
Analysis of Local School System Expenditures

**Presentation to the
Commission on Innovation and Excellence in Education**

**Department of Legislative Services
Office of Policy Analysis
Annapolis, Maryland**

December 8, 2016

Some Context – Total Revenues for Current Expense Fund

- Includes local, State, and federal appropriations
- Fiscal 2002-2008 – increase of 51%
- Fiscal 2008-2014 – increase of 10%
- Fiscal 2002-2014 – increase of 66%

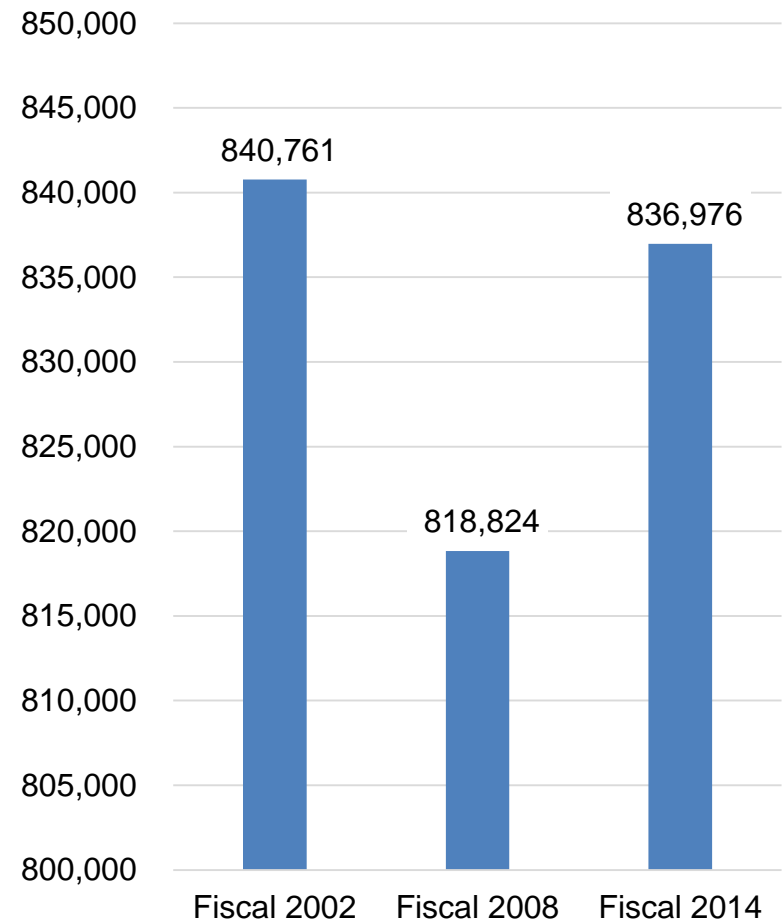


Note: Excludes nonrevenue

Source: Selected Financial Data Part 1, Maryland State Department of Education

More Context – K-12 Enrollment Changes

- Enrollment declined by 2.6% from fiscal 2002 to 2008
- Between fiscal 2008 and 2014 enrollment increased 2.2%
- But not quite rebounding to 2002 level



Note: Excludes Pre-K
Source: Department of Legislative Services

Local School System Expenditures

- Expenditures are classified as those made from the Current Expense Fund
 - Board of Education administration
 - School-level administration
 - Instruction
 - Special education
 - Fixed charges – pension, health insurance, etc.
 - Student personnel services – truancy and attendance
 - Health services
 - Student transportation
 - Operation and maintenance of plant
 - Community services
 - Capital outlay
- And those made from other funds –
 - Food service, school construction, debt service, and student activities

Current Expense Fund Expenditures

<u>Budget Category</u>	<u>\$ in Millions</u>				<u>% Change</u>	
	<u>FY 2002</u>	<u>FY 2008</u>	<u>FY 2014</u>	<u>FY 2002-2008</u>	<u>FY 2008-2014</u>	<u>FY 2002-2014</u>
Administration	\$240	\$369	\$415	54%	12%	73%
Mid-level Administration	566	893	988	58%	11%	75%
Instruction	3,869	5,537	5,993	43%	8%	55%
Special Education	1,049	1,637	1,910	56%	17%	82%
Student Personnel Services	51	99	108	94%	9%	111%
Health Services	47	74	96	59%	29%	105%
Student Transportation	386	589	673	53%	14%	74%
Operation of Plant	504	821	898	63%	9%	78%
Maintenance of Plant	165	260	282	58%	8%	71%
State Paid Retirement	328	566	728	73%	29%	122%
Other	26	57	59	119%	4%	127%
Total Expenditures	\$7,230	\$10,903	\$12,149	51%	11%	68%

Note: All categories include the locally paid fixed charges associated with those categories. Other includes community service and capital outlay. Does not include noncurrent expense fund expenditures. Until fiscal 2013, the State paid 100% of teachers' retirement costs. Locally paid costs are spread across the budget categories in fiscal 2014.

