials Total	0.0	\$400,000
ASSISTANT SUPERINTENDENT OF SUPPORTING SERVICES Total	0.0	\$2,624,309
Grand Total	32.0	\$15,546,479

Fiscal Year 2014
Proposed Operating Budget
Board of Education of Charles
County
February 12, 2013



1

Agenda

- Objectives
- Revenue Increases
- Requested Cost Increases
- Supplemental Budget Request
- Financial Overview
- Future Financial Considerations

2

Objectives

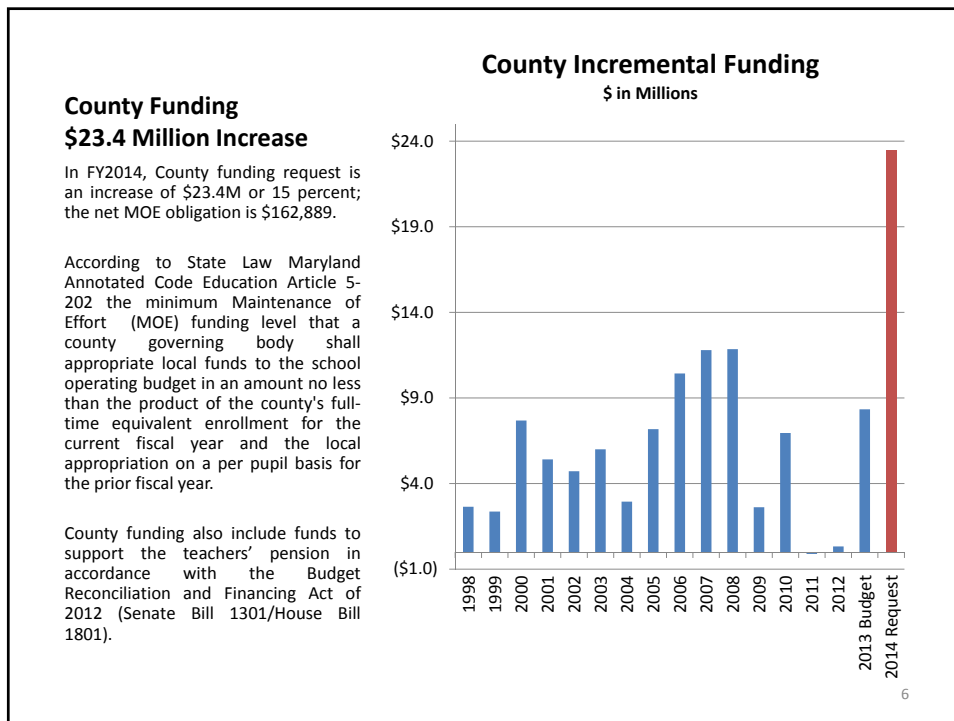
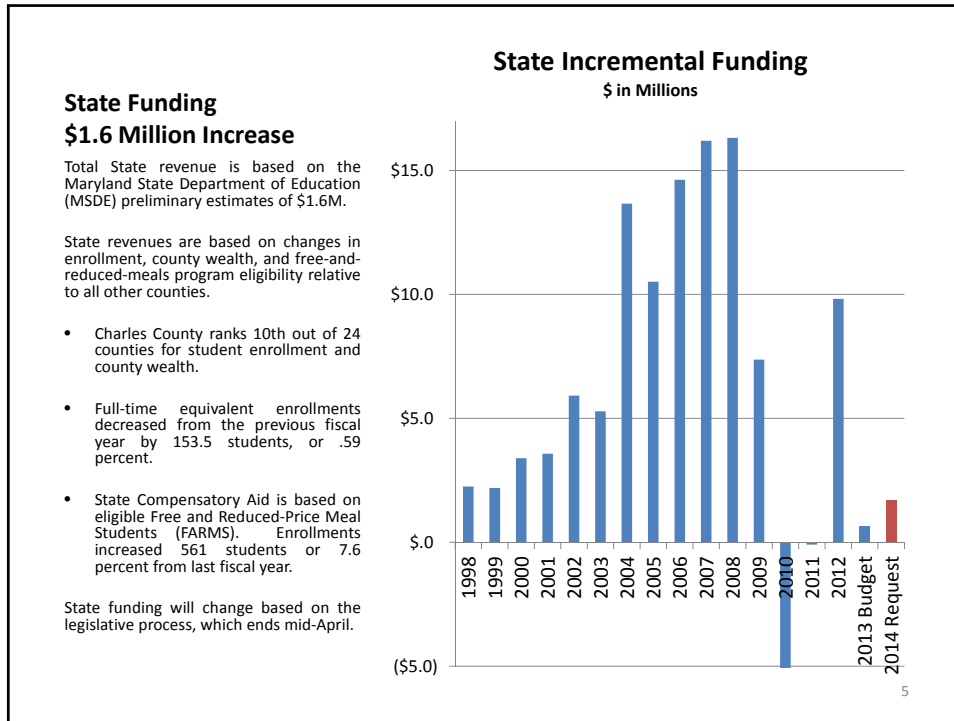
- Recognize national and state economic conditions and their impact on education. Submit a budget that reflects the needs of the system.
- Request base funding for STEP increases so employees are placed on proper longevity STEPS/LEVELS.
- Maintain core programs and progress.
- Maintain employment and avoid furloughs or layoffs.
- Keep the focus on student achievement and maintain funding for the classroom.

