

FINAL



Citizens' Advisory Committee for Special Education

www.smccacse.org and Facebook @ CACSE – St Mary's County MD

Elizabeth Snyder, Chairperson

Leslie Popielarcheck, Vice-Chair

June Nicholas, Secretary

Meeting Minutes for January 12, 2015

Meeting held at:

St. Mary's County Public Schools - Special Education Conference Room
23160 Moakley Street, Leonardtown, MD, 20650

1. Call to Order at 6:35 pm.
2. Introduction of Members and Parents/Community
 - a. All Officers were present; additional persons present this evening were:
 - i. Melissa Charbonnet, Director of Special Education
 - ii. Debbie Crosby, Coordinator, Department of Special Education
 - iii. Cynthia Kilcoyne, Coordinating Supervisor, Department of Special Education
 - iv. Heather Guthrie, Leonardtown Middle School
 - v. Laura Schultz, Leonardtown Middle School, Decoding Dyslexia
 - vi. Kathy Morgan, Lettie Marshall Dent Elementary School
3. Review and Approve Minutes – May, June, and November meeting minutes were tabled until the next meeting. There are no December minutes; that meeting was cancelled.
4. Committee Reports
 - a. Outreach
 - i. Rise Up Award - Planning for 2014 – 2015 school year is underway.
 - ii. Promotional materials – New posters and brochures were displayed at the SMCFCD Fall Conference, and distribution to the schools has begun.
 - iii. Social media – Work on the website is continuing as time permits.
 - b. Education
 - i. The Fall Conference, held by the Southern Maryland Collaborative for Families of Children with Disabilities (SMCFCD), was held on November 12. Over 200 people attended the all-day event. An update will be provided at the February meeting.

FINAL

5. Updates from Partners for Success
 - a. The Spring Calendar is being distributed. The presentation “What is the Ziggurat Model of Planning for Students with Disabilities” is Wednesday, January 21.
6. Updates from Affiliated Agencies and Organizations
 - a. There are no agency reports this evening. Updates will be provided at the February meeting.
7. Director’s Report
 - a. Melissa Charbonnet, Director of Special Education for SMCPSS, filed this report.
 - b. Ms. Charbonnet presented a comprehensive presentation on the school budget process and took time to answer many questions. The presentation file was graciously provided by Tammy McCourt, Assistant Superintendent of Fiscal Services and Human Resources. A summary of the budget presentation will be attached to these minutes.
8. Budget Report
 - a. CACSE has \$460.00 remaining in the FY 2014 budget. CACSE spent about \$75.00 for the SMCFCD Fall Conference.
9. Advisement to the Board of Education
 - a. CACSE should seek a formal introduction and request a date for Rise Up Award recognitions.
 - b. A working group has been formed to frame a formal statement of introduction; Chuck Slade, Heather Guthrie, and Laura Schultz will coordinate efforts and prepare a draft letter. The draft will be posted to Google Docs for review and comment. It was felt that CACSE should concentrate on one to three issues of major concern for presentation later in the spring.
10. Old Business
 - a. Training and Workshop Scholarships and Reimbursement
 - i. No business was addressed at this time.
 - b. “Family Toolbox”
 - i. No business was addressed at this time.
 - c. Representatives
 - i. No business was addressed at this time.
11. New Business and Additional Concerns
 - a. No new items were offered this evening.
12. Adjournment
 - a. Adjournment was at 7:58 pm.
 - b. The next CACSE Meeting shall be held on Monday, February 9, 2014 at 6:30 pm at the same location.
 - c. The next CACSE Support Group Meeting shall be held at 5:45 pm at the same day and location, just prior to the regular Meeting.

FINAL

A Basic Explanation of the SMCPs Budget, How it Works, and Where Revenues Come From

What Makes Up the Budget

The budget for St. Mary’s County Public Schools is similar to budgets for other school systems across the state. The budget includes two components, the capital budget and the operating budget; these are further divided into fourteen categories for the purposes of allocating funds. The Board of Education decides how to spend the money it will receive in a given fiscal year, and allocates it into the various categories as needs and priorities determine. Each fiscal year runs from July 1 until the following June 30, so work on the budget typically begins in the previous fall.

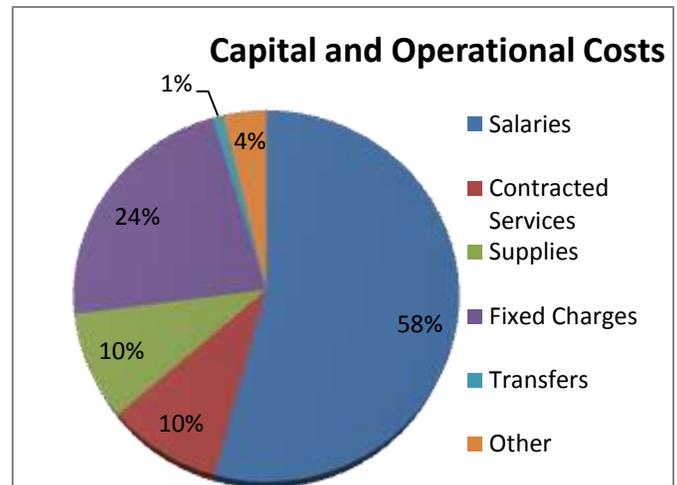
The capital budget allots funding for construction of new school facilities or renovations of existing ones, purchasing of technology, adapting facilities to meet ADA and safe working requirements, portable classrooms, land purchases, vehicles, and other items and programs necessary to make the buildings and equipment operational. The capital budget is paid primarily through debt assumed by the county and from state funding.

