

BALTIMORE CITY
PUBLIC SCHOOLS

2023-24 Proposed Budget

Baltimore City Council
June 1, 2023



Looking Back – Why Kirwan Matters

In 2018, due to systemic underfunding, City Schools faced a \$130M budget gap.

With advocacy from the entire community, the three-year “Bridge to Kirwan” commitment from the City and State provided approximately \$60M per year in funds and services for FY18 through FY20.



INVESTING IN OUR FUTURE

A World-Class Education System
for Baltimore City Students

**BALTIMORE CITY
PUBLIC SCHOOLS**

JANUARY 2019

Adequacy Gap

In a Fiscal 2017 Adequacy Analysis, the State's Department of Legislative Services concluded an additional

\$342 MILLION

would be required annually to achieve adequacy within Baltimore City Schools.



Education Policy Experts Supported the State Findings of Inadequate Funding

Education Trust: Maryland districts with the most students of color are shortchanged the most. Nearly half of Maryland's Black or Latino students attend schools in one of the three most underfunded districts in the state.

Hechinger Report: Maryland is one of six states where the wealthiest 25 percent of school districts receive more money than the poorest.

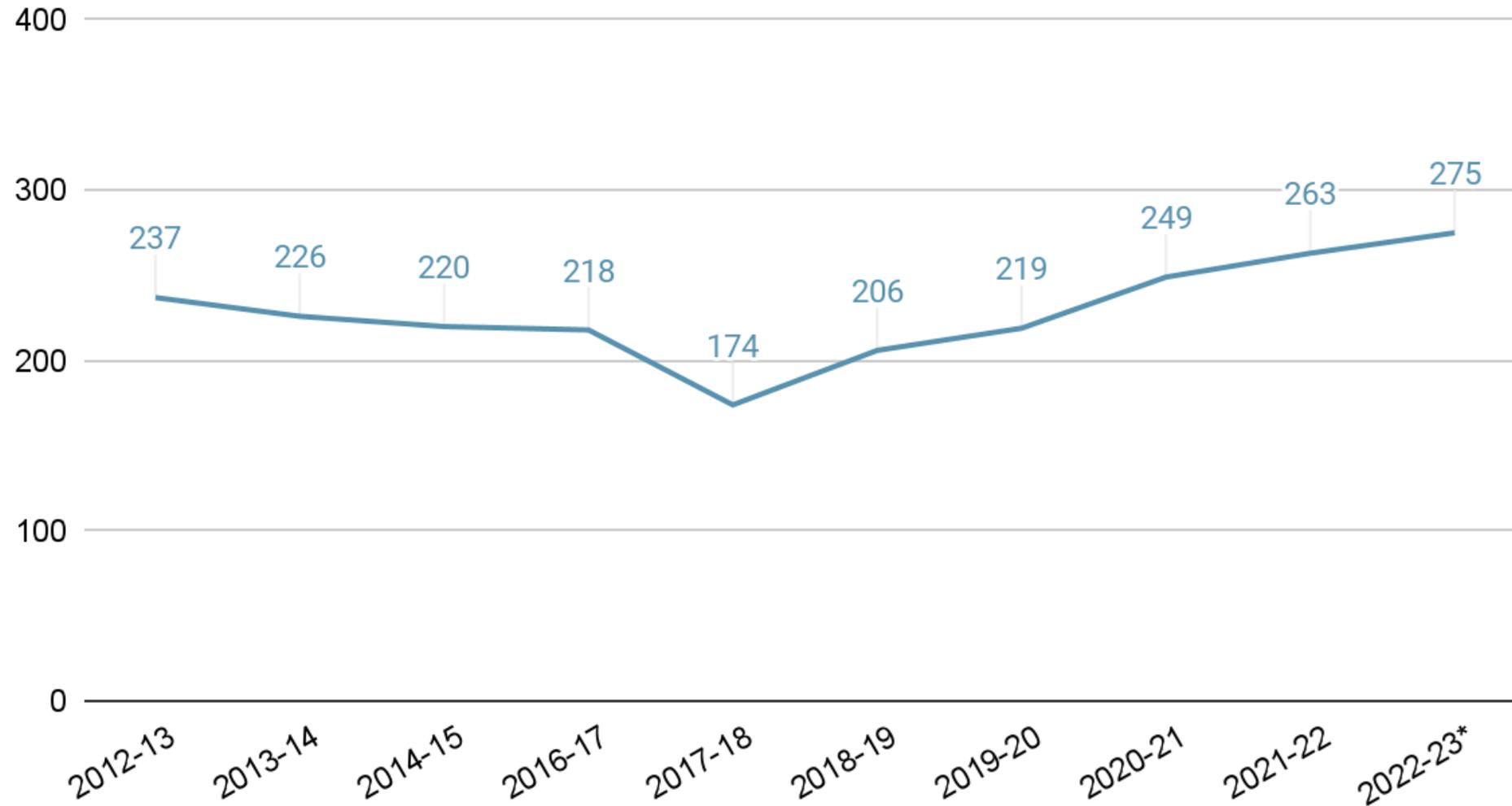
Education Law Center: Maryland's funding system is among the most regressive nationwide for its failure to provide additional funding to school districts with higher concentrations of low-income students.

Urban Institute: Maryland ranks among the worst nationally (42 out of 50) for providing higher amounts of funding to non-poor students, with fewer dollars being allocated to low-income students.

Maryland Center on Economic Policy: More than half of black students in Maryland attend substantially underfunded schools. Specifically, 53% of black students attend chronically underfunded schools, compared to just 8% of white students in Maryland.

