

*The Education Fiscal Accountability
and Oversight Act
of 2004*

*Local School System
Master Plan Annual Update
Budget Review*

December 30, 2006



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“The successful education of our youth has become much more than the business of schools – it is the base for a growing economy; it is the heart of a stable society; it is no less than the promise for tomorrow.”

*Somerset County Public Schools
2006 Master Plan Update, page 9*

Introduction and Background

In 2002, the General Assembly restructured Maryland’s public school finance system with the *Bridge to Excellence in Public Schools Act* (BTE), which will distribute an estimated \$2.2 billion increase in State Aid to Education over six fiscal years (FY 2003-2008). The new finance structure, modeled after the recommendations of the Commission on Education Finance, Equity, and Excellence (Thornton Commission), ensures *adequacy* and *equity* in Maryland public schools by linking resources to the needs of students and distributing State education aid inverse to local wealth.

As a result of this landmark legislation, Maryland embraced a standards-based approach to public school education based on the premise that when students have access to rigorous curriculum, highly qualified teachers, and programs that employ proven strategies and methods for student learning, all students, regardless of race, ethnicity, gender, disability, or socioeconomic background, can achieve. Under this approach, and consistent with the federal *No Child Left Behind Act (NCLB)*, the State established benchmark academic content and student achievement standards; ensures that schools and students have sufficient resources to meet those standards; and holds schools and school systems accountable for student performance.

The Education Fiscal Accountability and Oversight Act of 2004 requires local school systems to provide biannual fiscal reports to the Maryland State Department of Education (MSDE) and the county government. The Act prohibits local school systems from carrying a deficit, provides specific remedial actions for systems that carry a deficit, affirms recourse should a school system not comply with the Act, and provides for an audit of each local school system by the Office of Legislative Audits.

In addition, the State Superintendent must review how each county’s budget aligns with the master plan and any updates to it. The State Superintendent must report the findings of this review to the Governor, the General Assembly, the county governing body, and the county boards of education annually. This is the third report prepared under the requirements of this section.

The Master Plan and its updates are the State’s accountability vehicle to ensure that local school systems are directing resources toward their planned efforts to improve student achievement. The budget components of the updates serve as the medium for determining alignment of school system resources with established goals and objectives. Interested stakeholder groups consistently and repeatedly request more meaningful financial data, looking for a clearer picture of how school systems are spending their funds.

The 2006 Master Plan Update

MSDE, in the interest of stakeholder groups and mindful of the constraints of LSS, sought a method that would provide meaningful expenditure data within the context of the master plan updates and the outcomes-based approach of the Thornton Commission. The master plans and each update are products of in-depth strategic planning in which LSS examine progress, re-evaluate plans, and adjust the

course of action and the allocation of resources when and where necessary. LSS use the same process in developing the corresponding budget for a given school year and then unveil this plan when presenting budgets to local boards of education and county governments. Therefore, MSDE proposed that LSS use the budget information developed in that process and include *discussions* of resource allocations within the content analysis of the Master Plan Updates. The content analysis of the 2006 Updates consisted of four analyzing prompts for each of the five NCLB goals, additional reporting requirements and local goals.

1. Describe where progress in moving toward the indicators and goal is evident. In your response, please identify progress in terms of grade levels, subject areas, and subgroups.

2. Identify the practices, programs, or strategies and the related resource allocations that appear related to the progress.

3. Describe where challenges are evident. In your response, please identify challenges in terms of grade levels, subject areas, and subgroups.

4. Describe the changes or adjustments that will be made along with the related resource allocations to ensure progress. Include timelines where appropriate.

Using these prompts, LSS integrated discussions of resource allocations associated with the programs, practices, and/or strategies related to progress or designed to overcome challenges into the performance analysis within each of these areas. At a minimum, LSS were required to include resource allocation discussions where new funds were being utilized. Combining fiscal information with performance analysis allows master plan update readers to readily identify school system plans to address progress and challenges. Using this integrated approach resulted in expected and unexpected benefits. Expectedly, MSDE was able to determine that LSS are allocating resources to support their

master plan priorities, and to articulate this information to interested stakeholders. Unexpectedly, LSS developed a powerful, additional tool to communicate their comprehensive commitment to improving student achievement.

“In this the third update of the Comprehensive Master Plan, the links between the strategic plan and the operating budget are more clearly defined. In addition, specific progress toward meeting federal, State, and local goals are identified, along with details about specific resource allocations for initiatives designed to support continued improvements. This reflects the inherent strength of the strategic planning process in MCPS.”

Montgomery County
2006 Master Plan Update
Executive Summary

The 2006 Master Plan Update Budget Components

For the 2006 Update, local school systems included budget narrative information in the executive summary (fiscal climate, changes over prior year, outlook for the future). As in the past, LSS again submitted both current and prior year variance tables designed to illustrate each school system’s priorities for that year. As previously mentioned, for each of the five NCLB goals, additional reporting requirements, and local goals, LSS were asked to discuss the resource allocations that appeared related to the results of their analysis of progress and challenges.

The current year variance table allocates the increase in resources over the prior year (new money) to local school system goals and attributes those increases to one of the five NCLB goals. Additionally, cost of doing

business expenditures are reported according to established categories (negotiated contract agreements, benefits, transportation, utilities, nonpublic special education placements, or costs associated with opening a new school). The layout of this variance table is designed to provide the reader with a snapshot of the LSS fiscal plan for the current year. The prior year variance table is designed to provide a comparative analysis of the LSS' plan for the previous year, incorporating major fiscal, demographic, and/or programmatic changes. Additionally, two analyzing questions to address major changes in revenue and expenditures from the prior year plan are included. Attachment I- Total Revenue Statement, Attachment II – Total Expenditure Statement, and Attachment III – Total FTE Statement provide supplemental support to the prior year variance table.

Throughout each Master Plan Update, “... you will find charts and tables that provide the data numbers that quantify our success. Each of those numbers represents a child. Each child represents the future.”

St. Mary's County
2006 Master Plan Update, pg. 9

The analysis included in the 2006 Master Plan Updates, an integration of programmatic and fiscal priorities is more transparent than in prior years, and allows LSS to demonstrate the clear nexus between program and fiscal decisions. In addition to the inherent benefit of this approach to the lay reader of the Master Plan Update, including resource allocation discussions within the content portion of the Updates allows for a more comprehensive and thorough review process by assisting panel reviewers in making the same connection. All readers are afforded the opportunity to see the inner workings of local school systems; the depth of detail in the analysis of their performance data, and the strategic nature of the priorities developed on

behalf of the diverse demographics with which they work every day.

2006 Master Plan Update Budget Review

The budget components, although part and parcel to the entire process, were subject to an additional technical review along with the panel review. The technical review was designed to ensure compliance and accuracy of the individual budget documents. The panel review was designed to evaluate the extent of the performance analysis coupled with the integration of resource allocation discussions conducted by LSS. Together, these reviews determine the alignment of a LSS budget with their Master Plan goals and objectives. The 2006 Updates for all school systems in Maryland contain a thorough analysis of progress, clear alignment of fiscal and programmatic priorities, and a comprehensive plan for improving opportunities for all students. As a result, and for the first time since the inception of the BTE, all 24 Master Plan Updates were approved by the State Board of Education. *The 2006 Master Plan Update – Connecting Progress with Practice, Challenges with Changes*, a report prepared by the MSDE Division of Student, Family, and School Support contains a detailed analysis of the content portion of the master plan updates and the process used to recommend their approval.

Revenue and Expenditure Analysis

In 2006-2007, the State of Maryland contributed over \$4 billion to public education, an increase of more than \$400 million over 2005-2006. Additionally, the State pays the employer's share of teacher retirement benefits for all local school systems. This amounted to \$400 million in FY 2006 and another \$460 million in FY 2007. Local governments contributed \$4.9 billion to education in FY 2007, \$300 million more than in FY 2006. While federal revenue increased statewide by \$17.7 million, more than

half of the school systems experienced a decrease in federal revenue. From FY 2006 to FY 2007, LSS saw an overall revenue growth of \$737 million. The analysis of local school

“The increase in State revenues of \$5,069,644 can be directly attributed to the Thornton Commission recommendations and represents the largest one-year increase in State revenue to Caroline County Public Schools in at least the past twenty years.”

Caroline County
2006 Master Plan Update, pg. 13

system expenditures (the allocation of increased resources) will focus on the five NCLB goals, other reporting requirements, local goals, and mandatory cost of doing business categories.

Within the five NCLB goals, this report will highlight LSS focus on reading and math, limited English proficient students, special education, safe schools, and efforts to support high school students in meeting graduation requirements. Physical education and fine arts, and full-day kindergarten and pre-kindergarten for economically disadvantaged students are included in other reporting requirements. Many school systems have specific local goals outside those encompassed by the five NCLB goals. Examples of local goals include efforts to increase parental involvement and community partnerships. The specific categories considered mandatory cost of doing business include increases in salary and benefits, transportation, utilities, and special education non-public placements.

Under Goal 1, LSS allocated approximately \$8 million to initiatives specifically designed to improve reading education in Maryland for both regular and special education students. Nine LSS allocated more than \$3.5 million in new

funds to intervention strategies, including intervention teachers and coaching positions at the elementary, middle and high school levels. Other examples include core reading programs, instructional materials, and professional development for teachers and staff. LSS are also designing supplemental extended learning opportunities for elementary school students. For math, 14 LSS allocated \$6 million. Many of the same strategies used in reading are also used to improve math programs at all levels. Examples of strategies employed in LSS include extended instructional time, gifted and talented competitions, and central office level coordinator/supervisor positions.

| No Child Left Behind (NCLB) Goals* | \$ in millions |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| 1. By 2013-2014, All students will reach high standards, at a minimum attaining proficiency or better in reading/language arts and mathematics. | \$104.4 |
| 2. By 2013-2014, All limited English proficient students will become proficient in English and reach high academic standards, at a minimum attaining proficiency or better in reading/language arts and mathematics. | \$4.7 |
| 3. By 2005-2006, all students will be taught by highly qualified teachers. | \$159.5 |
| 4. All students will be educated in learning environments that are safe, drug-free and conducive to learning. | \$40.3 |
| 5. All students will graduate from high school | \$26.6 |
| Mandatory Cost of Doing Business | \$374.7 |
| Local Goals and Other Adjustments | \$26.8 |

*LSS were given wide flexibility in allocating expenditures to a corresponding NCLB goal, local goal, or category considered mandatory cost of doing business. The last two listed are MSDE categories and not NCLB goals.

The achievement of special education students is a focus nationally and specifically in Maryland. LSS allocated \$24.5 million to support efforts to improve educational opportunities for these students. In addition to new teachers, instructional assistants, and other classroom supports, many LSS allocated funds

to specialized services for students and professional development programs for teachers.

Several school systems are experiencing a rapid growth in the number of limited English proficient students. This population brings unique challenges to school systems, requiring services to students *and* families. As this student group grows, LSS will be challenged to develop new and innovative strategies to ensure that these students are able to learn at the same pace as their English-speaking peers. For the 2006-2007 school year, LSS will allocate \$4.7 million to strategies designed to assist English language learners become proficient in English and to meet State standards. These strategies extend from inside the classroom (highly qualified teachers, instructional materials, and professional development) out into the community (translation services and parent outreach).

For the Class of 2009, current 10th grade students, the High School Assessments are critical. These students will need to pass all four end-of-course exams either individually or with a composite score in order to graduate. LSS have allocated \$25 million of their budget increase to support these students as they work to achieve this goal. In particular, LSS are aligning curriculum with assessments, instituting remedial course and testing opportunities, sequencing courses to better align material for student success, and hiring new staff to support smaller class size and student behavior. Baltimore City has allocated \$1.2 million to ensure all high school students have access to Advanced Placement programs, expanding this program to neighborhood high schools. To support students and teachers, Prince George's County has allocated \$3.7 million for mandatory in-school suspension centers in middle and high schools.

For Maryland students, the focus on core academic subjects is clear. However, many

school systems have not lost sight of the importance of physical and fine arts education. This is a delicate balance in light of looming deadlines for student achievement and limited hours in a given school day. School systems have creatively allocated \$3.6 million to continue physical education and fine arts programs for students. In addition to hiring new teachers beyond what is needed for new kindergarten programs (\$2.2 million), LSS have updated equipment and expanded athletic programs into middle schools (\$1.3 million), instituted participation in music and arts festivals, declared swimming a varsity sport in high schools (\$.1 million), and purchased needed music equipment and art supplies.

LSS are required to implement full-day kindergarten and to offer pre-kindergarten programs to all economically disadvantaged four year olds by the end of the 2007-2008 school year. LSS have allocated \$23.3 million to continue the phase-in of these programs. All school systems are poised to meet this requirement by the deadline.

“The HCPSS Board of Education, the Superintendent, teachers and staff have embarked on a “journey to excellence” to ensure each child meets rigorous academic standards. Meeting that challenge demands determination and perseverance – and the will to take the HCPSS from being a very good school system to being a great one.”

Howard County
2006 Master Plan Update, pg 6

School safety is a national issue. In Maryland, safety encompasses experiences inside and outside school buildings. LSS have comprehensive school safety plans in place and work to update and refine them as necessary. Many LSS are including student behavior components in these plans as well. Character

education and Positive Behavioral Interventions and Supports (PBIS) are two examples. Seven LSS have allocated \$1.6 million in new resources to school safety and security efforts. Student health is a concern for school systems, too. Nine LSS have allocated \$1.2 million in new resources to support school nurse services. Additionally, for FY 2007, LSS are updating physical security efforts like building access and outdoor lighting. Building maintenance, including staff, supplies, and equipment is another priority for LSS. In all, for FY 2007, LSS have attributed \$40.3 million in new funds to NCLB Goal 4.

Several LSS have local goals and indicators that do not correlate to one of the five NCLB goals. These goals encompass improving service delivery, technology, community involvement and partnerships, and research and accountability. In FY 2007, LSS allocated \$25.5 million to support these efforts.

School systems are service-providers, powered by people. As a result, the major mandatory cost component of school system budgets is salary and benefit costs. In FY 2007, LSS will allocate \$386.7 million to support increases in negotiated agreements. This figure includes salary and benefits costs for agreements with teachers, administrators, and support staff. In addition to the cost of negotiated agreements, for 2007-2008, 23 out of 24 school systems will add new positions to support a number of strategies designed to improve educational opportunities for children in Maryland. These include enrollment growth, class-size reduction initiatives, meeting the needs of special education students, intervention programs, English language learner programs, specific content area teachers, and central office personnel.

Several local boards of education have adopted specific class sizes for different grade levels as board policy. It is the belief that smaller class

sizes make learning more accessible for all students. For the 2006-2007 school year, 11 LSS allocated \$10.5 million in new funds to implement these policies. LSS were in some cases reducing class size, and in others maintaining class size, but in all cases, implementing these policies requires staffing adjustments.

NCLB Goal 3 ensures that all students are taught by highly qualified teachers (HQT), however LSS face many challenges in this arena. Often LSS are competing against each other for the best teachers, with salaries being a determining factor. Somerset County, facing similar circumstances, realized that it would require a sizable adjustment to their entire salary scale to counteract its position as one of the lowest paying systems on the eastern shore. However, they designed a creative package that allowed the system to give teachers and staff a percentage increase *and* extend the school day allowing for more instruction and professional development time. Somerset offered its employees a percentage increase and purchased 15 minutes per day from each teacher. At the elementary level, this extended instructional time in the school day by 30 minutes (after juggling bus schedules). At the secondary level, the extra time was reserved to create one 75-minute block per week specifically for professional development. This is a great example of the creative problem solving efforts LSS employ.

Transportation costs are another large component of school system budgets. The fluctuating fuel costs are difficult to predict, making planning complicated. LSS allocated \$25.3 million to transportation expenditures including new buses, new bus routes to support enrollment growth and full-day kindergarten, increases in fuel and maintenance costs, and programs to promote bus safety. Utilities are another volatile expenditure for school systems. As with fuel costs, energy costs are

unpredictable. For FY 2007, LSS plan to spend an additional \$54.7 million on increases in utility costs. LSS included the costs for special education non-public placements as a category under mandatory cost of doing business. This cost is shared between LSS and the State. For FY 2007, LSS plan to allocate an additional \$2 million.

For the 2006-2007 school year, LSS allocated \$737 million in new funds to operate school systems and to strategies designed to improve achievement for all students. LSS apportioned funds to each of the five NCLB goal areas – Goal 1: \$104.4 million, Goal 2: \$4.7 million, Goal 3: \$159.5 million, Goal 4: \$40.3 million, and Goal 5: \$26.6 million. LSS spent \$374.7 million on mandatory cost of doing business expenditures. The remaining \$26.8 million is attributable to local goals and other adjustments.

FY 2006 Analysis:

As is required under the *Education Fiscal Accountability and Oversight Act*, LSS were required to submit a prior-year budget component with the 2006 Master Plan Update. This component focused on the LSS plan for the 2005-2006 school year (FY 2006) which was detailed in the 2005 Master Plan Update. The purpose of this component is comparative. In large part, LSS followed plans outlined in the 2005 Update and finances were impacted by many of the same factors. Expenditures were affected by fluctuating fuel and utility costs and mid-year adjustments to Medicaid reimbursement rates, while revenue was affected by unexpected interest income and decreasing federal revenue. LSS adjusted their plans as these factors dictated.

Attachments

There are several attachments to this report to provide readers with a more detailed insight into the financial components of the 2006 Master

Plan Updates. However, for a complete, comprehensive view of school system plans, readers are encouraged to peruse each 2006 Master Plan Update, available from MSDE and LSS.

Attachment A: Current year and prior year summary report for each school system. This report begins with a current year report of new resources – comparing the end of FY 2006 (6/30/06) with the beginning of FY 2007 (7/1/06) to determine the growth in revenue. This data is broken down by local, State, federal, and other categories. The next section includes expenditure aggregation to the five NCLB goals, local goals, and mandatory cost of doing business expenditures. Lastly, there is a list of expenditure examples. Due to the volume of expenditure data contained in the updates for 2005 and 2006, MSDE used an absolute value of 100,000 as the determination for inclusion in the list of expenditure examples. The same format is used to summarize the data LSS provided for the prior year (FY 2006). The revenue summary compares the start of FY 2006 (7/1/05) with the end of FY 2006 (6/30/06). In the expenditure example listing, there are two columns listing the planned and actual expenditures.

Summary and Conclusions

LSS satisfy a number of statutory reporting requirements throughout the year – all designed to demonstrate fiscal solvency. The Master Plan Update, its budget components, and this report are not designed as fiscal control documents, but rather as evidence of the correlation between fiscal and programmatic programs, practices, and strategies in place in school systems in Maryland.

Local school system budgets are reflective in this report and in the budget components of the Master Plan Update, however, it should be noted that the development cycles are discordant. Local School systems begin the

budget development process in the fall of each year. The Superintendent or CEO will often present the fiscal priorities to the local Board of Education for their consideration in late winter or early spring. This schedule allows time for public comment and subsequent negotiation with the local government prior to approval and enactment by the start of the fiscal year, July 1. Students take the Maryland School Assessments in the spring and the results are released in June. The High School Assessments are end-of-course exams; however, students are given opportunities to re-test throughout the year. The Master Plan Update guidance is released to school systems in late spring with the federal grant applications due August 15 and the Master plan update due October 15. Within the Update, school systems are expected to use assessment data released in June or at the end of a course (HSA) and budget data enacted in July to develop priorities and a plan of action for the school year beginning in September. As you can see, this makes for a very tight timeline, and in some cases, budget decisions have been made long in advance of Master Plan Update decisions. However, LSS make it work. They are using the Master Plans as living documents, analyzing data on an ongoing basis and strategically planning for the future – fiscally and programmatically. This is illustrated in the 2006 Master Plan Updates.

LSS recognize the way to get where they need to be is by establishing priorities based on a thorough understanding of needs and expectations, (you have to know where you are and be able to communicate where you want to be) and effectively allocating resources to meet those needs (decide how to get there).

***“The Anne Arundel County Public Schools Board of Education is committed to quality instruction and student success and believes that all students have the right to educational opportunities. To provide anything less would be to fail our students and to fail the community we serve.*”**

Anne Arundel County
2006 Master Plan Update, pg. 10

A review of the 2006 Master Plan Updates affirms that schools systems are aligning fiscal resources with the programs, practices, and strategies designed to produce progress and overcome challenges.

Bridge to Excellence Master Plan - 2006 Update Local School System Budget Alignment Report

Allegany County Public Schools

| FY 2007 Budgeted Revenue | Actual FY 2006 | Planned FY 2007 | Increase from FY 2006 |
|------------------------------|---------------------|----------------------|-----------------------------|
| Local Appropriation | \$26,630,000 | \$27,380,000 | \$750,000 |
| State Revenue | \$60,086,096 | \$74,130,242 | \$14,044,146 |
| Federal Revenue | \$9,655,568 | \$8,979,976 | (\$675,592) |
| Other Resources/Transfers | \$523,000 | \$400,000 | (\$123,000) |
| Other Local Revenue | \$660,778 | \$592,851 | (\$67,927) |
| Total Revenue/Change: | \$97,555,442 | \$111,483,069 | \$13,927,627 |

Planned Expenditures

Allocated by ESEA Goal

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$2,204,074 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$6,086,631 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$70,469 |
| All students will graduate from high school. | \$54,000 |
| Mandatory Cost of Doing Business | \$5,705,789 |
| Other | (\$193,336) |

Expenditure Examples

| | Planned |
|-------------------------------------------------------------------------------------------------|-----------|
| Add 1.0 math instructional specialist and 1.0 reading instructional specialist for elem schools | \$111,600 |
| Add 2.0 administrative assistants (1.0 at GC and 1.0 at WT) | \$113,000 |
| Add 2.0 assistant principals (1.0 at CW and 1.0 at BE) | \$160,000 |
| Add 2.0 reading teachers and purchase instructional materials | \$114,300 |
| Add 2.0 teachers to continue the Corrective Reading Program | \$108,000 |
| Increase in cost of non-public placements (local share) (at 75% share rate) | \$442,000 |
| Increase in cost of non-public placements (State share-offset by State revenue) | \$110,000 |
| Provide funding for shortfall in restricted grants | \$348,000 |
| Purchase Reading Intervention materials for DIBELS | \$127,050 |
| Additional costs for 25 ACESC positions added | \$342,500 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year Prior Year aggregation prepared by MSDE.

| | |
|---------------------------------------------------------------------------------|-------------|
| Increase contribution to retiree insurance fund | \$531,500 |
| Increments (systemwide including operations & maintenance) | \$649,087 |
| Medical, dental, & vision insurance increase | \$452,882 |
| Salary/Benefit enhancements for employees (Includes FICA, workers comp & LTD) | \$3,994,000 |
| Add On-behalf retirement payments | \$4,650,000 |
| Decrease in ERI (energy consultants) payments. Contract payments end 10/31/06 | (\$114,307) |
| Decrease in Grants | (\$586,013) |
| Estimated increase in utilities-regular and deregulation | \$803,000 |
| Furniture for Mt. Ridge High School (earlier BOE commitment) | \$400,000 |
| Increase in school bus contractor accounts (includes additional PVA of \$8,528) | \$228,500 |
| Other salary adjustments due to retirements, resignations, etc.-net | (\$242,927) |
| Delete one-time start up costs to establish the Pre-K programs | (\$112,000) |

Prior Year Comparison Report

Allegany County Public Schools

FY 2006 Budgeted Revenue

| | 7/1/05 | 6/30/06 | Change |
|------------------------------|---------------------|---------------------|------------|
| Local Appropriation | \$26,630,000 | \$26,630,000 | \$0 |
| State Revenue | \$60,086,096 | \$60,086,096 | \$0 |
| Federal Revenue | \$9,655,568 | \$9,655,568 | \$0 |
| Other Resources/Transfers | \$523,000 | \$523,000 | \$0 |
| Other Local Revenue | \$660,778 | \$660,778 | \$0 |
| Total Revenue/Change: | \$97,555,442 | \$97,555,442 | \$0 |

Planned Expenditures

| Allocated by ESEA Goal | Planned | Actual |
|-------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$2,771,515 | \$2,619,022 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$812,820 | \$779,507 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$192,854 | \$191,572 |
| Mandatory Cost of Doing Business | \$6,648,844 | \$7,190,789 |
| Redirected Funding/Budget Reductions | (\$2,043,000) | (\$2,043,000) |
| Other | \$70,000 | \$0 |

Expenditure Examples

| | Planned | Actual |
|------------------------------------------------------------------------------------------------------------------------|-----------|-----------|
| Add 2.0 teachers and classroom materials to continue SRA Corrective Reading Program at Washington Middle and Fort Hill | \$140,898 | \$140,898 |
| Add 8.0 reading teachers for middle/secondary schools | \$360,000 | \$360,000 |
| Add ICT facilitator's and materials and staff training to train all elementary schools | \$187,500 | \$187,500 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year Prior Year aggregation prepared by MSDE.

| | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| Continue phase-in of PreK program | \$193,030 | \$193,030 |
| Increase allocations for materials of instruction, consumables and text media | \$350,000 | \$318,027 |
| Increase special one-time allocations to schools for supplies and equipment | \$125,000 | \$119,707 |
| Purchase updated social studies textbooks for grades 1-5 | \$199,676 | \$170,806 |
| Replacement of classroom computers and computer labs | \$383,000 | \$383,008 |
| Additional costs for 25 Instructional Assistants/Clerical Assistants ACESC positions added | \$310,000 | \$310,000 |
| Increase staff development/curriculum revisions and related | \$117,266 | \$115,953 |
| Add special funding for capital outlay projects | \$300,000 | \$0 |
| Decrease in bus replacement account – Only 3 buses to purchase | (\$110,443) | (\$110,443) |
| Estimated increase in utilities-regular and deregulation | \$184,000 | \$191,245 |
| Increase in budgeted restricted grants | \$1,319,419 | \$2,124,481 |
| Increase in Retiree Insurance Fund allocation per negotiated agreement | \$131,479 | \$131,479 |
| Increase in school bus contractor accounts incl PVA of \$11,763 & 4% salary increase and 4% increase in most rate tables PVA increase is for 3 buses | \$126,000 | \$221,241 |
| Increments systemwide including operations and maintenance | \$639,885 | \$639,885 |
| Medical, dental, & vision insurance | \$1,460,339 | \$570,399 |
| Negotiated raises for employees Includes FICA, workers comp, & LTD 1% costs \$534,347 w/fringes | \$2,137,387 | \$2,137,387 |
| Other salary adjustments due to retirement | (\$461,297) | (\$475,597) |
| Provide funding for reduction in planned Pass Thru funds | \$195,000 | \$166,822 |
| Special allocations for computers and instructional materials/equipment | (\$1,043,000) | (\$1,043,000) |
| Special funding for A/E expenses of new high school | (\$1,000,000) | (\$1,000,000) |

Prior Year Revenue and Expenditure Analyzing Question Responses

Did actual revenue meet expectations as anticipated in the Master Plan update for 2005? If not, identify the changes and the impact any changes had on the FY 2006 budget and on the system's progress towards achieving master plan goals. Please include any subsequent appropriations in your comparison table and narrative analysis.

