



Legislation Review

# Review of the Fiscal Year 2025 Proposed Current Expense Budget Board of Education

Report Date: May 12, 2024  
Hearing Date: May 13, 2024

<b>Questions Sent to the Agency:</b>	<b>Wednesday, May 1, 2024 and Monday, May 6, 2024</b>
<b>Responses Received from the Agency:</b>	<b>Wednesday, May 1, 2024 and Tuesday, May 7, 2024</b>

**This analysis considers all agency responses.**

## Board of Education (BOE)

### BOE Maintenance of Effort (MOE) History

---

<b>Fiscal Year</b>	<b>Per Pupil Expenditure (PPE) Required</b>	<b>Budgeted Appropriation</b>	<b>Appropriation Required</b>	<b>Amount over MOE</b>	<b>Enrollment</b>	<b>PPE Calculation</b>
2017	8,021	\$638,003,110	\$626,013,617	\$11,989,493	78,052	8,174
2018	8,174	657,774,500	644,237,925	13,536,575	78,814	8,346
2019	8,346	687,809,300	670,593,776	17,215,524	80,350	8,560
2020	8,560	733,315,800	692,170,691	41,145,109	80,860	9,069
2021	9,069	749,579,900	748,066,152	1,513,748	82,486	9,087
2022	9,315	784,741,000	768,319,269	16,421,731	82,486	9,514
2023	9,514	834,741,000	784,741,000	50,000,000	81,405	10,254
2024	10,128	881,481,000	829,584,928	51,896,072	81,911	10,761
2025	10,761	929,281,000	879,729,363	49,551,637	81,749	11,368

Note: In accordance with HB1372, enrollment for FY2022 MOE is the greater of the full-time equivalent enrollment in September 2019 or the 3-year moving average enrollment of September 2017 through September 2019. September 30, 2019 was the greater amount and used for the MOE calculation.

Note: In accordance with HB1450, FY2023 MOE is the greater of the local share of major education aid under the Education Article, Section 5-235(A)(1) of the Annotated Code of Maryland or \$784,741,000. The basis for FY2023 MOE was \$784,741,000.

---

## Key Observations

---

1. **Proposed FY25 Budget** – In accordance with MOE requirements, the Proposed FY25 Budget is required to provide a BOE operations budget of at least \$879,729,363. BOE's Proposed FY25 Budget provides \$49,551,637 more than required MOE.

The Proposed FY25 Budget reflects funding category changes from the FY24 Approved Budget, including a:

- \$19.6 million increase for Fixed Charges,
- \$17.5 million increase for Mid-Level Administration,
- \$11.8 million decrease for Instructional Salaries, and
- \$11.2 million increase for Special Education.

2. **Health Care Fund Support Required** – Several actions have been taken recently, or are anticipated, to support the Health Care Fund in FY24, including: a \$7,000,000 transfer to the Fund in accordance with Bill 5-24 and a potential \$15,000,000 fourth quarter transfer to the Fund from unanticipated additional revenue, transfers from other categories, and savings. The Proposed FY25 Budget provides a \$11,053,600 increase for the Health Care Fund, which reflects \$7,500,000 from the County and \$3,553,600 from the Internal Service Fund for Health Care.
3. **County Contributions to OPEB Trust Fund on Behalf of BOE** – In accordance with the FY24 Approved Budget as well as Bill 10-24, an Amended and Restated Retiree Health Benefits Trust Agreement was approved that adds BOE as a sponsor and allows BOE to pool assets in the OPEB Trust fund for investment purposes. The FY25 Proposed Budget includes a County contribution of \$25,000,000 to the OPEB Trust Fund. Additional information about the OPEB Trust Fund will be included in the OCA Operating Budget Analysis for the Office of Personnel.

## Appendix

### Board of Education - All Funding Sources

	<b>FY 2024</b>	<b>FY 2025 Proposed</b>	<b>\$ Change</b>	<b>% Change</b>
Administration	\$49,303,300	\$51,011,769	\$1,708,469	3%
Mid-Level Admin.	\$90,027,900	\$107,575,033	\$17,547,133	19%
Instructional Salaries	\$593,365,500	\$581,526,174	-\$11,839,326	-2%
Instructional Supplies	\$48,288,100	\$41,375,846	-\$6,912,254	-14%
Other Instruction	\$38,639,200	\$38,123,886	-\$515,314	-1%
Special Education	\$191,389,300	\$202,510,733	\$11,121,433	6%
Pupil Services	\$18,440,600	\$21,806,835	\$3,366,235	18%
Transportation	\$86,423,100	\$87,005,285	\$582,185	1%
Plant Operations	\$99,726,400	\$102,475,532	\$2,749,132	3%
Maintenance of Plant	\$29,544,000	\$28,282,924	-\$1,261,076	-4%
Fixed Charges	\$342,430,500	\$361,993,893	\$19,563,393	6%
Community Services	\$811,000	\$678,588	-\$132,412	-16%
Capital Outlay	\$4,569,300	\$4,728,791	\$159,491	3%
Health Services	\$1,707,500	\$2,915,993	\$1,208,493	71%
Food Services	\$56,226,200	\$55,242,000	-\$984,200	-2%
	<b>\$1,650,891,900</b>	<b>\$1,687,253,282</b>	<b>\$36,361,382</b>	<b>2%</b>