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**BALTIMORE CITY COUNCIL
WAYS AND MEANS
COMMITTEE**

Mission Statement

The Committee on Ways and Means (WM) is responsible for ensuring taxpayer dollars are expended prudently and equitably. WM will exercise regular oversight of the City's budget, expenditures, loans, and other financial matters. The committee's areas of jurisdiction include: budget & appropriations, taxation, financial services, consumer protection, audits, and the Comptroller's Office.

**The Honorable Eric T. Costello
Chairman**

PUBLIC HEARING

**TUESDAY, OCTOBER 26, 2021
10:00 AM**

VIRTUAL WEBEX MEETING

Legislative Oversight #LO 21-0003

**Budget Briefing – Baltimore City Public Schools -(BCPS) – Fiscal Year
2021 Closeout**

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LEGISLATIVE OVERSIGHT

Committee: Ways and Means

Legislative Oversight # LO 21-0003

Budget Briefing – Baltimore City Public Schools **CLOSEOUT – FISCAL YEAR 2021**

Purpose:

For the purpose of calling on regular budget oversight hearings for Baltimore City Public Schools to improve transparency and accountability in the allocation of over a billion dollars in public funding for the vital task of educating Baltimore’s children.

Agencies/Organizations Reporting

Baltimore City Public Schools (BCPS)	•PowerPoint Presentation to be shown
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Current Law

Baltimore City Code – Article 1, Subtitle 1-City Council, Sections 1-5 and 1-6

§ 1-5. Agencies to provide budget status reports.

(a) Reports required.

On or before November 1, February 1, May 1, and August 1 each year, the City agencies so requested shall file quarterly budget status reports with the Budget and Appropriations Committee of the City Council.

(b) Contents.

Each report shall contain the information required by the Committee and be in the format requested.

(c) Public hearing.

The Committee may hold a public hearing for those agencies not reporting or those showing a projected deficit for the fiscal year.

(d) “City agency” defined

The words “City agencies” include the City trustees and all City sponsored and financed nonprofit corporations. (City Code, 1976/83, art. 1, §5.) (Ord. 72-211; Ord. 77-333; Ord. 81-568; Ord. 82-753.)

§ 1-6. Agencies to provide legislative information.

It shall be the duty of the head of every City department or bureau established by the Baltimore City Charter or by ordinance to provide all technical materials, plans, drawings, and information that are requested by any member or the President of the City Council for the purpose of introducing legislation into the Council.

(City Code, 1976/83, art. 1, §6.) (Ord. 76-080.)

Background

On October 15, 2020 representatives from the Baltimore City Public School System gave a PowerPoint Presentation to discuss Fiscal Year 2020 Closeout which ended June 30, 2020. *A copy of the Presentation for Fiscal Year 2020 Closeout is attached.* Some highlighted topics from the Presentation and/or testimony were:

- Discussed fiscal year 2020 closeout
- Talked about some of the major investments
- Talked about the installation of air filters in schools
- Gave an update on “virtual learning”
- Discussed:
 - a. CARES Act Reimbursements
 - b. FEMA Reimbursements
 - c. Last Quarter was a COVID environment (COVID Heavy)
 - d. PPE equipment/distribution
 - e. Importance of keeping the children and buildings safe
 - f. Implementation of hiring freeze
 - g. Transportation
 - No more transportation used to transport students since the COVID lockdown
 - Re-negotiated the transportation contracts
- Comments:
 - a. For the third (3rd) time in six (6) years the teacher of the year is from Baltimore city; to include this year. It is an honor!
 - b. Fiscal Year 2022 will be an extraordinary challenge; it is right around the corner!
 - c. Concerned about Kirwan funding
- Audits:
 - a. For eleven (11) years the BCPSS external audits (financial statements) have been clean!

On October 26, 2021 representatives from the Baltimore City Public School System will give a PowerPoint Presentation to discuss Fiscal Year 2021 Closeout which ended June 30, 2021.

And representatives from BCPS is also scheduled to come before the committee on Tuesday, November 9, 2021 to discuss their first quarter projection for Fiscal Year 2022, for the period July 1, 2021 through September 30, 2021.

Note: *No vote will be taken; this legislative oversight will remain open for the entire legislative term; on-going quarterly meetings.*

Additional Information

Fiscal Note: None

Information Source(s): Baltimore City Code and hearing notes from the budget briefing held on October 15, 2020.

