

Transformation 2026
Equity and Excellence

FY 2023 CEO's Proposed Operating Budget

December 9, 2021

FY 2023 Board of Education Budget Priorities

- Expand/Improve Curriculum & Instruction (to Include Increased Personnel)
- Professional Development/Continuing Education
- Student Mental Health Supports/Resources
- Smaller Class Size
- After School Clubs, Activities & Mentoring Programs
- Funding for Focus Work Group Goals



FY 2023 CEO Focus Areas

Transformation 2026 Imperatives

1. Academic Innovation
2. Transformational Workforce
3. Organizational Learning Culture
4. Safe & Supportive Environments
5. Infrastructure & Operational Enhancements



FY 2023 Revenue

Blueprint, Enrollment, Uncertainty

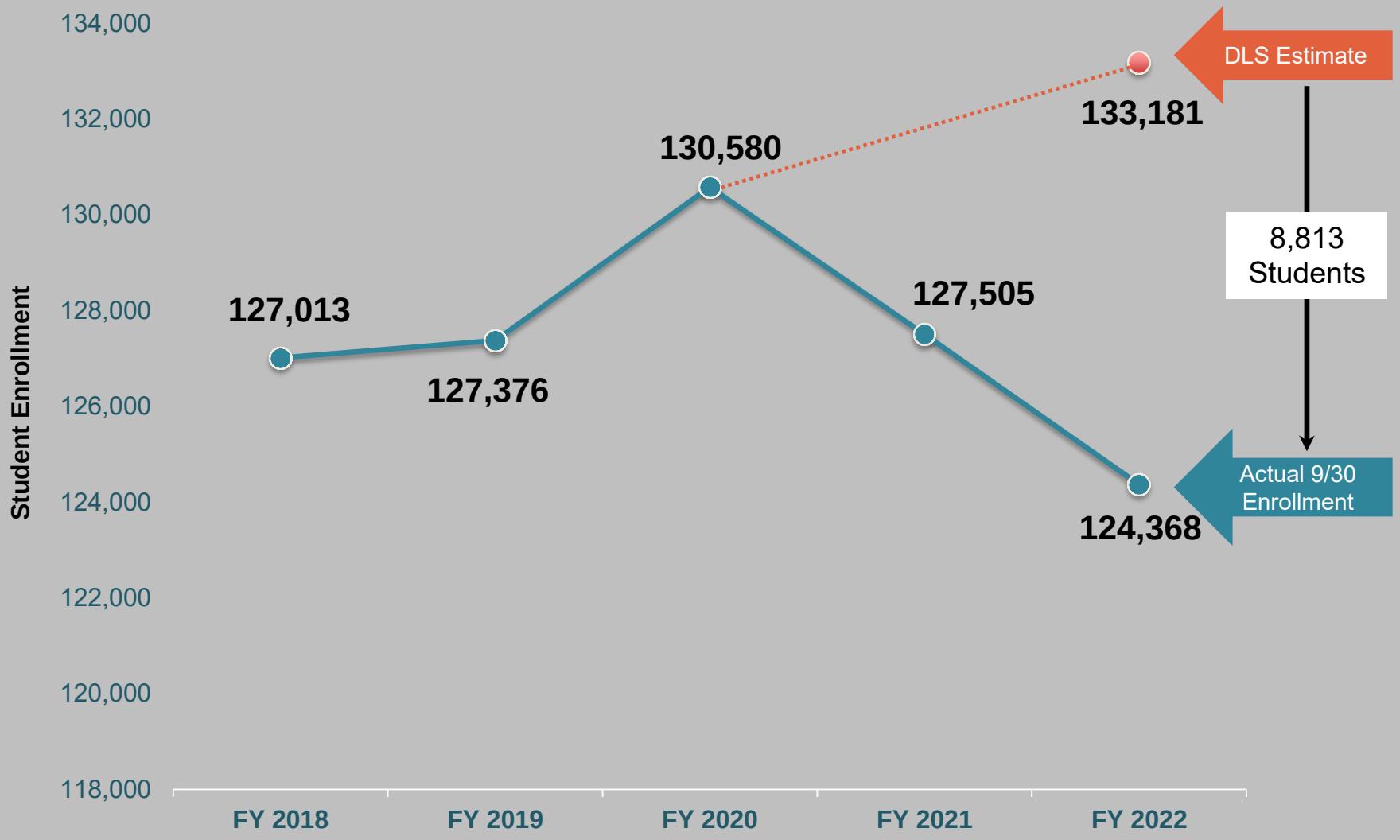
Unrestricted Operating Revenue

The Department of Legislative Services (DLS) estimated FY 2023 State and County Source Revenues Based on Pre-Pandemic Student Enrollment