Source: Selected Financial Data Part 2, Maryland State Department of Education

Total Expenditure Increases by \$3.7 Billion, 51% from Fiscal 2002 to 2008

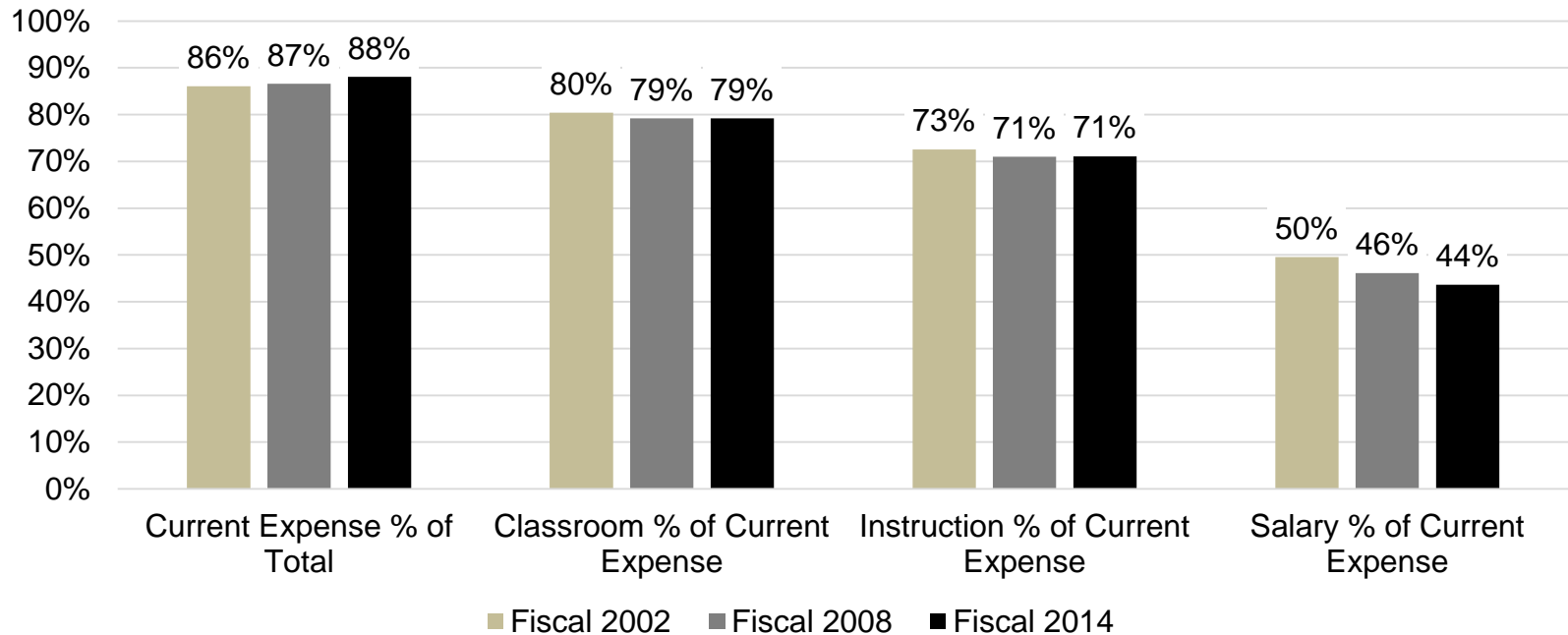
- Classroom – \$2.822 billion, 49%
 - Of that amount – \$2.495 billion was for instruction
 - Of that amount – \$1.441 billion was for salaries
- Other increases
 - County board of education administration – \$129 million, 54%
 - Operation and maintenance of plant – \$413 million, 62%
 - Transportation – \$203 million, 53%
 - Student personnel – \$48 million, 94%
 - Other – \$31 million, 119%

Note: Classroom includes mid-level administration, instruction, special education, fixed charges associated with those categories, and the State share of teachers' retirement. Instruction includes nonspecial education and special education, fixed charges for those two categories, and the State share of teachers' retirement. Salary includes the salaries and wages of nonspecial education and special education. Salary does not include retirement.