Marguerite M. Currin

Committee Staff: Marguerite M. Currin
Direct Inquiries to: (443) 984-3485

Date: October 21, 2021

PowerPoint Presentation

Shown at

the

October 15, 2020

Budget Briefing

See Attached



BALTIMORE CITY

PUBLIC SCHOOLS

Financial Update
FY20 Financial Summary Closeout
Presentation to the Baltimore City Council
October 15, 2020

Dr. Sonja Brookins Santelises
Chief Executive Officer, Baltimore City Public Schools






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Introduction

In early August, we estimated initial additional COVID costs of approximately \$131 million

Federal, State and local additional revenues available for these costs total approximately \$77 million; after repurposing FY20 and FY21 funds wherever possible, and estimating an application of \$16 million from FY20 close-out funds, a remaining FY21 gap of approximately \$21 million was estimated.

The approved FY21 Budget contained no COVID-related costs



Introduction, Continued

After closing FY20, City Schools was able to apply \$26 million toward COVID costs, bringing the remaining estimated gap down to approximately \$11 million

There are certain items and conditions that City Schools must have in place to ensure safe and successful schools for our children. These items include, but are not limited to:

- Clean, safe buildings for children and staff
- Ample supplies of PPE
- On-going connectivity, devices and support to address the digital divide

Newly Pledged Amounts, Not in Original FY21 Budget:

- \$9MM – Building Safety, Enhancements, Increased Cleaning
- \$8MM – PPE, Barriers, Safety Signage & Reminders
- \$9MM – Connectivity, Technology & Support



Closing the Gap

From the beginning (March, FY20) we have endeavored to save funds wherever possible

- Spending freeze
- Hiring freeze
- Reduced 3rd party contractor costs
- Re-negotiated transportation contracts

In FY21, we have continued to take multiple, prudent and proactive steps to adapt to our new reality and ensure financial stability and viability for FY21 and beyond

Examples of some recent actions:

- projected savings in Temps Category
- projected savings by repurposing grant funds to other allowable uses
- projected savings from hiring freeze



Preparing for the Future and Closing the Next Gap(s)

We are meeting the most immediate challenges

FY22 is shaping up to be very challenging for multiple, compounding reasons

As we completed the FY20 close out process, we took into consideration all of these longer-term needs of the system and the flexibility required to meet the needs of our students, staff, and community in FY21 and beyond

FY 2020 General Fund Revenue by Sources
as of June 30, 2020
(Expressed in Thousands)