Actual revenue exceeded budgeted revenue. In the area of local revenues, the increase was mainly attributed to increased interest revenue. The Federal Reserve Board aggressively raised rates during FY 06 which led to increased interest revenue on invested balances with financial institutions. Overall, the increased interest revenue was \$300,000 above budget, but this is not materially significant in an \$87 million dollar budget. Therefore, there were no changes in the implementation of the Master Plan.

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year Prior Year aggregation prepared by MSDE.

Please provide a comparison of the planned versus actual expenditures for each local goal provided in the Prior Year Variance Table. Identify changes in expenditures and provide a narrative discussion of any changes (by local goal). At a minimum, the narrative should describe any changes that occurred with an explanation of the change and the funding implications.

Goal 1: To provide instructional programs and educational services that ensure accountability, academic success, and high expectations for all students. The following initiatives displayed major expenditure changes.

- Funding to purchase instructional software to support the implementation of the VSC and CLG was overestimated by \$23,890. The elementary program did not identify any additional program needs.
- Formative assessments for reading were purchased from Princeton Review for grades 3-8 at a cost of \$33,824. The original plan also included purchasing the math assessments from Princeton Review. However, after careful review of the math assessments, ACPS decided to develop its own quarterly math benchmarks aligned with the VSC. Therefore, \$21,476 was not expended as planned.
- Funding for materials of instruction, consumables, text, media, and equipment was allocated to each school. However, schools did not utilize their entire allocations. Therefore, \$31,973 was not expended.
- Schools were provided a special allotment to purchase supplies and equipment. Several schools did not spend their entire allotment. Therefore, \$5,293 was not expended.
- The stipend to pay for the USA/VICA Advisor and additional mock trial advisor at Fort Hill was not completely expended as additional work hours were not required to implement the program. Therefore, \$900 was not expended.
- The elementary instructional program purchased social studies textbooks for grades 1-5 in alignment with the textbook replacement schedule. Due to the large purchase of materials, the company provided many items free of charge. Therefore, not all planned funding was required and \$28,870 remained in the account.
- The writing of the Curriculum Data Management System software program was implemented by the Information Technology Office of the ACPS. The system continues to be modified to meet the needs of the instructional division and has been renamed the Assessment Management System. The cost of paying a stipend to the PC Analyst to develop the program was over estimated by \$39,584.

Goal 2: To enhance and strengthen the roles of relationship of people in the school system and the community. The following initiatives displayed major expenditure changes.

- The public information/community relations position was posted. Applicant's qualifications were reviewed. Since the position, at a salary cost of \$32,000, did not include benefits, the ACPS decided to advertise the position again in the 2006-2007 school year and provide benefits. ACPS realizes the importance of this position as related to expanding parent involvement, establishing community partnerships, and providing accurate information to the public. Therefore, the goal is to hire the most qualified person who will be a committed long-term employee.
- Staff development and curriculum development activities were implemented as planned. Only \$1,313 was expended for these activities.

Goal 3: To refine the rules and regulations which govern operations of the school system. The following initiative displayed major expenditure changes.

- The increased cost to maintain nursing services and medical supplies was over estimated by \$1,282.

Mandatory Cost of Doing Business - The planned increase identified in the mandatory cost of doing business for FY 06 and the actual expenditures FY 06 display changes for several reasons:

- Capital outlay projects were delayed due to the construction of a new high school and the development of the capital improvement plan.
- Utility costs increased.
- Fuel costs increased.
- Special education restricted grants received approval after the FY 06 budget was approved.
- Special education non public placement costs continue to increase dramatically.
- ACPS health insurance plan is self-insured. This causes a wide variance in costs each year.

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year Prior Year aggregation prepared by MSDE.

Anne Arundel County Public Schools

| FY 2007 Budgeted Revenue | Actual FY 2006 | Planned FY 2007 | Increase from FY 2006 |
|---------------------------------|----------------------|----------------------|-----------------------------|
| Local Appropriation | \$449,214,000 | \$486,604,350 | \$37,390,350 |
| State Revenue | \$212,160,002 | \$237,839,260 | \$25,679,258 |
| Federal Revenue | \$33,195,315 | \$32,592,378 | (\$602,937) |
| Other Resources/Transfers | \$0 | \$0 | \$0 |
| Other Local Revenue | \$3,308,440 | \$4,170,000 | \$861,560 |
| Total Revenue/Change: | \$697,877,757 | \$761,205,988 | \$63,328,231 |

Planned Expenditures

Allocated by ESEA Goal

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$13,475,100 |
| All limited English proficient students will become proficient in English and reach high academic standards at a minimum attaining proficiency or better in reading/language arts and mathematics. | \$544,900 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$3,735,300 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$137,200 |
| All students will graduate from high school. | \$949,300 |
| Mandatory Cost of Doing Business | \$41,110,500 |
| Other | \$3,375,931 |

Expenditure Examples

| | Planned |
|--------------------------------------------------|-------------|
| AVID Program Expansion | \$527,300 |
| Elementary & Secondary Math Intervention | \$1,319,700 |
| Elementary & Secondary Reading Intervention | \$2,505,100 |
| Full Day Kindergarten | \$3,747,000 |
| International Baccalaureate Expansion @ Meade HS | \$200,800 |
| MD Virtual Learning (On-Line Campus) | \$208,100 |
| Mentors | \$588,100 |
| North County HS Staffing | \$136,100 |
| Office of Civil Rights establishment | \$154,000 |
| Research & Assessment Expansion | \$974,500 |
| Secondary Equity Poverty Program | \$686,300 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

| | |
|-----------------------------------------------------------------------------------------------------------------------|--------------|
| Special Education Support | \$792,000 |
| Title I Replacement | \$1,636,100 |
| ESOL | \$544,900 |
| AYP Stipends | \$2,585,300 |
| Compensation Incentives, Hiring Bonuses | \$1,150,000 |
| Swimming Program | \$137,200 |
| Alternative Education Expansion | \$949,300 |
| Additional Positions for Enrollment Growth or Class Size reduction initiatives - may include in a specific local goal | \$1,952,100 |
| Increases in negotiated contractual agreements - benefits | \$5,116,800 |
| Increases in negotiated contractual agreements - salaries | \$27,583,200 |
| Nonpublic Special Education Placements | \$459,200 |
| Transportation | \$1,012,400 |
| Utilities | \$4,907,700 |
| Other | \$3,375,931 |

Prior Year Comparison Report

Anne Arundel County Public Schools

FY 2006 Budgeted Revenue

| | 7/1/05 | 6/30/06 | Change |
|------------------------------|----------------------|----------------------|--------------------|
| Local Appropriation | \$449,213,960 | \$449,214,000 | \$40 |
| State Revenue | \$212,160,002 | \$209,543,463 | (\$2,616,539) |
| Federal Revenue | \$33,195,315 | \$36,162,628 | \$2,967,313 |
| Other Resources/Transfers | \$0 | \$0 | \$0 |
| Other Local Revenue | \$3,308,440 | \$6,631,594 | \$3,323,154 |
| Total Revenue/Change: | \$697,877,717 | \$701,551,685 | \$3,673,968 |

Planned Expenditures

| Allocated by ESEA Goal | Planned | Actual |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$18,043,080 | \$17,055,754 |
| All limited English proficient students will become proficient in English and reach high academic standards at a minimum attaining proficiency or better in reading/language arts and mathematics. | \$236,000 | \$236,000 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$4,000,000 | \$3,700,000 |
| Mandatory Cost of Doing Business | \$35,631,000 | \$37,996,449 |
| Other | (\$856,209) | \$1,739,636 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

| Expenditure Examples | Planned | Actual |
|--------------------------------------------------------------------------------------------------------------------------------|----------------|---------------|
| AVID (Advancement Via Individual Determination - program to encourage student participation in rigorous programs) | \$408,000 | \$408,000 |
| Elementary Grade Reporting | \$311,000 | \$200,000 |
| Full Day kindergarten | \$3,700,000 | \$3,100,000 |
| High school class size reduction | \$2,350,000 | \$2,350,000 |
| IB (International Baccalaureate Program) | \$164,000 | \$135,000 |
| Math Intervention | \$1,116,700 | \$1,130,000 |
| Mentors | \$490,000 | \$490,000 |
| Middle school teachers - math, reading, world & classical | \$295,000 | \$295,000 |
| Reading Intervention | \$1,324,000 | \$1,350,000 |
| Special Ed Federal Grants | \$5,940,000 | \$5,636,174 |
| Special Ed services, intervention, positions | \$646,380 | \$646,380 |
| Talent Development | \$748,000 | \$748,000 |
| Teacher classroom funds | \$550,000 | \$567,200 |
| ESOL (English Speakers of Other Languages) | \$236,000 | \$236,000 |
| AYP Stipends (These stipends are for Unit I and Unit II employees who work in Schools in Improvement. | \$4,000,000 | \$3,700,000 |
| COLA, step, longevity adjustments | \$18,925,000 | \$18,925,000 |
| Fuel, utilities | \$1,000,000 | \$2,700,000 |
| Health insurance | \$5,100,000 | \$3,650,000 |
| Information management (software fees, technology upgrades, licencing fees) | \$1,200,000 | \$750,000 |
| Long-term sub pay (funds to pay substitutes for teachers who are out for more than 10 days) | \$500,000 | \$500,000 |
| Negotiated travel | \$450,000 | \$450,000 |
| Reorgs, add'l positions, overhires,etc | \$1,600,000 | \$1,600,000 |
| School copiers | \$375,000 | \$500,000 |
| Social security & retirement | \$1,025,000 | \$860,000 |
| Special Ed Non-Public Tuition & Non-Public placements (grant) | \$2,800,000 | \$2,300,000 |
| Transportation Routes (funds to bus students to schools) | \$2,656,000 | \$2,200,000 |
| Other | \$4,143,791 | \$6,739,636 |
| Textbooks moved to separate fund - In FY 05, the Operating Budget contained \$5,000,000 for a Single Textbook Adoption Program | (\$5,000,000) | (\$5,000,000) |

Prior Year Revenue and Expenditure Analyzing Question Responses

Did actual revenue meet expectations as anticipated in the Master Plan update for 2005? If not, identify the changes and the impact any changes had on the FY 2006 budget and on the system's progress towards achieving master plan goals. Please include any subsequent appropriations in your comparison table and narrative analysis.

Actual revenues overall met expectations. State revenues were slightly lower then anticipated as a result of Medicaid funds. However, additional federal grant revenues and local revenues generated a net increase of approximately \$3.7 million.

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Please provide a comparison of the planned versus actual expenditures for each local goal provided in the Prior Year Variance Table. Identify changes in expenditures and provide a narrative discussion of any changes (by local goal). At a minimum, the narrative should describe any changes that occurred with an explanation of the change and the funding implications.

- Goal 1 - \$987,326 less than planned
 - Full Day Kindergarten staffing and materials to implement expansion to 19 additional schools \$600,000 less than anticipated (\$3,100,000 vs. \$3,700,000)
 - Special Education federal grants \$303,826 less than anticipated (\$5,636,174 vs. \$5,940,000)
 - Other items including electronic grade reporting system \$83,170 less than anticipated (\$3,382,200 vs. \$3,465,370)
 - Goal 2 – no change
 - Goal 3 - \$300,000 less than planned
 - Assignment and performance bonuses to teachers and administrators related to school AYP status and/or performance
- Other costs were \$2.6 million more than planned representing numerous items system-wide.
Overall the Mandatory Cost of Doing Business items was net \$2.4 million more than planned as a result of several major items.
Charter Schools \$2,300,000
Fuel & Utilities \$1,700,000
Overtime \$ 500,000
Supplies \$ 800,000
Healthcare (\$1,450,000)
Technology (\$ 450,000)
Non-public Placements (\$ 500,000)
Transportation (\$ 500,000)

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Baltimore City Public Schools

| FY 2007 Budgeted Revenue | Actual FY 2006 | Planned FY 2007 | Increase from FY 2006 |
|---------------------------------|----------------------|------------------------|-----------------------------|
| Local Appropriation | \$207,768,000 | \$207,941,000 | \$173,000 |
| State Revenue | \$666,639,000 | \$733,197,000 | \$66,558,000 |
| Federal Revenue | \$111,758,000 | \$121,592,000 | \$9,834,000 |
| Other Resources/Transfers | \$0 | \$0 | \$0 |
| Other Local Revenue | \$7,281,000 | \$3,998,000 | (\$3,283,000) |
| Total Revenue/Change: | \$993,446,000 | \$1,066,728,000 | \$73,282,000 |

Planned Expenditures

Allocated by ESEA Goal

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$14,747,000 |
| All limited English proficient students will become proficient in English and reach high academic standards at a minimum attaining proficiency or better in reading/language arts and mathematics. | \$375,000 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$245,000 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$4,717,000 |
| All students will graduate from high school. | \$5,096,000 |
| Local Goals and Indicators | \$16,410,000 |
| Mandatory Cost of Doing Business | \$30,874,000 |
| Other | \$818,000 |

Expenditure Examples

| | Planned |
|--------------------------------------------------------------------|---------------|
| Adopt curriculum resources and supports | \$2,500,000 |
| Assessment & remediation resources | \$1,790,000 |
| Decrease in other contractual services | (\$640,000) |
| Lab/text materials & benchmarking support | \$800,000 |
| Math coach support for teachers in low performing schools (30 FTE) | \$1,350,000 |
| MSDE IMCIT | \$1,300,000 |
| New 11th grade curriculum resources | \$865,000 |
| Open Court (K-3) | (\$6,700,000) |
| Open Court (Pre-k, 4, 5) | \$3,500,000 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

| | |
|---------------------------------------------------------------------------------------------------------|----------------|
| Out of County/Kinship Care Living Arrangement | \$810,000 |
| Pre K Expansion | \$280,000 |
| Professional Development on curriculum | \$500,000 |
| School Based Support for Technology Integration | \$1,800,000 |
| Special Education Contractual Services | \$682,000 |
| Special Education Teacher Enhancement | \$2,625,000 |
| Staff to support compliance | \$485,000 |
| Teachers/Students access to technology for workstations and laptops | \$2,800,000 |
| Newcomers support - PD & materials | \$233,000 |
| Increase in Highly Qualified recruitment efforts | \$400,000 |
| New Teacher Induction | (\$1,000,000) |
| To retain highly qualified teachers: FTE increase in teacher mentor support | \$845,000 |
| Increase in Student Support Deans in Secondary Schools | \$2,137,000 |
| PBIS | \$500,000 |
| Social Work Service Enhancement (40 FTE's) | \$2,000,000 |
| College Ready Initiative | \$260,000 |
| Extended Learning: Summer School & after-school | \$2,500,000 |
| Gifted and Talented Support and Programming | \$350,000 |
| Middle School Athletics | \$563,000 |
| Neighborhood High School AP Initiative (24 FTE's) | \$1,260,000 |
| Additional staffing - Facilities Maintenance | \$1,000,000 |
| Asset Management System Phase II | \$300,000 |
| Facilities Solutions Operational Logisitcs | \$2,000,000 |
| Implementation of a Disaster Recovery/Business Continuity plan | \$4,300,000 |
| Implementation of Electronic Board meeting software and Implementation of Enterprise Project Management | \$300,000 |
| Preventive Maintenance Plan - Contracts | \$4,725,000 |
| Preventive Maintenance Plan - Positions | \$2,985,000 |
| Self-Service HR | \$700,000 |
| Additional Positions for Intervention Teachers | \$8,400,000 |
| Charter Schools | \$3,700,000 |
| Decrease in Deficit Reduction | (\$23,000,000) |
| Increases in negotiated contractual agreements - benefits | \$8,170,000 |
| Increases in negotiated contractual agreements - salaries | \$22,595,000 |
| Non Public Special Education Placements | \$1,844,000 |
| Transportation | \$3,835,000 |
| Utilities | \$5,330,000 |
| Other | \$818,000 |

Prior Year Comparison Report

Baltimore City Public Schools

FY 2006 Budgeted Revenue

| | 7/1/05 | 6/30/06 | Change |
|--|--------|---------|--------|
|--|--------|---------|--------|

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

| | | | |
|------------------------------|------------------------|------------------------|---------------------|
| Local Appropriation | \$207,768,000 | \$207,768,000 | \$0 |
| State Revenue | \$667,616,000 | \$677,987,000 | \$10,371,000 |
| Federal Revenue | \$134,543,000 | \$141,022,000 | \$6,479,000 |
| Other Resources/Transfers | \$0 | \$0 | \$0 |
| Other Local Revenue | \$5,322,000 | \$18,277,000 | \$12,955,000 |
| Total Revenue/Change: | \$1,015,249,000 | \$1,045,054,000 | \$29,805,000 |

Planned Expenditures

| Allocated by ESEA Goal | Planned | Actual |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$63,141,000 | \$69,314,000 |
| All limited English proficient students will become proficient in English and reach high academic standards at a minimum attaining proficiency or better in reading/language arts and mathematics. | \$250,000 | \$250,000 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$4,155,000 | \$4,755,000 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$37,979,000 | \$41,302,000 |
| All students will graduate from high school. | \$10,436,000 | \$11,115,000 |
| Local Goals and Indicators | \$44,508,000 | \$47,127,000 |
| Mandatory Cost of Doing Business | \$145,176,000 | \$151,582,000 |
| Other | \$664,253,000 | \$653,322,000 |

Expenditure Examples

| | Planned | Actual |
|-------------------------------------------------------------------------------|--------------|--------------|
| Assessment & remediation resources | \$2,110,000 | \$2,110,000 |
| Compensatory Services | \$763,000 | \$1,763,000 |
| CTE - Materials and Supplies | \$240,000 | \$240,000 |
| Extended School Year | \$1,412,000 | \$912,000 |
| Gifted and Talented Education | \$5,615,000 | \$5,615,000 |
| High School Classroom Libraries | \$867,000 | \$4,430,000 |
| Instructional Interventions | \$966,000 | \$966,000 |
| Instructional Materials and Supplies | \$8,925,000 | \$8,925,000 |
| Library Improvements | \$1,000,000 | \$1,000,000 |
| Middle School Textbook Adoption | \$1,700,000 | \$1,700,000 |
| Open Court (K-3) | \$7,000,000 | \$7,000,000 |
| Out of County/Kinship Care Living Arrangement | \$4,000,000 | \$4,647,000 |
| Professional Development to build a coherent math system - elementary schools | \$1,000,000 | \$1,000,000 |
| Professional Development to build a coherent math system - secondary schools | \$2,000,000 | \$2,000,000 |
| Replacement Textbooks | \$5,000,000 | \$5,000,000 |
| School Health Services | \$5,500,000 | \$2,113,000 |
| Special Education Contractual Services | \$14,312,000 | \$14,550,000 |
| Textbooks (other) | \$431,000 | \$5,043,000 |
| Whole Day First Grade | \$300,000 | \$300,000 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

| | | |
|----------------------------------------------------------------------|----------------|---------------|
| Multilingual materials and Translations | \$250,000 | \$250,000 |
| Highly Qualified recruitment efforts | \$500,000 | \$1,100,000 |
| Leadership Development | \$655,000 | \$655,000 |
| New Teacher Induction | \$3,000,000 | \$3,000,000 |
| Family and Community Involvement | \$739,000 | \$1,361,000 |
| Food Services Fund (excluding fringe) | \$21,802,000 | \$24,503,000 |
| Health and Safety Administration | \$175,000 | \$175,000 |
| Lead-In-Water Compliance | \$380,000 | \$380,000 |
| Mental Health Services | \$1,675,000 | \$1,675,000 |
| PBIS | \$500,000 | \$500,000 |
| Security | \$5,653,000 | \$5,653,000 |
| Student Mentoring and Counseling | \$235,000 | \$235,000 |
| Support Services Initiatives | \$2,520,000 | \$2,520,000 |
| Supportive Environment: Athletics | \$4,300,000 | \$4,300,000 |
| College Ready Initiative | \$900,000 | \$900,000 |
| Dropout Prevention Services | \$396,000 | \$396,000 |
| Extended Learning | \$9,000,000 | \$9,679,000 |
| Student Government Association | \$140,000 | \$140,000 |
| Clean and Inspect Buildings- Facilities Maintenance | \$23,782,000 | \$24,282,000 |
| Maintenance/Repair of Building Interior/Exterior | \$19,206,000 | \$21,325,000 |
| Planning, Design and Construction | \$1,520,000 | \$1,520,000 |
| Charter Schools | \$11,400,000 | \$11,667,000 |
| Edison Schools | \$19,200,000 | \$18,412,000 |
| Non Public Special Education Placements | \$46,097,000 | \$48,652,000 |
| Substitute Teachers | \$5,000,000 | \$5,999,000 |
| Transfer from Contingency Reserve to Instruction for CAROI | \$3,000,000 | \$3,000,000 |
| Transfer from Contingency Reserve to Instruction for Charter Schools | \$2,746,000 | \$2,746,000 |
| Transportation | \$27,987,000 | \$28,254,000 |
| Utilities | \$29,746,000 | \$32,852,000 |
| Contingencies (net of transfers) | (\$41,097,000) | \$4,254,000 |
| Debt Service - (11,716 transferred to Debt Services Fund) | \$13,684,000 | \$1,923,000 |
| Deficit Reduction | \$23,000,000 | \$0 |
| Other (General Fund Encumbrances Carryover - 31,414) | \$668,666,000 | \$647,145,000 |

Prior Year Revenue and Expenditure Analyzing Question Responses

Did actual revenue meet expectations as anticipated in the Master Plan update for 2005? If not, identify the changes and the impact any changes had on the FY 2006 budget and on the system's progress towards achieving master plan goals. Please include any subsequent appropriations in your comparison table and narrative analysis.

Actual revenue was within three percent of the original FY06 budget. General Fund revenue exceeded the original budget by \$14.9 million, primarily due to increased State Revenue attributable to final FY05 adjustments and payments for stipends, increased Other Revenue related to legal settlements, and increased Investment Income. Special Revenue Fund revenue exceeded the original budget by \$12.1 million due to additional grant awards. Food Services Fund revenue exceeded the original budget by \$2.8 million due to increased Federal Revenue related to unbudgeted summer school revenue and USDA commodities revenue. System revenue increases contributed a positive impact to the system's progress toward achieving master plan goals. Subsequent appropriations to the FY 2006 revenue budget were as follows: Subsequent Appropriations - Revenue (in thousands)

Allstate Boiler Recovery 3,519
Dixit Boiler Recovery 500
Investment Income 741
Unbudgeted Summer School Revenue 732
Total Additional Revenue Appropriations 5,492

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Please provide a comparison of the planned versus actual expenditures for each local goal provided in the Prior Year Variance Table. Identify changes in expenditures and provide a narrative discussion of any changes (by local goal). At a minimum, the narrative should describe any changes that occurred with an explanation of the change and the funding implications.

In total, the BCPSS original FY06 budget exceeded actual FY06 expenditures. Certain variances are systemic in nature, such as budgeted deficit reduction expense, the transfer of debt services expense to the Debt Services Fund, and encumbrances carryover. Overall, additional appropriations and cost savings generated by decreased salary and fringe benefit expense provided the funding for expenses which exceeded the budgeted amounts in other areas. Expenditures for textbooks and classroom libraries exceeded budget to have a positive impact toward achieving the ESEA Goal 1: To Achieve Proficiency in Reading and Mathematics by 2014. Additional expenditures were required for elementary and middle school literacy textbook adoptions, elementary and eighth grade mathematics textbook adoptions, middle school and high school mathematics textbook replacement, and middle school literacy textbook replacements. Highly Qualified recruitment efforts exceeded budget to have a positive impact on ESEA Goal 3: Highly Qualified Staff. ESEA Goal 4: Provide a Safe and Orderly Environment was positively impacted by increased Family and Community Involvement and Food Services expenditures. Expenditures for Family and Community Involvement increased due to the hiring of additional Title 1 positions to provide more support for parent options and engagement in Title 1 schools. Food Services Fund expenditures increased due to unbudgeted summer school expenditures and unbudgeted USDA commodities expense. ESEA Goal 5: Improve the Graduation Rate was positively impacted by increased Extended Learning expenditures for increased extended year expense. Other Reporting Requirements: Specific Student Needs – Special Education exceeded budget for certain services while the budget exceeded budget for School Health Services. Out of County/Kinship Care expenses exceeded budget as Kinship Care expenses were unbudgeted. Kinship Care expenses were charged to BCPSS for the first time in FY05 and thus were unbudgeted in FY06. School Health Services budgeted amounts exceeded actual expense by the remaining balance of the encumbered contract for nursing services. Compensatory Services exceeded budget due to an increase in the number of compensatory services provided as a remedy for FY05 missed services while Extended School Year expenses were under budget due to a reduction in the number of students recommended for Extended School Year Services. Local Goals Effective Management expense exceeded budget due to increased Cleaning, Maintenance and Repair expenses. Mandatory Cost of Doing Business increased primarily due to increased Utilities expense, Non Public Special Education expenses and Substitute Teachers expense partially offset by decreased Edison School expense. Subsequent appropriations to the FY 2006 revenue budget are as follows: Administration General Fund Increase to legal expenses (Source: Allstate Boiler Recovery) 559 Mid Level Administration General Fund Increase to salaries and wages for Assistant Principals (Source: Investment Income) 741 Instruction General Fund Increase to CAO's office for New Teacher/Principal Initiative (Source: Allstate Boiler Recovery) 962 Plant Maintenance General Fund Increase to fire safety expenses (Source: Allstate Boiler Recovery) 1,998 Increase to COO's office for 20th Street and ten school bathroom upgrades (Source: Dixit Boiler Recovery) 500 Food Services Fund Increase to summer payroll and FICA taxes (Source: Unbudgeted Summer School Revenue) 207 Increase to summer food and supplies (Source: Unbudgeted Summer School Revenue) 525 Total Additional Expenditures Appropriations 5,492

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Baltimore County Public Schools

| FY 2007 Budgeted Revenue | Actual FY 2006 | Planned FY 2007 | Increase from FY 2006 |
|---------------------------------|------------------------|------------------------|-----------------------------|
| Local Appropriation | \$591,733,000 | \$606,302,000 | \$14,569,000 |
| State Revenue | \$423,155,000 | \$481,572,000 | \$58,417,000 |
| Federal Revenue | \$90,485,000 | \$95,835,000 | \$5,350,000 |
| Other Resources/Transfers | \$0 | \$0 | \$0 |
| Other Local Revenue | \$35,738,000 | \$34,406,000 | (\$1,332,000) |
| Total Revenue/Change: | \$1,141,111,000 | \$1,218,115,000 | \$77,004,000 |

Planned Expenditures

Allocated by ESEA Goal

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$4,216,100 |
| All limited English proficient students will become proficient in English and reach high academic standards at a minimum attaining proficiency or better in reading/language arts and mathematics. | \$749,100 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$11,005,300 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$14,322,400 |
| All students will graduate from high school. | \$411,300 |
| Local Goals and Indicators | \$584,400 |
| Mandatory Cost of Doing Business | \$45,715,400 |