Source: Selected Financial Data Part 2, Maryland State Department of Education

Basic Structure of Expenditures Largely Unchanged Since Bridge to Excellence

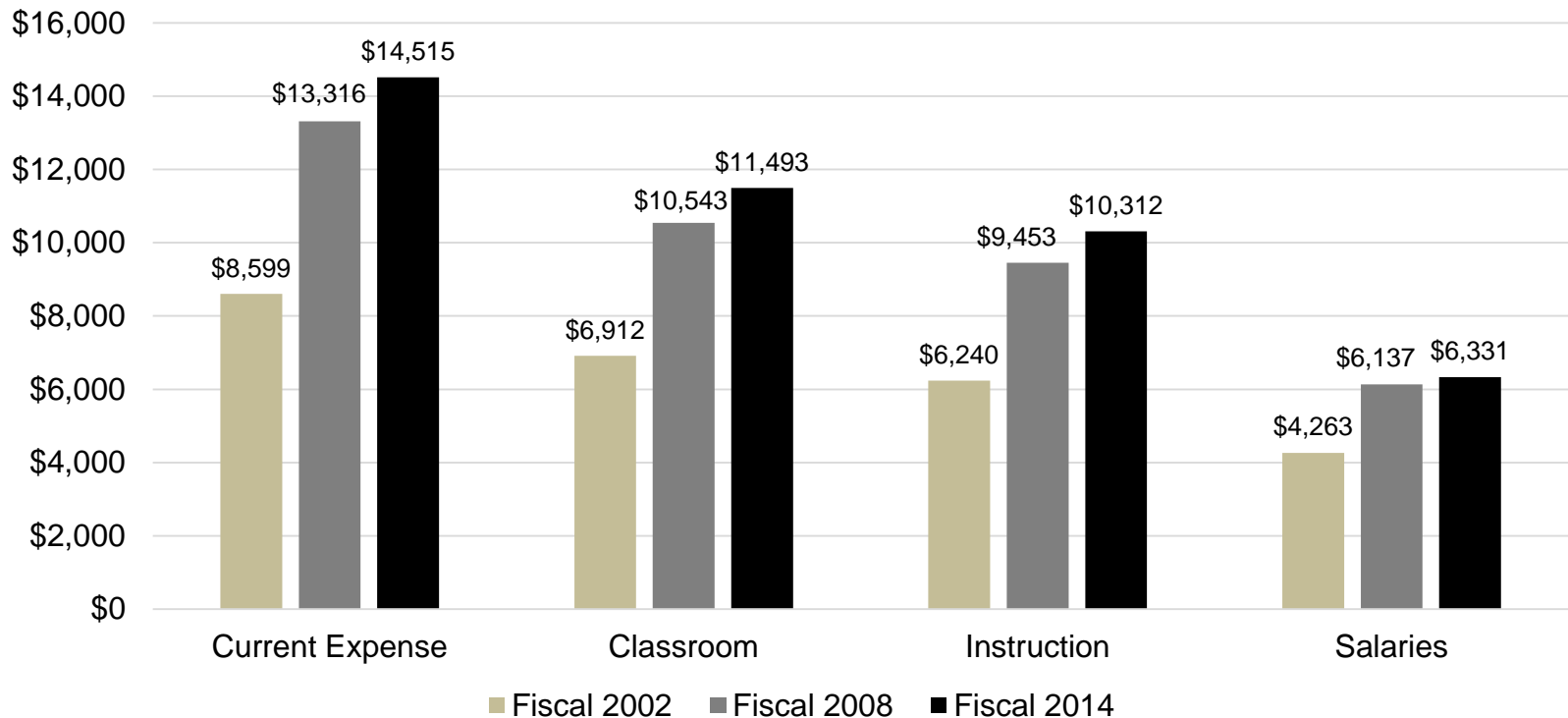
Per Pupil Expenditure Proportions



Note: Classroom includes mid-level administration, instruction, special education, fixed charges associated with those categories, and the State share of teachers' retirement. Instruction includes nonspecial education and special education, fixed charges for those two categories, and the State share of teachers' retirement. Salary includes the salaries and wages of nonspecial education and special education. Salary does not include retirement.