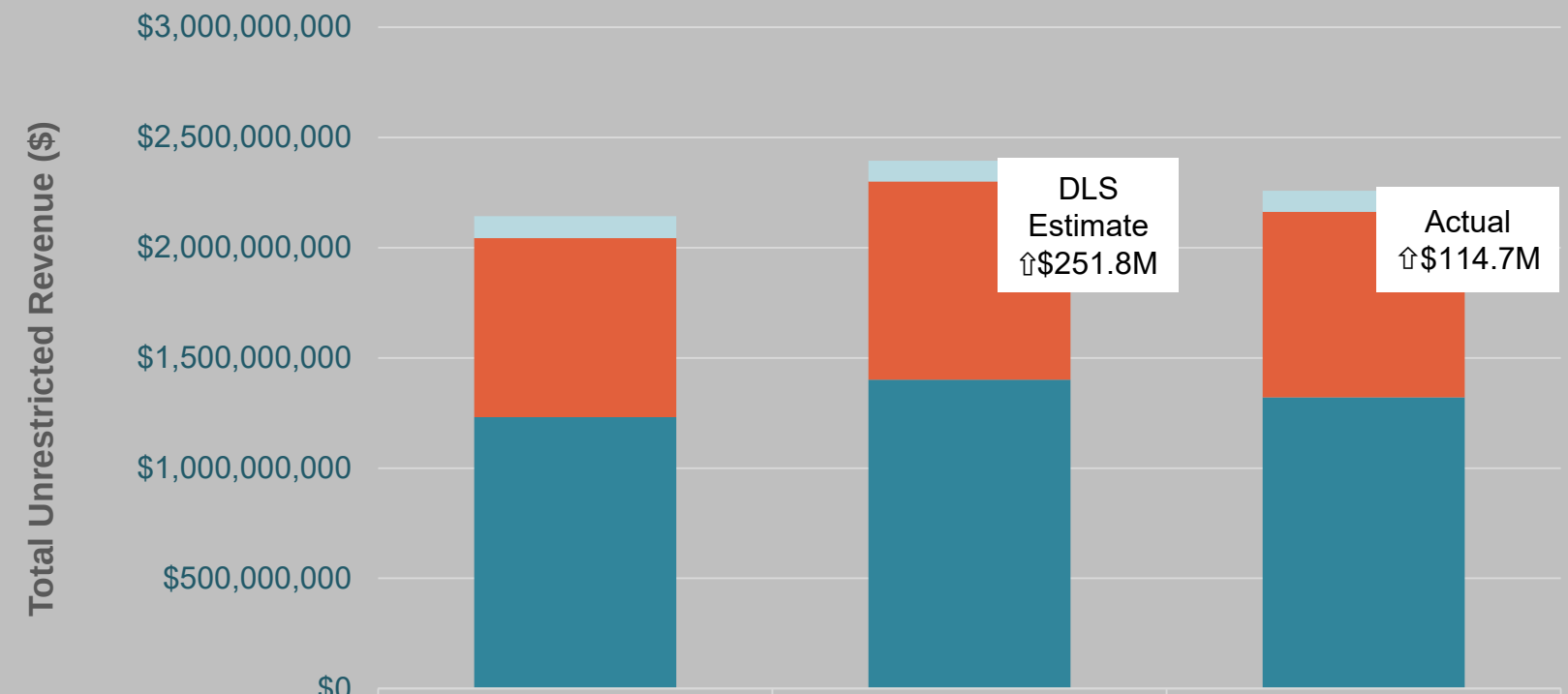
Funding Source	FY 2022 Approved	FY 2023 DLS Estimates	Change FY 2023 DLS Estimates – FY 2022 Approved
State Sources	$1,231,712,122	$1,401,705,652	$169,993,530
County Sources	$811,950,400	$899,100,000	$87,149,600
Federal Sources*	$98,140	$98,140	$0
Local Sources*	$15,821,836	$10,521,836	($5,300,000)
Use of Fund Balance*	$83,935,736	$83,935,736	$0
Total Revenue	**$2,143,518,234**	**$2,395,361,364**	**$251,843,130**

*DLS only estimated State and County Sources. Other amounts are based on PGCPS internal projections.