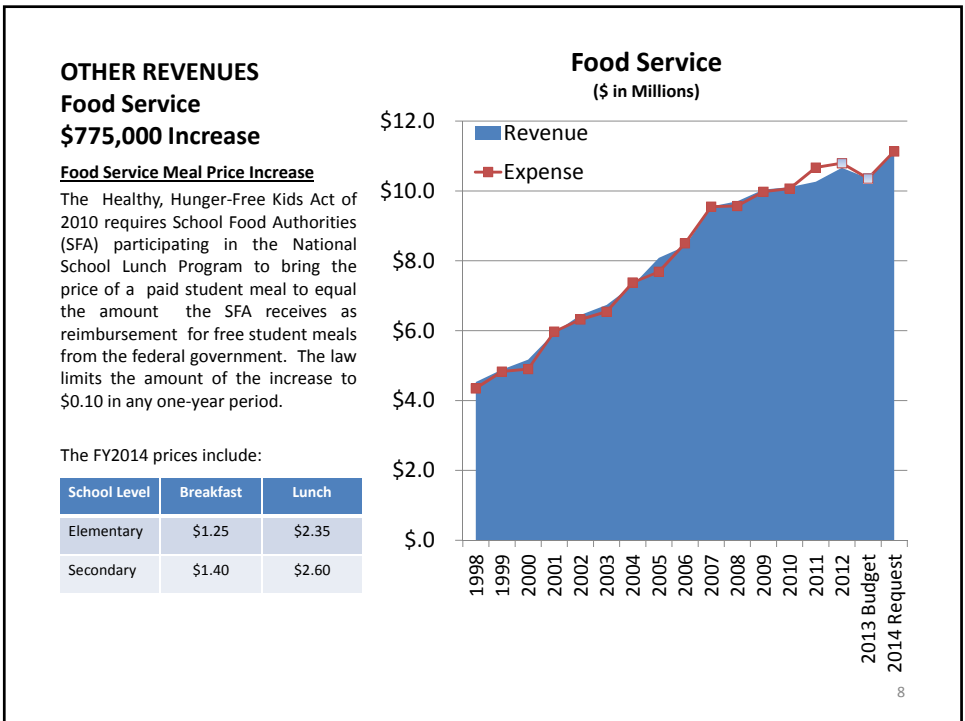
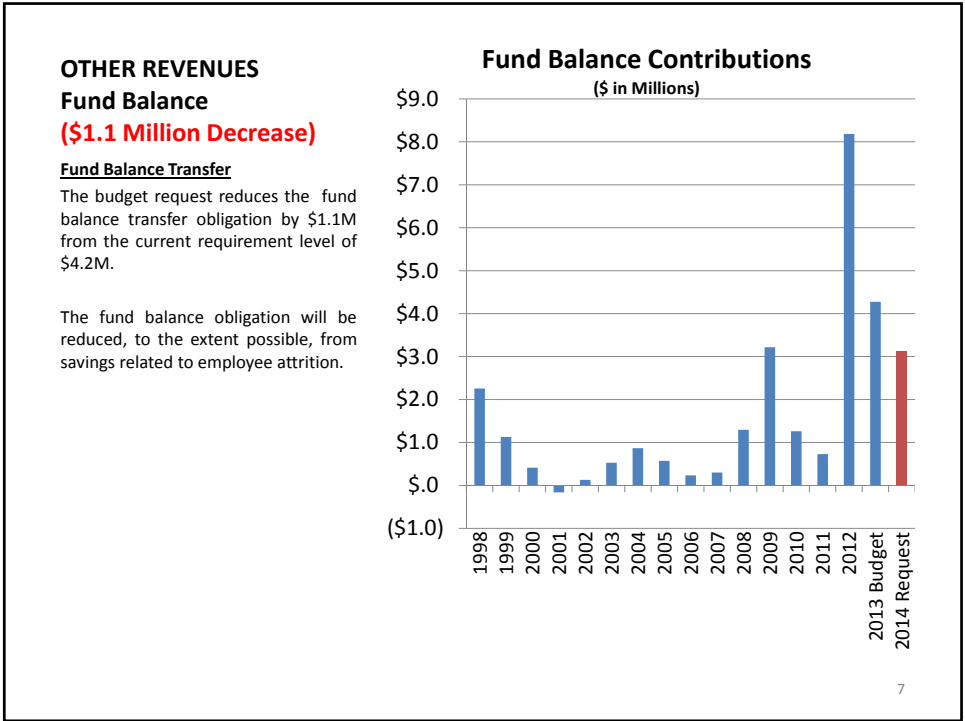
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REVENUE INCREASES

4







REQUESTED COST INCREASES

9

Lapsed Salary Savings Target \$1.0 Million

The budget request includes a \$1.0M increase in the lapsed salary savings target to reduce dependence on fund balance.