The operating budget includes funding for all the programs and services geared toward education of the children served by the school system, and the salaries and benefits of the employees hired to teach and support them. This includes all instructional costs including special education services, and daily activities including transportation, technology costs, materials and supplies, custodial services, office administration, printing, and food service. The operating budget is paid for by county property tax and income tax as well as state revenues. Certain expenses are funded directly by the Federal government, including certain special education services, Title 1 school programs, food programs, etc. and that money must be spent specifically for those programs (restricted funds). There may also be restricted state and local grants and funds as well.

Typically expenses related to paying staff and teachers are the biggest expenditure in the budget. Up to 90 % of the operating budget pays for employee salaries and benefits (life and health insurance, contributions to the state retirement system, taxes, etc.). About half of the school system’s employees are teachers, and about two thirds of all employees are directly involved with instruction. Another third are administrators, staff, and other employees working in custodial services, transportation, food service, media, central office, and operations, and counselors and psychologists.

Salaries and benefits are determined through collective bargaining with employee unions, and are the largest cost drivers when school budgets are increased. For example, St. Mary’s County saw a large increase in both the costs associated with health insurance and in the taking on of additional contribution toward the state retirement program.

Other major expenses include fuel and energy, contracted services such as for therapists, textbooks and instructional materials, and students whose disabilities require a level of care that can only be provided in certain non-public school settings. Many expenses occur on a regular basis, either throughout the school year or year-round. Others may be one-time expenses, such as repairs after fire damage. For FY 2016, SMCPs expects its budget allocations to be consumed as shown in the pie chart.



FINAL

How the Budget Breaks Down

School systems get their funding primarily from two sources of revenue, that provided by the state, and those provided by the county or local jurisdiction. These are typically fairly evenly split, and in Maryland local/county funding averages about 46 %, with a range from 16 to 68 percent). Most school systems in the United States only receive from 1 to 10 percent of their funding from the Federal government, with the Maryland average at 6 percent.

For Fiscal Year 2015, SMCPS received about \$194.7 million in funding, of which 50 % will come from the state, 48 % will come from the county, 1 percent will come from the Federal government, and the remainder from a variety of sources. Projections for FY 2016 (which begins July 1, 2015) are as follows:

Summary of Revenues	FY 2015 Unrestricted Revenues	FY 2016 Unrestricted Revenues	Change
Local	\$93,910,979	\$101,039,371	\$7,128,392
State	96,748,027	97,130,374	382,347
Federal	2,725,000	2,725,000	-
Other	1,288,682	756,815	(531,867)
Total Revenues	\$194,672,688	\$201,651,560	\$6,978,872

Typically half of the county's overall operating budget consists of the budgetary costs of its school system. But as much as the county gives the school system, it typically only covers about half of its total operating budget.

State law requires that each county provide its school system with a certain amount of money. This allocation is called the "Maintenance of Effort (MOE)." Every year the county must give the school system funding equal to the per-student amount the school system received the previous year. If the population grows, then the county must increase revenues to maintain the per-pupil funding at the prior year's level. To get state aid, the county must deliver its funding first.

Additional money extended by the county, such as to finance new school construction, does not count toward MOE. The cost of inflation or incremental increases in fixed charges, new instructional mandates, the opening of new schools, employee salary increases, or increased benefits like health care are also not counted in MOE. The MOE was established in 1984 per COMAR ED § 5-202(2).

For FY 2016, SMCPS expects to have to absorb \$2 million in operating the new Walter Francis Duke Elementary School, an additional \$1 million in healthcare costs due to changes mandated by the Affordable Health Care Act, and an additional \$4 million in salary increases due to collective bargaining arrangements from teacher and employee unions. None of these are covered by the MOE.

Maryland also provides aid to each county using a number of factors including student enrollment, county wealth, and students receiving free and reduced-price meals (which is used to indicate the level of poverty in a school system). Counties with lower property values or personal income receive a higher share of state aid than wealthier counties, using a factor called the wealth index. This wealth index is determined by real estate assessments on property in the city or county, and the amount of taxable income from residents in the city or county. What tax rate the city or county may use in its assessment is not taken into consideration, only the actual revenue raised from doing so. As the wealth index increases, state aid decreases. The wealth index is believed to reduce the disparity from poorer jurisdictions to more wealthy jurisdictions.