Expenditure Examples

| | Planned |
|----------------------------------------------------------------------------------------------------------------------|-------------|
| 2% increase baseline allocation to schools | \$270,000 |
| Expand Advancement Via Individual Determination program from 15 to 20 high schools | \$146,600 |
| Expand half-day kindergarten to full-day at 10 elementary schools | \$713,700 |
| Extended Elementary Education Program move to General Fund FTEs and parent helpers - (funded by state grant in FY07) | \$929,300 |
| Final exam printing costs | \$200,000 |
| Paid parent helpers in elementary schools | \$1,016,900 |
| Psychologists | \$290,900 |
| Science kits | \$236,000 |
| Instructional salaries - Instructional assistants & materials - Family Literacy Early Intervention Program | \$187,400 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| Instructional salaries and materials, highly Qualified English Speakers of Other Language teachers and materials (year three of a 3 year plan) | \$491,600 |
| Increase online course offerings | \$244,700 |
| Step increases for all employees | \$10,194,000 |
| Upgrades for selected classes | \$467,600 |
| Additional maintenance workers/trades people | \$456,000 |
| Fire codes, kitchen hoods, annual sprinkler inspections, and service | \$553,700 |
| Grounds - mowers and ball diamond groomers | \$120,000 |
| Heating, Ventilation, Air Conditioning (HVAC) air filters replacement program | \$405,000 |
| Painting for 10 schools per year | \$418,200 |
| Preventive maintenance - boilers, cooling tower water systems, and generators | \$580,000 |
| Preventive maintenance building automation program | \$454,000 |
| Replace damaged toilet partitions | \$212,000 |
| Stage curtains replacement | \$172,000 |
| Utility and fuel cost increases | \$10,426,000 |
| Special Education - Child Find assessments | \$244,300 |
| Telephone notification system | \$392,900 |
| Built-ins, redirects, turnover, and other adjustments | \$7,590,336 |
| Increases in negotiated contractual agreements - benefits | \$13,834,000 |
| Increases in negotiated contractual agreements - salaries | \$27,706,455 |
| New School Windsor Mill Middle - additional positions | \$819,500 |
| Non-public placement | (\$5,050,191) |
| One-time requests | \$5,986,300 |
| Regular & Special Education Enrollment Adjustment | (\$5,171,000) |

Prior Year Comparison Report

Baltimore County Public Schools

FY 2006 Budgeted Revenue

| | 7/1/05 | 6/30/06 | Change |
|------------------------------|------------------------|------------------------|----------------------|
| Local Appropriation | \$591,733,139 | \$591,809,879 | \$76,740 |
| State Revenue | \$393,406,881 | \$389,612,611 | (\$3,794,270) |
| Federal Revenue | \$75,628,376 | \$69,082,809 | (\$6,545,567) |
| Other Resources/Transfers | \$11,585,145 | \$15,407,184 | \$3,822,039 |
| Other Local Revenue | \$0 | \$0 | \$0 |
| Total Revenue/Change: | \$1,072,353,541 | \$1,065,912,483 | (\$6,441,058) |

Planned Expenditures

| Allocated by ESEA Goal | Planned | Actual |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$12,911,344 | \$6,153,392 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

| | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| All limited English proficient students will become proficient in English and reach high academic standards at a minimum attaining proficiency or better in reading/language arts and mathematics. | \$202,447 | \$202,447 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$704,600 | \$704,600 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$3,146,739 | \$4,400,834 |
| All students will graduate from high school. | \$4,415,690 | \$4,415,690 |
| Local Goals and Indicators | \$2,069,196 | \$2,069,196 |
| Mandatory Cost of Doing Business | \$47,185,198 | \$47,185,198 |
| Other | \$5,396,149 | \$6,307,062 |

| Expenditure Examples | Planned | Actual |
|-----------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------|
| Alternative Education - Increase summer school hours of instruction. | \$247,265 | \$247,265 |
| Elementary Programs - Expand PreKindergarten access to eligible students. | \$118,257 | \$118,257 |
| Instructional Salaries - Expand half-day kindergarten to full-day at 10 elementary schools. | \$1,634,798 | \$1,634,798 |
| Instructional Salaries - Special education teachers and instructional assistants to expand kindergarten special education inclusion programs. | \$503,013 | \$503,013 |
| Musical Equipment - Maintenance & Replacement | \$300,000 | \$300,000 |
| Personnel - Additional Assistant Principals | \$541,094 | \$541,094 |
| Schools - 2% increase to per pupil allocations (non-salary Baseline and Special Education Add-on) | \$349,471 | \$349,471 |
| Secondary Programs - Expand E-learning system and online courses to high school students. | \$433,811 | \$433,811 |
| Secondary Programs - Support and Expand AVID Program. | \$1,106,546 | \$1,106,546 |
| Special Education - Teachers and Instructional Assistants for Woodholme Elementary School | \$180,587 | \$180,587 |
| Special Education - Private non-public placement | \$3,677,579 | (\$3,080,373) |
| Special Education Infants and Toddlers program - to meet new MSDE guidelines | \$283,267 | \$283,267 |
| Special Education mid-year enrollment growth | \$944,104 | \$944,104 |
| Special Education Occupational Therapy/Physical Therapy increase in case loads | \$281,955 | \$281,955 |
| Supplemental Appropriation - Woodholme Elementary School supplies, materials and computers | \$1,508,794 | \$1,508,794 |
| Transportation - Drivers and buses to expand half-day kindergarten to full-day at 10 elementary schools. | \$412,418 | \$412,418 |
| Instructional Salaries - Three year phase-in of certified ELL teachers for ELL classes. | \$202,447 | \$202,447 |
| Title II Elementary Summer Science Institute | \$120,000 | \$120,000 |
| Title II grant - Math Cohorts- Loyola Program of Secondary Certification in Math | \$256,845 | \$256,845 |
| Alternative Education - Increase funds for Spring Grove School Center. | \$208,179 | \$208,179 |
| Maintenance and Construction - Utility cost increases | \$2,695,000 | \$3,949,095 |
| Pupil Personnel Services - Additional social worker position and funds to hire retired pupil personnel worker | \$115,316 | \$115,316 |
| Alternative Education - Maintain Maryland's Tomorrow Program at 4 schools. | \$699,579 | \$699,579 |
| Special Education - Extended School Year Services | \$753,023 | \$753,023 |
| Special Education - Transfer Personal Assistant positions to provide support services to students. | \$2,600,000 | \$2,600,000 |
| Human Resources - Additional clerical, substitutes and operating support | \$117,778 | \$117,778 |
| Information Management - Replace system core switches. | \$290,000 | \$290,000 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

| | | |
|--------------------------------------------------------------------------------------|--------------|--------------|
| Transportation - 57 additional buses (new and replacement) | \$201,000 | \$201,000 |
| Transportation - Additional bus drivers and attendants | \$491,399 | \$491,399 |
| Transportation- Additional bus drivers for new routes | \$318,908 | \$318,908 |
| Warehouse - Additional school furniture | \$500,000 | \$500,000 |
| Employee Benefits and Retirement - Health benefit increases of 12.1%. | \$12,146,811 | \$12,146,811 |
| Engineering - Asbestos Survey | \$250,000 | \$250,000 |
| Maintenance and Construction - Service agreement for maintenance of energy equipment | \$369,500 | \$369,500 |
| Salary restructuring - all pay scales | \$22,287,523 | \$22,287,523 |
| Step adjustments for Assistant Principals and Administrators | \$563,503 | \$563,503 |
| Step increases for all employees | \$10,513,449 | \$10,513,449 |
| Windsor Mill Middle School - Principal | \$113,549 | \$113,549 |
| Woodholme Elementary School - Additional positions | \$857,931 | \$857,931 |
| One Time Requests/Adjustments | \$5,396,149 | \$6,307,062 |

Prior Year Revenue and Expenditure Analyzing Question Responses

Did actual revenue meet expectations as anticipated in the Master Plan update for 2005? If not, identify the changes and the impact any changes had on the FY 2006 budget and on the system's progress towards achieving master plan goals. Please include any subsequent appropriations in your comparison table and narrative analysis.

The number of non-public placement students was less than anticipated for FY 2006. Therefore, state reimbursement required to support the program was less than the budgeted amount. Also, contributing to the shortfall is the practice of including appropriations in the budget in anticipation of new state revenues that do not necessarily materialize. Federal grant amounts are driven by program costs so that shortfalls in revenue reflect lower than budgeted program costs. Significant variances in FY 2006 were in Title I, School Improvement; Title IV, Safe and Drug Free Schools; Title V, Innovative Education, and IDEA Special Education. As with state revenue, the practice of including appropriations in the budget, in anticipation of new federal revenues that do not necessarily materialize, also contributes to the shortfall. The excess of \$3.8 million over the FY 2006 budget is attributable primarily to higher than expected revenue from out-of-county placements, local source grants and other miscellaneous local sources, and to supplemental appropriations from the prior year fund balance. The additional funding was used to meet higher than anticipated costs for out-of-county placements and grant funded programs, and for equipment purchases and building improvements. There was no impact on the Master Plan goals.

Please provide a comparison of the planned versus actual expenditures for each local goal provided in the Prior Year Variance Table. Identify changes in expenditures and provide a narrative discussion of any changes (by local goal). At a minimum, the narrative should describe any changes that occurred with an explanation of the change and the funding implications.

Master Plan Goal 1 - By 2012, all students will reach high standards, as established by the Baltimore County Public Schools and state performance level standards, in reading/language arts, mathematics, science, and social studies. Special Education - Private non-public placement \$3,677,579 (\$3,080,373) -\$6,757,952 Due to the decrease in enrollment of students placed in non-public facilities, the cost of private non-public placement of special education students decreased \$6.8 million. Master Plan Goal 4 - All students will be educated in school environments that are safe and conducive to learning. Maintenance and Construction - Utility cost increases \$2,695,000 \$3,949,095 \$1,254,095. Cost of utilities (gas, electric, and fuel) increased by \$1.2 million in FY 2006. Salary savings due to vacancies funded the increased utility cost. Other One Time Requests/Adjustments \$5,396,149 \$6,307,062 \$910,913. Additional one-time funds were provided by the County to establish a disaster recovery site with Baltimore County government (\$300,000) and to provide additional library books for elementary schools (\$610,913).

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Calvert County Public Schools

| FY 2007 Budgeted Revenue | Actual FY 2006 | Planned FY 2007 | Increase from FY 2006 |
|---------------------------------|----------------------|----------------------|-----------------------------|
| Local Appropriation | \$85,712,612 | \$90,378,744 | \$4,666,132 |
| State Revenue | \$67,215,160 | \$73,435,408 | \$6,220,248 |
| Federal Revenue | \$8,770,630 | \$7,226,375 | (\$1,544,255) |
| Other Resources/Transfers | \$1,741,463 | \$1,596,880 | (\$144,583) |
| Other Local Revenue | \$1,146,298 | \$1,570,000 | \$423,702 |
| Total Revenue/Change: | \$164,586,163 | \$174,207,407 | \$9,621,244 |

Planned Expenditures

Allocated by ESEA Goal

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$1,852,192 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$406,933 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$22,000 |
| All students will graduate from high school. | \$60,500 |
| Mandatory Cost of Doing Business | \$7,754,619 |
| Other | (\$475,000) |

Expenditure Examples

| | Planned |
|-----------------------------------------------------------------------|---------------|
| All Day Kindergarten - Final Phase-in (10 Teachers and 10 Assistants) | \$912,100 |
| Interventionist - Elementary 4.5 / Middle 3.5 / High 4.5 | \$756,250 |
| Extended time for Math Instruction (3.5 Middle School Teachers) | \$212,000 |
| 20 Current teacher positions redirected to address the above goals | (\$1,206,400) |
| Increases in negotiated contractual agreements - benefits | \$1,215,019 |
| Increases in negotiated contractual agreements - salaries | \$6,220,000 |
| Nonpublic Special Education Placements | \$118,000 |
| Transportation | \$1,100,000 |
| Utilities | \$308,000 |
| Other - Budget Reductions affecting most categories | (\$475,000) |

Prior Year Comparison Report

Calvert County Public Schools

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

FY 2006 Budgeted Revenue

| | 7/1/05 | 6/30/06 | Change |
|------------------------------|----------------------|----------------------|------------------|
| Local Appropriation | \$85,712,612 | \$85,712,612 | \$0 |
| State Revenue | \$66,815,096 | \$66,726,010 | \$89,086 |
| Federal Revenue | \$8,152,869 | \$7,467,874 | \$684,995 |
| Other Resources/Transfers | \$1,534,731 | \$1,749,053 | (\$214,322) |
| Other Local Revenue | \$1,381,000 | \$1,106,872 | \$274,128 |
| Total Revenue/Change: | \$163,596,308 | \$162,762,421 | \$833,887 |

Planned Expenditures

| Allocated by ESEA Goal | Planned | Actual |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$3,072,865 | \$2,500,154 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$28,000 | \$25,300 |
| All students will graduate from high school. | \$195,688 | \$149,080 |
| Local Goals and Indicators | \$449,000 | \$432,599 |
| Other | \$9,435,062 | \$9,239,595 |

Expenditure Examples

| | Planned | Actual |
|------------------------------------------------------------------------------------|-------------|-------------|
| 9th grade Academy (4 Teachers) | \$235,000 | \$235,000 |
| Additional teachers for growth | \$417,000 | \$0 |
| Development and implementation of the Diagnostic and Benchmark Assessments for SAS | \$115,000 | \$115,000 |
| Physical education - Carol M. White Grant | \$241,565 | \$231,723 |
| Sixth grade teaming model (6 teachers) | \$1,750,000 | \$345,840 |
| Title I Support - Administrator | \$125,000 | \$0 |
| PMI Contract for SAD | \$108,000 | \$108,000 |
| Reallocation of transportables (transportation costs) for K | \$150,000 | \$130,820 |
| Staff Attorney for the alignment of policies and procedures | \$135,000 | \$117,874 |
| Health Insurance | \$1,386,097 | \$1,008,819 |
| Instructional Supplies and Equipment | \$222,000 | \$206,219 |
| Operations and Capital Outlay | \$550,000 | \$1,400,000 |
| Salaries and benefits | \$5,528,965 | \$5,422,212 |
| Student Growth | \$1,120,000 | \$127,372 |
| Student Transportation | \$628,000 | \$1,074,973 |

Prior Year Revenue and Expenditure Analyzing Question Responses

Did actual revenue meet expectations as anticipated in the Master Plan update for 2005? If not, identify the changes and the impact any changes had on the FY 2006 budget and on the system's progress towards achieving master plan goals. Please include any subsequent appropriations in your comparison table and narrative analysis.

Yes.

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Please provide a comparison of the planned versus actual expenditures for each local goal provided in the Prior Year Variance Table. Identify changes in expenditures and provide a narrative discussion of any changes (by local goal). At a minimum, the narrative should describe any changes that occurred with an explanation of the change and the funding implications.

Curriculum alignment—spent \$4,059 less than anticipated largely due to the number of teachers participating in various workshops and the early, rather than later completion of tasks. No funds were budgeted for Full Day K Teachers and Assistants and we spent \$1,200,000 of reallocated budget funds to accelerate full day k for all students one year prior to the state deadline. This was a Board of Education decision. We allocated \$14,000 for a diagnostic prescriptive elementary team but did not expend the funds due to a crisis in the special education budget that occurred when roughly \$600,000 in revenue generated by Medicaid was suddenly no longer available and all costs formerly met through this source—largely personnel—had to be absorbed into the local budget. We are still committed to this change and working toward it. Expanded after-school tutoring and twilight schools saw a reduction from \$10,000 to \$3,675 largely due to the introduction of interventions within the school day and funds moved toward those student assistance methods. Expansion of Cognitive Tutor for grade 9 algebra was estimated to cost \$33,688 and actually cost \$15,699 due in part to a diminished number of students who needed the intervention and a more attractive pricing package from the vendor.

We allocated \$17,800 for Kurzweil software for special education students but ended up spending \$49,105 for two reasons: schools in need of local attention received intensive training in the application and all schools began matching the intervention to student need through IEP, 504 and Student Service Team determinations. A leveled-library approach for elementary reading used \$9,979 of the \$12,500 allocated due to principals completing multi-year efforts to build these libraries and finding them in relatively solid condition and using building level funds to replenish them. The difference in allocation and expenditure for the Carol M. White Grant is due to the carryover year not meshing with the fiscal year for purposes of accounting. Grade 6 Teaming Model projected funds in the amount of \$1,750,000 with \$345,840 dollars actually spent in this effort. All six schools have the same grade 6 teaming model. Existing staff, in some cases was sufficient for staffing, due to less than projected enrollment growth and where staff was needed, relatively new teachers, rather than seasoned teachers were hired at lower overall salaries and benefit costs. Elementary Math textbooks were allocated no funds and spent \$11,993 when student diagnostics indicated a need for a differentiated approach. Reallocated funds from the textbook account was used in this case. No funds were allocated for the Middle School Reading Curriculum but student assessments indicated a need for a different approach and \$92,600 were reallocated out of existing funds to fine tune the curriculum and materials accompanying it. No funds were allocated for a collaborative pre-school teacher and assistant but instruction's determination that we needed a pilot for collaborative teaching at this level led to the reallocation of \$88,120 for this effort. Changes that you will see in the actual versus the expected expenditures related to Goal 2 occurred because we project cost of salaries based on an average figure and the actual teachers hired had salaries either above or below the averaged figure. The Title I Support figure goes from 0 allocation to \$125,000 actual reflects the local budget picking up costs for a miscalculation resulting in a shortfall in the Title I budget. Special education recruitment costs were more than expected when we had difficulty filling speech pathology positions due to the highly competitive market. The Mandatory Cost of Doing Business category shows changes based on the volatility of fuel costs (transportation and operations), a slowing of enrollment growth and increasing health insurance costs.

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Caroline County Public Schools

| FY 2007 Budgeted Revenue | Actual FY 2006 | Planned FY 2007 | Increase from FY 2006 |
|---------------------------------|---------------------|---------------------|-----------------------------|
| Local Appropriation | \$11,300,000 | \$11,850,000 | \$550,000 |
| State Revenue | \$31,474,415 | \$36,544,059 | \$5,069,644 |
| Federal Revenue | \$3,634,138 | \$3,497,576 | (\$136,562) |
| Other Resources/Transfers | \$0 | \$0 | \$0 |
| Other Local Revenue | \$351,229 | \$404,500 | \$53,271 |
| Total Revenue/Change: | \$46,759,782 | \$52,296,135 | \$5,536,353 |

Planned Expenditures

Allocated by ESEA Goal

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$1,634,017 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$64,167 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$492,675 |
| Local Goals and Indicators | \$185,950 |
| Mandatory Cost of Doing Business | \$3,159,544 |

Expenditure Examples

| | Planned |
|--------------------------------------------------------------------------------------|-------------|
| Increase in allocation for day alternative school - to reflect actual | \$258,825 |
| Instructional Equipment - Computer replacement - yr. 2 - various schools | \$108,000 |
| New positions - High Schools - Science and Soc. Sc. Specialists - 2.0 | \$102,200 |
| Increase in allocation for data processing - new finance/payroll software - L/P | \$146,250 |
| Contractual increase and rate increases - student transportation | \$320,000 |
| Increase in allocation for various utilities - to reflect actual and projected rates | \$368,200 |
| Salary and benefit enhancements for all employees | \$2,429,844 |

Prior Year Comparison Report

Caroline County Public Schools

FY 2006 Budgeted Revenue

| | 7/1/05 | 6/30/06 | Change |
|---------------------|--------------|--------------|-----------|
| Local Appropriation | \$11,300,000 | \$11,300,000 | \$0 |
| State Revenue | \$31,474,415 | \$31,784,248 | \$309,833 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

| | | | |
|------------------------------|---------------------|---------------------|--------------------|
| Federal Revenue | \$3,634,138 | \$4,412,437 | \$778,299 |
| Other Resources/Transfers | \$0 | \$0 | \$0 |
| Other Local Revenue | \$351,229 | \$392,787 | \$41,558 |
| Total Revenue/Change: | \$46,759,782 | \$47,889,472 | \$1,129,690 |

Planned Expenditures

| Allocated by ESEA Goal | Planned | Actual |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$1,361,973 | \$1,252,369 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$17,600 | \$31,167 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$243,150 | \$246,995 |
| Local Goals and Indicators | \$17,500 | \$19,602 |
| Mandatory Cost of Doing Business | \$2,417,264 | \$2,484,126 |
| Other | \$0 | \$37,553 |

Expenditure Examples

| | Planned | Actual |
|------------------------------------------------------------------------------------------|-------------|-------------|
| New positions - High Schools - Math, Health, Choral, HSA - 5.0 | \$183,980 | \$183,980 |
| Textbooks - Central Purchases | \$260,250 | \$220,924 |
| Contractual increase and rate increases - student transportation | \$207,231 | \$259,750 |
| Increase in allocation for various utilities - to reflect actual and projected new rates | \$187,600 | \$240,623 |
| Salary and benefit enhancements for all employees - 673.6 FTE's - 3% plus step | \$1,856,283 | \$1,735,854 |

Prior Year Revenue and Expenditure Analyzing Question Responses

Did actual revenue meet expectations as anticipated in the Master Plan update for 2005? If not, identify the changes and the impact any changes had on the FY 2006 budget and on the system's progress towards achieving master plan goals. Please include any subsequent appropriations in your comparison table and narrative analysis.

Actual revenue exceeded our expectations for other local revenue, state revenue and federal revenue. Other revenue increased due to the rise in interest rates. State revenue increased as a result of grants that were received during the year, but not included in the budget. Examples include: State School Improvement, Advanced Professional Certificate Stipend and MMSR Staff Development. Federal revenue also increased as a result of grants that were not included in the budget such as: 21st Century Community Learning Centers, Even Start and Comprehensive School Reform.

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Please provide a comparison of the planned versus actual expenditures for each local goal provided in the Prior Year Variance Table. Identify changes in expenditures and provide a narrative discussion of any changes (by local goal). At a minimum, the narrative should describe any changes that occurred with an explanation of the change and the funding implications.

The Prior Year Variance Table shows a comparative analysis of the planned increase in expenditures versus the actual expenditures for FY06. The largest changes occurred in the following line items: substitutes, student transportation and utilities. The school system did not anticipate the large number of substitutes that would be needed to cover staff development/in-service activities, sick days and personal days. For transportation, the variance is due to the spike in fuel costs. As a result of the increase in fuel prices, the planned amount did not include enough money for athletic trips or contractual rate increases. Finally, the increase in the cost of various utilities caused a significant increase in expenditures from the planned amount. To support these increases in expenditures, funding will be reallocated from areas such as salaries and wages, other contracted services, textbooks and instructional equipment. A comparison of the planned versus actual expenditures by goal reveals that for the most part, things went as anticipated. The only exception is Master Plan Vision #4. Included in this goal were several items that had a higher actual amount than the planned amount. As discussed earlier, a large portion of the change in expenditures stems from the increase in student transportation and utilities. Several other line items within this goal such as maintenance repairs, vehicle repairs and the addition of a school nurse supervisor also led to a larger increase in spending than originally planned.

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Carroll County Public Schools

| FY 2007 Budgeted Revenue | Actual FY 2006 | Planned FY 2007 | Increase from FY 2006 |
|---------------------------------|----------------------|----------------------|-----------------------------|
| Local Appropriation | \$135,807,000 | \$144,760,000 | \$8,953,000 |
| State Revenue | \$112,909,000 | \$126,346,000 | \$13,437,000 |
| Federal Revenue | \$14,928,000 | \$12,833,000 | (\$2,095,000) |
| Other Resources/Transfers | \$0 | \$0 | \$0 |
| Other Local Revenue | \$2,903,000 | \$2,594,000 | (\$309,000) |
| Total Revenue/Change: | \$266,547,000 | \$286,533,000 | \$19,986,000 |

Planned Expenditures

Allocated by ESEA Goal

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$5,452,000 |
| All limited English proficient students will become proficient in English and reach high academic standards at a minimum attaining proficiency or better in reading/language arts and mathematics. | \$431,000 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$7,786,000 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$392,000 |
| All students will graduate from high school. | \$613,000 |
| Local Goals and Indicators | \$1,157,000 |
| Mandatory Cost of Doing Business | \$4,155,000 |

Expenditure Examples

| | Planned |
|----------------------------------------------------------|-------------|
| Assessment & intervention teachers (7.0 fte) | \$407,000 |
| Behavior support specialists (2.0 fte) | \$116,000 |
| Family literacy teachers (2.5 fte) | \$168,000 |
| Full-day kindergarten program (51.5 fte) | \$2,641,000 |
| Guidance counselors - (2.5 fte) | \$169,000 |
| Pre-kindergarten program (2.0 fte) | \$131,000 |
| Reading intervention specialists grades K - 3 (5.0 fte) | \$403,000 |
| Special education program (23.5 fte) | \$1,066,000 |
| Upgrade technology support services (3.0 fte) | \$177,000 |
| English for Speakers of Other Languages (ESOL) (9.0 fte) | \$431,000 |
| General wage increase for all staff | \$7,197,000 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

| | |
|----------------------------------------------------------|-------------|
| Special area teachers (2.4 fte) | \$136,000 |
| Teachers for class size reduction grades K - 2 (5.0 fte) | \$291,000 |
| Instructional assistants - (12.0 fte) | \$338,000 |
| New Community Learning Center at Winters Mill HS | \$158,000 |
| School psychologists (2.0 fte) | \$162,000 |
| Secondary math resource teachers (2.0 fte) | \$151,000 |
| Data clerks for elementary and middle schools (6.5 fte) | \$202,000 |
| Elementary math resource teachers (8.0 fte) | \$605,000 |
| Fringe benefits for employees | \$2,138,000 |
| Insurances (property / fire, vehicle) | \$114,000 |
| Non-public placements | \$314,000 |
| Three percent increase for bus contractors | \$367,000 |
| Utilities (gas, electric, heating fuels) | \$1,222,000 |

Prior Year Comparison Report

Carroll County Public Schools

FY 2006 Budgeted Revenue

| | 7/1/05 | 6/30/06 | Change |
|------------------------------|----------------------|----------------------|--------------------|
| Local Appropriation | \$135,585,160 | \$135,806,760 | \$221,600 |
| State Revenue | \$112,073,349 | \$112,909,088 | \$835,739 |
| Federal Revenue | \$14,041,780 | \$14,927,652 | \$885,872 |
| Other Resources/Transfers | \$0 | \$0 | \$0 |
| Other Local Revenue | \$2,109,781 | \$2,903,482 | \$793,701 |
| Total Revenue/Change: | \$263,810,070 | \$266,546,982 | \$2,736,912 |

Planned Expenditures

| Allocated by ESEA Goal | Planned | Actual |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$5,323,000 | \$5,855,143 |
| All limited English proficient students will become proficient in English and reach high academic standards at a minimum attaining proficiency or better in reading/language arts and mathematics. | \$90,000 | \$90,000 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$7,312,000 | \$7,385,920 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$527,000 | \$527,000 |
| All students will graduate from high school. | \$705,000 | \$705,000 |
| Local Goals and Indicators | \$52,000 | \$52,000 |
| Mandatory Cost of Doing Business | \$3,148,000 | \$2,640,414 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

| Expenditure Examples | Planned | Actual |
|-------------------------------------------------------------|----------------|---------------|
| Academic support teachers (2.0 fte) | \$119,000 | \$119,000 |
| Full-day kindergarten program (55.0 fte) | \$1,706,000 | \$1,976,624 |
| High school teachers for growth (12.0 fte) | \$490,000 | \$490,000 |
| One additional work day for teachers | \$577,000 | \$577,000 |
| Parr's Ridge Elementary School staffing (18.0 fte) | \$654,000 | \$654,000 |
| Pre-kindergarten program (2.0 fte) | \$230,000 | \$230,000 |
| Special education program (12.0 fte) | \$531,000 | \$531,000 |
| Teachers for class size reduction (10.0 fte) | \$408,000 | \$408,000 |
| Upgrade technology support services (2.0 fte) | \$108,000 | \$108,000 |
| General wage increase for all staff | \$7,095,000 | \$7,095,000 |
| Increase in tuition reimbursement rate for eligible courses | \$133,000 | \$206,920 |
| Assistant principals - high schools (4.0 fte) | \$278,000 | \$278,000 |
| Data and assessment clerks for high schools (7.0 fte) | \$140,000 | \$140,000 |
| Elementary math resource teachers (2.0 fte) | \$109,000 | \$109,000 |
| Science resource teachers (2.0 fte) | \$119,000 | \$119,000 |
| Fringe benefits for employees | \$2,212,000 | \$1,304,932 |
| Non-public placements | \$414,000 | \$814,381 |
| Three percent increase for bus contractors | \$395,000 | \$395,000 |

Prior Year Revenue and Expenditure Analyzing Question Responses:

Did actual revenue meet expectations as anticipated in the Master Plan update for 2005? If not, identify the changes and the impact any changes had on the FY 2006 budget and on the system's progress towards achieving master plan goals. Please include any subsequent appropriations in your comparison table and narrative analysis.