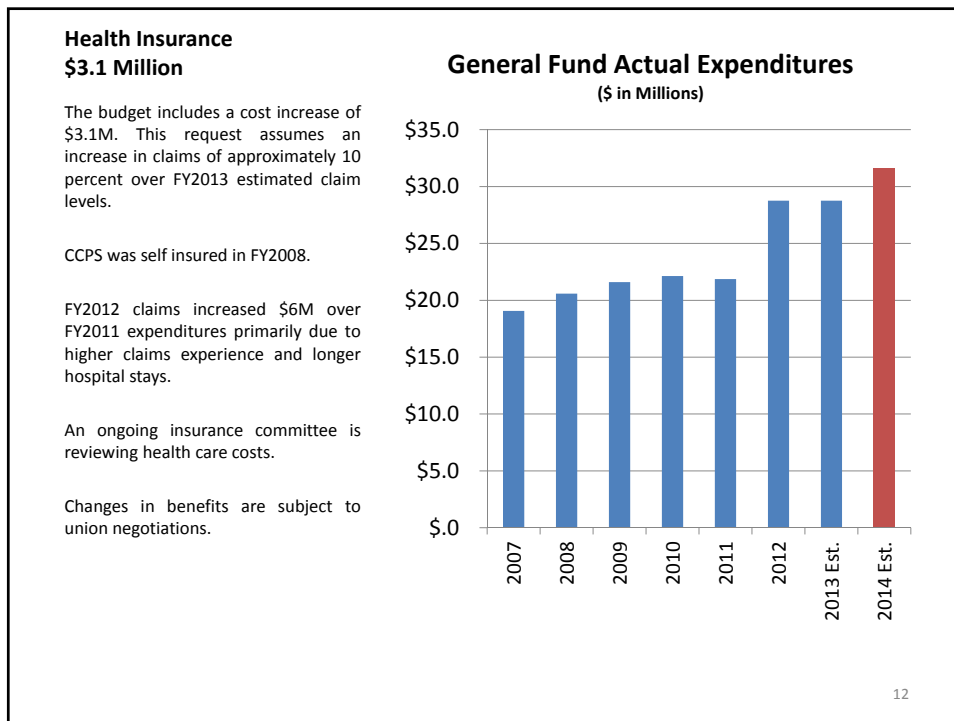
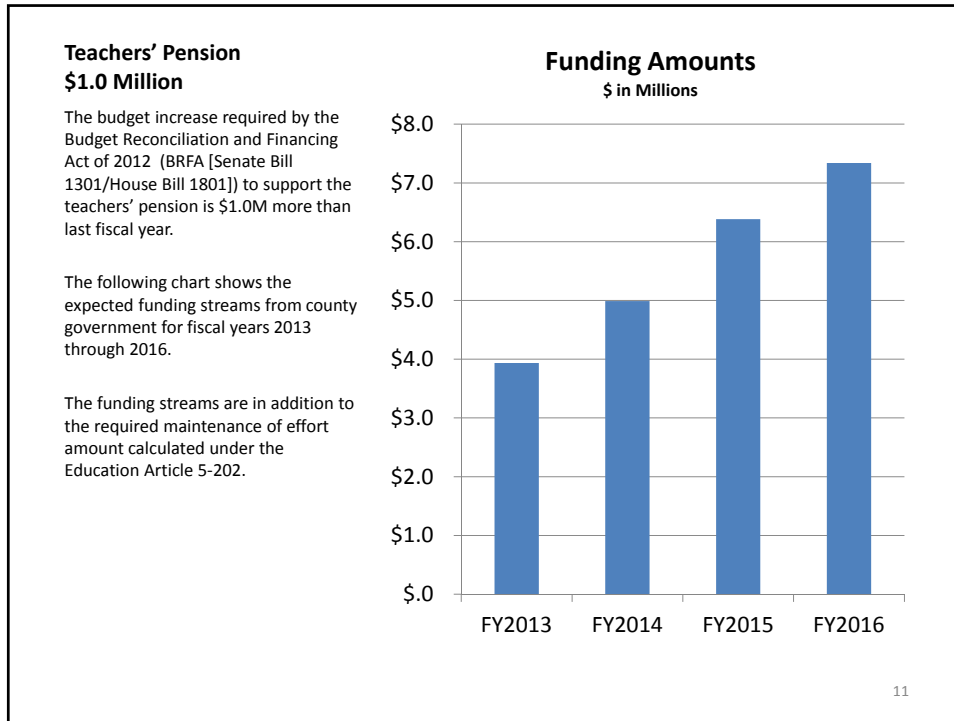
Lapsed salary savings is the product of funds generated through employee attrition from retirements, vacancies, and position reductions or eliminations.