FINAL

Individual school funding is also determined by certain formulas and allocations, including where students and families are currently living (distribution of population) and providing appropriate transportation in an even-handed manner, programs offered at certain schools such as themed academies or special education programs, schools undergoing rapid expansion or necessary repairs, instructional pilot programs being tested or in development, variations in physical space, expansion of Internet capability, and the like. Charter school funding is not much different from public school funding.

The Budget Process

State funding is typically established during the Maryland General Assembly's legislative session in January through April for the following fiscal year, so funding for FY 2016 (which begins July 1, 2015) is established during the 2015 legislative session. Then funds are administered to the schools through the Maryland State Department of Education.

In the 2015 legislative session, the SMCPS school budget for FY 2016 was increased by an additional state allotment from Governor Larry Hogan's budget, totaling \$586,070, for a total FY 2016 allotment of \$202,237,630 in revenue.

The fall before, school districts try to determine priorities and prepare a preliminary budget using data collected, departmental staffing plans, and program needs. The Superintendent brings the budget to the Board of Education in January and may recommend various changes as needs dictate and based upon public and county input. The BOE holds meetings and public comment in February, then proposes the budget to the Commissioners of St. Mary's County in March. They hold public meeting throughout April as part of their greater planning of the county operating budget, about half of which is the school system budget. The county budget is typically adopted in June and takes effect on July 1.

Once the budget is approved, the Board can typically transfer funds from one state category to another only with approval of the County Commissioners. The Board may also transfer funds from one expenditure to another within a state category without county approval, such as switching money from teacher salaries to pay for contracted therapy services. After the budget is approved sometimes unexpected situations occur, like a hurricane comes through the area. The Board of Education can ask the County for a budget amendment or supplemental appropriations from county sources, and these require County oversight.

A fund balance or surplus funds can occur from two sources, either under expending the budget or receiving more revenues than estimated. The operating budget is determined over a year in advance, so it is an estimate of what future operating expenses will be based on recent student enrollment and projected enrollment growth as well as teacher turnover and various mandates – retirement funding, capital construction, union bargaining, etc. If estimates are greater than the actual expenses when the fiscal year ends, or if actual revenue exceeds estimated revenue, the remainder goes into the surplus. The entire surplus at year's end goes to the operating budget for the next fiscal year as "fund balance."

How MOE is Determined

MOE was established in a piece of legislation called the Bridge to Excellence in Public Schools Act of 2002, and it is commonly called "Thornton." It created a state school aid formula, called the Per Pupil Foundation, which is believed to ensure that school systems have enough funding resources to provide children with an appropriate and equitable education. The funding system, using recommendations from the Commission on Education Finance, Equity, and Excellence (also called

FINAL

the Thornton Commission after its chair, Dr. Alvin Thornton), was phased in from 2002 to 2008, but was not fully funded during that time. It has been adjusted by changes in enrollment and the cost of inflation as well as the funding from the state that is actually allocated to it.

The per-pupil funding amount was set at \$6,860 in FY 2015, that is, schools will receive an allotment for each child enrolled in the school system (24 in all) that is proportional to that amount. Some schools will receive more, and others less, based on the wealth index and other factors.

Other supplemental funding that may be provided is also based on the proportional per pupil foundation, and added to the general funding received from the state. These supplemental programs include funding for compensatory programs (extra support for children coming from poverty), limited English proficiency, and special education. The allotments are 97 %, 99 %, and 74 %, respectively, equal to their per pupil foundation.

Additional revenues may be provided based on the Geographic Cost of Education Index, a cost of living adjustment made for counties where education is more expensive (where the PPF is multiplied by an adjustment factor). The GCEI was not fully funded until FY 2010.

Funding is also received from Net Taxable Income Grants (NTI Grants), which was modified in 2013 to account for taxpayers who file later in the fiscal year, which causes the tax calculations for certain counties to increase, thus reducing their PPF. Counties that lose funding due to late filers began receiving NTI Grants in FY 2014 on a phased-in basis.

The state also provides transportation grants to school systems, including a \$1000 per student allotment for students with disabilities who require transport to non-public and private institutions because the local school systems cannot meet their educational needs.

Federal Funding

Federal sources of revenue are restricted for particular uses in education and educational support. The bulk of Federal funding comes from the Elementary and Secondary Education Act (“No Child Left Behind”), Individuals with Disabilities Act (“IDEA”), the National School Lunch Act, and the Social Security and Medical Assistance Act.

For more information, see the following resources:

<http://www.smcps.org/fs/budget-information> Page on SMCPS Budget Information for Each Fiscal Year, including the FY 2016 Board of Education Approved Operating Budget

<http://www.fcps.org/Page/799> Frederick County Public Schools – Budget – Frequently Asked Questions

<http://www.marylandeducators.org/thornton-plan> Maryland State Education Association – Thornton Plan