Source: Selected Financial Data Part 2, Maryland State Department of Education

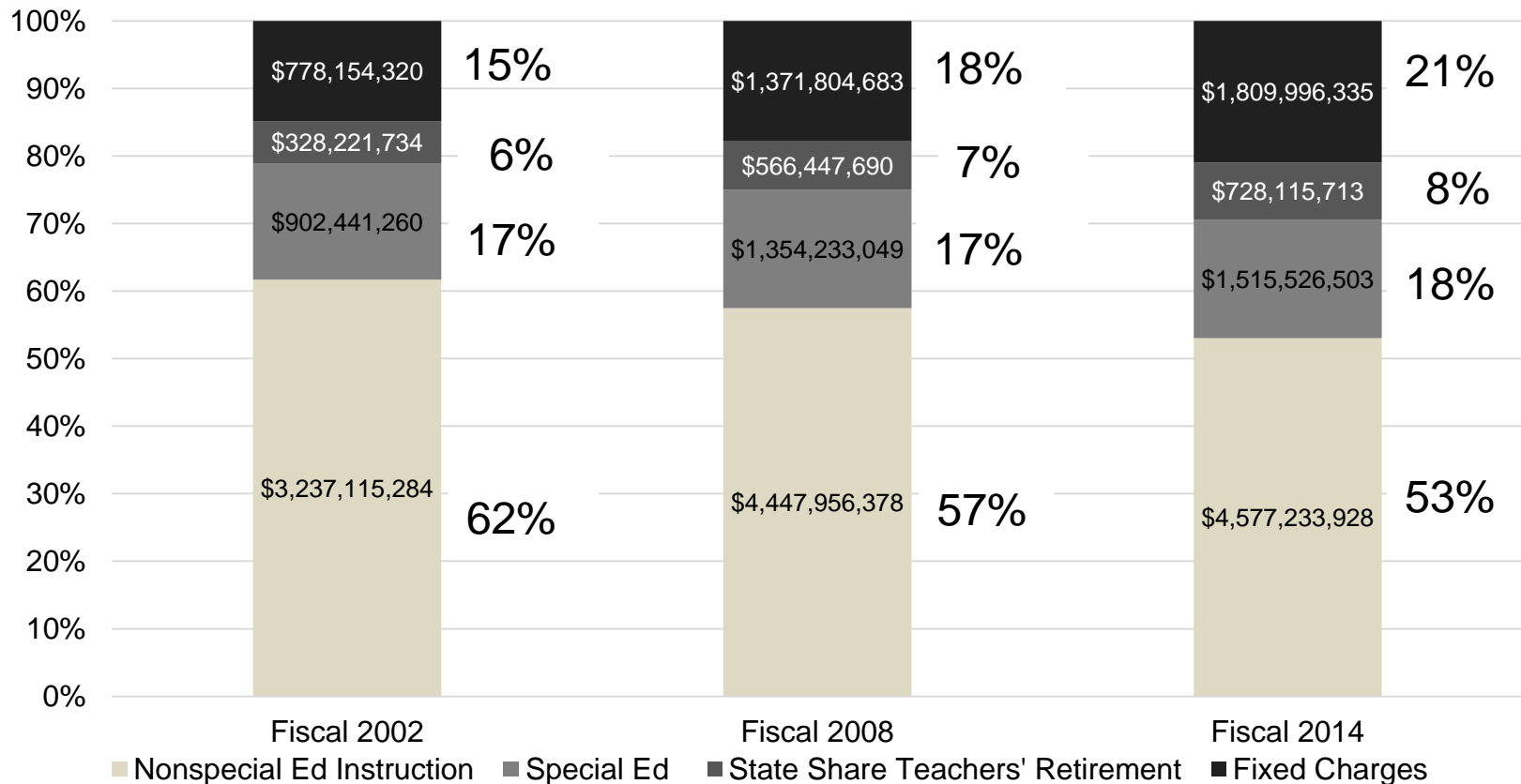
Per Pupil Expenditures Continue to Increase



Note: Classroom includes mid-level administration, instruction, special education, fixed charges associated with those categories, and the State share of teachers' retirement. Instruction includes nonspecial education and special education, fixed charges for those two categories, and the State share of teachers' retirement. Salary includes the salaries and wages of nonspecial education and special education. Salary does not include retirement.

Source: Selected Financial Data Part 2, Maryland State Department of Education

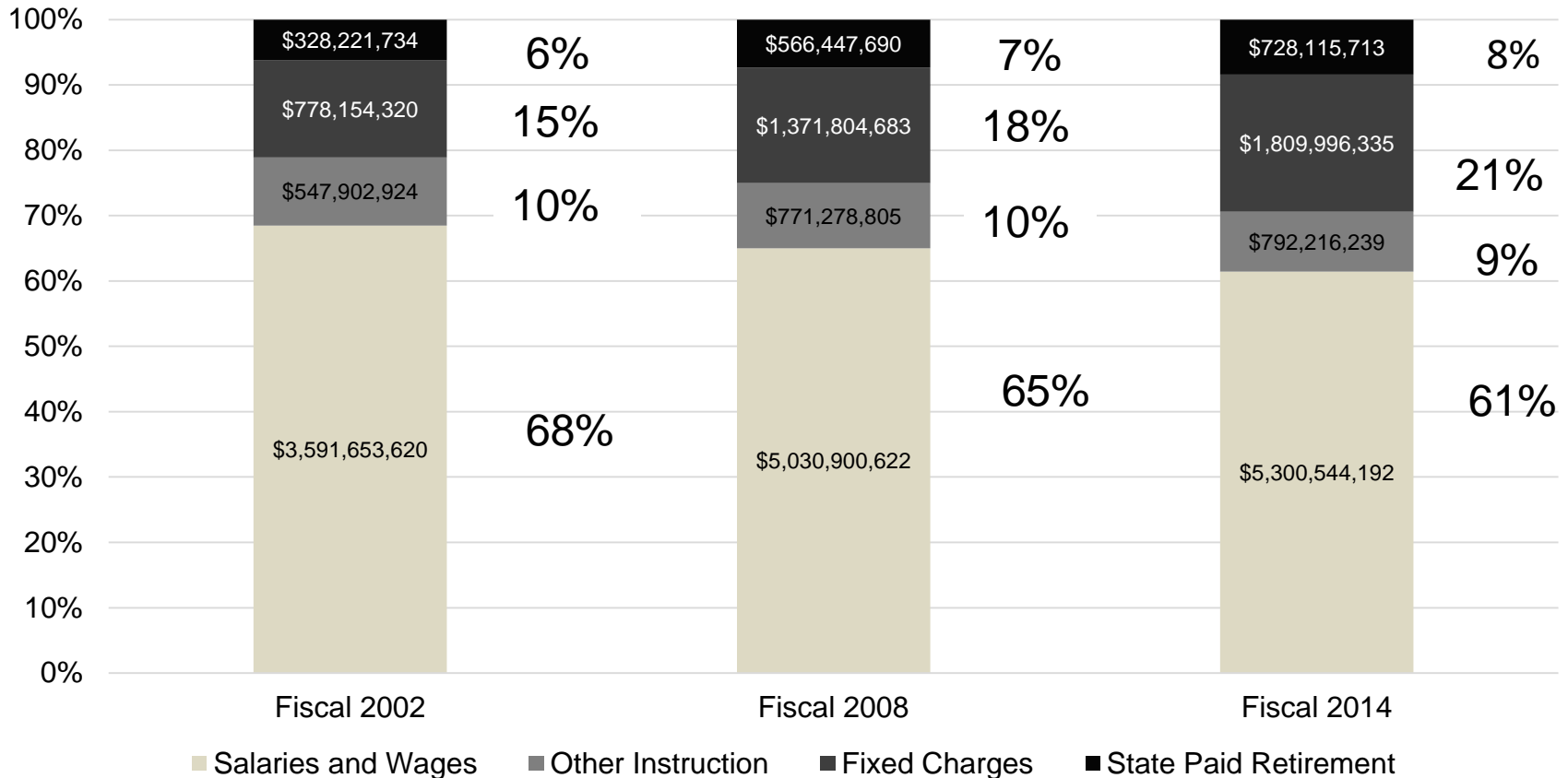
Fixed Charges Grow Faster than Other Instruction Categories