While the system no longer benefits from savings related to turnover, increasing the lapsed salary target enables the system to reduce reliance on fund balance

General Fund Attrition Rate

Year	TEACHERS Turnover (%)	OTHER Turnover (%)	Attrition Rate (%)	FTE
2000	6.0	2.8	11.8	330
2001	6.5	2.3	11.0	310
2002	6.5	2.4	11.2	315
2003	6.0	2.5	10.5	300
2004	7.0	2.8	11.5	320
2005	8.0	2.7	11.8	330
2006	8.5	4.0	12.5	350
2007	8.5	3.8	12.0	340
2008	7.0	3.0	10.0	280
2009	6.0	2.8	8.0	230
2010	6.5	3.5	9.0	250
2011	5.5	3.0	8.0	220
2012	5.5	2.0	7.0	200

10

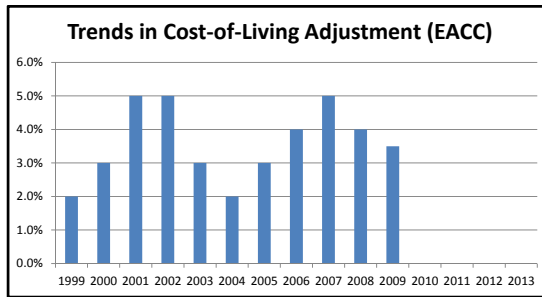


**Reserve for Negotiations
\$9.5 Million**

This request is to set aside funding for contract negotiations including two STEPS and salary scale compression with the Education Association of Charles County (EACC) and the American Federation of State, County and Municipal Employees (AFSCME).

The chart provides statistics based on the current scales and salary grades prior to negotiations, which can change how salaries are distributed.

Description	Estimate \$	Comment
EACC LEVEL	3,010,000	One Level = 1.86 % avg.
Average LEVEL	2,235	62 percent affected
EACC 1% COLA	1,656,000	
AFSCME STEP	628,000	One STEP = 1.31% avg.
Average STEP	770	87 percent affected
AFSCME 1% COLA	488,000	
Scale Compression	1,450,000	



