



IMPACT OF COUNTY EXECUTIVE'S FY2018 BUDGET PROPOSALS ON ANNE ARUNDEL COUNTY PUBLIC SCHOOLS

May 3, 2017

OPERATING BUDGET

On Monday, May 1, 2017, County Executive Steve Schuh announced his proposal for the **Board of Education's FY2018 Operating Budget** in the amount of \$1.15 billion. The proposal reflects an increase of \$32.1 million or 2.9% over the current year's budget. Of the \$26 million increase in county funding, \$6.2 million is used to meet Maintenance of Effort (MOE) requirements and \$19.8 million is in excess of MOE. Additionally, \$22.5 million is provided for one-time non-recurring costs (outside of MOE) for costs related to healthcare.

Subsequent to the County Executive's budget address to the County Council, Board of Education President Stacy Korbela and Superintendent George Arlotto released the following statements:

Board President Stacy Korbela

"I truly believe that we are making progress toward creating a school system that is the best in the State of Maryland, but we can't do that without getting our healthcare fund on solid footing and taking care of our employees. Mr. Schuh's budget proposal and the collaboration we have had to date with the County Council do that, and put us in a place where we can continue to Elevate All Students and Eliminate All Gaps."

Superintendent George Arlotto

"The County Executive's budget proposal addresses our two biggest operating budget needs and it continues our methodical plan to upgrade outdated educational facilities across our county. This process has been both collaborative and collegial, and it is my hope that the atmosphere of partnership will continue to benefit the more than 81,000 students we serve every day."

The County Executive's budget allocates \$15.6 million to fund full step increases for all eligible employees and 1 percent increases for represented employees not otherwise eligible for steps.

It also provides \$6.8 million to open the new Monarch Academy Annapolis public contract school in September.

With regard to the much-discussed healthcare fund issue, the County Executive is proposing to provide \$5 million in a fourth-quarter transfer in the current fiscal year to help stabilize the fund through June 30. In addition, the FY2018 budget proposal:

- Provides \$5.0 million inside of MOE to go to the healthcare fund
- Provides \$15.0 million in one-time payments outside of MOE to the healthcare fund
- Provides \$7.5 million in a one-time subsidy to help offset healthcare share increases
- Requires the Board of Education to cut and reallocate \$4.0 million in Fiscal Year 2018 toward health care
- Requires employees to contribute \$4.0 million through increases in the employee share of healthcare payments

The operating budget provides no other programmatic enhancements requested by the Board.

CAPITAL BUDGET

On Monday, May 1, 2017, County Executive Steve Schuh announced his proposal for the **Board of Education's FY2018 Capital Budget** in the amount of \$195.3 million. Below is a comparison of key items in the Board's capital budget request, and how they are addressed in the County Executive's proposal. The list is not all-inclusive. Items that are not fully funded by the County Executive are indicated in red. Items that are fully funded are indicated in green.

The Board requested:

- \$7.0 million for open space classroom enclosures at Shady Side and Brock Bridge elementary schools. **The County Executive included \$7.0 million.**
- \$8.6 million for prekindergarten and kindergarten additions at Park and Shady Side elementary schools, and renovations at the Carrie Weedon Science Center building in Galesville in preparation for opening an early education center there. **The County Executive included \$8.0 million.**
- \$6.0 million for classroom additions at Marley and Solley elementary schools. **The County Executive included \$3.0 million for Marley Elementary School; state funding was delayed for Solley Elementary School.**
- \$13.0 million for construction of the revitalization project at Manor View Elementary School. **The County Executive included \$13.0 million.**
- \$15.3 million for construction of the modernization project at High Point Elementary School. **The County Executive included \$15.3 million.**
- \$13.8 million for construction of the revitalization project at George Cromwell Elementary School. **The County Executive included \$13.8 million.**
- \$18.5 million for construction of the replacement project at Jessup Elementary School. **The County Executive included \$18.5 million.**
- \$16.3 million for construction of the replacement project at Arnold Elementary School. **The County Executive included \$16.3 million.**
- \$15.1 million for design and construction of the revitalization project at Edgewater Elementary School. **The County Executive included \$2.0 million.** This funding level is not expected to delay the project in FY2018.
- \$14.3 million for design and construction of the revitalization project at Tyler Heights Elementary School. **The County Executive included \$2.1 million.** This funding level is not expected to delay the project in FY2018.
- \$13.0 million for design and construction of the revitalization project at Richard Henry Lee Elementary School. **The County Executive included \$1.8 million.** This funding level is not expected to delay the project in FY2018.
- \$56.8 million for construction of the new Crofton Area High School. **The County Executive included \$56.8 million.**

PUBLIC BUDGET HEARINGS

The County Council will conduct public budget hearings on the County Executive's proposal on the following dates:

7 p.m. on Monday, May 8, 2017, at North County High School, 10 E. First Ave., Glen Burnie

7 p.m. on Thursday, May 11, 2017, at Maryland Hall of the Creative Arts

Those wishing to speak can sign up beginning at 6 p.m. Speakers will be allotted two minutes each.

One note: We understand that First Lady Yumi Hogan will be hosting an art reception at Maryland Hall around the same time as the budget hearing. Therefore, parking may be limited.

The Council will take input from the hearings and other information it gathers before adopting its FY2018 operating and capital budgets no later than June 15, 2017. With regard to the school system, the Council can allocate operating budget funding within 14 state-established categories, but has no line item authority. The Council has line item authority over the school system's capital budget.