Yes

Please provide a comparison of the planned versus actual expenditures for each local goal provided in the Prior Year Variance Table. Identify changes in expenditures and provide a narrative discussion of any changes (by local goal). At a minimum, the narrative should describe any changes that occurred with an explanation of the change and the funding implications.

Goal 1 – Using available savings from the mandatory / cost of doing business area, we were able to provide additional funding for full day kindergarten in preparation for the next phase of implementation. Similarly, we were able to forward fund several technical infrastructure initiatives.

Goal 3 – Participation in our tuition reimbursement program was higher than expected due to the increase in the reimbursement rate. Savings from the mandatory / cost of doing business area were used to cover the increase in tuition reimbursement expenditures.

Mandatory / Cost of Doing Business – We were able to cover an unanticipated increase in costs for non-public placements using savings from fringe benefits for employees and property / fire and vehicle insurances.

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Cecil County Public Schools

| FY 2007 Budgeted Revenue | Actual FY 2006 | Planned FY 2007 | Increase from FY 2006 |
|---------------------------------|----------------------|----------------------|-----------------------------|
| Local Appropriation | \$62,229,000 | \$65,715,000 | \$3,486,000 |
| State Revenue | \$76,628,000 | \$85,840,000 | \$9,212,000 |
| Federal Revenue | \$7,841,000 | \$7,634,000 | (\$207,000) |
| Other Resources/Transfers | \$1,329,000 | \$1,370,000 | \$41,000 |
| Other Local Revenue | \$0 | \$0 | \$0 |
| Total Revenue/Change: | \$148,027,000 | \$160,559,000 | \$12,532,000 |

Planned Expenditures

Allocated by ESEA Goal

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$4,212,590 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$5,331,000 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$2,631,000 |
| All students will graduate from high school. | \$358,000 |

Expenditure Examples

| | Planned |
|------------------------------------------------------------------------------------|-------------|
| 14.5 Special Education teachers to support inclusion | \$812,000 |
| 19.3 Teachers and paraprofessionals to support inclusive practices | \$537,050 |
| 2.0 Expansion of the middle school foreign language program | \$103,000 |
| 3.5 Guidance counselors | \$174,000 |
| 5.0 Teachers to support additional graduation requirements | \$244,000 |
| 6.0 Behavior specialists | \$336,000 |
| 8.0 Specialists to provide additional elementary planning time | \$385,000 |
| 9.8 Teachers and 8.5 paraprofessionals to support full day kindergarten | \$649,000 |
| Addition and replacement of computers in Div. of Education Services | \$359,000 |
| Non-public placements for special education students | \$221,000 |
| Cost of the negotiated agreements | \$5,200,000 |
| 2.5 Custodians due to additions and renovations | \$105,000 |
| 4.0 Utility workers and 1.0 refrigeration mechanic to support facility needs | \$297,000 |
| Increases in transportation costs and four new bus routes to eliminate double runs | \$752,000 |
| Increase funding due to utility cost increases | \$696,000 |
| New secondary alternative education program | \$450,000 |
| Increased funding for substitute teachers and paraprofessionals | \$140,000 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Prior Year Comparison Report

Cecil County Public Schools

FY 2006 Budgeted Revenue

| | 7/1/05 | 6/30/06 | Change |
|------------------------------|----------------------|----------------------|--------------------|
| Local Appropriation | \$62,229,000 | \$62,229,000 | \$0 |
| State Revenue | \$75,604,000 | \$76,628,427 | \$1,024,427 |
| Federal Revenue | \$7,944,000 | \$7,840,748 | (\$103,252) |
| Other Resources/Transfers | \$1,202,000 | \$1,329,310 | \$127,310 |
| Other Local Revenue | \$0 | \$0 | \$0 |
| Total Revenue/Change: | \$146,979,000 | \$148,027,485 | \$1,048,485 |

Planned Expenditures

| Allocated by ESEA Goal | Planned | Actual |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$3,430,000 | \$5,231,195 |
| All limited English proficient students will become proficient in English and reach high academic standards at a minimum attaining proficiency or better in reading/language arts and mathematics. | \$78,000 | \$78,175 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$4,324,000 | \$3,966,482 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$900,000 | \$894,451 |
| All students will graduate from high school. | \$664,000 | \$653,999 |
| Local Goals and Indicators | \$455,000 | \$492,369 |
| Mandatory Cost of Doing Business | \$1,779,000 | \$1,361,814 |

Expenditure Examples

| | Planned | Actual |
|------------------------------------------------------------------------|-------------|-------------|
| 13 New teachers to support enrollment | \$766,000 | \$1,202,029 |
| 13.5 paraprofessionals, 5 therapists | \$338,000 | \$352,611 |
| 18 Teachers and 12 paraprofessionals to support kindergarten expansion | \$993,000 | \$993,000 |
| 2 assistant principals | \$150,000 | \$225,000 |
| 3 Guidance Counselors | \$133,000 | \$133,000 |
| Increase in classroom equipment | \$382,000 | \$543,049 |
| Increase in supplies, materials and textbooks | \$414,000 | (\$106,033) |
| Cost of negotiated agreements | \$3,956,000 | \$3,956,000 |
| Increase in staff development substitutes | \$368,000 | \$10,482 |
| Addition of lacrosse and cross country | \$157,000 | \$157,000 |
| After school transportation | \$115,000 | \$49,556 |
| Individual school maintenance projects | \$200,000 | \$348,000 |
| 9 Teachers for assistance with HSA/graduation requirements | \$380,000 | \$380,000 |
| Support for implementation of Career Cluster and Pathways Courses | \$200,000 | \$189,999 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

| | | |
|-------------------------------------------------------|-----------|-----------|
| Lease purchase of new maintenance vehicles | \$150,000 | \$150,000 |
| Increase cost in utilities (mandatory) | \$500,000 | \$206,814 |
| Increase in contracted transportation services | \$420,000 | \$550,082 |
| Increase in fixed charges (new positions - mandatory) | \$748,000 | \$539,312 |

Prior Year Revenue and Expenditure Analyzing Question Responses

Did actual revenue meet expectations as anticipated in the Master Plan update for 2005? If not, identify the changes and the impact any changes had on the FY 2006 budget and on the system’s progress towards achieving master plan goals. Please include any subsequent appropriations in your comparison table and narrative analysis.

The \$1.1 million increase in revenue and expenditures came from restricted competitive grants and local donations. No additional local appropriations were required. Budget priorities continued to support our primary goals:

1. Recruit and retain highly qualified staff with a highly attractive salary and benefits package.
2. Expand programs to serve the needs of at risk students.
3. Support increased graduation requirements for high school students so they will be better equipped for work or to continue their education

Please provide a comparison of the planned versus actual expenditures for each local goal provided in the Prior Year Variance Table. Identify changes in expenditures and provide a narrative discussion of any changes (by local goal). At a minimum, the narrative should describe any changes that occurred with an explanation of the change and the funding implications.

Following the budget priorities listed in question #1, shifts in funding occurred to meet changing requirements. Additional funding was needed to provide special education teachers and paraprofessionals to support our inclusion initiative. We also experienced an increase in students requiring non-public placement. An expansion of our science program allowed all 6th grade students to spend a week at North Bay. An alternative education program was established to provide a temporary placement for at risk secondary students. These unbudgeted expenditures were offset by favorable experience in health care claims and utility costs and supplies.

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Charles County Public Schools

| FY 2007 Budgeted Revenue | Actual FY 2006 | Planned FY 2007 | Increase from FY 2006 |
|---------------------------------|----------------------|----------------------|-----------------------------|
| Local Appropriation | \$112,217,000 | \$124,006,000 | \$11,789,000 |
| State Revenue | \$112,584,530 | \$129,194,834 | \$16,610,304 |
| Federal Revenue | \$13,407,551 | \$12,625,969 | (\$781,582) |
| Other Resources/Transfers | \$0 | \$0 | \$0 |
| Other Local Revenue | \$4,289,212 | \$2,830,505 | (\$1,458,707) |
| Total Revenue/Change: | \$242,498,293 | \$268,657,308 | \$26,159,015 |

Planned Expenditures

Allocated by ESEA Goal

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$3,912,550 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$6,677,000 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$350,000 |
| Mandatory Cost of Doing Business | \$16,894,950 |
| Other | (\$1,675,485) |

Expenditure Examples

| | Planned |
|---------------------------------------------------------|---------------|
| COMPREHENSIVE MASTER PLAN - No Child Left Behind | \$920,050 |
| FULL-DAY KINDERGARTEN (Malcolm, Martin, Jenifer, Parks) | \$896,300 |
| HIGH SCHOOL ASSESSMENTS (Algebra/Government) | \$916,800 |
| MATH BLOCK SCHEDULING (Middle School Teachers) | \$604,800 |
| SCHOOL TECHNOLOGY SUPPORT | \$174,600 |
| SPECIAL EDUCATION STAFFING (Capacity Building) | \$400,000 |
| EACC - COLA | \$6,677,000 |
| ALTERNATIVE SCHOOL | \$350,000 |
| AFSCME - COLA | \$1,606,000 |
| HEALTH INSURANCE | \$1,906,800 |
| NEGOTIATED CONTRACT CHANGES - STEP/FIXED CHARGES | \$4,269,200 |
| NEW ELEMENTARY SCHOOL (William A. Diggs) | \$3,669,300 |
| NORTH POINT HIGH SCHOOL (Phase II) | \$2,037,800 |
| NURSES' CONTRACT | \$350,000 |
| POSITION TRANSFER FROM RESTRICTED GRANTS | \$430,800 |
| SPECIAL EDUCATION NON-PUBLIC PLACEMENTS | (\$1,058,000) |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

| | |
|-------------------------------|-------------|
| TEACHERS FOR GROWTH AND MOI | \$956,050 |
| TRANSPORTATION | \$1,427,000 |
| UTILITY PRICE INCREASE | \$1,300,000 |
| PRIOR YEAR BUDGET AMMENDMENTS | (\$980,000) |
| RESTRICTED FUNDS | (\$695,485) |

Prior Year Comparison Report

Charles County Public Schools

FY 2006 Budgeted Revenue

| | 7/1/05 | 6/30/06 | Change |
|------------------------------|----------------------|--------------------|------------------------|
| Local Appropriation | \$112,217,000 | \$0 | (\$112,217,000) |
| State Revenue | \$113,163,928 | \$1,630,628 | \$111,533,300 |
| Federal Revenue | \$12,060,058 | \$3,070,473 | (\$8,989,585) |
| Other Resources/Transfers | \$0 | \$0 | \$0 |
| Other Local Revenue | \$2,531,935 | \$0 | (\$2,531,935) |
| Total Revenue/Change: | \$239,972,921 | \$4,701,101 | (\$235,271,820) |

Planned Expenditures

| Allocated by ESEA Goal | Planned | Actual |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$8,195,640 | \$9,881,640 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$5,193,000 | \$3,631,000 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$1,375,900 | \$1,375,900 |
| Mandatory Cost of Doing Business | \$10,266,460 | \$11,493,460 |
| Other | (\$537,872) | (\$727,137) |

Expenditure Examples

| | Planned | Actual |
|-----------------------------------------------------------------------------------|-------------|-------------|
| Additional Initiatives Based on Current Allocations | \$691,800 | \$691,800 |
| Comprehensive Master Plan - No Child Left Behind | \$383,800 | \$383,800 |
| Full-day Kindergarten - (Mary H. Matula, Walter J. Mitchell and Arthur Middleton) | \$471,950 | \$471,950 |
| Middle School Teachers/Staffing | \$550,800 | \$550,800 |
| North Point High School - Phase I | \$4,703,015 | \$5,270,015 |
| Position Transfers from Title I and Title II | \$286,600 | \$286,600 |
| School Technology Support Positions | \$506,475 | \$506,475 |
| Special Education Initiatives | \$601,200 | \$601,200 |
| Negotiated Contract Changes - COLA | \$4,809,000 | \$4,809,000 |
| Salary Compression | \$384,000 | \$384,000 |
| Alternative School | \$990,900 | \$990,900 |
| Student Psychological Testing | \$385,000 | \$385,000 |
| Electricity (Deregulation) | \$300,000 | \$960,000 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

| | | |
|----------------------------------------------------------------------------------------|-------------|-------------|
| Negotiated Contract Changes - STEP/Fixed Charges/Insurance | \$6,095,460 | \$5,042,460 |
| Nurses Contract | \$294,000 | \$449,000 |
| Transfer to Capital Improvement Projects (CIP) | \$1,300,000 | \$1,300,000 |
| Transportation (33 Bus replacement, Per Vehicle Allowance, redistricting, field trips) | \$2,277,000 | \$1,212,000 |
| Special Education, Elementary School Counseling | (\$537,872) | (\$727,137) |

Prior Year Revenue and Expenditure Analyzing Question Responses

Did actual revenue meet expectations as anticipated in the Master Plan update for 2005? If not, identify the changes and the impact any changes had on the FY 2006 budget and on the system’s progress towards achieving master plan goals. Please include any subsequent appropriations in your comparison table and narrative analysis.

Actual revenues were higher than projected. Other Local Revenue was \$285,316 over projections. These revenues were realized mainly from: e-rate refunds - \$89,216; interest on deposits - \$131,997; and out-of-county students - \$51,881. State and Federal revenues were \$1,129,740 over projections. These revenues, realized mainly from restricted funds were \$1,065,134 in total. State grants totaled \$630,769 and Federal grants totaled \$434,365. These increases were offset by a reduction in the use of fund balance of \$321,796. The changes in revenue did not adversely impact the system’s progress toward achieving master plan goals. There were no subsequent appropriations.

Please provide a comparison of the planned versus actual expenditures for each local goal provided in the Prior Year Variance Table. Identify changes in expenditures and provide a narrative discussion of any changes (by local goal). At a minimum, the narrative should describe any changes that occurred with an explanation of the change and the funding implications.

Master Plan Goal 1: By 2013-14 all students will reach high standards, at a minimum proficiency or better, in reading/ language arts and mathematics. Most expenses were close to projection with the exception of salaries. The level of experience of the teachers filling the listed positions greatly affected the budget. The two instructional technology teachers were experienced teachers at a higher salary than expected. This will carry through on the FY 07 budget. Master Plan Goal 2: All limited English proficient students will become proficient in English and reach high academic standards, at a minimum attaining proficiency or better in reading/ language arts and mathematics. Finding ESOL teachers has been difficult. We were over budget in this area due to the higher experience level of the individual hired. Master Plan Goal 3: By 2005-2006 all students will be taught by highly-qualified teachers. With a large number of young teachers, we budgeted an increase of \$30,000 for course reimbursement. We did not use all of the increase. Mandatory Increase in Expenditures – Were the planned increases in mandatory expenditures realized? Mandatory expenditures went mostly as planned except for wide variations in final salary expenses. All salary COLA increases were by negotiated contracts/agreements which had been finalized before the fiscal year started. Reductions in contingency and health care expenses were realized as expected. Because we changed from contracted custodial services to self-run, we had a one time increase in expenditures for replacement of equipment. The FY 07 budget was realigned for the inclusion of in-house administration/supervision of custodial and maintenance staff. Estimated Final Expenditures – were final expenditures estimated for any of the above categories? If so, please explain the reason for the estimation. Final expenditures of salaries were estimated. Using previous years salary and proposed increase give very good estimates if personnel does not change. If new positions are added we estimate those expenses using average salaries. True expenditures then depend on the experience of the people hired.

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Dorchester County Public Schools

| FY 2007 Budgeted Revenue | Actual FY 2006 | Planned FY 2007 | Increase from FY 2006 |
|---------------------------------|---------------------|---------------------|-----------------------------|
| Local Appropriation | \$15,422,902 | \$16,344,830 | \$921,928 |
| State Revenue | \$23,749,608 | \$25,472,878 | \$1,723,270 |
| Federal Revenue | \$4,275,257 | \$4,188,495 | (\$86,762) |
| Other Resources/Transfers | \$628,574 | \$729,614 | \$101,040 |
| Other Local Revenue | \$205,000 | \$239,125 | \$34,125 |
| Total Revenue/Change: | \$44,281,341 | \$46,974,942 | \$2,693,601 |

Planned Expenditures

Allocated by ESEA Goal

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$323,128 |
| Mandatory Cost of Doing Business | \$2,367,851 |
| Other | \$2,622 |

Expenditure Examples

| | Planned |
|-----------------------------------------------------------------------------------------|-----------|
| Strategy 10: establish an alternative school | \$189,346 |
| Board owned buses - fuel and supplies | \$125,545 |
| Health insurance premiums - increased contribution for retirees | \$104,686 |
| Increases in negotiated contractual agreements - health insurance | \$160,000 |
| Increases in negotiated contractual agreements - salaries | \$995,560 |
| Increases in negotiated contractual agreements - salaries: Administrators & Supervisors | \$209,655 |
| Increases in negotiated contractual agreements - salaries: Support Staff | \$622,396 |
| Increases in negotiated contractual agreements - salaries: Teachers | \$176,251 |

Prior Year Comparison Report

Dorchester County Public Schools

FY 2006 Budgeted Revenue

| | 7/1/05 | 6/30/06 | Change |
|---------------------------|--------------|--------------|-------------|
| Local Appropriation | \$15,422,902 | \$15,422,902 | \$0 |
| State Revenue | \$23,684,608 | \$24,379,983 | \$695,375 |
| Federal Revenue | \$4,275,257 | \$4,709,622 | \$434,365 |
| Other Resources/Transfers | \$628,574 | \$306,778 | (\$321,796) |
| Other Local Revenue | \$205,000 | \$490,316 | \$285,316 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

| | | | |
|------------------------------|---------------------|---------------------|--------------------|
| Total Revenue/Change: | \$44,216,341 | \$45,309,601 | \$1,093,260 |
|------------------------------|---------------------|---------------------|--------------------|

Planned Expenditures

| Allocated by ESEA Goal | Planned | Actual |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$1,041,700 | \$1,066,596 |
| All limited English proficient students will become proficient in English and reach high academic standards at a minimum attaining proficiency or better in reading/language arts and mathematics. | \$50,000 | \$66,958 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$85,000 | \$26,822 |
| Mandatory Cost of Doing Business | \$1,037,700 | \$1,336,631 |
| Other | \$30,434 | \$0 |

Expenditure Examples

| | Planned | Actual |
|-------------------------------------------------------|-------------|-------------|
| District-wide textbook replacements | \$450,000 | \$443,671 |
| Five new teachers for class size reduction | \$252,000 | \$252,000 |
| 4 regular education teachers for increased enrollment | \$250,000 | \$250,000 |
| Bus contractors agreement | \$211,150 | \$211,150 |
| Contingency reduction | (\$408,400) | (\$408,400) |
| Decrease in health insurance expenditures | (\$403,000) | (\$403,000) |
| Electricity and other utilities | \$223,900 | \$221,150 |
| Salary increases per negotiated contracts: Teachers | \$499,300 | \$499,300 |
| School nurse program through County Health Department | \$120,000 | \$120,000 |

Prior Year Revenue and Expenditure Analyzing Question Responses

Did actual revenue meet expectations as anticipated in the Master Plan update for 2005? If not, identify the changes and the impact any changes had on the FY 2006 budget and on the system's progress towards achieving master plan goals. Please include any subsequent appropriations in your comparison table and narrative analysis.

Yes, actual revenues meet expectations. Although Federal and State actual revenues fell below the amount budgeted, there was no impact on achieving Master Plan goals. The FCPS budget includes added budget authority to allow for any unanticipated federal or state funding.

Please provide a comparison of the planned versus actual expenditures for each local goal provided in the Prior Year Variance Table. Identify changes in expenditures and provide a narrative discussion of any changes (by local goal). At a minimum, the narrative should describe any changes that occurred with an explanation of the change and the funding implications.

Actual expenditures for each goal were as planned. The cost of the services provided by the County was less than budgeted as well as the additional allocation for the Charter School.

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Frederick County Public Schools

| FY 2007 Budgeted Revenue | Actual FY 2006 | Planned FY 2007 | Increase from FY 2006 |
|---------------------------------|----------------------|----------------------|-----------------------------|
| Local Appropriation | \$189,208,000 | \$205,380,000 | \$16,172,000 |
| State Revenue | \$151,976,000 | \$168,392,000 | \$16,416,000 |
| Federal Revenue | \$16,982,000 | \$16,982,000 | \$0 |
| Other Resources/Transfers | (\$371,000) | \$644,000 | \$1,015,000 |
| Other Local Revenue | \$3,203,000 | \$3,818,000 | \$615,000 |
| Total Revenue/Change: | \$360,998,000 | \$395,216,000 | \$34,218,000 |

Planned Expenditures

Allocated by ESEA Goal

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$2,774,149 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$11,802,665 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$190,600 |
| Mandatory Cost of Doing Business | \$18,668,043 |
| Other | \$782,520 |

Expenditure Examples

| | Planned |
|-----------------------------------------------------------------------------------------------------------------------|--------------|
| Additional Special Education Teachers | \$571,750 |
| Differentiated Staffing and Extended Learning/Leadership Positions | \$611,287 |
| High School Reading Specialists | \$329,048 |
| Math Content Specialists | \$268,048 |
| Textbook Replacement | \$900,000 |
| Salary Resource Pool | \$11,802,665 |
| Security Equipment | \$190,600 |
| Additional positions for enrollment growth or class size reduction initiatives - may include in a specific local goal | (\$322,344) |
| Charter school | \$289,099 |
| Custodial, grounds and maintenance positions | \$608,920 |
| Increases in negotiated contractual agreements - benefits | \$5,133,093 |
| Increases in negotiated contractual agreements - salaries | \$7,549,086 |
| Instructional and instructional support for one school expansion and two new schools | \$849,020 |
| Nonpublic Special Education Placements | \$311,297 |
| Other items deemed necessary by the local board of education | \$732,748 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

| | |
|--------------------------------------------------------------|-------------|
| Start-up classroom supplies and materials (one-time funding) | \$819,910 |
| Transportation | \$501,216 |
| Utilities | \$1,700,000 |
| Utilities - new schools | \$391,927 |
| Other | \$782,520 |

Prior Year Comparison Report

Frederick County Public Schools

FY 2006 Budgeted Revenue

| | 7/1/05 | 6/30/06 | Change |
|------------------------------|----------------------|----------------------|----------------------|
| Local Appropriation | \$189,208,000 | \$188,694,908 | (\$513,092) |
| State Revenue | \$151,976,000 | \$151,583,078 | (\$392,922) |
| Federal Revenue | \$16,982,000 | \$14,111,963 | (\$2,870,037) |
| Other Resources/Transfers | (\$371,000) | \$0 | \$371,000 |
| Other Local Revenue | \$3,203,000 | \$3,965,189 | \$762,189 |
| Total Revenue/Change: | \$360,998,000 | \$358,355,138 | (\$2,642,862) |

Planned Expenditures

| Allocated by ESEA Goal | Planned | Actual |
|-------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$1,588,396 | \$1,588,396 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$9,165,162 | \$9,165,162 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$28,350 | \$28,350 |
| Local Goals and Indicators | \$1,670,000 | \$1,670,000 |
| Mandatory Cost of Doing Business | \$21,538,092 | \$20,992,981 |
| Other | (\$1,375,000) | (\$1,375,000) |

Expenditure Examples

| | Planned | Actual |
|-------------------------------------------------|-------------|-------------|
| Algebra I Textbooks | \$190,028 | \$190,028 |
| Restore Class Size | \$1,173,068 | \$1,173,068 |
| Special Education Staffing | \$140,000 | \$140,000 |
| Salary Resource Pool | \$9,165,162 | \$9,165,162 |
| Pinnacle Grade Book Software, Licenses, Support | \$115,000 | \$115,000 |
| Technology Replacement Cycle | \$1,555,000 | \$1,555,000 |
| Annual Leave Cash-Out Contracted Agreement | \$175,000 | \$175,000 |
| Benefits for Assistants | \$365,983 | \$365,983 |
| Communications | \$146,000 | \$146,000 |
| Employee Pension | \$610,000 | \$610,000 |
| Expenses Not Otherwise Listed | \$126,359 | \$126,359 |
| Full-Day Kindergarten Staff | \$996,953 | \$996,953 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

| | | |
|--------------------------------------------|---------------|---------------|
| Health/Dental/Life Insurance | \$2,817,208 | \$2,817,208 |
| In-Kind Services | \$420,859 | \$0 |
| Instructional Materials | \$117,629 | \$117,629 |
| Instructional Support Staff | \$1,906,210 | \$1,906,210 |
| Non-Public Placements | \$1,184,190 | \$1,184,190 |
| Operating Supplies and Materials | \$134,500 | \$134,500 |
| Start-Up Supplies and Materials | \$477,000 | \$477,000 |
| Step Increment and Associated Benefits | \$6,881,843 | \$6,881,843 |
| Substitute Wages | \$236,954 | \$236,954 |
| Support Staff | \$398,466 | \$398,466 |
| Transportation | \$1,168,651 | \$1,168,651 |
| Transportation Bus Lease | \$500,000 | \$500,000 |
| Unanticipated Funding Requirements | \$500,000 | \$375,748 |
| Utilities | \$1,772,254 | \$1,772,254 |
| Vehicle Fuel | \$450,908 | \$450,908 |
| FY 2005 Supplemental Nonrecurring Expenses | (\$1,375,000) | (\$1,375,000) |

Prior Year Revenue and Expenditure Analyzing Question Responses:

Did actual revenue meet expectations as anticipated in the Master Plan update for 2005? If not, identify the changes and the impact any changes had on the FY 2006 budget and on the system's progress towards achieving master plan goals. Please include any subsequent appropriations in your comparison table and narrative analysis.

Yes, actual revenues met expectations. Although Federal and State actual revenues fell below the budgeted amount, there was no negative impact on achieving Master Plan goals. The FCPS budget includes added authority to allow for any unanticipated Federal or State funding.

Please provide a comparison of the planned versus actual expenditures for each local goal provided in the Prior Year Variance Table. Identify changes in expenditures and provide a narrative discussion of any changes (by local goal). At a minimum, the narrative should describe any changes that occurred with an explanation of the change and the funding implications.