13

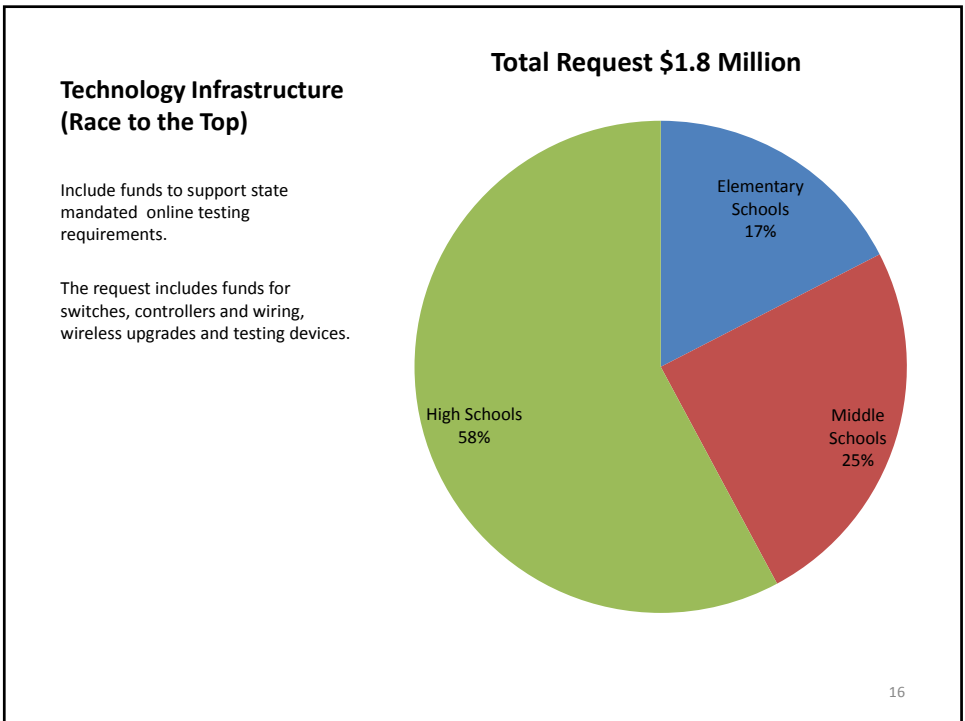
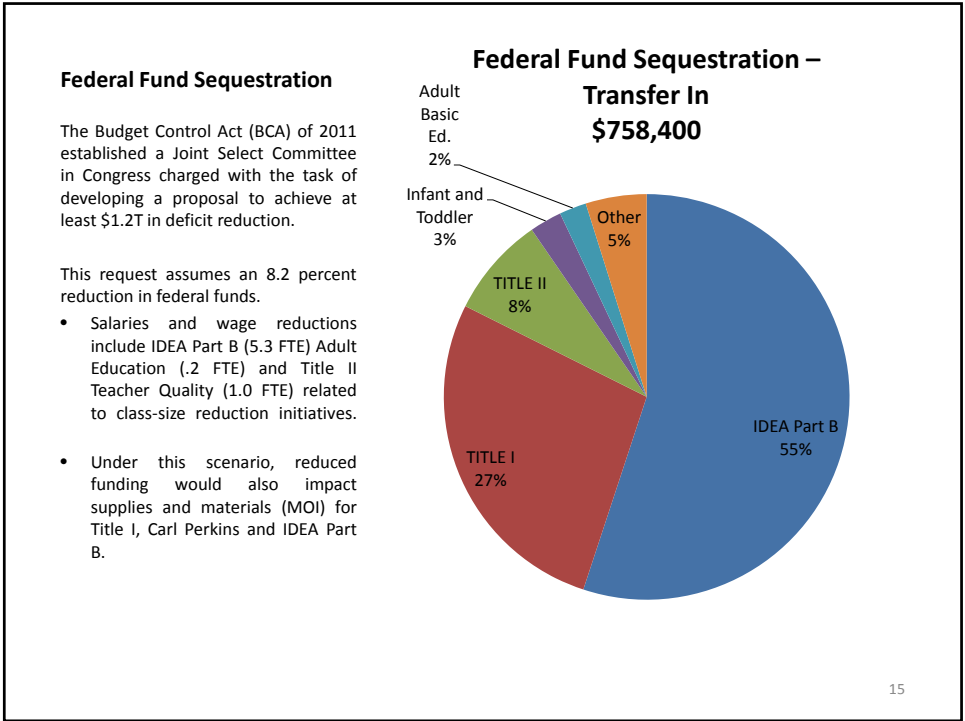
**Summer Reading Academy
\$725,000**

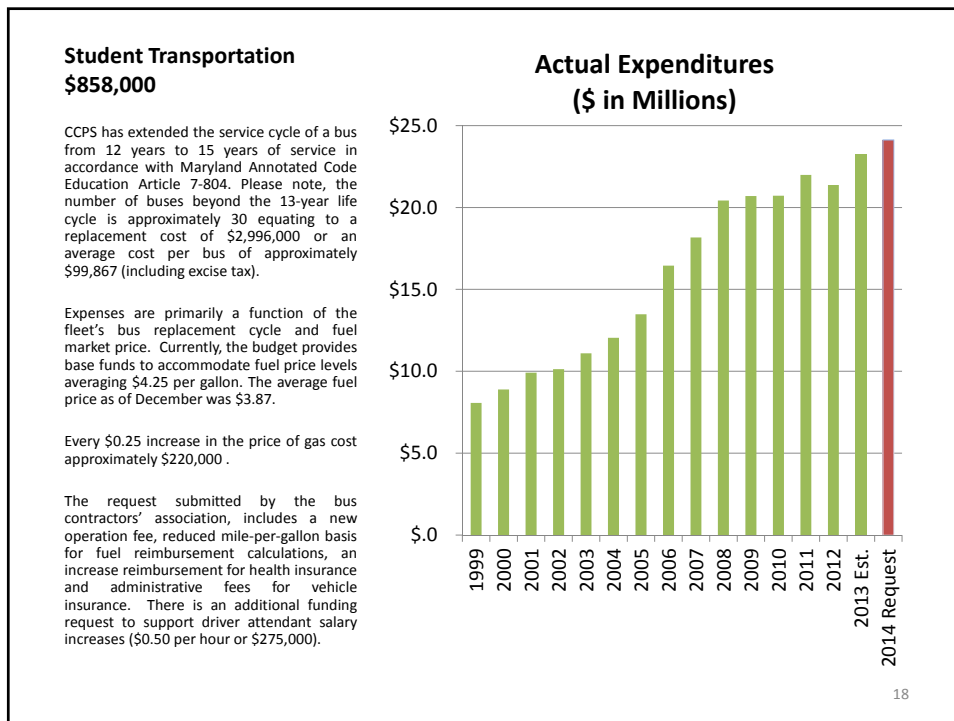
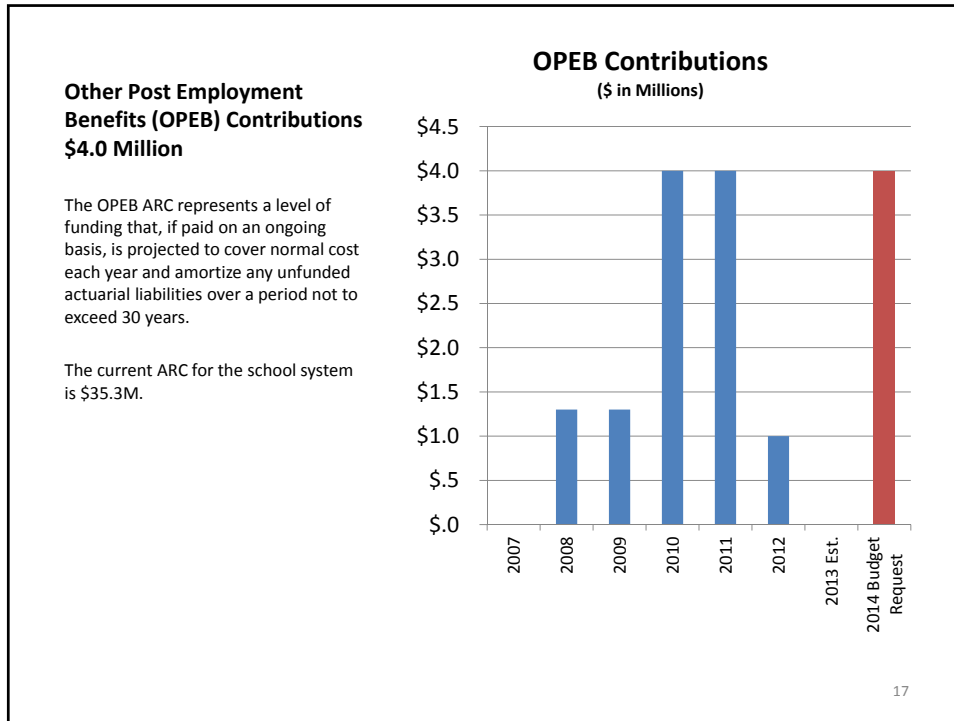
This funding request will allow CCPS staff to meet the specific needs of approximately 6,995 students. The opportunities start at the kindergarten level through high school and supports students in gifted as well as special education programs.