Note: Fixed charges include locally paid teachers' retirement, other employees' retirement, social security, other employee benefits such as health insurance, purchased services, and other charges.

Source: Selected Financial Data Part 2, Maryland State Department of Education

A Different Look at Components of Instruction



Note: Fixed charges include locally paid teachers' retirement, other employees' retirement, social security, other employee benefits such as health insurance, purchased services, and other charges. Other instruction includes instructional equipment, supplies, textbooks, etc.

Source: Selected Financial Data Part 2, Maryland State Department of Education

Instructional Staff Increase by 13.3% Since 2002

	Number of Staff			Percent Change		
	<u>FY 2002</u>	<u>FY 2008</u>	<u>FY 2014</u>	<u>FY 02-08</u>	<u>FY 08-14</u>	<u>FY 02-14</u>
Total Staff	103,534	118,124	116,489	14.1%	-1.4%	12.5%
Total Instructional	70,719	80,540	80,117	13.9%	-0.5%	13.3%
Teachers ¹	53,793	59,132	58,431	9.9%	-1.2%	8.6%
Media, Guidance, and Psychologists	3,841	4,352	4,236	13.3%	-2.7%	10.3%
Other Professionals ²	3,085	4,334	4,470	40.5%	3.1%	44.9%
Aides	10,000	12,722	12,981	27.2%	2.0%	29.8%
Total Noninstructional	32,815	37,583	36,372	14.5%	-3.2%	10.8%
Administrative	143	146	152	2.0%	4.3%	6.4%
Mid-level ³	4,639	5,818	5,750	25.4%	-1.2%	23.9%
Other ⁴	3,209	3,779	4,097	17.8%	8.4%	27.7%
Support Staff ⁵	24,824	27,841	26,372	12.2%	-5.3%	6.2%

¹ Excludes therapists

² Includes staff developers, teacher trainers, athletic coaches, remedial specialists, other school-level instructional professionals, and therapists

³ Includes principals, vice principals, directors, coordinators, supervisors, pupil personnel workers, school social workers, and other administrators