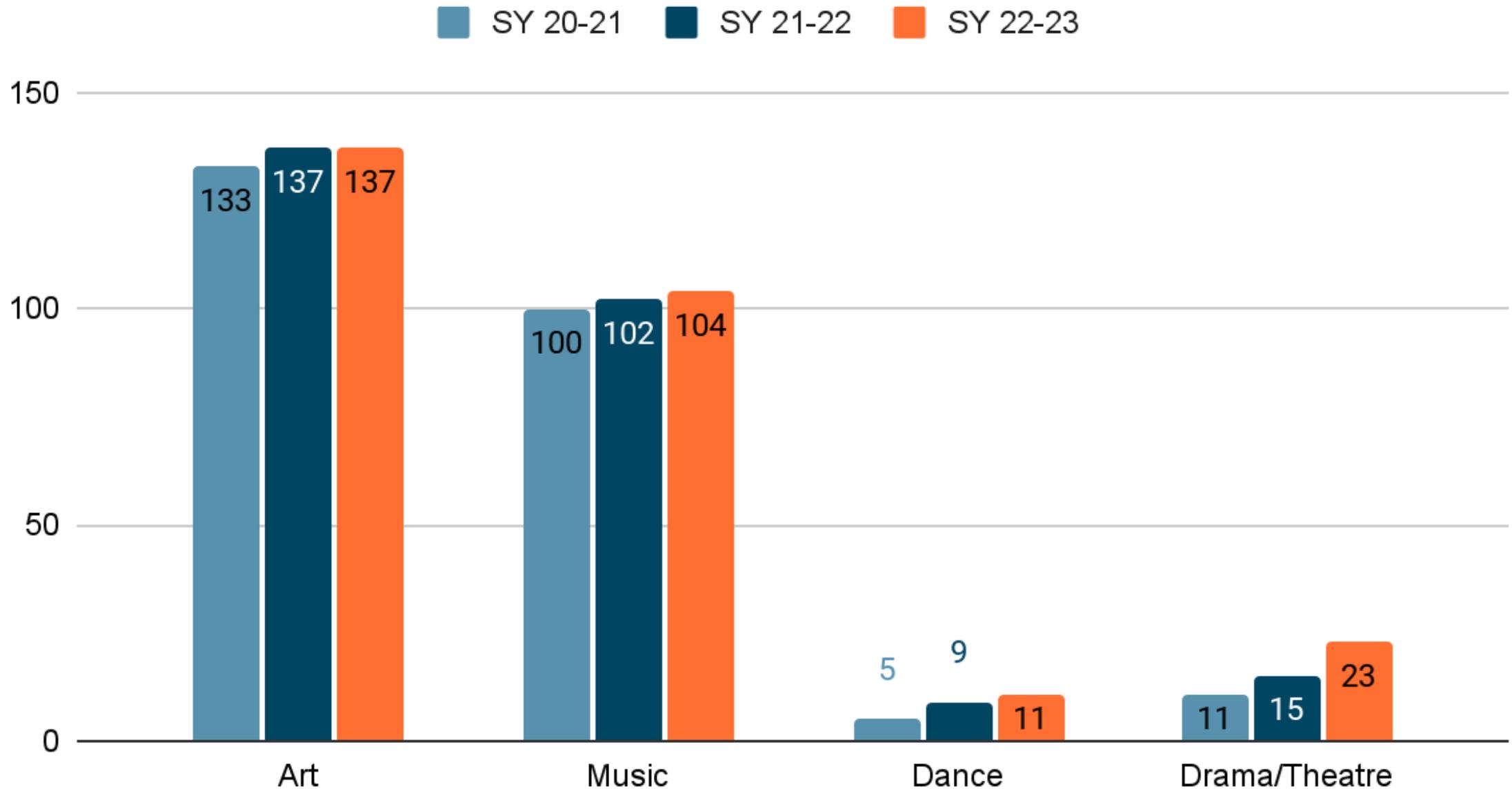
Funding – Direct Impact Example

Total # Certified Fine Arts Teachers



* 2022-23 as of 11/7/22

Funding – Direct Impact Example





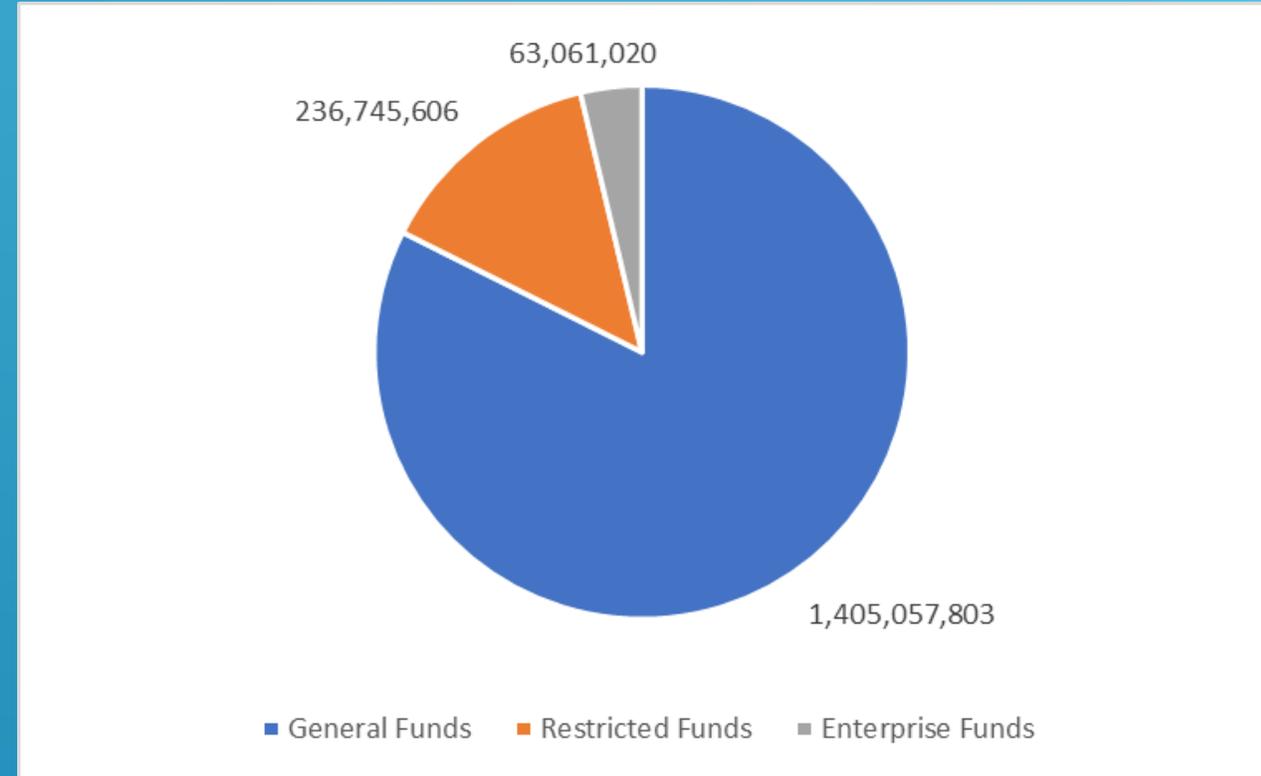
FY24 Revenue by Type

The district's total revenue of \$1.7 billion is broken into three main types:

- **General Funds** are where the majority of the district's funds sit.
- **Restricted Funds** come with greater restrictions on spending and reporting, such as Title I.
- **Enterprise Funds** are federally reimbursed funds specifically for food services.

In addition to these FY24 revenue sources, there are restricted funding sources that were received in prior years that can still be used during FY24.

Some restricted funds have a spending window that spans multiple fiscal years. One example is ESSER III (ARP), which can be obligated up to 9/30/24.





Kirwan Funding Categories for FY24

Kirwan funding categories include both State and City funds. These funds are a combination of general and grant fund types. All funding amounts are based on updated April 12, 2023 State Aid Tables.

Revenue Stream	FY23	FY24	Difference
Foundation Program	\$605,163,950	\$617,990,111	\$12,826,161