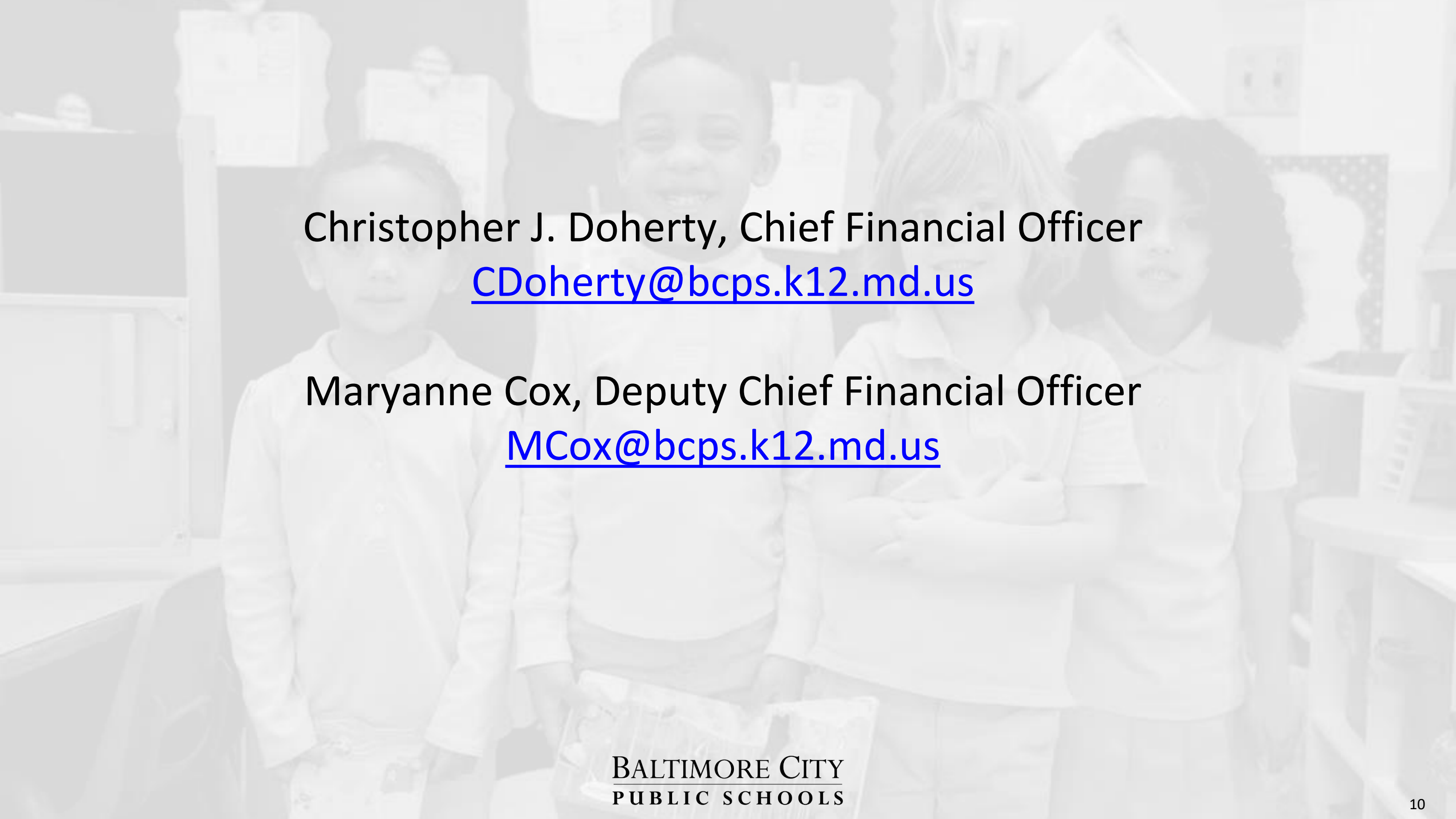
Source	Funding Budget	Actual Amount	Balance
State of Maryland	858,646	857,206	(1,440)
City of Baltimore	280,520	280,520	-
Federal Sources	5,400	2,850	(2,550)
Local Sources			
Interest earnings	250	7,092	6,842
Other Revenue	8,433	10,933	2,500
Other Financing Sources (Including Fund Balance Transfer)	22,000	22,000	-
Total Revenues & Other Financing Sources	1,175,249	1,180,601	5,352

FY 2020 General Fund Expenditures by Object
 Budgetary Basis including Debt Services
 as of June 30, 2020
 (Expressed in Thousands)

Source	FY2020 Budget	Actual Amount	Balance
Salaries and Wages	611,315	590,420	20,895
Fringe Benefits	231,241	214,178	17,063
Contractual Services	182,268	166,314	15,954
Material and Supplies	32,388	24,078	8,310
Utilities and Other Charges	65,537	55,795	9,742
Equipment	4,350	4,236	114
Debt Services	21,816	21,816	-
Transfers	26,333	24,526	1,806
Contingency Reserve	-	-	-
Total Expenditures	1,175,248	1,101,363	73,886

FY 2020 Summary of General Fund Revenues, Expenditures, and Uses (Expressed in Thousands)

	Description	Funding Budget	Actual Amount	Balance
Total Revenues		1,175,249	1,180,601	
Total Expenses		1,175,249	1,101,363	
Other Financing Sources FY 2021	Previously Board-approved amount of OFS for FY21		15,300	
Additional Encumbrances	Outstanding FY20 Purchase orders		4,596	
FY20 Food Services Losses			11,189	
Operating Results				48,153
Reserve for:				
Building Preparation, Cleaning, Safety, Enhancements	COVID health and safety items to support return to in-person learning		9,000	
PPE, Barriers, Signage	COVID health and safety items to support return to in-person learning ⁹		8,000	
Technology, Connectivity Support	COVID investments to ensure students and staff have necessary resources to learn		9,000	
Food Services	Supporting meal service during COVID response in FY21		19,500	
ERP System Increase	Increasing critical staffing support during the transition for district-wide systems		2,653	-
				48,153



Christopher J. Doherty, Chief Financial Officer

CDoherty@bcps.k12.md.us

Maryanne Cox, Deputy Chief Financial Officer

MCox@bcps.k12.md.us

BALTIMORE CITY

PUBLIC SCHOOLS

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