Actual expenditures for each goal were as planned. The cost of In-Kind Services provided by the Frederick County Health Department was less than budgeted; this is attributed to position vacancies. With regard to Unanticipated Funding Requirements, funds were budgeted to the Monocacy Valley Montessori Public Charter School in anticipation of a ruling by the State regarding increased per pupil allocations for charter schools. The State ruling was not as high as anticipated; thus, not all budgeted funds were expended.

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Garrett County Public Schools

| FY 2007 Budgeted Revenue | Actual FY 2006 | Planned FY 2007 | Increase from FY 2006 |
|---------------------------------|---------------------|---------------------|-----------------------------|
| Local Appropriation | \$18,800,000 | \$19,925,000 | \$1,125,000 |
| State Revenue | \$20,979,327 | \$22,870,974 | \$1,891,647 |
| Federal Revenue | \$3,950,724 | \$3,626,651 | (\$324,073) |
| Other Resources/Transfers | \$1,291,266 | \$1,231,160 | (\$60,106) |
| Other Local Revenue | \$242,443 | \$215,644 | (\$26,799) |
| Total Revenue/Change: | \$45,263,760 | \$47,869,429 | \$2,605,669 |

Planned Expenditures

Allocated by ESEA Goal

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$246,926 |
| All students will graduate from high school. | \$72,924 |
| Mandatory Cost of Doing Business | \$2,285,819 |

Expenditure Examples

| | Planned |
|-----------------------------------------------------------|-------------|
| Textbooks | \$141,096 |
| Increases in negotiated contractual agreements - benefits | \$301,098 |
| Increases in negotiated contractual agreements - salaries | \$1,661,397 |
| Transportation | \$323,324 |

Prior Year Comparison Report

Garrett County Public Schools

FY 2006 Budgeted Revenue

| | 7/1/05 | 6/30/06 | Change |
|------------------------------|---------------------|---------------------|------------------|
| Local Appropriation | \$18,800,000 | \$18,800,000 | \$0 |
| State Revenue | \$20,877,900 | \$20,979,327 | \$101,427 |
| Federal Revenue | \$3,856,321 | \$3,950,724 | \$94,403 |
| Other Resources/Transfers | \$1,281,567 | \$1,291,266 | \$9,699 |
| Other Local Revenue | \$95,443 | \$242,443 | \$147,000 |
| Total Revenue/Change: | \$44,911,231 | \$45,263,760 | \$352,529 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Planned Expenditures

| Allocated by ESEA Goal | Planned | Actual |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$152,348 | \$169,501 |
| All students will graduate from high school. | \$180,000 | \$193,264 |
| Mandatory Cost of Doing Business | \$1,321,692 | \$1,471,631 |

Expenditure Examples

| | Planned | Actual |
|------------------------------------------------------------------------|-------------|-------------|
| Salaries | (\$217,424) | (\$217,424) |
| Social Studies Textbooks | \$166,800 | \$192,825 |
| Salaries | \$170,000 | \$184,796 |
| Increase in Fixed Charges (Medical insurance and Social Security etc.) | \$477,260 | \$422,622 |
| Increase in Operation/Maintenance of Plant | \$202,208 | \$194,930 |
| Increase in Transportation | \$207,576 | \$277,304 |
| Salary Increase | \$434,648 | \$576,775 |

Prior Year Revenue and Expenditure Analyzing Question Responses

Did actual revenue meet expectations as anticipated in the Master Plan update for 2005? If not, identify the changes and the impact any changes had on the FY 2006 budget and on the system's progress towards achieving master plan goals. Please include any subsequent appropriations in your comparison table and narrative analysis.

Yes, The majority of the subsequent appropriations were for additional restricted grants awarded after the budget had been developed.

Please provide a comparison of the planned versus actual expenditures for each local goal provided in the Prior Year Variance Table. Identify changes in expenditures and provide a narrative discussion of any changes (by local goal). At a minimum, the narrative should describe any changes that occurred with an explanation of the change and the funding implications.

Under Master Plan Goals 1 and 5 all planned activities were implemented during 2005-2006. Actual amounts expended in Goal 1 exceeded planned amounts by \$17,153 with the most difference being in amounts expended for social studies textbooks. Actual amounts expended in Goal 5 exceeded planned amounts by \$13,264 due to increases in ROTC salaries. In the area of Mandatory Increases, actual amounts were less in Fixed Charges due to a small increase in medical insurance rates. Transportation costs increased due to increased fuel costs and salaries increased due to the hiring of new personnel with experience and updates in certification and degrees by existing personnel.

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Harford County Public Schools

| FY 2007 Budgeted Revenue | Actual FY 2006 | Planned FY 2007 | Increase from FY 2006 |
|---------------------------------|----------------------|----------------------|-----------------------------|
| Local Appropriation | \$175,414,800 | \$189,414,800 | \$14,000,000 |
| State Revenue | \$164,632,396 | \$185,661,997 | \$21,029,601 |
| Federal Revenue | \$17,980,778 | \$16,970,290 | (\$1,010,488) |
| Other Resources/Transfers | \$2,120,942 | \$1,798,278 | (\$322,664) |
| Other Local Revenue | \$1,950,245 | \$2,773,483 | \$823,238 |
| Total Revenue/Change: | \$362,099,161 | \$396,618,848 | \$34,519,687 |

Planned Expenditures

Allocated by ESEA Goal

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$4,860,495 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$19,683,541 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$2,582,831 |
| All students will graduate from high school. | \$69,992 |
| Local Goals and Indicators | (\$1,206,560) |
| Mandatory Cost of Doing Business | \$8,356,066 |
| Other | \$173,322 |

Expenditure Examples

| | Planned |
|-----------------------------------------------------------------|--------------|
| Intervention Programs | \$1,195,316 |
| Office of Technology & Information expenses for school system | \$265,495 |
| Planning & Construction oversight of Capital Projects | \$377,230 |
| Science & Math Academy Teachers for 9th Graders | \$131,412 |
| Special Education Teachers, Inclusion helpers and other staff | \$1,239,036 |
| State African American History Curriculum | \$250,278 |
| Teachers for All Day Kindergarten | \$1,401,728 |
| Curriculum & Staff Development expenses | \$149,093 |
| Increases in negotiated contractual agreements - benefits | \$1,468,826 |
| Increases in negotiated contractual agreements - salaries | \$18,065,622 |
| Decrease in Security Equipment Purchases | (\$477,000) |
| Facilities Management expenses related to Buildings and Grounds | \$620,044 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

| | |
|---------------------------------------------------------------------|-------------|
| Increase in Aging Schools Grant | \$248,915 |
| New Urban Area Security Initiative | \$200,000 |
| Parent Notification System and Visitor Passes supplies | \$226,500 |
| Personnel costs associated with New Patterson Mill Middle/High | \$248,507 |
| Startup costs associated with New Patterson Mill Middle/High School | \$1,600,000 |
| Decrease in American History Grant | (\$344,481) |
| Decrease in Comprehensive School Reform | (\$152,942) |
| Decrease in Magnet Schools | (\$317,440) |
| Decrease in Title I - Compensatory Education Programs | (\$105,097) |
| Charter Schools | \$253,061 |
| Increase in health and dental insurance rates | \$4,422,505 |
| Nonpublic Special Education Placements | \$125,000 |
| Transportation | \$1,900,379 |
| Utilities | \$1,555,121 |
| Other | \$173,322 |

Prior Year Comparison Report

Harford County Public Schools

FY 2006 Budgeted Revenue

| | 7/1/05 | 6/30/06 | Change |
|------------------------------|----------------------|----------------------|--------------------|
| Local Appropriation | \$175,414,800 | \$175,414,800 | \$0 |
| State Revenue | \$164,592,833 | \$165,173,236 | \$580,403 |
| Federal Revenue | \$17,651,625 | \$18,424,796 | \$773,171 |
| Other Resources/Transfers | \$3,601,137 | \$4,885,463 | \$1,284,326 |
| Total Revenue/Change: | \$361,260,395 | \$363,898,295 | \$2,637,900 |

Planned Expenditures

| Allocated by ESEA Goal | Planned | Actual |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$32,846,822 | \$33,379,865 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$24,316,075 | \$23,647,072 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$1,615,253 | \$1,501,695 |
| Local Goals and Indicators | \$5,887,713 | \$5,828,910 |

Expenditure Examples

| | Planned | Actual |
|---------------------------------------------------------|-------------|-------------|
| 11 FTE additional custodians to meet staffing standards | \$257,829 | \$257,829 |
| 16.0 secondary teachers | \$600,160 | \$600,160 |
| 5 FTE additional custodians | \$117,195 | \$117,195 |
| 52.0 secondary teachers to meet board standards | \$1,950,521 | \$1,950,521 |
| 7.0 FTE elementary teachers to meet board standards | \$262,570 | \$262,570 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

| | | |
|-------------------------------------------------------------------|--------------|--------------|
| 8.0 FTE elementary teachers to maintain class size | \$300,080 | \$300,080 |
| Additional secondary assistant principals | \$136,710 | \$136,710 |
| Additional teachers for alternative education | \$225,060 | \$225,060 |
| Alternative education transportation | \$137,500 | \$137,500 |
| Electricity | \$705,139 | \$590,713 |
| Elementary facilitators | \$123,493 | \$123,493 |
| Full day kindergarten additional staff | \$440,743 | \$440,743 |
| Heating Oil | \$193,235 | \$84,025 |
| Home School - 21 FTE additional teachers | \$393,855 | \$393,855 |
| IDEA - Special Education | \$7,909,018 | \$7,586,811 |
| Increase per pupil library funding | \$230,635 | \$230,635 |
| Increase per pupil materials of instruction | \$156,983 | \$156,983 |
| Increase per pupil paper & miscellaneous supplies | \$371,427 | \$371,427 |
| Increase per pupil textbook allotment | \$563,665 | \$563,665 |
| Increased bus contract services | \$483,333 | \$483,333 |
| Medical Assistance | \$2,000,000 | \$3,176,391 |
| Mobile computer labs for Tutoring program at high schools | \$252,000 | \$252,000 |
| Natural Gas | \$249,322 | \$92,948 |
| Other | \$1,266,097 | \$564,747 |
| Other State & Local Misc. Programs | \$932,500 | \$976,010 |
| Perkins Career and Technology Education | \$363,685 | \$341,997 |
| Special Education Programs | \$4,247,000 | \$4,544,674 |
| Title I-A - Local System Grants | \$3,625,000 | \$3,657,642 |
| Title II-A - Teacher Quality | \$1,276,037 | \$1,337,433 |
| Title IV-B - 21st Century Learning Centers | \$440,000 | \$427,135 |
| Additional Special Education teachers | \$393,855 | \$393,855 |
| Additional teachers for alternative education | \$225,060 | \$225,060 |
| Dental insurance cost increase | \$338,125 | \$132,163 |
| Elementary facilitators | \$123,492 | \$123,492 |
| Full Day kindergarten staff | \$440,742 | \$440,742 |
| Health insurance cost increase | \$2,513,783 | \$2,245,860 |
| Increase in FICA taxes for wage increases & new employees | \$2,036,965 | \$2,036,965 |
| Life insurance for cost increase and coverage for new employees | \$100,260 | \$100,260 |
| Retirement contributions based on wages increases & new employees | \$767,324 | \$718,573 |
| Wages & salaries adjustments COLA, steps, etc. | \$16,193,034 | \$16,193,034 |
| Additional Secondary Assistant Principals | \$136,710 | \$136,710 |
| Increased bus contract services | \$483,333 | \$483,333 |
| Student ID cards | \$286,000 | \$0 |
| Title IV-A - Safe & Drug-Free Schools | \$153,443 | \$151,497 |
| 2 FTE Programmers | \$120,000 | \$120,000 |
| Alternative education transportation | \$137,500 | \$137,500 |
| Contingency for new administration bldg. | \$200,000 | \$200,000 |
| Core Switch & Date Switches for new administration bldg. | \$367,000 | \$367,000 |
| Electricity | \$705,138 | \$705,138 |
| Fuel for vehicles | \$140,000 | \$140,000 |
| Heating Oil | \$193,235 | \$193,235 |
| Increased bus contract services | \$483,334 | \$483,334 |
| Interest payment for new administration bldg. | \$663,045 | \$663,045 |
| Mobile labs for Tutoring Program - high schools | \$252,000 | \$252,000 |
| Natural Gas | \$249,321 | \$249,321 |
| Staff development for Redline | \$201,000 | \$201,000 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Student ID cards (includes equipment & supplies)

\$286,000

\$0

Prior Year Revenue and Expenditure Analyzing Question Responses

Did actual revenue meet expectations as anticipated in the Master Plan update for 2005? If not, identify the changes and the impact any changes had on the FY 2006 budget and on the system's progress towards achieving master plan goals. Please include any subsequent appropriations in your comparison table and narrative analysis.

Yes, the actual revenue did meet expectations as anticipated in the Master Plan update for 2005. There was one supplemental appropriation for FY 2006: Appropriated Fund Balance in the amount of \$387,000 was approved for the use of purchasing an emergency generator and a VoIP telephone system. This is reflected in the actual expenditures for FY 2006.

Please provide a comparison of the planned versus actual expenditures for each local goal provided in the Prior Year Variance Table. Identify changes in expenditures and provide a narrative discussion of any changes (by local goal). At a minimum, the narrative should describe any changes that occurred with an explanation of the change and the funding implications.

Actual expenditures by Board Goal were within targets for FY 2006 and all strategies were funded. Changes in expenditures occurred due to changes or additions to personnel or other expenditure increases and decreases. With a fully funded budget, Harford County Public Schools was able to take care of the business of education students and providing needed personnel and material resources as necessary for a smooth fiscal year.

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Howard County Public Schools

| FY 2007 Budgeted Revenue | Actual FY 2006 | Planned FY 2007 | Increase from FY 2006 |
|---------------------------------|----------------------|----------------------|-----------------------------|
| Local Appropriation | \$363,069,115 | \$393,772,550 | \$30,703,435 |
| State Revenue | \$140,985,110 | \$156,561,220 | \$15,576,110 |
| Federal Revenue | \$15,014,158 | \$16,354,173 | \$1,340,015 |
| Other Resources/Transfers | \$2,006,832 | \$4,167,097 | \$2,160,265 |
| Other Local Revenue | \$5,124,935 | \$5,267,040 | \$142,105 |
| Total Revenue/Change: | \$526,200,150 | \$576,122,080 | \$49,921,930 |

Planned Expenditures

Allocated by ESEA Goal

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$1,270,000 |
| All limited English proficient students will become proficient in English and reach high academic standards at a minimum attaining proficiency or better in reading/language arts and mathematics. | \$398,000 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$1,350,000 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$859,000 |
| All students will graduate from high school. | \$600,000 |
| Mandatory Cost of Doing Business | \$45,444,930 |

Expenditure Examples

| | Planned |
|-----------------------------------------------------------------------------------------------------------------------|--------------|
| Staff and Benefits | \$1,227,000 |
| Staff and Benefits | \$398,000 |
| Improve first 5 steps | \$900,000 |
| Increase substitute pay | \$450,000 |
| Security Assistants to all high schools and Homewood | \$396,000 |
| Staff and Benefits | \$463,000 |
| Staff and Benefits | \$600,000 |
| Additional Positions for Enrollment Growth or Class Size reduction initiatives - may include in a specific local goal | \$6,238,020 |
| Increases in negotiated contractual agreements - benefits | \$12,250,000 |
| Increases in negotiated contractual agreements - salaries | \$20,800,000 |
| Transportation | \$4,100,000 |
| Utilities | \$2,056,910 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Prior Year Comparison Report

Howard County Public Schools

FY 2006 Budgeted Revenue

| | 7/1/05 | 6/30/06 | Change |
|------------------------------|----------------------|----------------------|------------------|
| Local Appropriation | \$363,069,115 | \$363,054,567 | \$14,548 |
| State Revenue | \$140,985,110 | \$139,848,886 | \$1,136,224 |
| Federal Revenue | \$15,014,158 | \$15,033,120 | (\$18,962) |
| Other Resources/Transfers | \$2,006,832 | \$0 | \$2,006,832 |
| Other Local Revenue | \$5,124,935 | \$7,523,744 | (\$2,398,809) |
| Total Revenue/Change: | \$526,200,150 | \$525,460,317 | \$739,833 |

Planned Expenditures

| Allocated by ESEA Goal | Planned | Actual |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$11,183,000 | \$11,165,696 |
| Mandatory Cost of Doing Business | \$31,267,000 | \$31,267,000 |
| Other | \$646,000 | \$645,582 |

Expenditure Examples

| | Planned | Actual |
|---------------------------------------------------------|--------------|--------------|
| Net New positions | \$10,961,000 | \$10,961,000 |
| Special Education - increase local share | \$222,000 | \$204,696 |
| FICA | \$1,360,000 | \$1,360,000 |
| Health Insurance Premium Increase | \$6,745,000 | \$6,745,000 |
| Negotiated Salary Increases | \$17,831,000 | \$17,831,000 |
| Restoration of textbook/instructional materials | \$3,069,000 | \$3,069,000 |
| Transportation - enrollment growth, fuel cost increases | \$2,262,000 | \$2,262,000 |
| Other | \$646,000 | \$645,582 |

Prior Year Revenue and Expenditure Analyzing Question Responses

Did actual revenue meet expectations as anticipated in the Master Plan update for 2005? If not, identify the changes and the impact any changes had on the FY 2006 budget and on the system's progress towards achieving master plan goals. Please include any subsequent appropriations in your comparison table and narrative analysis.

The actual revenue met expectations as anticipated in the Master Plan update for 2005. The actual State Revenue was less due to less money received for non-public placement funding. Other Resources/Transfers budget is for unanticipated Special Revenue Funds (Grants). Additional earnings on our Investments and additional money from E-Rate Rebates made up the majority of other local revenue.

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Please provide a comparison of the planned versus actual expenditures for each local goal provided in the Prior Year Variance Table. Identify changes in expenditures and provide a narrative discussion of any changes (by local goal). At a minimum, the narrative should describe any changes that occurred with an explanation of the change and the funding implications.

The mandatory increases in expenditures were realized. Additional monies were used in Category 06 special education to provide additional restoration of textbook/instructional materials for special education students. FY06 transportation budget increased due to the increased fuel cost. All new positions were filled as planned.

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Kent County Public Schools

| FY 2007 Budgeted Revenue | Actual FY 2006 | Planned FY 2007 | Increase from FY 2006 |
|---------------------------------|---------------------|---------------------|-----------------------------|
| Local Appropriation | \$14,275,613 | \$15,110,000 | \$834,387 |
| State Revenue | \$8,725,247 | \$9,151,469 | \$426,222 |
| Federal Revenue | \$2,694,643 | \$2,479,115 | (\$215,528) |
| Other Resources/Transfers | \$155,285 | \$309,586 | \$154,301 |
| Other Local Revenue | \$262,090 | \$144,002 | (\$118,088) |
| Total Revenue/Change: | \$26,112,878 | \$27,194,172 | \$1,081,294 |

Planned Expenditures

Allocated by ESEA Goal

By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. **\$155,000**

All limited English proficient students will become proficient in English and reach high academic standards at a minimum attaining proficiency or better in reading/language arts and mathematics. **\$11,381**

Mandatory Cost of Doing Business **\$914,913**

Expenditure Examples

| | Planned |
|-----------------------------------------------------------|-----------|
| Increases in negotiated contractual agreements - salaries | \$515,141 |
| Transportation | \$273,159 |

Prior Year Comparison Report

Kent County Public Schools

FY 2006 Budgeted Revenue

| | 7/1/05 | 6/30/06 | Change |
|------------------------------|---------------------|---------------------|--------------------|
| Local Appropriation | \$14,275,613 | \$14,275,613 | \$0 |
| State Revenue | \$8,596,203 | \$8,911,654 | \$315,451 |
| Federal Revenue | \$2,491,456 | \$3,079,345 | \$587,889 |
| Other Resources/Transfers | \$225,000 | \$446,749 | \$221,749 |
| Other Local Revenue | \$145,002 | \$287,808 | \$142,806 |
| Total Revenue/Change: | \$25,733,274 | \$27,001,169 | \$1,267,895 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Planned Expenditures

| Allocated by ESEA Goal | Planned | Actual |
|-------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$544,652 | \$786,220 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$70,100 | \$70,100 |
| Mandatory Cost of Doing Business | \$491,905 | \$736,507 |
| Other | \$0 | \$327,379 |

| Expenditure Examples | Planned | Actual |
|----------------------|-----------|-----------|
| Salary | \$427,151 | \$427,151 |
| Contracts | \$112,078 | \$266,910 |
| Fixed Charges | \$298,747 | \$308,517 |

Prior Year Revenue and Expenditure Analyzing Question Responses

Did actual revenue meet expectations as anticipated in the Master Plan update for 2005? If not, identify the changes and the impact any changes had on the FY 2006 budget and on the system's progress towards achieving master plan goals. Please include any subsequent appropriations in your comparison table and narrative analysis.

As required by the Board of Education and the County Government the grant programs are projected in the original budget, carry-over grants from prior years are brought in as adjustments in July, and all additional grant changes are budget adjustments in the month when the change occurs. Carry-over grants totaled \$327,379 of revenue changes. Additional grants received during year totaled \$574,786.73. Other unrestricted revenue changes totaled \$365,731.78

Please provide a comparison of the planned versus actual expenditures for each local goal provided in the Prior Year Variance Table. Identify changes in expenditures and provide a narrative discussion of any changes (by local goal). At a minimum, the narrative should describe any changes that occurred with an explanation of the change and the funding implications.

As indicated under the Revenue Analysis all grants that had an ending date beyond 6/30/05 were brought into FY'06 as adjustments. This is a procedure directed by the local Board of Education and County government. These are primarily our 21st Century grants, some federal special education grants (including non-public), and smaller miscellaneous grants. Additional grants received during the year normally provided funding for salaries that provided for extended day/extended year programs, assistance for students at the high level including summer school when students can complete graduation requirements, professional development for school improvement programs, service learning programs, supplemental supply funds from Title I, AP Nexus funding and special education. Appropriate funds also provide for related costs for professional development. The additional local funds budgeted from the unreserved fund balance were used to support additional expenses for bus transportation (including fuel adjustments) and increased utility costs. Funding from interest income, E-rate reimbursement, radio station revenues was budgeted to technology.

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Montgomery County Public Schools

| FY 2007 Budgeted Revenue | Actual FY 2006 | Planned FY 2007 | Increase from FY 2006 |
|---------------------------------|------------------------|------------------------|-----------------------------|
| Local Appropriation | 1,285,830,590 | \$1,384,725,787 | \$98,895,197 |
| State Revenue | \$302,654,736 | \$335,398,368 | \$32,743,632 |
| Federal Revenue | \$64,099,232 | \$65,014,851 | \$915,619 |
| Other Resources/Transfers | \$10,285,485 | \$14,305,518 | \$4,020,033 |
| Other Local Revenue | \$0 | \$0 | \$0 |
| Total Revenue/Change: | \$1,662,870,043 | \$1,799,444,524 | \$136,574,481 |

Planned Expenditures

Allocated by ESEA Goal

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$12,173,792 |
| All limited English proficient students will become proficient in English and reach high academic standards at a minimum attaining proficiency or better in reading/language arts and mathematics. | \$844,784 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$174,483 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$926,421 |
| All students will graduate from high school. | \$3,249,330 |
| Mandatory Cost of Doing Business | 119,470,573 |
| Other | (\$264,902) |

Expenditure Examples

| | Planned |
|-----------------------------------------------------------|-------------|
| Add Assistant Principals for Elementary Schools | \$1,574,676 |
| Add Directors of Schools Performance | \$198,142 |
| Add Elementary School User Support Specialists | \$226,675 |
| Add Full-Day Kindergarten at 30 Schools | \$3,038,474 |
| Add Substitutes/Teacher Assistants | \$701,686 |
| Add Support for Electronic Grading and Reporting Software | \$191,980 |
| BOE Policy Evaluation | \$118,163 |
| Develop Web-Based System for Individual Education Plans | \$515,753 |
| Expand Gifted/Talented Programs | \$191,271 |
| Expand Violence Prevention Programs | \$250,000 |
| Implement Teaching Station Model for Special Education | \$1,039,000 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

| | |
|-------------------------------------------------------------------------------|---------------|
| Improve Staffing Ratio for Learning Academic Disability (LAD) Classes | \$1,496,347 |
| Lower Class Size for Inclusion Classes in High Schools | \$1,450,281 |
| Pilot Hours-Based Staffing for Special Education | \$714,527 |
| Reduce Oversized Classes - Art, Music, PE | \$174,034 |
| Support Special Ed, Professional Development, Parent Outreach | \$105,022 |
| Enhance Translation Services | \$400,000 |
| ESOL Parent Outreach | \$254,316 |
| Provide Professional Growth System Consultants-Support Svcs. Train | \$174,483 |
| Add Building Service Workers | \$601,401 |
| Maintenance Apprenticeship Program | \$250,000 |
| Implement Middle School Reform | \$250,000 |
| Poolesville High School Magnet | \$399,330 |
| Provide High School Support | \$2,600,000 |
| Additional Appropriation for Future Grant Projects | \$3,459,552 |
| Additional Positions for Enrollment Growth including benefits | \$7,470,712 |
| Adult Education to Montgomery College/ Mont. Co Dept. of Recreation | (\$3,677,298) |
| Budget Reductions to Help Fund Higher Priority Items | (\$6,023,547) |
| Costs associated with opening 5 new schools including benefits | \$9,251,496 |
| Employee Benefits Including Pension Improvements | \$29,192,360 |
| Entrepreneurial Fund | \$131,817 |
| Food Services Fund | \$838,799 |
| Increases in continuing salaries/negotiated contractual agreements | \$52,977,667 |
| Increases in continuing salaries/negotiated contractual agreements - benefits | \$5,805,160 |
| Inflation - Textbooks and Instructional Materials | \$2,341,835 |
| Maintenance & Building Services | \$700,648 |
| Nonpublic Special Education Placements - Rates | \$1,276,200 |
| Real Estate Management | \$757,039 |
| Staff Development - Professional Growth System | \$733,207 |
| Technology Support and Maintenance | \$1,996,043 |
| Transportation | \$2,176,893 |
| Utilities | \$9,925,852 |
| Other | (\$264,902) |

Prior Year Comparison Report

Montgomery County Public Schools

FY 2006 Budgeted Revenue

| | 7/1/05 | 6/30/06 | Change |
|---------------------------|---------------|-----------------|-------------|
| Local Appropriation | 1,285,830,590 | \$1,285,830,590 | \$0 |
| State Revenue | \$302,654,736 | \$302,654,736 | \$0 |
| Federal Revenue | \$63,953,913 | \$64,099,232 | \$145,319 |
| Other Resources/Transfers | \$10,430,804 | \$10,285,485 | (\$145,319) |
| Other Local Revenue | \$0 | \$0 | \$0 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

| | | | |
|------------------------------|------------------------|------------------------|------------|
| Total Revenue/Change: | \$1,662,870,043 | \$1,662,870,043 | \$0 |
|------------------------------|------------------------|------------------------|------------|

Planned Expenditures

| Allocated by ESEA Goal | Planned | Actual |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$22,577,696 | \$22,577,696 |
| All limited English proficient students will become proficient in English and reach high academic standards at a minimum attaining proficiency or better in reading/language arts and mathematics. | \$250,071 | \$250,071 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$281,764 | \$281,764 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$89,700 | \$89,700 |
| All students will graduate from high school. | \$405,813 | \$405,813 |
| Local Goals and Indicators | \$298,757 | \$298,757 |
| Mandatory Cost of Doing Business | \$80,058,551 | \$80,058,551 |
| Other | \$391,269 | \$391,269 |

Expenditure Examples

| | Planned | Actual |
|---------------------------------------------------------------------------------------------------------------|-------------|-------------|
| 7th Center for the Highly Gifted | \$140,286 | \$140,286 |
| Building Services | \$546,411 | \$546,411 |
| Downcounty Consortium | \$566,474 | \$566,474 |
| Elementary Assistant Principals | \$1,225,071 | \$1,225,071 |
| Elementary School Secretaries | \$343,077 | \$343,077 |
| Elementary School Technical Support | \$208,559 | \$208,559 |
| Expansion of Full-day Kindergarten (20 schools) | \$2,357,403 | \$2,357,403 |
| Expansion of Reading, Writing, Math Intervention to non-Title I Schools | \$200,000 | \$200,000 |
| Instructional Mgt. Sys.- Middle School Rollout | \$103,801 | \$103,801 |
| Middle School Extended Year/Extended Day | \$1,064,290 | \$1,064,290 |
| Other Special Education Support | \$321,913 | \$321,913 |
| Reading Intervention | \$467,911 | \$467,911 |
| Reduction of Maximum Elementary School Class Size Guidelines, Reduction of Secondary Oversized Classes | \$9,483,618 | \$9,483,618 |
| Removing Barriers to Learning - Psychological/Pupil Services Support through the Collaborative Action Process | \$511,985 | \$511,985 |
| SAT Long-Range Success Initiative | \$199,500 | \$199,500 |
| Support for Least Restrictive Environment (LRE), Home School Model for Special Education Stdts | \$2,154,849 | \$2,154,849 |
| Teacher-Centered Model & Pre-K Assessment | \$2,174,924 | \$2,174,924 |
| Transportation Fleet Maintenance | \$248,624 | \$248,624 |
| Translation Services | \$177,286 | \$177,286 |
| Administrative & Supervisory Professional Growth System | \$128,718 | \$128,718 |
| Supporting Services Training and Development | \$153,046 | \$153,046 |
| Evening High School | \$156,514 | \$156,514 |
| International Baccalaureate | \$149,299 | \$149,299 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

| | | |
|-----------------------------------------------------|---------------|---------------|
| New Financial System | \$200,000 | \$200,000 |
| Continuing and negotiated salary costs/benefits | \$48,054,229 | \$48,054,229 |
| Contractual Maintenance - Technology Systems | \$1,400,000 | \$1,400,000 |
| Employee benefits | \$16,450,029 | \$16,450,029 |
| Enrollment growth and new schools | \$10,999,578 | \$10,999,578 |
| Inflation for textbooks and instructional materials | \$1,122,596 | \$1,122,596 |
| Maintenance and building services | \$554,781 | \$554,781 |
| Nonpublic Tuition Rate | (\$1,022,336) | (\$1,022,336) |
| Transportation (fuel,parts, new buses) | \$2,399,674 | \$2,399,674 |
| Other | \$391,269 | \$391,269 |

Prior Year Revenue and Expenditure Analyzing Question Responses:

Did actual revenue meet expectations as anticipated in the Master Plan update for 2005? If not, identify the changes and the impact any changes had on the FY 2006 budget and on the system's progress towards achieving master plan goals. Please include any subsequent appropriations in your comparison table and narrative analysis.