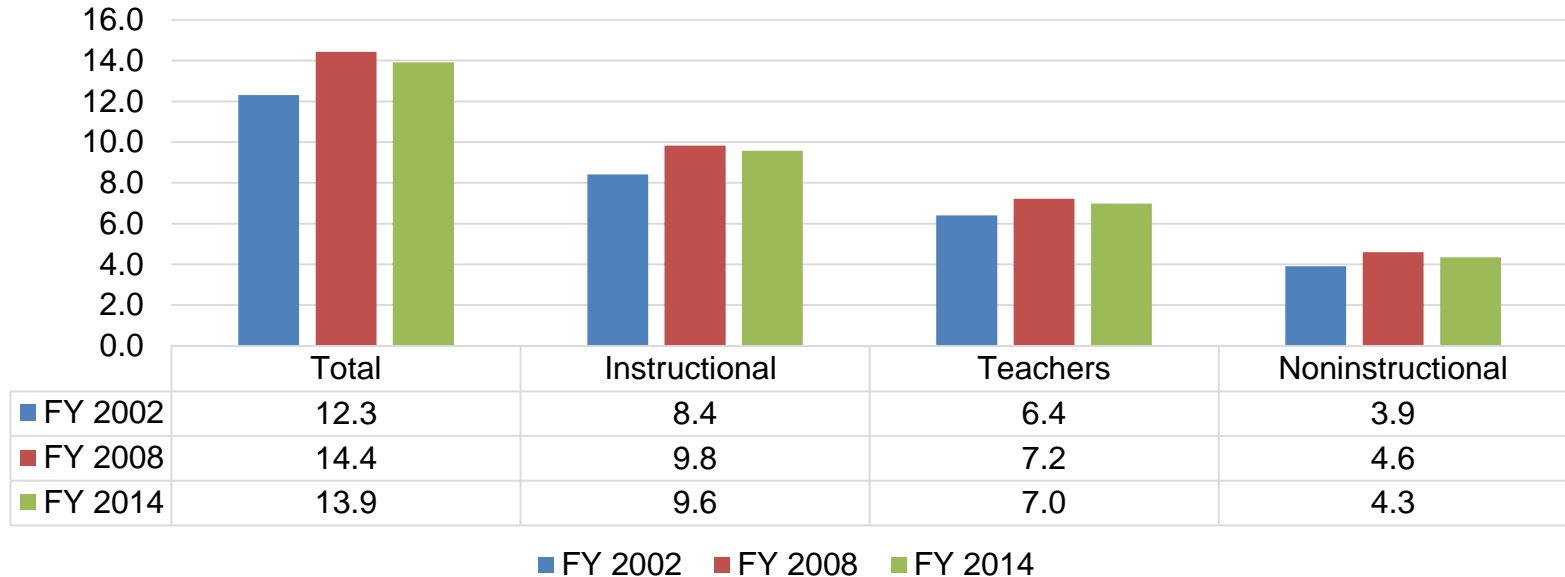
⁴ Includes nurses, admission officers, research specialists, etc.

⁵ Includes technicians, service workers, secretaries and clerks, drivers, crafts and trades personnel, laborers, etc.

Note: Includes the SEED School in fiscal 2014

Source: *Staff Employed at School and Central Office Levels, Maryland Public Schools* report, Maryland State Department of Education

Personnel per 100 Students Increases Since Fiscal 2002



Note: Instructional staff includes teachers, therapists, media, guidance, psychologists, staff developers, teacher trainers, athletic coaches, remedial specialists, and other school-level instructional professionals.

Noninstructional staff includes principals, vice principals, directors, coordinators, supervisors, pupil personnel workers, school social workers, other administrators, nurses, admission officers, research specialists, technicians, service workers, secretaries and clerks, drivers, crafts and trades personnel, laborers, etc.

Includes the SEED School in fiscal 2014.

Source: *Staff Employed at School and Central Office Levels, Maryland Public Schools* report, Maryland State Department of Education; Department of Legislative Services

Number of Instructional Staff per 100 Students Increases

	Per 100 Students			Percent Change		
	FY 2002	FY 2008	FY 2014	FY 02-08	FY 08-14	FY 02-14
Total Instructional	8.4	9.8	9.6	16.9%	-2.7%	13.8%
Allegany	10.0	11.1	10.6	10.4%	-4.8%	5.1%
Anne Arundel	7.8	9.4	9.3	20.9%	-1.5%	19.1%
Baltimore City	8.8	10.6	9.0	20.4%	-14.7%	2.7%
Baltimore	8.4	9.2	8.8	9.3%	-4.1%	4.8%
Calvert	8.2	9.4	9.3	14.8%	-1.3%	13.2%
Caroline	8.7	9.8	10.8	13.0%	9.3%	23.5%
Carroll	7.3	9.0	9.5	23.6%	5.3%	30.2%
Cecil	8.0	10.3	10.0	28.7%	-2.6%	25.4%
Charles	7.9	9.5	9.5	19.9%	0.7%	20.7%
Dorchester	8.9	10.3	10.6	16.7%	2.4%	19.5%
Frederick	7.7	9.2	10.0	19.3%	8.5%	29.5%
Garrett	9.9	10.3	9.8	3.6%	-4.5%	-1.1%
Harford	8.2	10.1	10.8	22.6%	7.0%	31.2%
Howard	9.9	11.6	11.6	17.4%	-0.6%	16.8%
Kent	10.3	11.4	11.1	9.8%	-1.8%	7.8%
Montgomery	8.9	10.1	9.6	13.6%	-4.7%	8.3%
Prince George's	7.6	9.3	9.0	22.0%	-3.7%	17.5%
Queen Anne's	8.4	9.4	9.1	11.0%	-2.4%	8.3%
St. Mary's	8.2	8.9	8.8	9.1%	-1.1%	7.9%
Somerset	9.8	12.6	11.5	29.1%	-8.8%	17.8%
Talbot	9.3	8.7	9.3	-6.0%	6.5%	0.0%
Washington	8.6	9.3	9.2	7.5%	-0.8%	6.7%
Wicomico	9.9	11.2	11.0	13.6%	-1.8%	11.6%
Worcester	10.7	13.8	13.8	29.1%	-0.2%	28.8%

Note: Instructional staff includes teachers, therapists, media, guidance, psychologists, staff developers, teacher trainers, athletic coaches, remedial specialists, and other school-level instructional professionals. Total instructional includes the SEED School in fiscal 2014.