Compensatory Education	\$466,360,763	\$464,380,959	(\$1,979,804)
Concentration of Poverty	\$82,429,273	\$100,203,019	\$17,773,746
Special Education	\$83,369,755	\$90,053,026	\$6,683,271
English Learners	\$67,535,370	\$76,861,948	\$9,326,578
Prekindergarten	\$26,822,692	\$32,973,336	\$6,150,644
Transportation	\$22,496,338	\$24,074,965	\$1,578,627

Revenue Stream	FY23	FY24	Difference
Comparable Wage Index*	\$23,399,130	\$19,985,800	(\$3,413,330)
Blueprint Transition Grant Program	\$18,669,201	\$18,669,201	\$0
Transitional Supplemental Instruction	\$12,978,140	\$13,115,840	\$137,700
Guaranteed Tax Base Program	\$10,000,000	\$10,000,000	\$0
CCR Program	\$899,640	\$951,426	\$51,786
Career Ladder (NBC Teacher Salary)	\$585,000	\$529,000	(\$56,000)
Hold Harmless	\$0	\$30,402,741	\$30,402,741

Revenue Stream	FY23	FY24	Difference
Total	\$1,420,709,252	\$1,500,191,372	\$79,482,120

**Comparable Wage Index is a new stream for FY24, it replaces the Regional Cost Index stream from FY23*

- Kirwan Funding accounts for \$1.5B of the total \$1.7B FY24 Revenue*
- Of the \$1.5B in Kirwan Revenue, \$1.36B is General Funds and \$113M is Restricted Grants*