Official K-12 Student Enrollment Over Time



Unrestricted Operating Revenue



	FY 2022 Approved	FY 2023 DLS Estimates	FY 2023 Projection
Federal/Local/Use of FB	$99,855,712	$94,555,712	$94,555,712
County	$811,950,400	$899,100,000	$841,950,400
State	$1,231,712,122	$1,401,705,652	$1,321,702,882



FY 2023 Budget Deficit

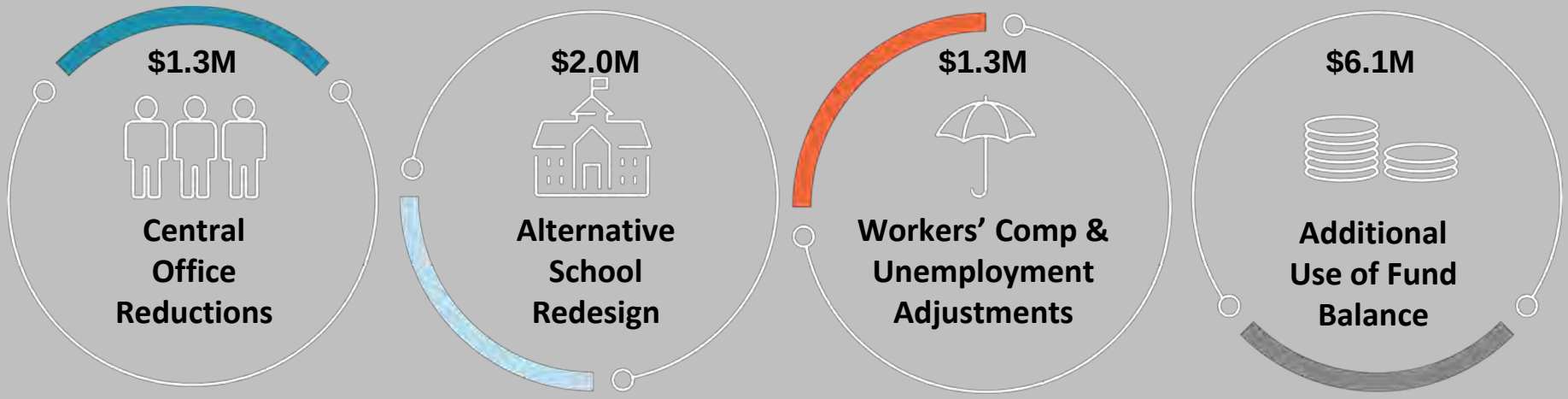
Expenditures, Revenues, Closing the Gap

Baseline Operating Expenditures

Expenditure Category	$ Amount
Expenditures, FY 2022 Board of Education Approved Budget	**$2,775,176,835**
Add: Employee Compensation and Benefits Increases	$69,134,078
Add: Lease Purchase Payment Timing Increase	$31,870,061
Add: Other Post Employment Benefits Timing Increase	$15,000,000
Add: Direct School Budget Increases	$6,633,068
Add: Academic Program Expansions	$5,710,304
Add: Organizational Improvements	$4,232,237
Add: Technology Maintenance and Upgrades	$914,718
Add: Mental Health and Case Management Services	$469,600
Add: Dual Enrollment Fees and Textbooks	$530,000
Less: End of Three Years of Longevity Differentials	($9,216,011)
Less: Restricted Program Decrease (Due to COVID Grant Usage)	($259,278,187)
Total Baseline Expenditures	**$2,641,176,703**

Closing the Budget Deficit

Budget Category	$ Amount
Baseline Expenditures	$2,641,176,703
Baseline Revenues	$2,630,589,409
Operating Budget Gap (Expenditures Less Revenues)	$10,587,294

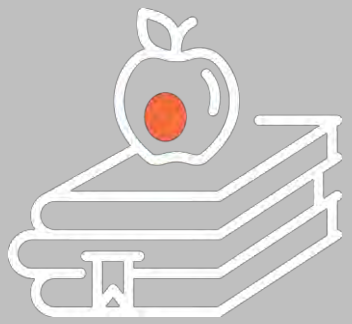




Critical Investments

Student and Staff Supports

Critical Investment:
Mitigating Interrupted Instruction



$131.8M

Why is it critical?