All elementary and middle schools will have four hour sessions for 12 days. All high schools will have three and a half hour sessions for five days.

School Level	Budget Request	# of Students
Salaries and Wages:		
Part I - Elementary	\$315,370	3,539
Part II - Middle	\$130,560	2,016
Part III - High	\$44,448	1,440
Total Salaries and Wages	\$490,378	
Supplies and Materials	\$9,622	
Total Transportation	\$225,000	
Grand Total	\$725,000	6,995

14





Other Costs

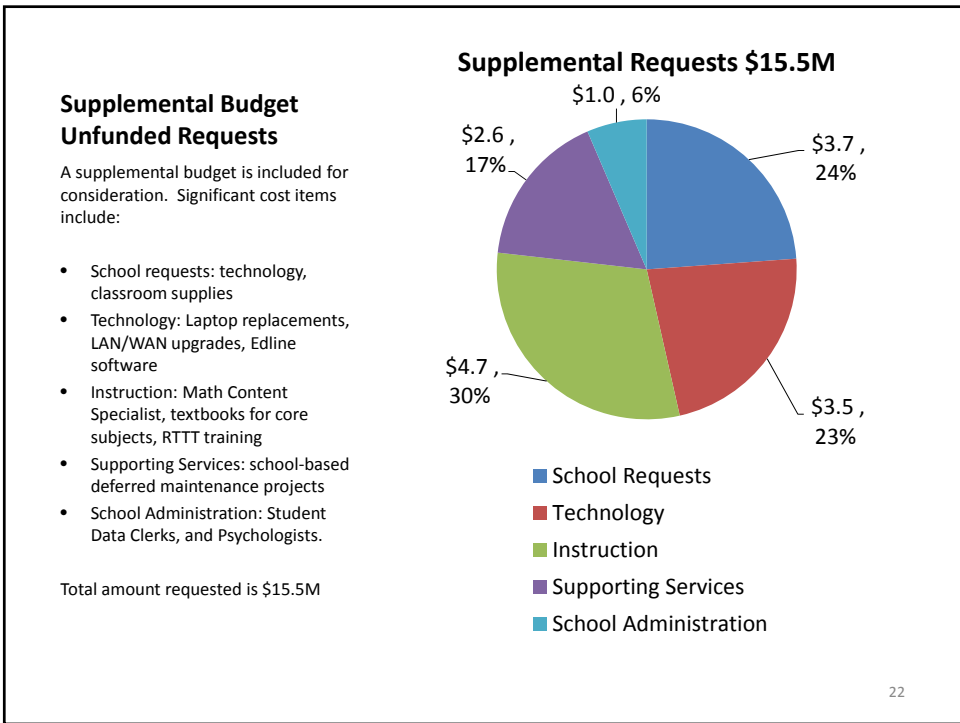
- St. Charles High School Staffing - \$427,700
 - St. Charles High School is expected to open in Fall 2014. Key positions (Principal, Director and Technology Coordinator) are requested to support the planning and implementation of the new high school.
- Automated Teachers' Substitute Calling System - \$100,000
 - Contractual obligation for five-year software maintenance. The prior contract expires June 2013.