Yes, actual revenue for FY 2006 met Master Plan expectations. However, the state of Maryland did not implement funding of the Geographic Cost of Education Index (GCEI) an integral part of the Bridge to excellence legislation. In FY 2006, this cost Montgomery County \$12.1 million that was made up by local tax funding and reductions in education spending.

Please provide a comparison of the planned versus actual expenditures for each local goal provided in the Prior Year Variance Table. Identify changes in expenditures and provide a narrative discussion of any changes (by local goal). At a minimum, the narrative should describe any changes that occurred with an explanation of the change and the funding implications.

Actual budgeted expenditures matched planned expenditures. No changes were necessary in initiatives directed at the Master Plan goals.

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Prince George's County Public Schools

| FY 2007 Budgeted Revenue | Actual FY 2006 | Planned FY 2007 | Increase from FY 2006 |
|---------------------------------|------------------------|------------------------|-----------------------------|
| Local Appropriation | \$562,043,003 | \$602,243,300 | \$40,200,297 |
| State Revenue | \$717,350,081 | \$785,318,130 | \$67,968,049 |
| Federal Revenue | \$86,007,350 | \$93,873,297 | \$7,865,947 |
| Other Local Revenue | \$11,418,266 | \$11,966,873 | \$548,607 |
| Total Revenue/Change: | \$1,376,818,700 | \$1,493,401,600 | \$116,582,900 |

Planned Expenditures

Allocated by ESEA Goal

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$21,197,801 |
| All limited English proficient students will become proficient in English and reach high academic standards at a minimum attaining proficiency or better in reading/language arts and mathematics. | \$1,094,740 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$77,273,482 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$6,224,843 |
| All students will graduate from high school. | \$13,121,255 |
| Local Goals and Indicators | \$8,348,488 |
| Mandatory Cost of Doing Business | \$10,677,709) |

Expenditure Examples

| | Planned |
|------------------------------------------------------------------|-------------|
| Athletic Equipment & Uniforms | \$625,888 |
| Early Childhood Education - Pre-K Expansion | \$4,272,151 |
| Fine Arts - Elementary Teachers and Materials | \$1,056,399 |
| Grants Services | \$142,710 |
| Middle School Teaching Positions | \$1,130,245 |
| New School Development | \$2,710,863 |
| Pupil Accounting | \$123,821 |
| Research & Evaluation | \$148,518 |
| Special Education - Administration | \$160,927 |
| Special Education - Early Childhood - All Day Pre-K Phase 1 of 2 | \$3,468,039 |
| Special Education - K through 12 | \$5,291,021 |
| Special Education - Nonpublic | \$324,451 |

Notes: Data added to system after approval of master plan and release of audited financial statements - March 2006

| | |
|-----------------------------------------------------------------------|---------------|
| Special Education - Support Programs | \$1,612,569 |
| English Learners | \$1,094,740 |
| Compensation Improvements - Negotiation Reserve | \$62,636,765 |
| Elementary Library Media Specialists | \$831,063 |
| Employee Wellness | \$300,000 |
| Equity Based Resource Allocations | \$1,089,450 |
| Food Services Operating Subsidy | \$5,000,000 |
| High School Teaching Positions | \$2,925,340 |
| School Instructional Resources | \$4,490,864 |
| Health Services - Additional School Nurses | \$497,327 |
| Maintenance (Including \$180,752 Aging Schools Grant Match) | \$930,702 |
| Mandatory In-School Suspension Centers for Middle and High Schools | \$3,768,979 |
| Plant Operations | \$348,464 |
| School Security | \$158,494 |
| Special Education - Psychological Services | \$516,377 |
| Alternative Programs | \$2,650,000 |
| Evening High School | \$604,508 |
| Guidance & Counseling Services - Reduce Ratio from 400:1 to 350:1 | \$1,823,843 |
| High School Assessments Initiative | \$5,615,620 |
| Junior Reserve Officers Training Corp | \$255,000 |
| Regional Assistant Superintendents- Turnaround Specialists | \$437,325 |
| Summer School | \$1,689,959 |
| Business Management Services - Staff Development | \$105,000 |
| Central Garage - \$3.0 million via Lease Purchase of Non-Bus Vehicles | \$617,314 |
| Technology - Application- Student Support | \$643,069 |
| Technology - Copier Program | \$111,043 |
| Technology - Printing Services | \$260,884 |
| Technology - Refresh \$10.0 million via Lease Purchase of Equipment | \$1,454,254 |
| Technology - Systems/Operations | \$585,000 |
| Technology - Telecommunications | \$1,079,600 |
| Television Resources | \$333,900 |
| Transportation - Drivers, Homeless and Athletic Transportation | \$3,019,176 |
| Administrative/Support Services | (\$200,000) |
| Excess Property Insurance | \$2,310,670 |
| Existing Lease Purchase Agreements | (\$3,851,143) |
| Full-Time - Employee Contract Commitments | \$4,387,752 |
| Full-Time - Salary Base | \$4,983,154 |
| General Liability Insurance | \$368,049 |
| Health Insurance Actives | \$11,810,467 |
| Health Insurance Retirees | \$3,944,793 |
| Legislation (Defibrillators & Title IX Compliance) | \$598,497 |
| Life Insurance | (\$944,555) |
| New Schools | \$4,216,272 |
| New Schools - Prior Year One Time Costs | (\$9,071,147) |
| Nonpublic Placements | \$1,909,757 |

Notes: Data added to system after approval of master plan and release of audited financial statements - March 2006

| | |
|----------------------------------------------------------------------------|----------------|
| Part-Time | \$1,552,140 |
| Per Diem Teacher Costs | (\$8,375,808) |
| Projected Enrollment | \$934,600 |
| Reserve for Future Grants | \$1,364,094 |
| Retirement | \$702,333 |
| Risk Management Fund - Workman's Comp, Excess Property & General Liability | (\$11,776,943) |
| Salary Lapse / Workforce Turnover | (\$13,651,947) |
| School Operating Resources | \$4,598,617 |
| Sick Leave Bank - Experience Based Adjustment | \$451,215 |
| Social Security (FICA) | (\$125,201) |
| Teaching Positions (FY-06 and FY-07 Enrollment Declines) | (\$13,297,000) |
| Terminal Leave Pay | \$429,949 |
| Tuition Reimbursement/Misc. Other Benefits | \$2,205,590 |
| Unemployment | (\$2,088,343) |
| Utilities | \$5,707,905 |
| Workers' Compensation Insurance | \$229,524 |

Prior Year Comparison Report

Prince George's County Public Schools

FY 2006 Budgeted Revenue

| | 7/1/05 | 6/30/06 | Change |
|------------------------------|------------------------|------------------------|----------------------|
| Local Appropriation | \$562,043,003 | \$602,243,412 | \$40,200,409 |
| State Revenue | \$717,350,081 | \$818,822,381 | \$101,472,300 |
| Federal Revenue | \$86,007,350 | \$92,509,203 | \$6,501,853 |
| Other Local Revenue | \$11,418,266 | \$11,966,873 | \$548,607 |
| Total Revenue/Change: | \$1,376,818,700 | \$1,525,541,869 | \$148,723,169 |

Planned Expenditures

| Allocated by ESEA Goal | Planned | Actual |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$23,475,552 | \$8,698,469 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$1,200,000 | \$1,200,000 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$822,973 | \$822,973 |
| Local Goals and Indicators | \$4,777,517 | \$4,444,517 |
| Mandatory Cost of Doing Business | \$74,894,158 | \$15,308,117) |

Notes: Data added to system after approval of master plan and release of audited financial statements - March 2006

| Expenditure Examples | Planned | Actual |
|--------------------------------------------------|----------------|----------------|
| 62 Classrooms Tchrs, 32 Tchng Aides | \$5,119,377 | \$0 |
| Choice Option Schools | \$286,891 | \$286,891 |
| Continued Expansion of Pre-K | \$5,665,185 | \$1,220,185 |
| Emphasis on Science Grades 6-8 | \$527,219 | \$9,200 |
| HB Owens Science Center-Science Curriculum | \$358,138 | \$358,138 |
| Lease Purchase of Textbooks | \$3,808,767 | \$3,808,767 |
| Math - Additional Staff and Training | \$733,037 | \$341,670 |
| Provide General Funds for Former Grant Program | \$242,907 | \$232,507 |
| Support Delivery Services-Regionalize Programs | \$3,138,404 | \$317,139 |
| Teachers, Mileage, Supplies and Printing | \$661,140 | \$0 |
| Technology Coordinators in HS/MS | \$1,597,552 | \$787,037 |
| Textbooks-Purchase | \$1,336,935 | \$1,336,935 |
| Provisional Teacher Certification Program | \$1,200,000 | \$1,200,000 |
| Alarm System, OT, Cameras, Add'l Staff | \$822,973 | \$822,973 |
| Buses, Garage Supplies, Vehicles, Repair Costs | \$3,561,089 | \$3,371,089 |
| Central Garage - spread to sub objects | \$284,602 | \$284,602 |
| Software Licenses Systemwide | \$750,000 | \$682,000 |
| Add 1 VP in every Elem - Half of All Needed | \$1,312,877 | \$1,312,877 |
| Auto Liability | \$625,000 | \$1,255,000 |
| CEO Reductions | (\$12,595,030) | (\$12,595,030) |
| Elem schools no less than 2 secretaries | \$626,160 | \$626,160 |
| Excess Property | (\$1,471,814) | \$53,794 |
| Full-Time Positions | \$1,046,870 | (\$36,379,762) |
| General Liability | \$441,940 | \$523,447 |
| Health Insurance Actives | \$5,575,350 | (\$12,084,923) |
| Health Insurance Retirees | \$1,283,796 | \$83,795 |
| Increase Sub Pay | \$1,544,631 | \$1,544,631 |
| Internal Service Funds (Printing/Central Garage) | \$1,721,831 | (\$1,978,630) |
| Lease/Purchase | \$700,750 | \$700,750 |
| Life Insurance | \$979,958 | (\$848,525) |
| Negotiations | \$46,338,698 | \$46,338,698 |
| New Schools | \$10,615,117 | \$10,472,715 |
| Nonpublic Placements | \$3,523,848 | \$4,302,542 |
| Other Non-Departmental | \$203,204 | \$635,801 |
| Part-Time | \$3,388,203 | (\$22,178,276) |
| Retirement | \$5,162,528 | \$1,823,230 |
| Salary Lapse | (\$15,449,122) | (\$15,449,122) |
| Sick Leave Bank - Experience Based Adjustment | \$2,280,534 | \$88,473 |
| Social Security (FICA) | \$2,736,674 | \$11,243,000 |
| Terminal Leave Pay | \$2,080,088 | (\$1,839,692) |
| Transportation Services | \$3,502,337 | \$1,193,606 |
| Unemployment | \$605,702 | (\$1,752,027) |
| Upgrade Table 600 - School Nurses by 10% | \$645,890 | \$645,890 |
| Utilities | \$4,720,197 | \$8,155,165 |
| Workers' Compensation | \$2,464,278 | \$57,089 |

Prior Year Revenue and Expenditure Analyzing Question Responses

Notes: Data added to system after approval of master plan and release of audited financial statements - March 2006

Did actual revenue meet expectations as anticipated in the Master Plan update for 2005? If not, identify the changes and the impact any changes had on the FY 2006 budget and on the system's progress towards achieving master plan goals. Please include any subsequent appropriations in your comparison table and narrative analysis.

Revenues received by the school system in FY-06 totaled \$1,377,592,413. This amount is \$773,713 more than budgeted levels overall. Federal funding levels, primarily supporting restricted grant funded programs, were \$7,262,304 less than budgeted levels due to differences between actual and anticipated grant awards such as \$7.2m less in Title II. Local appropriation is reported at \$2,333,218 more than budgeted in FY-06. This variance is primarily the result of supplemental appropriation in the amount of \$3.1 million and \$766,782 less than anticipated revenue in county restricted programs. State funding levels were \$2,043,725 less than budgeted levels in FY-06 and are primarily the result of less than anticipated revenue from restricted state programs. Board sources funding levels were \$7,746,524 more than budgeted primarily due to higher than anticipated earnings on investments in the amount of \$3.9m, higher than anticipated Non Resident Tuition in the amount of \$3.1m; and higher than anticipated summer school tuition of \$.7m. These variances do not adversely affect strategies or actions outlined in the FY-06 Master Plan. Additionally, in FY-06, two supplemental appropriations from the Prior Year Fund Balance of \$52,619,400 were approved. Although appropriations properly show the prior year fund balance as a revenue for budget purposes, accounting requirements do not permit recognition of the prior year fund balance as an actual revenue. The Board of Education requested and the County Council approved on November 29, 2005 the first supplemental request appropriating \$4,340,000 in revenue to be declared from the telecommunications tax reserve. This supplemental appropriation provided \$1.4m to fund the first year of a five-year lease/purchase agreement for the Regional High School. A request of \$400,000 was also included to support operating costs of the Bowie Regional Arts Vision Association (BRAVA). Finally, \$2.5m of the appropriation funded 40 additional classroom teaching positions. The Board of Education requested and the County Council approved on July 18, 2006, a second supplemental request for FY-06 appropriating \$48,279,400. The supplemental request is funded by amounts designated from the unreserved fund balance remaining as of June 30, 2005 and provides funding to eliminate prior years' deficits in the Risk Management Fund and the Food and Nutrition Services Fund; purchase additional textbooks to support students returning to school; updating library media inventories; and to provide non-instructional and network technology supporting operations beginning July 1, 2006.

Please provide a comparison of the planned versus actual expenditures for each local goal provided in the Prior Year Variance Table. Identify changes in expenditures and provide a narrative discussion of any changes (by local goal). At a minimum, the narrative should describe any changes that occurred with an explanation of the change and the funding implications.

The Board of Education FY-06 Original Approved Operating Budget for PGCPS totaled \$1,376,818,000. This represented an overall increase of \$105,170,200 above the FY-05 original budget of \$1,271,648,500. The total increase of \$105,170,200 was originally comprised of Mandatory Changes totaling \$41,150,490; Redirected Resources totaling (\$12,595,030); Program Improvements totaling \$30,276,042; and amounts for Salary Compensation totaling \$46,338,698. Mandatory changes reflect expenditures that are required by law, support contract commitments, provide essential health/safety services, and support enrollment. These expenditures include costs to cover employer obligations including social security, retirement and unemployment insurance; fund existing employee contracts covering compensation, employee and retiree benefits for health insurance, and other employee benefits; manage risk for the school system through self-insured programs supporting workers' compensation, general liability and excess property claims and expenses; fund utilities and internal services programs supporting printing and vehicle maintenance operations; maintain class sizes; and provide classroom space and support services for an increasing student population. These combined changes totaled 41,150,490 in the original approved FY-06 operating budget. Actual expenses for these mandatory changes however totaled (\$49,051,783) or \$90,202,273 less than originally budgeted. The primary components of this change are in the areas of full and part time salaries, retirement, life insurance, unemployment, sick leave, terminal leave pay, health insurance, workers' compensation, and central garage services. Fiscal year 2006 generated a savings of (\$37.4) million in total salaries as a result of lower than anticipated full time salary expenses and additional salary lapse as a result 958.78 additional vacancies which included 62.0 Pre-k expansion positions, 32.0 special education positions, 12.0 Technology Coordinators for middle and high schools and 112.0 school based positions supporting classroom teachers and paraprofessionals. The majority of the avoided salary costs resulted from positions authorized in the original budget that remained unfilled for the fiscal year and appropriations exceeding amounts required to support authorized positions. Part-Time costs were (\$25.6) million lower than anticipated due in part to a realignment of part-time reserves for future grant funds to full-time reserves for future grant funds based on anticipated expenditures for all restricted programs totaling \$12.8 million. Also, affecting Part-time is a realignment of \$9.9 million to fund the FY-06 County Council approved transfer request to fund unrestricted system wide program initiatives. The remaining \$2.9 million is from initiatives and programs not fully implemented or resources redirected within the initiatives, for the school year. Actual costs for Retirement were (\$3.3) million lower than anticipated due to lower than anticipated expenses for this program. Life insurance costs were (\$1.8) million lower than originally budgeted due to lower than anticipated costs for this program primarily resulting from a large number of vacancies. Social Security costs were \$8.5 million more than budgeted due to understated appropriations originally estimated to support actual salary and wage expenses. Unemployment insurance costs, which are self-insured by the school system, were (\$2.3) million lower than budgeted levels as a result of a decrease in the number of individuals applying for and being awarded unemployment compensation. Health Insurance costs were (\$18.8) million lower than anticipated primarily as a result of a budgeted premium increase that did not materialize (\$14.4) million and lower than anticipated expenses (\$4.4) million for this program due to authorized positions that remained unfilled during the fiscal year. Sick Leave Bank and Terminal Leave Pay were (\$6.1) million lower than originally budgeted due to lower than anticipated costs for this program. Tuition Reimbursement costs were \$0.8 million more than anticipated due to an increase in the number of employees participating in the program. Risk Management Fund costs were (\$0.8) million lower than anticipated due to set aside of amounts to repay the prior years' fiscal deficit in FY-05 while amounts remained budgeted for the same purpose in FY-06. Auto Liability costs were \$0.6 million higher than anticipated as a result of an increase in auto claims. Equipment Property costs were (\$0.2) million lower than anticipated due to a decrease in property claims. Utility costs were \$3.4 million higher than anticipated due to the rising cost of fuel prices. Transportation costs were (\$2.3) million lower than anticipated due to a large number of full time bus driver vacancies. Central Garage costs were (\$3.7) million lower than budgeted as a result of lower than anticipated costs in the areas of maintenance and repair. School Operating Resources were (\$2.2) million lower than budgeted due to lower than anticipated expenses related to the implementation of the centralized copier program and part-time salaries. Nonpublic Placements were \$0.8 million higher than anticipated due to an increased number of children served and an increase in the services provided to individual children. New Schools costs were (\$0.1) million lower as a result of lower than anticipated costs. Other Non-Departmental costs were \$4 million higher as a result of higher than anticipated costs in the restricted programs. Program improvements fund instructional programs, facilities and services that are consistent with the Master Plan, enhance teaching and learning for all students and strengthen accountability and support systems. The FY-06 Budget included \$30,276,042 for Program Improvements. Actual expenditures in fiscal year 2006 indicate that 50% or \$15.1 million improvements were realized. Consequently, 50% or (\$15.1) million of the program improvements were unexpended. The primary components of this area include academics, expanded opportunities in early childhood education, increased opportunities in science and mathematics, textbook purchases, improvements in the area of special education, improved school security, improvements to operations, maintenance, transportation and central garage. FY-06 generated savings of (\$0.5) million in science due to vacant positions remaining unfilled. A savings of (\$4.5) million was recognized in early childhood education due to an inability to fill vacant positions with certified early childhood teachers. A savings of (\$8.6) million was generated in special education due to the difficulty of hiring certified special educators during the fiscal year. A savings of (\$0.8) million was realized by the inability to fill allocated positions for middle and high school technology coordinators. A savings of (\$0.4) million was realized in math due to vacant positions. A savings of (\$0.2) million was realized due to lower than anticipated costs in maintenance and repair of school vehicles. Also, there was a savings realized in the amount of (\$0.14) million in software licenses and technical contracts due to lower than anticipated costs. There were no significant changes to the FY-06 Budget as a result of the changes in the Program

Notes: Data added to system after approval of master plan and release of audited financial statements - March 2006

Improvements. Program improvements for FY-06 are carried through to FY-07 in the base budget and subsequently will be included in future budgets, subject to changes that could result through the annual budget development process. The FY-06 Approved Budget included 379 additional positions. Of these positions, 161 were utilized and 218 were vacant. The 218 vacant positions included 62 Pre-K expansion positions, 32 Special Education positions, 12 Technology Coordinators for middle and high schools, and 112 school-based position supporting classroom teachers and paraprofessionals. These vacancies occurred due to the limited availability of certified and highly trained professionals. We will continue our recruitment efforts in FY-07 to fully staff all vacant positions. Redirected resources represent reductions from amounts appropriated in FY-05 for selected systemwide programs and services (\$12,595,030). These reductions are not linked to any specific improvement, but instead are redirected to fund the total additional costs of mandatory, program, and compensation improvements funded in the FY-06 Operating Budget. In FY-06, 100% of all redirected resources were realized. Other than maintaining the effects of redirected resources in the FY-07 budget base, the redirected resources in the FY-06 did not impact the FY-07 budget. A portion of the final expenditures were estimated for the above categories. The current financial system in which we operate does not capture all expenses by these specific defined activities. Final expenditures for full-time salary related changes were estimated based on the number of employees, actual salaries and vacant positions for the fiscal year. Final expenditures for compensation improvements were based on preliminary estimates for negotiated increases and based on prior year history for increments provided to employees on an annual basis. The majority of all other areas, with the exception of salary related increases, reflect actual expenses derived from the Oracle General Ledger Financial Module. This information was extracted from the system by using "downloads" from the specific program areas or actual financial reports.

Queen Anne's County Public Schools

| FY 2007 Budgeted Revenue | Actual FY 2006 | Planned FY 2007 | Increase from FY 2006 |
|---------------------------------|---------------------|---------------------|-----------------------------|
| Local Appropriation | \$38,174,413 | \$39,940,413 | \$1,766,000 |
| State Revenue | \$23,663,957 | \$26,478,196 | \$2,814,239 |
| Federal Revenue | \$4,304,147 | \$5,199,148 | \$895,001 |
| Other Resources/Transfers | \$88,000 | \$0 | (\$88,000) |
| Other Local Revenue | \$881,258 | \$562,386 | (\$318,872) |
| Total Revenue/Change: | \$67,111,775 | \$72,180,143 | \$5,068,368 |

Planned Expenditures

Allocated by ESEA Goal

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$188,000 |
| All limited English proficient students will become proficient in English and reach high academic standards at a minimum attaining proficiency or better in reading/language arts and mathematics. | \$66,000 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$210,000 |
| Mandatory Cost of Doing Business | \$4,232,843 |
| Other | \$371,525 |

Expenditure Examples

| | Planned |
|--------------------------------------------------------------|-------------|
| All Day Kindergarten | \$288,000 |
| Learning Support Specialist | (\$240,000) |
| Retiree Health Insurance | \$250,000 |
| Increases in negotiated contractual agreements - benefits | \$1,149,878 |
| Increases in negotiated contractual agreements - salaries | \$2,185,899 |
| Other items deemed necessary by the local board of education | \$178,066 |
| Reallocated Computer Expenses to Capital Funds | (\$200,000) |
| Related Services for Special Education | \$215,000 |
| Transportation | \$284,000 |
| Utilities & Vehicle Operation | \$420,000 |
| Other items deemed necessary by the local board of education | \$371,525 |

Prior Year Comparison Report

Queen Anne's County Public Schools

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

FY 2006 Budgeted Revenue

| | 7/1/05 | 6/30/06 | Change |
|------------------------------|---------------------|---------------------|------------------|
| Local Appropriation | \$38,037,413 | \$38,174,413 | \$137,000 |
| State Revenue | \$23,663,957 | \$23,663,957 | \$0 |
| Federal Revenue | \$4,304,147 | \$4,304,147 | \$0 |
| Other Resources/Transfers | \$0 | \$88,000 | \$88,000 |
| Other Local Revenue | \$881,258 | \$881,258 | \$0 |
| Total Revenue/Change: | \$66,886,775 | \$67,111,775 | \$225,000 |

Planned Expenditures

| Allocated by ESEA Goal | Planned | Actual |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$562,500 | \$635,956 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$775,966 | \$798,466 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$45,000 | \$45,000 |
| Mandatory Cost of Doing Business | \$2,195,977 | \$2,397,121 |
| Other | \$30,050 | (\$42,050) |

Expenditure Examples

| | Planned | Actual |
|-------------------------------------------------------------------------------|-------------|-------------|
| Additional Teachers(1.0 High, 1.0 Math, 1.0 Spec Ed, 2.0 Specials) Actual 9.6 | \$225,000 | \$420,356 |
| All Day Kindergarten Teachers (7.5) | \$337,500 | \$215,600 |
| Employee Benefits | \$725,966 | \$725,966 |
| Bus Contractual Increases & Fuel Escalation | \$165,000 | \$390,000 |
| Salary Improvements & Associated Payroll Taxes | \$1,752,194 | \$1,683,610 |
| Utilities | \$240,000 | \$240,000 |

Prior Year Revenue and Expenditure Analyzing Question Responses

Did actual revenue meet expectations as anticipated in the Master Plan update for 2005? If not, identify the changes and the impact any changes had on the FY 2006 budget and on the system's progress towards achieving master plan goals. Please include any subsequent appropriations in your comparison table and narrative analysis.