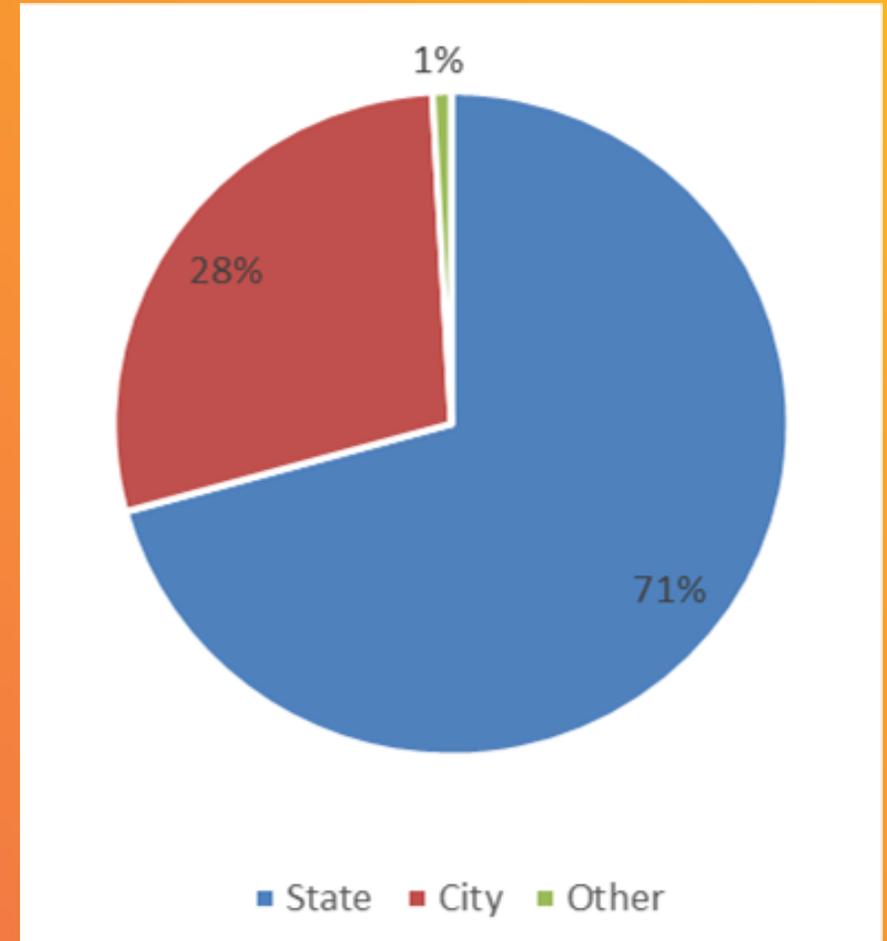


FY24 Revenue by Source

The district's General Fund revenue increased from \$1.36 billion in FY23 to \$1.405 billion in FY24 and this comes from three main sources:

- State of Maryland - \$998 million
- City of Baltimore - \$388 million (+ \$4 million TSI = \$392 million)
- Other sources* - \$18 million

**Includes federal sources such as E-rate reimbursements, investment earnings and fund balance contribution*





Special Education and Pre-K overages

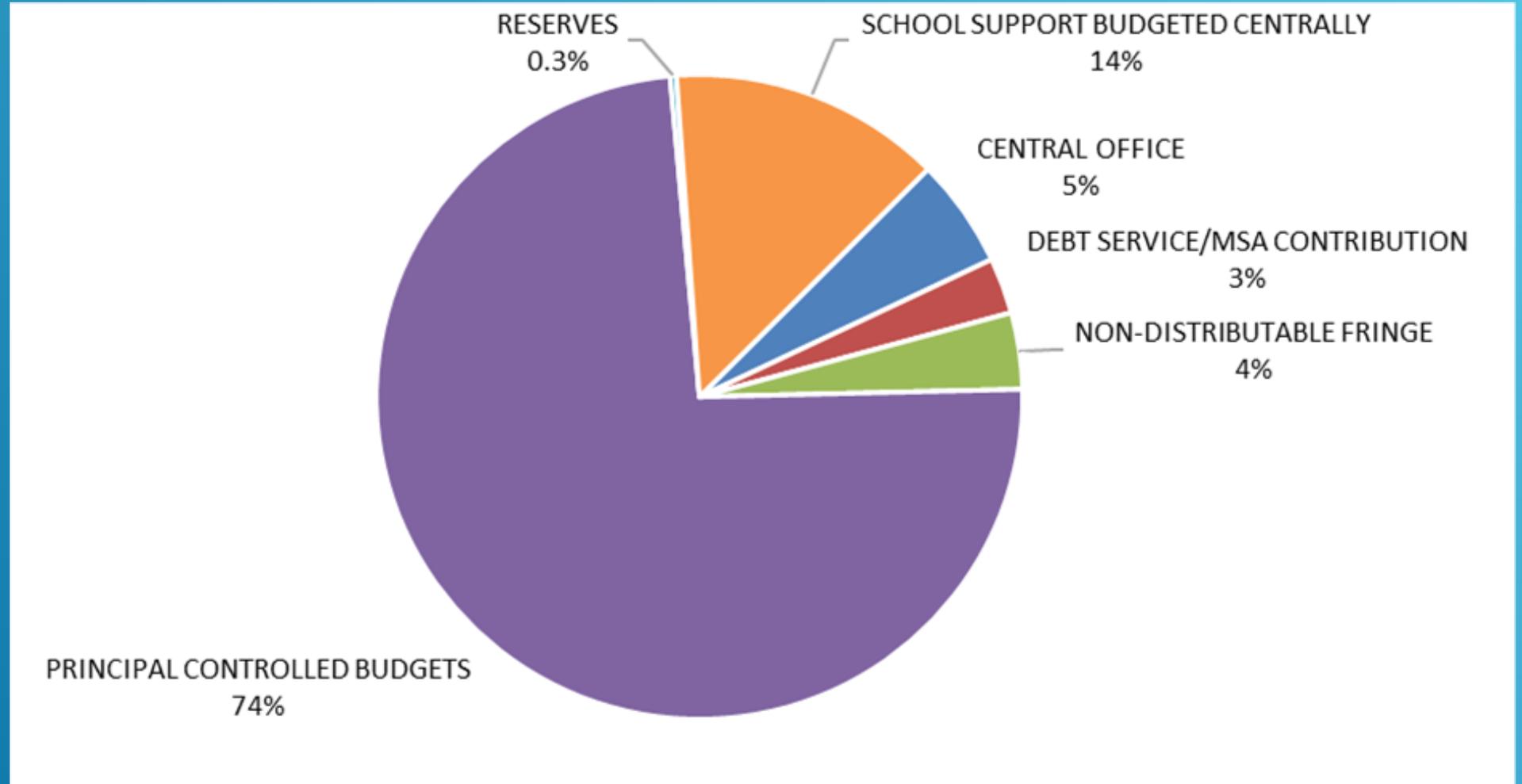
	Special Education	PreK
Total District Costs	\$300,000,000	\$50,000,000
Total Revenue	\$114,000,000	\$33,000,000
Difference (i.e. Overages)	\$186,000,000	\$17,000,000

- The phased-in funding for Special Education and Pre-k in the Blueprint Act tacitly acknowledges that these critical areas are underfunded in the early years of implementation.
- Per pupil Special Education funding will ultimately reach \$18,000 per pupil, more than double the FY24 allocation of \$7,950.
- Similarly, per pupil Pre-k funding will increase from \$11,594 per pupil in FY24 to \$19,526 in FY33.