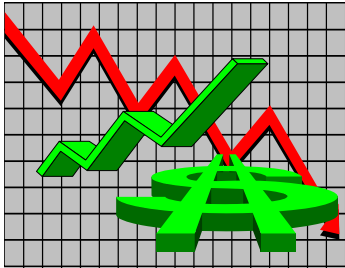
19

Other Costs (Continued)

- School security upgrades - \$2M
 - Elementary security cameras, door and lock upgrades, signage and access modifications.
- School resource officers – (Phase-in Program) - \$600,000
 - Eight school resource officers for coverage of the elementary schools, and the Robert D. Stethem Education Center.
 - Please note this request should be incorporated into the Charles County Sheriff's Office allocation.

20





FINANCIAL OVERVIEW

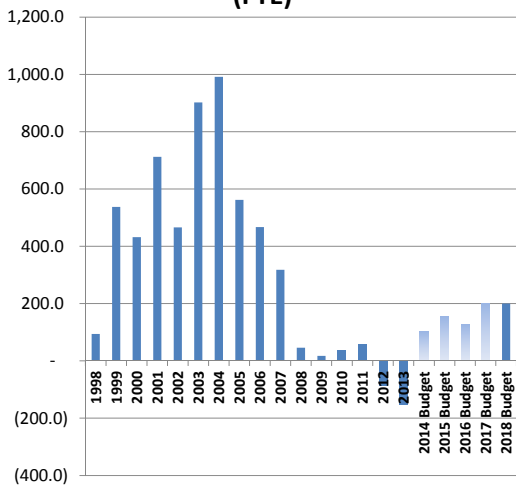
23

Trends in Full-time Equivalent (FTE) Student Enrollments

The operating cost per pupil for FY2013 is \$12,157, an increase from the previous year of \$368.00, or 3.1 percent.