Source: *Staff Employed at School and Central Office Levels, Maryland Public Schools* report, Maryland State Department of Education; Department of Legislative Services

Average Teacher Salary Increased 33.8% Since 2002

	<u>FY 02</u>	<u>FY 08</u>	<u>FY 14</u>	<u>% Change 02-08</u>	<u>% Change 08-14</u>	<u>% Change 02-14</u>
Allegany	\$43,056	\$54,618	\$62,618	26.9%	14.6%	45.4%
Anne Arundel	47,752	60,304	61,793	26.3%	2.5%	29.4%
Baltimore City	47,022	53,237	65,785	13.2%	23.6%	39.9%
Baltimore	47,875	57,639	60,906	20.4%	5.7%	27.2%
Calvert	49,837	65,336	73,755	31.1%	12.9%	48.0%
Caroline	42,836	53,462	55,110	24.8%	3.1%	28.7%
Carroll	48,024	58,786	56,670	22.4%	-3.6%	18.0%
Cecil	44,805	53,406	60,618	19.2%	13.5%	35.3%
Charles	45,481	56,154	59,864	23.5%	6.6%	31.6%
Dorchester	45,302	55,421	51,678	22.3%	-6.8%	14.1%
Frederick	46,716	60,141	62,904	28.7%	4.6%	34.7%
Garrett	42,145	55,083	59,392	30.7%	7.8%	40.9%
Harford	44,715	56,583	56,691	26.5%	0.2%	26.8%
Howard	49,048	61,897	68,233	26.2%	10.2%	39.1%
Kent	48,891	57,223	62,731	17.0%	9.6%	28.3%
Montgomery	55,043	70,011	74,353	27.2%	6.2%	35.1%
Prince George's	47,532	60,886	64,988	28.1%	6.7%	36.7%
Queen Anne's	43,965	52,611	58,241	19.7%	10.7%	32.5%
St. Mary's	46,187	57,096	62,085	23.6%	8.7%	34.4%
Somerset	42,040	52,321	53,062	24.5%	1.4%	26.2%
Talbot	42,428	53,111	58,276	25.2%	9.7%	37.4%
Washington	44,826	55,189	59,272	23.1%	7.4%	32.2%
Wicomico	43,692	55,184	57,432	26.3%	4.1%	31.4%
Worcester	45,648	57,361	60,252	25.7%	5.0%	32.0%
Statewide Average	\$48,251	\$60,069	\$64,546	24.5%	7.5%	33.8%
Average Teacher Minimum¹	\$31,940	\$41,056	\$43,375	28.5%	5.6%	35.8%
Average Teacher Maximum²	\$63,090	\$79,596	\$85,477	26.2%	7.4%	35.5%

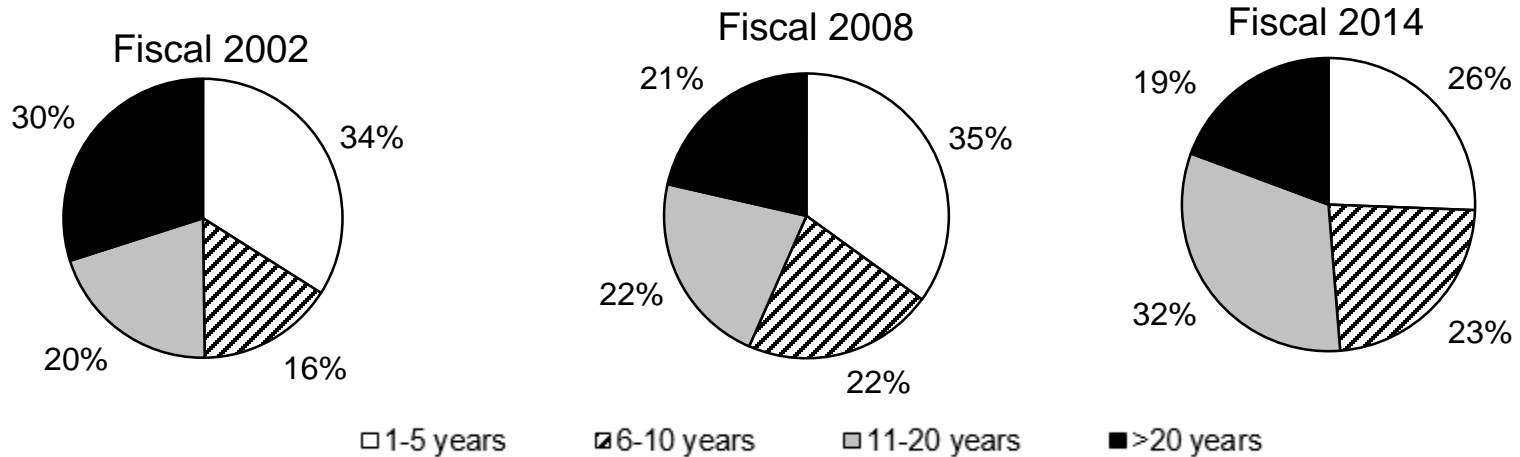
¹ Minimum is step 1 salary of teachers with a bachelor's degree.