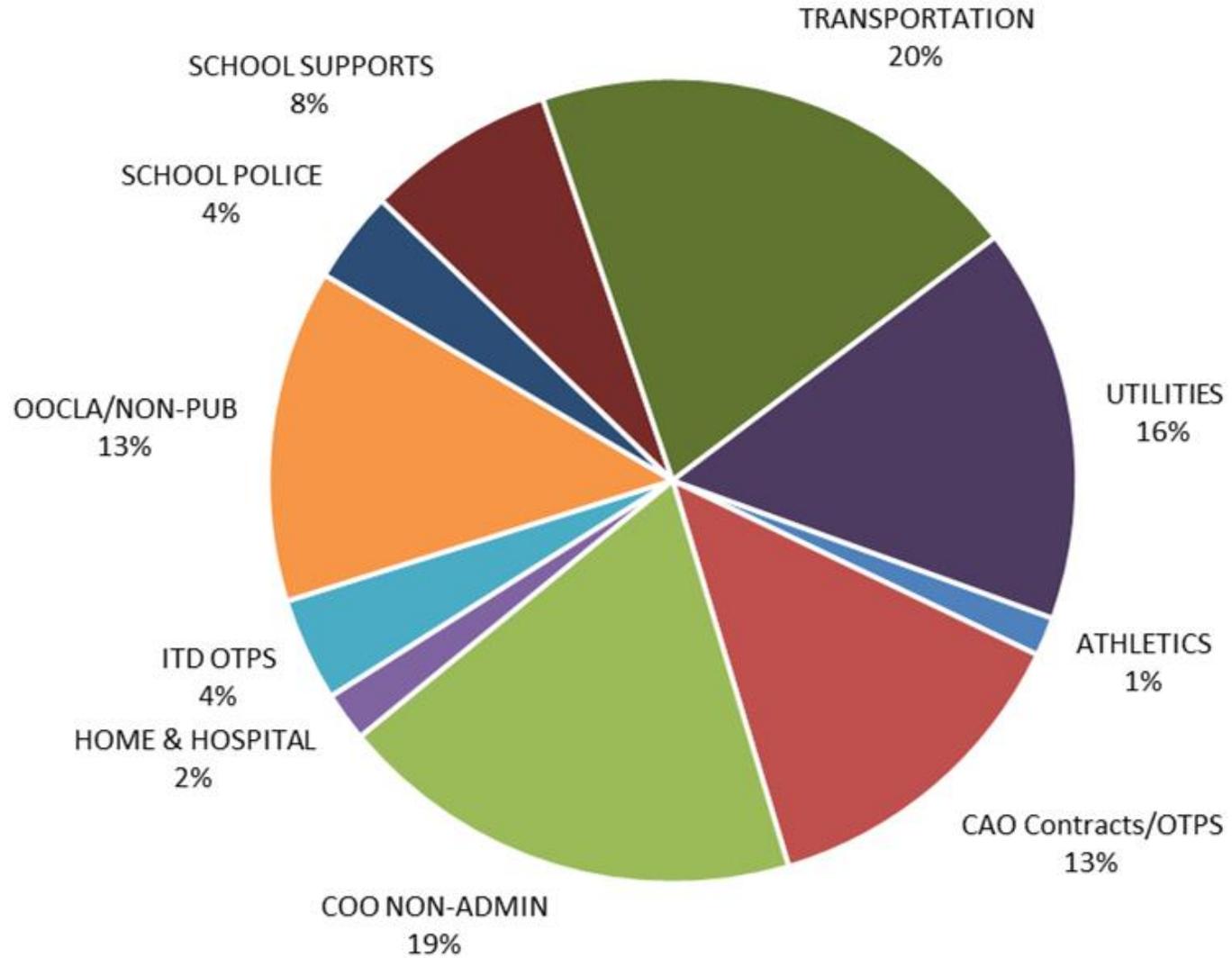
FY24 General Fund Distribution

Approximately **88%** of funds go to schools or are budgeted centrally to support schools.





Centrally Budgeted School Support



ESSER Funds

As of March 27, more than half of the ESSER funds granted to the district have been spent or encumbered.

That leaves a total of \$388,186,827.92 to be obligated by September 30, 2024.



ESSER - CARES

- As of March 27, 100% of this grant has been spent or encumbered.
- The total amount of this grant was \$48,392,781.
- This grant was used for areas such as virtual and in person learning supports.



ESSER II - CRRSA

- As of March 27, 94% of this grant has been spent or encumbered.
- The total amount of this grant was \$197,474,401.
- This grant was used or will be used for areas such as educational recovery and COVID supports.



ESSER III - ARP

- As of March 27, 22% of this grant has been spent or encumbered.
- The total amount of this grant was \$443,818,195.
- This grant was used or will be used for areas such as expanded enrichment, academic opportunities, and professional development.

Academics:

- Programs & Supports in Literacy and Mathematics
- Curriculum & Instruction
- Secondary Success and Innovation

Leadership:

- Coaching & Professional Learning
- Recruitment & Retention

Wholeness:

- Mental Health & Student Support Services
- Athletics & Enrichment

Infrastructure:

- Improved Services, Infrastructure & Facilities

FY24 Investment Highlights



Examples of Investments: Academics



High-Dosage Tutoring: For the 2023-24 school year, City Schools will continue its investment in high-dosage tutoring which offers tailored, small-group interventions to help students catch up in math and literacy.