The actual revenue exceeded expectations as described in the Master Plan update for 2005. The Queen Anne's County Commissioners granted a supplemental allocation of funds in the amount \$137,000. The Board was also granted approval to use the remaining \$88,000 in the Board's undesignated fund balance. The Board requested these additional funds to address an anticipated shortfall in the area of transportation due to rising energy costs.

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Please provide a comparison of the planned versus actual expenditures for each local goal provided in the Prior Year Variance Table. Identify changes in expenditures and provide a narrative discussion of any changes (by local goal). At a minimum, the narrative should describe any changes that occurred with an explanation of the change and the funding implications.

Master Plan Goal 1: This area was allocated additional funds, \$73,456 to support additional teaching positions due to enrollment increases. Personnel hired for all day kindergarten cost less than what was allocated; those remaining funds and the additional funds allocated were used to hire teachers. The funds allocated were generated by retirements, as higher salaried employees were replaced by lower salaried employees. Master Plan Goal 2: Additional funds were allocated to pay for mentors for novice teachers. The funds allocated were generated by retirements, as higher salaried employees were replaced by lower salaried employees. Other: Funds originally allocated for non-public placements were reallocated to other areas of the budget, specifically contracted services for special education students. Mandatory/Cost of Doing Business: Additional funds were allocated to transportation for the anticipated deficit due to the rising cost of fuel. The contracts with our service providers contains a fuel escalation clause, of \$0.01 for each \$0.05 fuel rises over a designated price. - The minimal increase in the Ground maintenance contract was negotiated with the county Parks & Recreation Department. - The increase in the transfer for Out-Of-County Living arrangements was required due to the number of students that were placed. These additional funds were part of a reallocation from fixed charges.

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Somerset County Public Schools

| FY 2007 Budgeted Revenue | Actual FY 2006 | Planned FY 2007 | Increase from FY 2006 |
|---------------------------------|---------------------|---------------------|-----------------------------|
| Local Appropriation | \$8,547,712 | \$8,925,712 | \$378,000 |
| State Revenue | \$18,542,496 | \$21,079,186 | \$2,536,690 |
| Federal Revenue | \$3,300,000 | \$4,800,000 | \$1,500,000 |
| Other Resources/Transfers | \$0 | \$0 | \$0 |
| Other Local Revenue | \$60,000 | \$160,000 | \$100,000 |
| Total Revenue/Change: | \$30,450,208 | \$34,964,898 | \$4,514,690 |

Planned Expenditures

Allocated by ESEA Goal

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$963,912 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$1,292,170 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$1,424,202 |
| Mandatory Cost of Doing Business | \$804,406 |
| Other | \$30,000 |

Expenditure Examples

| | Planned |
|--------------------------------------------------------------------------------------------|-------------|
| After School Program (21st Century Grant) | \$300,000 |
| Salary increases PreK - 12 (includes ROTC) | \$1,022,746 |
| Special Education salary increases | \$130,449 |
| Learning Support, Behavior Intervention Specialists (Safe Schools, Healthy Students Grant) | \$1,200,000 |
| Costs associated with opening a new school or newly renovated school (please itemize) | \$115,000 |
| Classroom, Media, Technology Lab Furniture (non recurring cost) | |
| Increases in negotiated contractual agreements - benefits | \$125,895 |
| Transportation | \$101,511 |
| Utilities | \$199,600 |

Prior Year Comparison Report

Somerset County Public Schools

FY 2006 Budgeted Revenue

| | 7/1/05 | 6/30/06 | Change |
|---------------------|-------------|-------------|--------|
| Local Appropriation | \$8,547,712 | \$8,547,712 | \$0 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

| | | | |
|------------------------------|---------------------|---------------------|--------------------|
| State Revenue | \$18,542,496 | \$18,521,184 | (\$21,312) |
| Federal Revenue | \$3,300,000 | \$4,800,000 | \$1,500,000 |
| Other Resources/Transfers | \$0 | | \$0 |
| Other Local Revenue | \$60,000 | \$60,000 | \$0 |
| Total Revenue/Change: | \$30,450,208 | \$31,928,896 | \$1,478,688 |

Planned Expenditures

| Allocated by ESEA Goal | Planned | Actual |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$359,700 | \$677,807 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$69,900 | \$40,462 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$176,000 | \$1,693,065 |
| Local Goals and Indicators | \$301,000 | \$355,210 |
| Mandatory Cost of Doing Business | \$1,339,000 | \$843,731 |
| Other | \$42,078 | \$156,092 |

Expenditure Examples

| | Planned | Actual |
|--------------------------------------------------------------------|-------------|------------|
| Decrease in elementary textbooks from 2005 | (\$140,000) | (\$94,845) |
| Behavior Specialist Alternative Learning JMT, CHS and Night School | \$117,400 | \$99,602 |
| Bus Transportation | \$137,000 | \$85,796 |
| Cost of Salary Package | \$813,000 | \$813,000 |
| Health Insurance Increase | \$489,000 | \$0 |

Prior Year Revenue and Expenditure Analyzing Question Responses

Did actual revenue meet expectations as anticipated in the Master Plan update for 2005? If not, identify the changes and the impact any changes had on the FY 2006 budget and on the system's progress towards achieving master plan goals. Please include any subsequent appropriations in your comparison table and narrative analysis.

Actual revenue exceeded our budget. SCPS received two grants totaling \$1.5 million which provided additional services to students. The 21st Century grant (\$300,000) which provides reading and math intervention to at risk students in an after school program and a \$1.2 million dollar federal direct grant entitled "Safe Schools/Healthy Students". The "Safe Schools/Healthy Students" grant has enabled SCPS to provide additional supports to students including social workers, behavior intervention specialists and "links" for families to various services available in Somerset County to ensure success in school.

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Please provide a comparison of the planned versus actual expenditures for each local goal provided in the Prior Year Variance Table. Identify changes in expenditures and provide a narrative discussion of any changes (by local goal). At a minimum, the narrative should describe any changes that occurred with an explanation of the change and the funding implications.

Expenditures in Somerset County Public Schools exceeded expectations overall due to the receipt of the two grants mentioned above in the changes in revenue. Additionally, a budgeted increase in health insurance of \$489,000 was not realized. Our rate of increase was substantially lower than anticipated (8% versus the 15% increase budgeted) plus a health insurance call amount of \$160,000 was budgeted; however, usage of services has declined and the additional funds were not necessary. These savings provided funds in other areas to help improve the instructional program, particularly in the area of technology and instructional computer software. GOAL 1: STUDENT ENGAGEMENT: Somerset County Public Schools expended \$308,983 more than originally planned. With health insurance actual costs being less than anticipated, funds were available for additional improvements within schools to improve achievement. Funds beyond planned expenditures were spent for technology and instructional computer software. Specifically, additional computers were placed in classrooms and math software was purchased for use at the elementary level. The Success Maker software will enable teachers to provide both enrichment and intervention for students. The addition of the classroom computers and the software will have a positive impact on student achievement in math. Additional consumable supplies were purchased at the end of the year in an effort to bring more reading materials into the classroom. SCPS also invested additional dollars into textbooks to ensure each child has a textbook for every class. Additional dollars were budgeted to increase media books and supplies; however, they were not accessed by all schools. For FY 2007, SCPS has begun placing certified media specialists in the elementary schools, by placing one at Woodson Elementary, the largest elementary school in the county. The Primary Talent Development (PTD) program is designed to involve all students in PK-2 in critical thinking skills as well as meeting the needs of gifted and talented students. It was fully implemented in 2005 – 2006 and all funds were expended. GOAL 2: FAMILY AND COMMUNITY INVOLVEMENT: The Parent Involvement/Volunteer Coordinator position for Princess Anne Elementary was funded as planned. GOAL 3: HIGHLY QUALIFIED EDUCATORS: The number of staff members taking advantage of the Early Retirement Incentive was lower than expected. With the change in pension rules and the more competitive salaries offered for FY 2007, many teachers eligible for retirement chose to continue teaching. GOAL 4: ENVIRONMENT CONDUCIVE TO LEARNING: Expenditures for this goal exceeded budget expectation (\$328,828) due to the 21st Century grant. These funds are used to provide after school academic and enrichment activities for students whose academic success is at risk. Students are provided a safe atmosphere to receive extended instruction in reading and math. Program data shows participants achieved a 5.7% increase in reading performance and an 11% increase in math. Funds for several new positions were filled with staff having more experience than anticipated at the time of budget. SCPS also utilized the services of consultant, Dr. Larry Bell, on "Building a Culture of Respect" in our schools which required funds beyond the budget. GOAL 5: SAFE, QUALITY ENVIRONMENT: Somerset County Public Schools was the recipient of a federal direct grant in the amount of \$1,200,000. This grant, entitled Safe Schools/Healthy Students, provides additional supports to students in the form of Learning Support Specialists at each school and Behavior Specialists shared among schools. The addition of this grant accounted for the majority of the actual expenditures exceeding budget. MASTER PLAN GOAL 7: INFRASTRUCTURE: Expenditures within this goal exceeded budget by \$54,208. The cause for this increase over budget was utilities. Across the state, all Local Education Agencies are struggling with the rapid rise of utilities due to increased costs in heating fuel and electricity. Total expenditures in this area exceeded budget by \$104,814; however there were savings in insurance and bus transportation to help offset the increases. OTHER: Other expenditures were over the planned budget by \$139,095. This was a result of a payback of funds on the student enrollment audit and an increase in expenditures for new and replacement furniture. Every two years, each Local Education Agency is audited by the MSDE Audit office on its enrollment figures. In FY 2006, Somerset County was audited. The audit resulted in the payback of \$21,312 in state aid dollars. Of this amount, \$11,963 (7 students) was from the Free and Reduced Price Meal Count (FRPM), \$2,400 (3 students) was from the special education transportation count and \$6,949 (2 students) was from the student enrollment count. With funds available from the savings in health insurance mentioned previously, Somerset County Public Schools began to purchase needed furniture for the newly renovated Woodson Elementary. The furniture purchased included student and teacher desks, cafeteria tables, and tables and chairs for the technology labs in the school. MANDATORY/COST OF DOING BUSINESS: Already discussed were the savings in health insurance. Additionally, Somerset County Public Schools fully funded its negotiated salary packages for all staff.

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

St. Mary's County Public Schools

| FY 2007 Budgeted Revenue | Actual FY 2006 | Planned FY 2007 | Increase from FY 2006 |
|---------------------------------|----------------------|----------------------|-----------------------------|
| Local Appropriation | \$62,634,000 | \$67,811,000 | \$5,177,000 |
| State Revenue | \$70,638,000 | \$78,618,000 | \$7,980,000 |
| Federal Revenue | \$9,498,000 | \$8,815,000 | (\$683,000) |
| Other Resources/Transfers | | \$0 | |
| Other Local Revenue | \$7,822,000 | \$3,846,000 | (\$3,976,000) |
| Total Revenue/Change: | \$150,592,000 | \$159,090,000 | \$8,498,000 |

Planned Expenditures

Allocated by ESEA Goal

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$1,393,852 |
| All limited English proficient students will become proficient in English and reach high academic standards at a minimum attaining proficiency or better in reading/language arts and mathematics. | \$37,400 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$11,800 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$592,071 |
| Mandatory Cost of Doing Business | \$7,096,288 |
| Other | (\$633,411) |

Expenditure Examples

| | Planned |
|-----------------------------------------------------------|-------------|
| K-teacher (6.0 FTE) | \$238,020 |
| MOI and textbooks | \$201,596 |
| Teacher (3.0) | \$119,010 |
| Teachers (3.0 PE/Art/Vis Art) | \$119,010 |
| Teachers (4.0) | \$158,680 |
| Non-public placement | \$185,000 |
| Nurses (3.0) | \$105,650 |
| Increases in negotiated contractual agreements - benefits | \$1,592,571 |
| Increases in negotiated contractual agreements - salaries | \$4,683,734 |
| Transportation | \$178,687 |
| Utilities | \$641,296 |
| Less reduction in Restrict Programs | (\$679,779) |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Prior Year Comparison Report

St. Mary's County Public Schools

FY 2006 Budgeted Revenue

| | 7/1/05 | 6/30/06 | Change |
|------------------------------|----------------------|----------------------|----------------------|
| Local Appropriation | \$62,634,000 | \$62,634,224 | \$224 |
| State Revenue | \$70,939,319 | \$70,637,825 | (\$301,494) |
| Federal Revenue | \$10,371,950 | \$9,497,771 | (\$874,179) |
| Other Resources/Transfers | \$15,000 | \$0 | (\$15,000) |
| Total Revenue/Change: | \$143,960,269 | \$142,769,820 | (\$1,190,449) |

Planned Expenditures

| Allocated by ESEA Goal | Planned | Actual |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$4,183,722 | \$3,701,233 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$62,230 | \$62,264 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$542,045 | \$451,176 |
| Mandatory Cost of Doing Business | \$8,714,000 | \$7,409,597 |
| Other | \$15,276 | \$84,098 |

Expenditure Examples

| | Planned | Actual |
|----------------------------------------------|-------------|-------------|
| 10.5 FTE Kindergarten Teachers | \$557,340 | \$687,752 |
| 2.0 FTE Special Ed Elementary Ed teachers | \$106,160 | \$0 |
| 2.0 FTE Special ED Middle school teachers | \$106,160 | \$124,972 |
| 32.0 FTE Paraeducators | \$1,044,800 | \$88,773 |
| 4.0 FTE Assistant Principals (A/P) | \$254,580 | \$350,465 |
| 5.0 FTE Vocational/Technical/Career teachers | \$266,540 | \$305,545 |
| 9.6 FTE Elementary classroom teachers | \$509,568 | \$598,015 |
| 9.6 FTE High school classroom teachers | \$509,568 | \$627,760 |
| Consultants | \$127,884 | \$127,460 |
| Data Warehousing | \$140,000 | \$138,968 |
| Other LEA | \$186,384 | \$353,939 |
| 2.0 FTE Registered Nurses | \$124,900 | \$116,099 |
| Bus contracts | \$361,000 | \$658,203 |
| Salary increase & Fixed Charges | \$7,600,000 | \$6,130,694 |
| Utilities | \$753,000 | \$620,700 |

Prior Year Revenue and Expenditure Analyzing Question Responses

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Did actual revenue meet expectations as anticipated in the Master Plan update for 2005? If not, identify the changes and the impact any changes had on the FY 2006 budget and on the system's progress towards achieving master plan goals. Please include any subsequent appropriations in your comparison table and narrative analysis.

Actual Revenue exceeded expectations. The material changes in "Revenue" occurred in "Other Local Revenue." Over \$840K of the difference is attributable to our increased use of "Fund Balance." We cited "Fund Balance" as a source of revenue to offset the deficit created by rising energy costs. By using fund Balance to cover these unforeseen expenses, we did not cut expenditures elsewhere to eliminate the structural deficit. Thus, we were able to execute the budget initiatives that supported the master plan goals stated in the 2005 update. Other increases in revenue came from: Interest Income - \$361K due to rising interest rates, Canceled accrual - \$113K due to a MSDE audit, Non-public placement - \$39.5K offset by an increase in expenditures for non-public, placement (state source), Quality Teacher Incentive - \$23K offset by an increase in the number of teachers paid the incentive (state source), JROTC - \$50K offset by an increase in the cost of instructors for the program (federal source). The only areas where we saw decreases in revenue were: Foundation - \$20K – census figures (state source), Impact Aid - \$26K – census figures (federal source). This reduction in revenue amounted to \$46K from both sources. It did not adversely impact our program. We made up the difference from the favorable variance in Interest Income.

Please provide a comparison of the planned versus actual expenditures for each local goal provided in the Prior Year Variance Table. Identify changes in expenditures and provide a narrative discussion of any changes (by local goal). At a minimum, the narrative should describe any changes that occurred with an explanation of the change and the funding implications.

The most significant change in our estimate for Goal 1 was in the cost of paraeducators (-\$956,027). We zero based our FTEs and reprogrammed took the paraeducators needed from other areas without adversely impacting the programs involved. A portion of that savings was reprogrammed to cover the increased cost of teachers and school based administrators (Assistant principal \$95,885, Voc Ed Teachers \$39,005, Elem. Teachers \$88,447, and HS Teachers \$118,192). The increased costs were attributable to actual vs. budgeted salaries.

Master Plan Goal 3: In the aggregate, this Goal met budget. The increased cost of the FTE (due to actual vs. budgeted salary) was offset by a reduction in the expenditures related to extra pay for extra duty.

Master Plan Goal 4: All material variations in this goal were due to budget vs. actual salary costs. The funding was sufficient to achieve the goal.

Salary increases and Fixed Charges: Again, this variance is due to actual vs. budgeted salary expenses. It is our normal procedure to budget for a new FTE at the Step 5 level. Every time we hire a new teacher below Step 5 level, we "save" money. Additionally, as personnel retire, we replace them with people who obviously have less seniority and thus lower salaries. We achieve the goal at a lower price.

Talbot County Public Schools

| FY 2007 Budgeted Revenue | Actual FY 2006 | Planned FY 2007 | Increase from FY 2006 |
|---------------------------------|---------------------|---------------------|-----------------------------|
| Local Appropriation | \$27,897,682 | \$29,848,888 | \$1,951,206 |
| State Revenue | \$9,723,384 | \$10,176,599 | \$453,215 |
| Federal Revenue | \$2,527,411 | \$2,592,086 | \$64,675 |
| Other Resources/Transfers | \$43,169 | \$10,000 | (\$33,169) |
| Other Local Revenue | \$736,486 | \$223,000 | (\$513,486) |
| Total Revenue/Change: | \$40,928,132 | \$42,850,573 | \$1,922,441 |

Planned Expenditures

Allocated by ESEA Goal

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$248,662 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$582,659 |
| Mandatory Cost of Doing Business | \$1,091,120 |

Expenditure Examples

| | Planned |
|------------------------------------------------------------------------------------------------------------------------------|-----------|
| Local budget increased for after school intervention, materials of instruction, new textbook adoptions and computer software | \$248,662 |
| Increase in instructional staff salaries 4.5% | \$447,035 |
| Increase in fuel cost for buses | \$170,550 |
| Increase in salaries and positions for maintenance and custodial staff 4.5% | \$211,270 |
| Increase in salaries for transportation (4.5%) and after school intervention transportation | \$188,715 |
| Increase in utility cost for schools and energy management system | \$437,210 |

Prior Year Comparison Report

Talbot County Public Schools

FY 2006 Budgeted Revenue

| | 7/1/05 | 6/30/06 | Change |
|---------------------------|--------------|--------------|-------------|
| Local Appropriation | \$27,897,682 | \$27,897,682 | \$0 |
| State Revenue | \$9,694,881 | \$9,723,384 | \$28,503 |
| Federal Revenue | \$2,670,967 | \$2,527,411 | (\$143,557) |
| Other Resources/Transfers | \$0 | \$43,169 | \$43,169 |
| Other Local Revenue | \$131,000 | \$736,486 | \$605,486 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

| | | | |
|------------------------------|---------------------|---------------------|------------------|
| Total Revenue/Change: | \$40,394,530 | \$40,928,132 | \$533,601 |
|------------------------------|---------------------|---------------------|------------------|

Planned Expenditures

| Allocated by ESEA Goal | Planned | Actual |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$466,184 | \$560,319 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$1,609,150 | \$1,300,938 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$4,129 | \$57,636 |
| Mandatory Cost of Doing Business | \$285,718 | \$774,499 |

| Expenditure Examples | Planned | Actual |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------|
| Addition of 3 FTE teachers to serve Limited English Proficiency students at Easton area schools. | \$135,000 | \$135,000 |
| Elimination of Supplemental Services for Title I school that was no longer designated as a school in need of improvement by MSDE | (\$157,225) | (\$157,225) |
| Purchase of 400 laptop computers to implement 1-1 laptop computer initiative for all ninth grade students. | \$181,384 | \$181,384 |
| Special education funding increased significantly due to increase in state and federal grants. Funds will be used for additional 1.3 FTE positions, equipment for students who are blind/hearing impaired, increases in salaries and fringe benefits | \$328,368 | \$381,050 |
| Increase in fixed charges including 15% increase in health care premiums for all staff. | \$687,052 | \$436,621 |
| Increase in instructional staff salaries (4%). | \$611,580 | \$543,224 |
| Increase in mid-level administration staff salaries (4%). | \$180,114 | \$180,114 |
| Major repairs on buildings | \$103,675 | \$103,675 |

Prior Year Revenue and Expenditure Analyzing Question Responses:

Did actual revenue meet expectations as anticipated in the Master Plan update for 2005? If not, identify the changes and the impact any changes had on the FY 2006 budget and on the system’s progress towards achieving master plan goals. Please include any subsequent appropriations in your comparison table and narrative analysis.

Actual revenues were higher than projected (\$533,601, 1% of budgeted revenues) in FY 2006 due to increases in interest revenues and grants to school for school-based activities and larger than anticipated carryover of FY 2005 funds. The additional grant funding went directly to support activities focused on enhancing student achievement (Master Plan Goal 1) such as after school programs, school – based professional development, alternative education program, and others. It is difficult to project the level of funding for these programs in subsequent years because local community agencies and private citizens do not make the school system aware of funds available until the last minute.

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Please provide a comparison of the planned versus actual expenditures for each local goal provided in the Prior Year Variance Table. Identify changes in expenditures and provide a narrative discussion of any changes (by local goal). At a minimum, the narrative should describe any changes that occurred with an explanation of the change and the funding implications.

All budget categories realized the anticipated mandatory increases in expenditures budgeted in FY 2006. The increase in the unrestricted general fund revenues (other local revenue) is returned to the county government. The increase in restricted fund revenues are reflected in the increase in various expense categories that are not listed below and all budget categories show increases in the FY 2006 budget compared to the prior year. Budget transfers approved by County Council – unrestricted general fund, Administration - increase \$10,575. Legislation for Talbot County Public Schools took place in FY 2006 however, the first elected school board members will not be elected until FY 2007. School board member stipends had to be increased to comply with Code Section 3-12A-01 that was not originally budgeted for, Instructional Salary - decrease (\$68,356). Savings from staff turnover allowed funds to be transferred to other categories that were exceeding the original budget, Special Education - increase \$52,682. The number of out of county placements for students placed by the Department of Juvenile Justice and Department of Social Services exceeded prior year estimates, Transportation - increase \$155,746. The cost of fuel exceeded the price per gallon that was originally budgeted, Operation of Plant – increase \$76,784. The cost of utilities exceeded the estimated increase for electricity, heating oil and natural gas, Maintenance of Plant – increase \$23,000. Arsenic removal equipment had to be added to one school that was not originally budgeted for, Fixed Charges - decrease (\$250,431). Improved employee experience reduced the cost of health insurance. The savings were transferred to other categories that were exceeding the original budget.