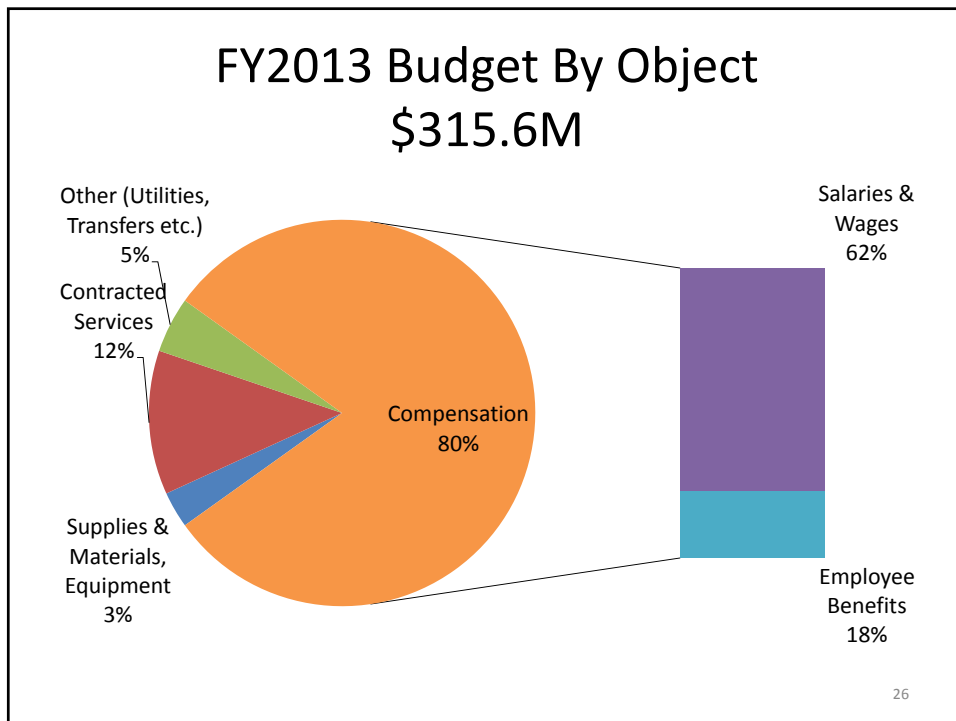
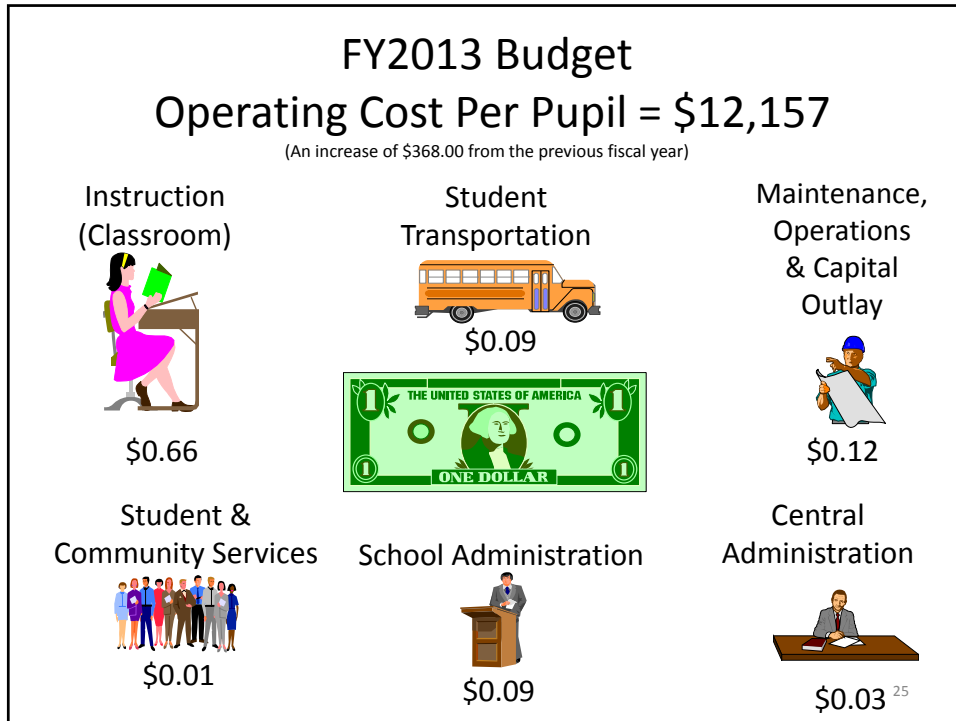
For FY2014, preliminary estimates for student enrollment is expected to reach 25,816, an increase of .4 percent (102 students more than the previous year).

Student Enrollment Change in Full-Time Equivalent (FTE)



Year	Change in FTE
1998	100
1999	500
2000	450
2001	700
2002	450
2003	900
2004	1000
2005	550
2006	450
2007	300
2008	100
2009	50
2010	50
2011	100
2012	50
2013	50
2014 Budget	100
2015 Budget	150
2016 Budget	100
2017 Budget	200
2018 Budget	200

24



Revenue Schedule

Description	Amount \$
FY2013 Revenue Budget	315,621,948
Incremental Changes:	
Local Revenues	
Teachers' Pension (SB1301)	1,053,129
Maintenance of Effort (MOE)	(890,240)
Additional Base Funding Request	23,282,640
Total Local Revenues (15 percent increase)	23,445,529
State Revenues (MSDE preliminary 1/18/2013)	1,671,772
Fund Balance Transfer	(1,135,572)
Total Incremental Changes	23,981,729
FY2014 Revenue Budget	339,603,677
Percent Increase	7.6 percent

27

Expenditure Schedule

Description	Amount \$
FY2013 Expenditure Budget	315,621,948
Requested Cost Changes:	
Lapsed Salary Savings Target	(1,000,000)
Teachers' Pension (SB1301)	1,053,129
Health Insurance	3,122,000
School Security Upgrades	2,000,000
Additional Resource Officers	600,000
Reserve Negotiations (Estimate two STEP cost)	9,495,000
Teacher Substitute Calling System	100,000
Summer Reading Academy	725,000
St. Charles High School Staffing	427,700
Federal Fund Sequestration	758,400
Technology Infrastructure	1,842,500
OPEB Base Funding	4,000,000
Student Transportation	858,000
Total Requested Cost Changes	23,981,729
FY2013 Expenditure Budget	339,603,677
Percent Increase	7.6 percent

28

Future Financial and Program Considerations

- **Funding Requirement OPEB**
((\$35.3M ARC)
- **New St. Charles High School**
((\$12 to \$18M FY2015)
- **Unmet Requirements**
(Supplemental Budget Request, deferred maintenance projects, technology)
- **Maintain realistic expectations for funding.**

29



Next Steps

- **BOE budget submission to the county – February 28, 2013**
- **End of Legislative session – Mid April 2013**
- **County Government Public Hearing – April 30, 2013**
- **Board adopts final budget based on final cost estimates, funding levels and contract ratifications – June 11, 2013**

30