This investment is \$25 million.



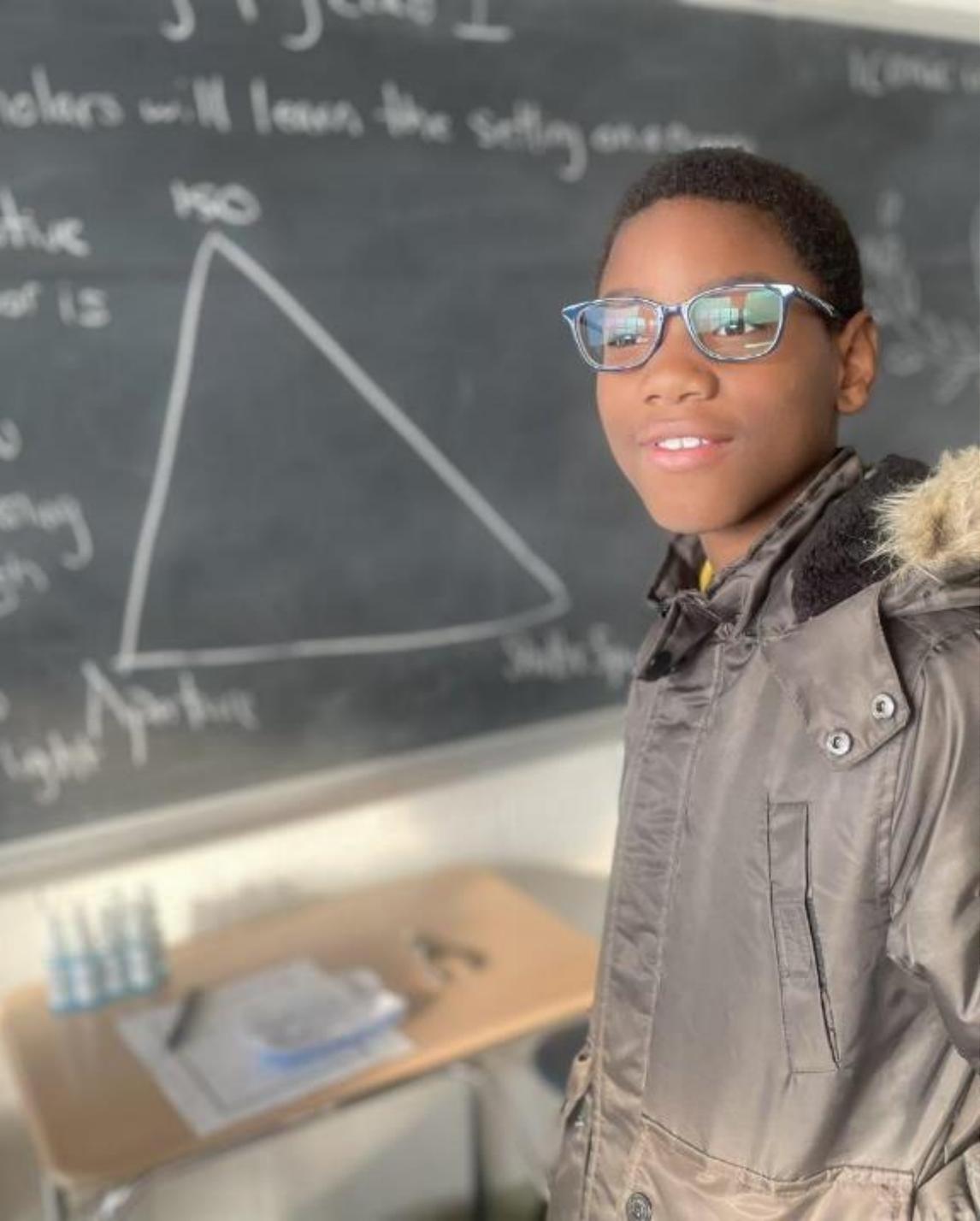
Personalized Learning: For the 2023-2024 school year, City Schools continues its investment in personalized learning in literacy and math for students through high-quality online platforms.

This investment is \$6.6 million.



Summer and Extended Learning: For the 2023-24 school year, City Schools continues its investments in summer and extended learning opportunities for students.

This investment is \$45 million.



Examples of Investments: Academics



Pre-K Curriculum: In alignment with Kirwan Pillar 1, City Schools is investing in a new Pre-K curriculum to support our youngest scholars in school year 2024-25.

This investment is \$1.5 million.



Fine Arts: For the 2023-24 school year, all traditional schools that receive Concentration of Poverty funds were instructed to budget \$100 per student to support fine arts programming, if they had sufficient funding available after meeting their requirements.

This investment is \$1.9 million.



Examples of Investments: Academics



Secondary Success and Innovation: For the 2023-24 school year, every high school has budgeted for a coordinator to support ninth-grade students and ensure they remain on track to graduate from the start.

This investment is \$3.7 million.



Career Readiness: For the 2023-24 school year, City Schools will invest in state-of-the-art learning environments for HVAC and nursing career and technology programs.

This investment is \$1.6 million.



Post-Secondary Success: For the 2023-24 school year, every high school has budgeted for a staff specialist to support post-secondary advising

This investment is \$3.3 million.



Examples of Investments: Leadership



Literacy and Math Coaching: For the 2023-24 school year, every school has budgeted for a literacy coach and some schools have budgeted for math coaches.

This investment is \$10.1 million.



Professional Development: For the 2023-24 school year, City Schools is investing heavily in new teacher induction, systemic professional development, and leadership focused on academics and wholeness.

This investment is \$5.4 million.