- The impact of the pandemic on the lives of students, families and staff is immeasurable.
- As we begin to recover from the pandemic, we must reimagine the possibilities and how we serve all students through an equity-centered learning recovery process in order to ensure that interrupted instruction does not become lost instruction.

Key Budget Points

- ESSER Grant Programs: $66.6 million
- Other Federal Grant Programs: $62.2 million
- General Operating Fund: $2.9 million

Critical Investment:
Mental Health Supports



$140.4M

Why is it critical?

- Already-prioritized mental health needs of our students and employees are heightened by the Pandemic.
- Last year, the district announced a systemic mental health services expansion to provide full-time contractual therapists to all schools by FY 2024 (SY 2023 – 2024).

Key Budget Points

Funding Source	FY 2021 # of Schools	FY 2022 # of Schools	FY 2023 # of Schools	FY 2024 # of Schools	FY 2025 # of Schools
Kirwan I - Concentration of Poverty	65	77	95	112	126
Maryland Center for School Safety	28	-	-	-	-
ESSER I Grants	-	28	-	-	-
ESSER III Grant	-	35	70	95	-
General Operating Fund	-	-	-	-	81
Schools with Full-Time Therapy Supports	93	140	165	207	207
Schools without Full-Time Therapy Supports	114	67	42	-	-

Critical Investment:
Substitute Teacher Pay



$2.0M

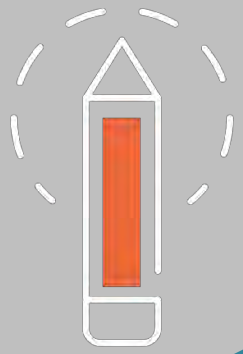
Why is it critical?

- Historically, recruiting experienced and credentialed substitutes has been difficult and the situation has been heightened by the Pandemic.
- We must ensure a sufficient pool of high-quality substitute teachers for all schools.

Key Budget Points

- $2.0 million has been added to the general fund to augment substitute teacher salaries.

Critical Investment:
Alternative Programs Redesign



($2.5M)

Why is it critical?

This redesign serves the following purposes:

- Change these schools to programs and enhance student connections to comprehensive schools.
- Revise programming to develop the social-emotional and academic needs of our students.

Key Budget Points

- This program will save $2.5 million in general funding annually.

Critical Investment:
School Facilities Maintenance



$1.4M

Why is it critical?

- School facilities must be properly cleaned and maintained to implement the ongoing COVID-19 safety protocols and ensure the health and safety of students, employees and visitors.

Key Budget Points

- Funding for 20.0 FTE additional cleaners, sanitation equipment and air quality contractual services to improve school cleanliness standards and building air quality.

Critical Investment:
Secondary School Funding



$5.0M

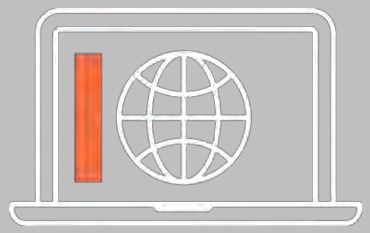
Why is it critical?

- Recent budgets have increased funding for elementary class size reduction.
- Additional funding for middle schools and high schools will allow principals to focus on smaller class sizes and additional course offerings.
- This year, a middle school and K-8 formula-based equity pilot program will explore alternatives to the Student-Based Budgeting (SBB) model.

Key Budget Points

- $2.5 million increase to the 6-8 grade SBB allocation.
- $2.5 million increase to the 9-12 grade SBB allocation.