² Maximum salary of teachers with a doctorate.

Sources: *Analysis of Professional Salaries* report and *Maryland Public Schools and Professional Salaries Schedules* report, Maryland State Department of Education

Years of Experience for Professional School-level Staff Generally Increases

<u>Professional School-level Staff</u>	<u>FY 2002</u>	<u>FY 2008</u>	<u>FY 2014</u>	<u>Change (02-14)</u>	<u>% Change</u>
With 1-5 Years Experience	19,618	27,506	19,973	355	1%
With 6-10 Years Experience	9,143	17,002	18,043	8,900	97%
With 11-20 Years Experience	11,692	17,304	24,921	13,229	113%
With >20 Years Experience	17,285	16,842	15,084	-2,201	-12%
Total School-level Staff	57,738	78,654	78,021	20,283	35%



Note: Professional school-level staff includes administrative office staff, pupil personnel workers, school social workers, principals, assistant principals, teachers, therapists, librarians, guidance counselors, and psychological personnel. Does not include central office staff.

Source: For fiscal 2002, *Characteristics of Professional Staff, Maryland Public Schools* report, and for fiscal 2008 and 2014, *Professional Staff by Type of Degree and Years of Experience, Maryland Public Schools* report, Maryland State Department of Education; Department of Legislative Services

Percent of Classes Taught by Teachers Who are Highly Qualified Increased Significantly Since Fiscal 2004

<u>School System</u>	<u>FY 2004</u>	<u>FY 2008</u>	<u>FY 2014</u>	<u>Change (04-08)</u>	<u>Change (08-14)</u>	<u>(Change 04-14)</u>
Allegany	85.0%	97.8%	99.3%	12.8%	1.5%	14.3%
Anne Arundel	82.2%	87.4%	93.5%	5.2%	6.1%	11.3%
Baltimore City	34.3%	51.1%	78.3%	16.8%	27.2%	44.0%
Baltimore	62.5%	88.5%	94.1%	26.0%	5.6%	31.6%
Calvert	77.7%	86.3%	94.7%	8.6%	8.4%	17.0%
Caroline	74.5%	95.4%	97.6%	20.9%	2.2%	23.1%
Carroll	86.9%	91.8%	93.9%	4.9%	2.1%	7.0%
Cecil	77.7%	93.1%	97.7%	15.4%	4.6%	20.0%
Charles	51.0%	91.0%	96.0%	40.0%	5.0%	45.0%
Dorchester	64.0%	79.7%	93.8%	15.7%	14.1%	29.8%
Frederick	65.5%	91.9%	96.5%	26.4%	4.6%	31.0%
Garrett	85.0%	94.9%	99.4%	9.9%	4.5%	14.4%
Harford	80.1%	86.6%	95.4%	6.5%	8.8%	15.3%
Howard	81.7%	89.6%	93.5%	7.9%	3.9%	11.8%
Kent	73.0%	94.2%	97.9%	21.2%	3.7%	24.9%
Montgomery	74.6%	92.5%	96.8%	17.9%	4.3%	22.2%
Prince George's	48.6%	73.0%	88.1%	24.4%	15.1%	39.5%
Queen Anne's	72.1%	82.6%	97.6%	10.5%	15.0%	25.5%
Saint Mary's	70.9%	92.9%	96.3%	22.0%	3.4%	25.4%
Somerset	60.5%	83.3%	95.0%	22.8%	11.7%	34.5%
Talbot	80.1%	96.4%	99.9%	16.3%	3.5%	19.8%
Washington	87.2%	90.1%	95.4%	2.9%	5.3%	8.2%
Wicomico	78.2%	88.8%	94.1%	10.6%	5.3%	15.9%
Worcester	79.3%	96.6%	96.1%	17.3%	-0.5%	16.8%
Total	66.9%	84.6%	92.4%	17.7%	7.8%	25.5%

Note: Data on highly qualified teachers only became available in 2004 as a result of the requirement in the No Child Left Behind Act.
Source: Maryland State Department of Education, *Maryland Report Card*; Department of Legislative Services

Practices that were Implemented With New Money

- The Bridge to Excellence Act of 2002 required a study to be completed assessing outcomes of the Act
 - MGT of America, Inc. was the selected contractor for the study
 - The study began in 2005 and was completed in 2008
- Several strategies were implemented
 - Higher salaries to be competitive
 - Hiring additional personnel
 - Professional development
 - Data analysis
 - Research-based programs
 - Academic intervention/acceleration
 - Differentiated instruction