Recruitment and Retention: For the 2023-24 school year, City Schools will hire additional staff members to support processing teacher certifications, resulting in faster service.

This investment is \$181,000.



Examples of Investments: Wholeness



Mental Health: For the 2023-24 school year, City Schools will have a centrally-funded crisis management team that will support schools with mental health services in times of crisis.

This investment is \$345,000.



Mental Health: For the 2023-24 school year, City Schools will continue its investment in Expanded School Behavioral Health Program.

This investment is up to \$7,000,000.



Mental Health: For the 2023-24 school year, City Schools will continue its focus on morning meetings and advisory periods as a proactive measure to support students' social and emotional wellbeing.

This investment is \$584,000.





Examples of Investments: Wholeness



Student Support: For the 2023-24 school year, City Schools is hiring a manager to centrally support students re-entering school from juvenile services.

This investment is \$110,000.



Student Support: For the 2023-24 school year, City Schools will provide centrally-funded home visits for families with additional needs.

This investment is 375,000.



Student Support: For the 2023-24 school year, City Schools will continue its commitment to supporting homeless students by providing uniforms, summer programming, and more.

This investment is \$2.4 million.



Examples of Investments: Wholeness



Athletics: For the 2023-24 school year, City Schools will begin to hire athletic trainers to ensure the health and safety of student-athletes.

This investment is \$643,000.



Athletics: For the 2023-24 school year, all traditional schools that receive Concentration of Poverty funds were instructed to budget \$50 per student to support athletics programming, including middle schools, if they had funding available after meeting all of their requirements.

This investment is up to \$2 million.



Enrichment: For the 2023-24 school year, all traditional schools that receive Concentration of Poverty funds have been asked to budget at least \$100 per student to support enrichment and extracurricular programming if they have funding available after meeting their requirements.

This investment is \$800,000.



Examples of Investments: Wholeness



Facilities: For the 2023-24 school year, City Schools will upgrade health suites at some schools.

This investment is \$6.8 million.



Facilities: For the 2023-24 school year, City Schools will continue to change air filters at an increased rate.

This investment is \$3.9 million.



Facilities: For the 2023-24 school year, City Schools has added positions to support a range of facilities improvements, including an additional 54 maintenance workers.

This investment is \$6.7 million.



Examples of Investments: Infrastructure



Enrollment: For the 2023-24 school year, City Schools will maintain its investment in an updated enrollment system to streamline first-time enrollment and middle and high school choice.

This investment is \$350,000.



Improved Services: For the 2023-24 school year, City Schools will improve its digital security, technology infrastructure, and expand Wi Fi access points.

This investment is \$4 million.

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APPENDIX

Air Conditioning Update

The status of City Schools' 13 remaining AC construction projects is as follows:

1 school will be complete Fall 2023

- The Mount Washington School (new pre-fabricated building)

1 school will be complete Winter 2023

- Cross Country Elementary/Middle School

2 schools currently scheduled to close at the end of SY22-23

- Eutaw Marshburn Elementary School
- New Era Academy

5 schools will be in construction throughout the 2023 (and into the 2024) school year

- Curtis Bay Elementary School
- Franklin Square Elementary/Middle School
- Harlem Park Elementary/Middle School
- Benjamin Franklin High School
- National Academy Foundation

4 schools' completion is pending the new construction or total renovation project slated at their school, through the CIP, 21st Century, and Built to Learn Act

- Baltimore City College
- City Springs Elementary/Middle School
- Furley Elementary School
- Vanguard Collegiate Middle School

City Schools has reduced the number of schools without air conditioning from 75 in 2017 to 13 as of today.



DLS Updated Projections – Post Kirwan Passage

- Upon passage of HB1300 in 2020, DLS issued updated fiscal projections in response to the enrolled bill.
- DLS clearly projected Baltimore City would be required to invest an additional \$86.1M in City Schools in FY24.
- The City of Baltimore is investing an additional \$79M in FY24 over FY23.

**Estimated Increase in Direct Local Appropriations to Public Schools
Assumes the Required Local Share Total May Not Cover Retirement
HB 1300 - Enrolled
(\$ in Millions)**

County	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>
Baltimore City	54.0	63.0	86.1	87.9	100.0	113.3	127.7	144.1	161.5

Additional Updated DLS Projections

- In January 2022, DLS issued “Local Fiscal Impact of Implementing the Blueprint for Maryland’s Future”.
- The document projects Baltimore City’s local appropriation to City Schools in FY24 at \$373.5M – a \$19M departure from this year’s \$392M allocation.



Local Fiscal Impact of
Implementing the Blueprint
for Maryland’s Future

Annapolis, Maryland
January 2022

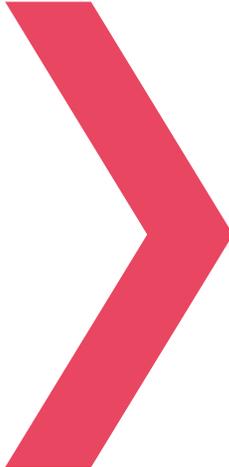
Exhibit 2.2
Blueprint Projections – Local Appropriations to Boards of Education under Chapters 36 and 55
(\$ in Millions)

County	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
Baltimore City	359.8	373.5	380.8	402.3	418.9	436.9	457.2	481.1	496.9	514.5	538.0	542.5

FY24 Education as Percentage of Local Budget (as proposed)