Critical Investment:
Maintaining One-to-One Devices



$229.2M

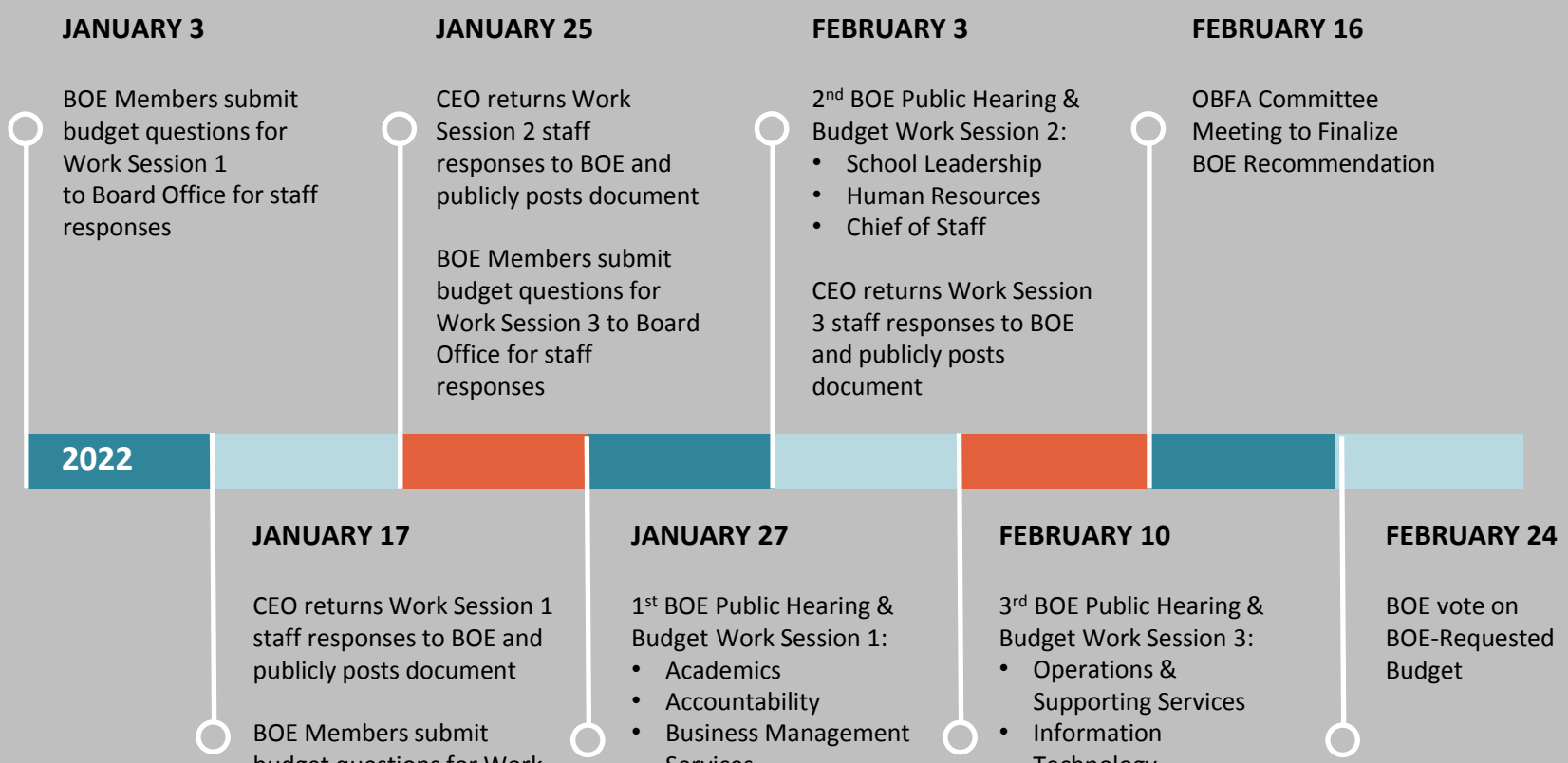
Why is it critical?

- To meet the challenges of distance learning, PGCPS accelerated its drive toward one-to-one student technology.
- Maintaining a one-to-one environment is critical to ensure continued access to digital learning capabilities for all students; however, ongoing replacement of equipment creates a long-term liability.
- Having an updated technology refresh plan ensures sustainability.

Key Budget Points

- The technology refresh plan sustainably balances purchases across a 15-year time frame.
- FY 2022 – 2024: $35.4 million for ~105 thousand devices planned through ESSER Grants.
- FY 2025 – 2036: $193.8 million for ~460 thousand devices planned through general operating funds (lease-purchase).

Operating Budget Next Steps



Note: Public Hearing/Work Session dates and locations are currently proposed by the OBFA Committee for Board of Education approval on December 9, 2021. Dates and locations are subject to change based on final Board discussions.


TAKE ACTION