	Board of Education Allocation	FY24 Proposed General Fund Operating Budget	Percentage
FREDERICK	404,900,000	893,700,000	45.3%
WORCESTER	105,151,226	241,756,064	43.5%
CHARLES	218,767,000	527,362,100	41.5%
CARROLL	225,930,000	546,714,870	41.3%
ANNE ARUNDEL	879,741,000	2,137,334,300	41.2%
TALBOT	50,900,000	128,849,000	39.5%
BALTIMORE	1,043,779,369	2,710,508,515	38.5%
CECIL	88,501,618	232,038,432	38.1%
QUEEN ANNE'S	66,007,776	183,565,554	36.0%
CALVERT	147,564,295	433,071,029	34.1%
HOWARD	721,187,000	2,161,813,842	33.4%
HARFORD	304,852,402	955,002,000	31.9%
WASHINGTON	109,070,360	342,365,950	31.9%
KENT*	18,559,629	58,932,626	31.5%
DORCHESTER	24,010,484	77,412,227	31.0%
ALLEGANY	34,204,700	111,927,728	30.6%
MONTGOMERY	2,062,400,000	6,832,777,338	30.2%
GARRETT	28,817,097	100,239,615	28.7%
WICOMICO	50,448,718	193,643,305	26.1%
ST. MARY'S	149,098,465	631,584,713	23.6%
CAROLINE	14,734,903	65,457,899	22.5%
SOMERSET*	10,490,432	47,137,498	22.3%
PRINCE GEORGE'S	935,400,000	4,506,573,800	20.8%
BALTIMORE CITY	392,500,000	2,217,841,727	17.7%

Even with Baltimore City's increased investment to City Schools due to Kirwan, the City remains behind its counterparts when it comes to support for public education as percentage of the local budget.



Maryland's six poorest counties are represented in red.

* Reflects FY23 budget. 29

State Education Funding – FY23 Operating Budget

**Exhibit L-1
State Aid for Education
Fiscal 2022-2023
(\$ in Thousands)**

<u>Program</u>	<u>2022</u>	<u>2023</u>	<u>\$ Change</u>	<u>% Change</u>
Foundation Program	\$3,170,727	3,659,453	\$488,726	15.4%
NTI and TIF Grants	48,295	0	-48,295	-100.0%
Geographic Cost of Education Index	147,692	157,910	10,218	6.9%
Supplemental/Blueprint Transition	46,620	57,688	11,068	23.7%
Hold Harmless Grants	209,384	0	-209,384	-100.0%
Compensatory Education Program	1,286,665	1,295,202	8,537	0.7%
Blueprint Concentration of Poverty	116,913	190,286	73,374	62.8%
Special Education Formula	311,093	401,310	90,217	29.0%
Nonpublic Special Education	127,499	141,413	13,914	10.9%
English Language Learners	334,287	422,465	88,178	26.4%
Guaranteed Tax Base	49,864	45,784	-4,080	-8.2%
Education Effort Index Adjustment	0	125,673	125,673	n/a
Student Transportation	288,056	335,965	47,909	16.6%
Prekindergarten Expansion Grants	26,644	26,644	0	0.0%
Blueprint Prekindergarten Grants	108,417	144,063	35,647	32.9%
School Safety Grants	20,600	20,600	0	0.0%
Blueprint COVID-19 Relief	211,576	0	-211,576	-100.0%
Other Programs ¹	249,868	185,377	-64,491	-25.8%
<i>Direct Aid Subtotal</i>	<i>\$6,754,200</i>	<i>\$7,209,834</i>	<i>\$455,634</i>	<i>6.7%</i>

From FY22 to FY23, in the first year of Kirwan implementation, Maryland invested an additional \$455M in State Aid for Education.

Of that \$455M, City Schools received an additional \$150M, or 33% of the entire increase – the highest percentage of any jurisdiction in the State.

State Education Funding – FY24 Operating Budget

<u>Program</u>	<u>2023</u>	<u>2024</u>	<u>Difference</u>
Foundation Aid	\$3,659,452,582	\$3,768,324,327	\$108,871,745
Foundation – Special Grants	0	34,508,079	34,508,079
Geographic Cost of Education Index	157,909,651	0	-157,909,651
Comparable Wage Index	0	155,298,837	155,298,837
Compensatory Education	1,295,201,860	1,686,097,760	390,895,900
Student Transportation – Regular	308,751,983	335,817,268	27,065,285
Student Transportation – Special Education	27,213,000	27,547,000	334,000
Special Education – Formula	401,310,445	465,973,318	64,662,873
Special Education – Nonpublic Placements	141,413,212	148,613,212	7,200,000
Special Education – Infants and Toddlers	14,673,430	15,815,593	1,142,163
English Language Learners Grant	422,465,014	473,518,248	51,053,234
Guaranteed Tax Base	45,783,860	56,783,213	10,999,353
Prekindergarten Expansion Program	26,644,000	26,644,000	0
School Safety Grants	20,600,000	23,600,000	3,000,000
Blueprint – Concentration of Poverty	190,286,426	227,257,191	36,970,765
Blueprint – Transitional Supplemental Instruction	49,951,813	51,323,685	1,371,872
Blueprint – Transition Grants	57,688,465	57,688,465	0
Blueprint – Full Day PreKindergarten	144,063,352	99,575,069	-44,488,283
Blueprint – College and Career Readiness	18,669,966	19,888,097	1,218,131
Blueprint – Education Effort Index	125,673,114	87,978,308	-37,694,806
Blueprint – Career Ladder	9,033,505	9,534,910	501,405
Blueprint – Coordinators	0	2,000,000	2,000,000
Food Service	15,796,664	20,296,664	4,500,000
Total Primary and Secondary Education	\$7,230,574,878	\$7,891,565,357	\$660,990,479



From FY23 to FY24, Maryland invested an additional \$660.9M in education funding.

During the 2023 legislative session, the State included \$900M in forward funding for the Blueprint.