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Washington County Public Schools

| FY 2007 Budgeted Revenue | Actual FY 2006 | Planned FY 2007 | Increase from FY 2006 |
|---------------------------------|----------------------|----------------------|-----------------------------|
| Local Appropriation | \$81,986,266 | \$83,303,108 | \$1,316,842 |
| State Revenue | \$95,425,830 | \$111,011,110 | \$15,585,280 |
| Federal Revenue | \$11,198,789 | \$11,436,833 | \$238,044 |
| Other Resources/Transfers | \$313,920 | \$313,920 | \$0 |
| Other Local Revenue | \$1,329,579 | \$801,247 | (\$528,332) |
| Total Revenue/Change: | \$190,254,384 | \$206,866,218 | \$16,611,834 |

Planned Expenditures

Allocated by ESEA Goal

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$1,119,066 |
| All limited English proficient students will become proficient in English and reach high academic standards at a minimum attaining proficiency or better in reading/language arts and mathematics. | \$100,000 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$2,483,415 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$2,587,220 |
| All students will graduate from high school. | \$1,457,293 |
| Mandatory Cost of Doing Business | \$8,685,866 |
| Other | \$178,978 |

Expenditure Examples

| | Planned |
|---------------------------------------------------------------------------------------------------|-----------|
| 2 Elementary Intervention Teachers to increase student achiev. in math and reading (Cono. & PHES) | \$100,195 |
| 2 Elementary Reading Teachers for Special Ed | \$110,215 |
| Equipment - Printing Department (OCE Equipment) | \$321,568 |
| 2 Elementary Gifted & Talented Magnet Teachers (Boonsboro & Williamsport) | \$120,234 |
| 2 Elementary Instrumental Music Teachers (Clear Spring, Maugansville, PV, Sharpsburg) | \$100,195 |
| 2.5 High School Teacher for increasing enrollment and to maintain class size | \$125,244 |
| 2.5 Middle School Teacher for increasing enrollment and to maintain class size | \$125,244 |
| 6.5 Kindergarten Teachers (Maugansville, Paramount, Sharpsburg, Smithsburg) | \$325,634 |
| 9 Elementary Teachers for increasing enrollment and to maintain class size | \$450,878 |
| Increase CP3 - Workshop Pay | \$250,000 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

| | |
|--------------------------------------------------------------------------------------------|-------------|
| 2 Elem Special Ed Teachers to support regional autistic and emotional disturbance programs | \$110,215 |
| 2 Project Managers to manage remodeling and building of schools | \$152,850 |
| 3 Maintenance - Trades Personnel | \$105,273 |
| Behavior Enhancement Program | \$275,000 |
| Equipment Increase - repair/replace equipment | \$175,000 |
| Painting at Fountaindale Elem. and administration building | \$145,000 |
| Plumbing fixtures at Funkstown Elem. and water supply line at Sharpsburg Elem. | \$490,000 |
| Various Building Renovations of window/door replacements, lighting | \$396,000 |
| Voice over IP (VoIP) phone system and voice mail upgrade | \$140,000 |
| 3 Additional Contract Bus Routes | \$126,000 |
| 9 Bus Drivers to cover growth from the past 3 years | \$144,374 |
| Contract School Bus Drivers retention | \$113,127 |
| Equipment upgrade to the Wide Area Network | \$110,000 |
| Internet equipment at 7 schools and equipment for the Washington County Public Network | \$145,000 |
| Student Activities Transportation and Programs | \$137,500 |
| Automatic External Defibullator Requirement | \$106,303 |
| Fire Alarm System Upgrades | \$145,000 |
| HVAC Repairs/Replacements | \$150,000 |
| Maintenance Materials Increase | \$200,000 |
| Negotiated Salary and Benefit Increases (net of turnover, misc. savings and redeployments) | \$5,950,029 |
| Utilities increase due to market conditions (electricity) | \$973,973 |
| Utilities increase due to market conditions (heating oil) | \$224,994 |
| Utilities increase due to market conditions (propane & natural gas) | \$253,226 |
| Vehicle Fuel (Diesel Fuel for Buses and Gasoline for Board vehicles) | \$255,443 |
| Expected increases in restricted Federal and State funding | \$350,907 |
| Misc. increases in restricted County funding (buses, Judy Center, crossing guards) | (\$482,809) |

Prior Year Comparison Report

Washington County Public Schools

FY 2006 Budgeted Revenue

| | 7/1/05 | 6/30/06 | Change |
|------------------------------|----------------------|--------------------|-----------------------|
| Local Appropriation | \$81,986,266 | \$0 | (\$81,986,266) |
| State Revenue | \$95,425,830 | \$842,692 | (\$94,583,138) |
| Federal Revenue | \$11,198,789 | \$183,237 | (\$11,015,552) |
| Other Resources/Transfers | \$313,920 | \$0 | (\$313,920) |
| Other Local Revenue | \$1,329,579 | \$0 | (\$1,329,579) |
| Total Revenue/Change: | \$190,254,384 | \$1,025,929 | \$189,228,455) |

Planned Expenditures

Allocated by ESEA Goal

Planned

Actual

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

| | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$5,000,737 | \$4,564,921 |
| All limited English proficient students will become proficient in English and reach high academic standards at a minimum attaining proficiency or better in reading/language arts and mathematics. | \$38,683 | \$180,633 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$310,291 | \$287,174 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$2,466,974 | \$2,313,113 |
| All students will graduate from high school. | \$1,658,513 | \$1,564,386 |
| Local Goals and Indicators | \$394,594 | \$513,754 |
| Mandatory Cost of Doing Business | \$10,456,935 | \$10,903,506 |
| Other | \$149,467 | \$206,952 |

| Expenditure Examples | Planned | Actual |
|-------------------------------------------------------------------------------------|----------------|---------------|
| 1 Director of Elementary Education | \$101,900 | \$101,900 |
| 1 Executive Director of Secondary Administration | \$101,900 | \$101,900 |
| 2 Special Ed Teachers (address increased # of elem students w/ autism & E.D.) | \$110,215 | \$110,215 |
| 3 Elementary Gifted & Talented - Enrichment Teachers | \$135,263 | \$135,263 |
| 3 Math / Student Achievement Specialist (BHS, NHS, and NMS) | \$165,322 | \$165,322 |
| 3 Teachers - Antietam Academy | \$171,333 | \$171,333 |
| 4 Elementary Intervention Teachers | \$180,351 | \$180,351 |
| 4.5 Special Ed IA's | \$112,793 | \$112,793 |
| 6 Clerical Support Positions to Supervisory Staff | \$180,468 | \$180,468 |
| 8 Kindergarten Teachers | \$360,702 | \$360,702 |
| 9 Elementary Teachers, Grades 1-5 | \$405,790 | \$405,790 |
| Additional Pay - Elem. Planning (additional time for grading, assessments, etc.) | \$658,421 | \$380,101 |
| Increase School Allocations for Textbooks and Materials | \$175,888 | \$175,888 |
| Software for grading w/ web application for new elementary report card | \$125,000 | \$0 |
| Equipment - purchase computerized interview applic. system for online service (HQT) | \$150,000 | \$150,000 |
| Bleacher Seating - provide bleachers at Clearspring & Boonsboro High Schools | \$155,000 | \$155,000 |
| Contract School Bus Drivers adjustment | \$372,713 | \$372,713 |
| Decrease in Tech Repairs / Maint. (Smithsburg Wiring - Finished) | (\$220,000) | (\$220,000) |
| Electrical Repairs - replace theater lighting, sound system, scoreboards | \$247,874 | \$177,690 |
| Misc. increases in restricted County funding (buses, Judy Center, crossing guards) | \$933,656 | \$933,656 |
| Paving/Resurfacing - resurface tracks at Williamsport & Smithsburg HS's | \$255,000 | \$128,099 |
| 16 High School Teachers | \$721,404 | \$721,404 |
| 4 High School Teachers for academic interventions | \$180,351 | \$180,351 |
| 5 Special Ed Content Teachers (fulfill NCLB, help meet AYP & HSA grad.req.) | \$275,536 | \$275,536 |
| Increase High School Magnet Programs | \$350,000 | \$255,873 |
| VIF Administration Fee | \$115,000 | \$101,521 |
| Differentiated Pay, Career Ladder and Incentives for Teachers | \$782,500 | \$782,500 |
| Medical Insurance (Additional Employees & Rate Inc.) | \$1,515,077 | \$989,736 |
| Salary Increases for All Employees | \$6,128,423 | \$6,128,423 |
| Signing Bonuses - Critical shortage teachers | \$112,500 | \$112,500 |
| Social Security and Workmen's Compensation (Additional Employees & Salary Inc.) | \$964,240 | \$780,032 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

| | | |
|--------------------------------------------------------------------------------------|---------------|---------------|
| Software - electronic time clock software (for wage and hour compliance) | \$250,000 | \$250,000 |
| Special Ed Prog. In Private Centers (Non-Public Placements) | \$859,949 | \$306,123 |
| Turnover & Miscellaneous Credits | (\$1,429,872) | (\$1,429,872) |
| Utilities increase due to deregulation, market conditions (electricity) | \$862,497 | \$1,836,470 |
| Utilities increase due to market conditions (heating oil) | \$167,000 | \$391,994 |
| Expected increases in restricted Federal & State funding | \$276,019 | \$276,019 |
| Misc. increases in private/other grant program (primarily funded by cable franchise) | (\$102,402) | (\$102,402) |

Prior Year Revenue and Expenditure Analyzing Question Responses

Did actual revenue meet expectations as anticipated in the Master Plan update for 2005? If not, identify the changes and the impact any changes had on the FY 2006 budget and on the system's progress towards achieving master plan goals. Please include any subsequent appropriations in your comparison table and narrative analysis.

Revenue reported in the adjusted (June 30, 2006) budget was only 0.225% lower than the revenue expectations originally reported in the July 1, 2005 iteration of the FY2006 budget. This 0.225% equates to \$428.5K and is attributable primarily to four changes from original assumptions:

- First, the system experienced fewer Special Education non-public placements than planned. As a result of this reduction in non-public placement volume, State participation, which is budgeted as State Revenue, was lower than expected.
- Second, in its original budget, Washington County Public Schools had budgeted \$696K that it had planned to appropriate from its own Fund Balance to balance the FY2006 general fund budget. This \$696K was budgeted as local revenue. As the year progressed, it became clear that, because of prudent spending, this \$696K appropriation could be returned to the fund balance. This caused a \$696K reduction in local revenue.
- Third, interest rates rose steadily over the course of FY2006. However, the Board and the staff did not foresee this rise at the time they were preparing the FY2006 budget. This resulted in a positive rate variance of approximately \$200K.
- Finally, due to a conscious effort to identify and seek more grant opportunities, the Washington County Public Schools received more federal grants than planned. This resulted in a positive volume variance. This small revenue variance did not have a negative impact on the FY2006 budget or on the Washington County Public School System's progress toward achieving any of its Master Plan goals. As noted earlier, much of this revenue "shortfall" was the result of good management practices in the development of individual IEP's that allowed us to deliver quality programs to Special Education students in their home county and prudent budget spending.

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Please provide a comparison of the planned versus actual expenditures for each local goal provided in the Prior Year Variance Table. Identify changes in expenditures and provide a narrative discussion of any changes (by local goal). At a minimum, the narrative should describe any changes that occurred with an explanation of the change and the funding implications.

Combined incremental spending for all three of the Washington County Public School System's Master Plan goals was \$442.7K less than originally planned. The specific goals, the spending variances attributable to each of the goals, and the rationale for the respective variances, by goal, are as follows:

- LEA Master Plan Goal #1, Peak Performance, was budgeted to receive an increase of \$5.895M in FY2006. However, full-year incremental expenditures totaled only \$5.586M. This was \$309K or 5.2% lower than planned. This spending shortfall comes primarily from the following three areas: A program to develop paraprofessionals who would learn American Sign Language in order to work with hearing impaired students was rolled out somewhat slower than anticipated due to a lack of candidate interest. As such interpreting services continue to be offered using contracted personnel, there has been no deleterious impact to student programs; A program to provide additional pay to teachers to increase planning time in the system's elementary schools has been initiated at a lower cost than originally anticipated. The plan was still under discussion with the teacher's union at the time the FY2006 budget was being prepared; A budget line designed to provide increased funding for the system's magnet programs was under-spent by approximately 20%. However, as the needs of all magnet programs were addressed, there was no adverse student impact.
- LEA Master Plan Goal #2, Continuous Process Improvement, was budgeted to receive an increase of \$1.158M in FY2006. Full-year incremental expenditures came in at \$1.058M. This was \$100K or 8.6% lower than planned. This spending shortfall was primarily the result of not fully implementing new elementary electronic grade book software that had been planned for FY2006. Instead of full implementation, the system opted for a pilot program in one school, with additional schools to be added in subsequent years. As the elementary schools currently have the ability to electronically transmit grades, no student programs were impacted by this decision to employ a stepwise rollout approach.
- LEA Master Plan Goal #3, Customer and Stakeholder Involvement and Satisfaction, was budgeted to receive an increase of \$1.805M in FY2006. However, full-year incremental expenditures totaled only \$1.771M. This was \$33.4K or 1.9% lower than budgeted. This spending shortfall was primarily due to two things: First, the cost of electrical repairs at several schools was completed at approximately 72% of the budgeted cost. This savings did not impact student programs either positively or negatively, as all planned repairs were completed, just significantly under budget. Second, there was a savings in a planned increase in the Student Transportation budget. Due to labor market conditions, the system was unable to hire several new school bus drivers as planned. These drivers were scheduled to cover new routes necessitated by enrollment growth. There was no direct student impact as a result of these delayed hires, as Transportation management and/or school bus maintenance personnel drove the runs. However, workload and overtime issues resulted with the personnel who were asked to assume the additional duties. Transportation management and Human Resources are now working on several innovative ideas to attract more drivers.

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Wicomico County Public Schools

| FY 2007 Budgeted Revenue | Actual FY 2006 | Planned FY 2007 | Increase from FY 2006 |
|---------------------------------|----------------------|----------------------|-----------------------------|
| Local Appropriation | \$46,925,000 | \$48,330,000 | \$1,405,000 |
| State Revenue | \$76,310,000 | \$89,997,000 | \$13,687,000 |
| Federal Revenue | \$11,303,000 | \$9,968,000 | (\$1,335,000) |
| Other Resources/Transfers | \$1,006,000 | \$1,153,000 | \$147,000 |
| Other Local Revenue | \$2,088,000 | \$1,878,000 | (\$210,000) |
| Total Revenue/Change: | \$137,632,000 | \$151,326,000 | \$13,694,000 |

Planned Expenditures

Allocated by ESEA Goal

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$4,502,000 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$285,000 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$1,458,000 |
| All students will graduate from high school. | \$323,000 |
| Local Goals and Indicators | \$9,000 |
| Mandatory Cost of Doing Business | \$8,324,000 |
| Other | (\$1,207,000) |

Expenditure Examples

| | Planned |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| 2.0 FTE Teacher positions as follows: 1.0 middle school social studies, 1.0 middle school science. | \$106,000 |
| Develop and maintain a qualified pool of substitute employees (e.g., teachers, clerical staff) to ensure uninterrupted completion of essential tasks of the school system. | \$222,000 |
| Implement health, physical education, family and consumer science, and foreign language curricula. Includes 2.0 FTE: 1.0 health teacher & 1.0 physical ed teacher. | \$126,000 |
| Implement Library Media services to support an integrated curricular program. Includes 3.0 FTE media specialist positions. | \$160,000 |
| Implement math curricula - 9.0 FTE math teachers. | \$478,000 |
| Implement reading/language arts and English curricula - 2.0 FTE: 1.0 reading teacher & 1.0 English language arts teacher. | \$106,000 |
| Integrate the use of technology with instruction to improve student learning. Includes 1.0 FTE technology resource teacher. | \$215,000 |
| Promote student health and wellness. Includes 1.0 FTE nursing assistant. | \$125,000 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| Provide for the acquisition, construction, and renovation of land, buildings and equipment to support student learning. | \$390,000 |
| Provide materials of instruction and textbooks aligned with curricula to support student learning. | \$150,000 |
| Provide services to identify students with disabilities, develop and ensure implementation of individual education plans, monitor compliance of case management tasks, and provide professional development on differentiated instruction, curriculum and accom | \$1,174,000 |
| Provide supplemental (small group and one-on-one) reading/language arts instruction for low-performing students in all elementary and middle schools. | \$139,000 |
| Provide support for all educators in accessing student data. | \$150,000 |
| Reform and personalize the high school experience at the three large county high schools through the implementation of smaller learning community strategies. Includes 1.0 FTE coordinator position | \$116,000 |
| Upgrade current technology and investigate and/or pilot alternative technology solutions to evaluate and support student learning. | \$423,000 |
| Increase the school system's competitiveness in the marketplace to attract and retain "highly qualified" teachers and a qualified workforce. | \$209,000 |
| Complete alteration and facility renovation projects requested by school administrators as funding permits. Includes 1.0 FTE general maintenance technician. | \$241,000 |
| Operate and manage safe facilities to support student learning. Includes 6.0 FTE: 4.0 computer technicians, 1.0 environmental technician and 1.0 groundskeeper. | \$548,000 |
| Promote school safety utilizing the School Resource Officer program in collaboration with the Wicomico County Sheriff's Office. | \$471,000 |
| Provide guidance services to students at elementary, middle and high schools. Includes 3.0 FTE elementary guidance counselors and 1.0 FTE psychologist. | \$316,000 |
| Increases in negotiated contractual agreements - benefits | \$845,000 |
| Increases in negotiated contractual agreements - salaries | \$5,844,000 |
| Nonpublic Special Education Placements | \$150,000 |
| Transportation | \$474,000 |
| Utilities | \$978,000 |
| Other | (\$1,207,000) |

Prior Year Comparison Report

Wicomico County Public Schools

FY 2006 Budgeted Revenue

| | 7/1/05 | 6/30/06 | Change |
|------------------------------|----------------------|----------------------|--------------------|
| Local Appropriation | \$46,925,000 | \$46,925,000 | \$0 |
| State Revenue | \$76,260,000 | \$76,394,000 | \$134,000 |
| Federal Revenue | \$11,303,000 | \$11,068,000 | (\$235,000) |
| Other Resources/Transfers | \$1,006,000 | \$1,011,000 | \$5,000 |
| Other Local Revenue | \$1,941,000 | \$1,671,000 | (\$270,000) |
| Total Revenue/Change: | \$137,435,000 | \$137,069,000 | (\$366,000) |

Planned Expenditures

| Allocated by ESEA Goal | Planned | Actual |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$2,969,000 | \$3,044,000 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

| | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| All limited English proficient students will become proficient in English and reach high academic standards at a minimum attaining proficiency or better in reading/language arts and mathematics. | \$156,000 | \$135,500 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$5,502,000 | \$5,499,000 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$1,839,000 | \$1,839,000 |
| All students will graduate from high school. | \$93,000 | \$93,000 |
| Local Goals and Indicators | \$1,741,000 | \$1,671,000 |
| Other | \$155,000 | \$155,000 |

| Expenditure Examples | Planned | Actual |
|----------------------------------------------------------------------------------------------|----------------|---------------|
| New positions to support student learning | \$2,042,000 | \$2,042,000 |
| Software fees for annual maintenance, filtering & virus protection and productivity software | \$190,000 | \$182,000 |
| Supplies, contracted services & stipends for various instructional programs | \$515,000 | \$623,000 |
| Health insurance premiums for employees & various other insurance programs | \$704,000 | \$704,000 |
| New positions to facilitate teacher improvement and content knowledge | \$132,000 | \$132,000 |
| Recruitment & retention of a highly qualified workforce | \$4,537,000 | \$4,537,000 |
| New positions to support a safe learning environment for students | \$743,000 | \$743,000 |
| Operate & manage school facilities to support student learning in a safe environment | \$718,000 | \$718,000 |
| Operate and manage transportation system to ensure student safety | \$357,000 | \$357,000 |
| Improve effective use of technology for instructional, administrative & financial processes | \$863,000 | \$903,000 |
| Manage operations of district schools | \$217,000 | \$150,000 |
| New positions to help manage the operations of district schools | \$378,000 | \$378,000 |
| Renovation & repair of buildings & equipment to support student learning | \$204,000 | \$204,000 |
| Other | \$155,000 | \$155,000 |

Prior Year Revenue and Expenditure Analyzing Question Responses:

Did actual revenue meet expectations as anticipated in the Master Plan update for 2005? If not, identify the changes and the impact any changes had on the FY 2006 budget and on the system’s progress towards achieving master plan goals. Please include any subsequent appropriations in your comparison table and narrative analysis.

State revenues for FY2006 were a little higher than anticipated due to:

- Revenues exceeding estimates for several miscellaneous grants
- Supplementary appropriations were more than expected for nonpublic placements (approved by State)

Please provide a comparison of the planned versus actual expenditures for each local goal provided in the Prior Year Variance Table. Identify changes in expenditures and provide a narrative discussion of any changes (by local goal). At a minimum, the narrative should describe any changes that occurred with an explanation of the change and the funding implications.

As shown in the Prior Year Variance Table, there were several items whose actual expenditures were not equal to the planned expenditures. In all cases, the difference did not impact the school system’s ability to fully implement the activity as planned and to meet the goals of the Master Plan.

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Worcester County Public Schools

| FY 2007 Budgeted Revenue | Actual FY 2006 | Planned FY 2007 | Increase from FY 2006 |
|---------------------------------|---------------------|---------------------|-----------------------------|
| Local Appropriation | \$54,575,516 | \$61,150,026 | \$6,574,510 |
| State Revenue | \$14,800,962 | \$15,857,842 | \$1,056,880 |
| Federal Revenue | \$5,938,172 | \$5,327,000 | (\$611,172) |
| Other Resources/Transfers | \$28,139 | \$41,032 | \$12,893 |
| Other Local Revenue | \$150,000 | \$150,000 | \$0 |
| Total Revenue/Change: | \$75,492,789 | \$82,525,900 | \$7,033,111 |

Planned Expenditures

Allocated by ESEA Goal

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$1,261,613 |
| All limited English proficient students will become proficient in English and reach high academic standards at a minimum attaining proficiency or better in reading/language arts and mathematics. | \$75,666 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$2,978,316 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$335,179 |
| All students will graduate from high school. | \$122,833 |
| Local Goals and Indicators | \$42,833 |
| Mandatory Cost of Doing Business | \$2,216,671 |

Expenditure Examples

| | Planned |
|------------------------------------------------------------------------------------|-------------|
| 3 Pre- Kindergarten Teachers and 3 Pre-Kindergarten Educational Assistants | \$225,000 |
| 4th and 5th Grade After School Academies | \$183,500 |
| Technology Upgrades | \$287,200 |
| Fringe Benefits Cost | \$398,453 |
| Increases in negotiated contractual agreements - Teacher / EA Salaries | \$2,527,863 |
| Capital Outlay | \$150,100 |
| Increases in negotiated contractual agreements - Non-Teaching positions | \$635,859 |
| Increases in negotiated contractual agreements - rate increase in health insurance | \$336,801 |
| Transportation | \$321,511 |
| Utilities | \$800,000 |

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Prior Year Comparison Report

Worcester County Public Schools

FY 2006 Budgeted Revenue

| | 7/1/05 | 6/30/06 | Change |
|------------------------------|---------------------|---------------------|--------------------|
| Local Appropriation | \$54,575,516 | \$55,066,516 | \$491,000 |
| State Revenue | \$14,800,962 | \$14,904,861 | \$103,899 |
| Federal Revenue | \$5,938,172 | \$6,243,853 | \$305,681 |
| Other Resources/Transfers | \$28,139 | \$28,139 | \$0 |
| Other Local Revenue | \$150,000 | \$967,563 | \$817,563 |
| Total Revenue/Change: | \$75,492,789 | \$77,210,932 | \$1,718,143 |

Planned Expenditures

| Allocated by ESEA Goal | Planned | Actual |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| By 2013-2014, all students will reach high standards, at a minimum attaining proficiency in reading/language arts and mathematics. | \$709,498 | \$617,022 |
| By 2005-2006, all students will be taught by highly qualified teachers. | \$2,927,597 | \$2,967,270 |
| All students will be educated in learning environments that are safe, drug free, and conducive to learning. | \$361,588 | \$898,935 |
| All students will graduate from high school. | \$109,101 | \$126,888 |
| Local Goals and Indicators | \$97,936 | \$422,000 |
| Other | (\$852,027) | \$39,721 |

Expenditure Examples

| | Planned | Actual |
|----------------------------------------|-------------|-------------|
| Teachers - All Day Kindergarten - OCES | \$109,101 | \$118,559 |
| Teachers - Class Size | \$127,285 | \$142,055 |
| Teachers - Special Education | \$109,101 | \$135,216 |
| Employee Benefits | \$422,274 | \$292,420 |
| Salary Increases | \$2,484,135 | \$2,484,135 |
| Utilities & School Plant | \$317,060 | \$689,507 |
| Teachers - New Wor-Wic Program | \$109,101 | \$126,888 |
| Other | (\$852,027) | \$39,721 |

Prior Year Revenue and Expenditure Analyzing Question Responses

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

Did actual revenue meet expectations as anticipated in the Master Plan update for 2005? If not, identify the changes and the impact any changes had on the FY 2006 budget and on the system's progress towards achieving master plan goals. Please include any subsequent appropriations in your comparison table and narrative analysis.

Actual revenue for FY 2006 exceeded the FY 2006 Budget by \$1,718,143. The Board received supplemental appropriations of \$415,000 from our County Government to help offset the increased costs of energy and \$76,000 in additional Capital Outlay funds. Federal and State revenues exceeded budget due to carryover funds from FY 2005. Other local revenue was greater than budget due to higher interest earnings (\$148,996), higher tuition revenue (\$29,441), E-rate revenue (\$324,000) and various other local grants received in FY 2006. This additional revenue allowed us to meet the demands of increased energy costs, increase the availability of technology in our schools and to continue to fund our master plan goals.

Please provide a comparison of the planned versus actual expenditures for each local goal provided in the Prior Year Variance Table. Identify changes in expenditures and provide a narrative discussion of any changes (by local goal). At a minimum, the narrative should describe any changes that occurred with an explanation of the change and the funding implications.

Under Goal #1 expenditures for the Haven House Program, materials of instruction, and new textbooks varied from the planned amounts. Expenditures for the Haven House Program were \$35,043 more than planned due to carryover funds from FY 2006. Materials of Instruction expenditures were \$101,065 less than planned and Textbook expenditures were \$79,760 less than planned. This is the direct result of reductions in Federal Grant funding and the necessity of using remaining funds to pay the increased costs of salaries and benefits on grant-funded positions. Actual amounts for funding new positions were higher due to the fact we were able to hire experienced personnel. Under Goal #2 expenditures for employee benefits, tuition reimbursement, and staff development varied from planned amounts. The actual amount for employee benefits was lower than the planned amount. This was due to actual expenditures for Health Insurance and FICA being less than the budgeted amount for FY 2006. Tuition reimbursement expenditures were \$81,504 higher than the planned amount while staff development expenses were \$88,023 higher. The new "Highly Qualified" requirements under No Child Left Behind are prompting teachers to enroll in more college classes. Staff development was increased to help address the new High School Assessments. Under Goal #3 expenditures for Utilities, the fuel supplement paid to our bus contractors and the New AED's placed in each of our School buildings were higher than planned. The utilities and fuel supplement expenditures were a direct result of the large increases in the cost of energy in FY 2006. Under Goal #5 E-rate funds were used to increase the availability of technology to our students. Major projects funded this year include providing wireless internet access to 2 of our High schools.

Notes: Each school system's goals may or may not directly correlate to ESEA goals. Expenditures are illustrative of those reported in the 2006 Master Plan Update Budget Alignment and are not intended to sum to the total. Prior Year aggregation prepared by MSDE.

GLOSSARY

1. **AYP:** Adequate Yearly Progress designed so that all students and student groups will reach proficiency in reading and math by 2014.
2. **Current Year Variance Table:** For the 2006 Master Plan Update – term used to describe the current year budget component – a comparison of the original prior year budget and the original current year budget designed to provide an illustration of the increase in resources over the prior year. School systems allocate these increased resources according to their Master Plan goals and objectives.
3. **ESEA:** Elementary and Secondary Education Act, federal legislation governing public education in this country.
4. **NCLB:** No Child Left Behind; name given federal legislation passed in 2002 reauthorizing the ESEA Act.
5. **Prior Year Variance Table:** For the 2006 Master Plan Update – term used to describe the prior year budget component – a comparison of the prior year’s beginning of the year and end of the year budgets to provide an illustration of actual events compared to planned events.
6. **School System in Improvement:** School systems not making AYP for two consecutive years will be identified for School System Improvement¹. They must revise their Master Plans and notify parents of their School System Improvement status. The Maryland State Department of Education will provide technical assistance to these school systems. School systems not making AYP for two consecutive years after being identified for School System Improvement are subject to Corrective Action from the state, which must do at least one of the following:
 - a. Defer, reduce, or redirect state funds.
 - b. Order school systems to adopt a new curriculum aligned with the voluntary state curriculum.
 - c. Order school systems to replace school principals and executive officers relevant to the failure to make AYP.
 - d. Remove schools from local school board control.

¹ Excerpt taken from: [Understanding Adequate Yearly Progress](#) (Acrobat 340 kb)

- e. Order a reorganization that clusters specified schools under an executive officer approved by the state.
 - f. Abolish or restructure the school system (requires legislative authorization).
7. **Local School System Transition:** A transition policy was established to move school systems into the state's new improvement process.
- a. School systems will be identified for Corrective Action during the 2003-2004 school year if, as of January 8, 2002, they had 25% or more of schools under local or state reconstitution for more than three school years.
 - b. School systems will be identified for improvement during the 2003-2004 school year if they have 25% or more of schools newly identified for School Improvement or Corrective Action as of September 1, 2003.
8. **School Improvement:** A school is identified for school improvement after it has not made Adequate Yearly Progress (AYP) for two consecutive years².
9. **School in Improvement (Year 1):** During the first year in school improvement, Title 1 schools must provide students the option of transferring to a higher performing school. School staff must develop a two-year school improvement plan, setting aside 10% of Title I funds for professional development, extended learning time (school day or school year), parent involvement initiatives, and new-teacher mentoring. The school system must help school staff analyze test data, improve teacher training, and better allocate resources.
10. **School in Improvement (Year 2):** During the second consecutive year in school improvement, the state must provide Title 1 students the transfer option plus supplemental services.
11. **Corrective Action:** During the third year, districts must take corrective action in any school-Title I or not-that fails to improve. This action could be replacing staff relative to the school's continued failure; implementing a new curriculum; decreasing school-level management authority; extending the school day or year; appointing an outside expert to advise school staff; or reorganizing the school internally.
12. **Restructuring – Planning:** During the fourth year, districts must plan for the alternative governance of all failing schools. This could mean reopening the school as a charter school, replacing the school's principal and staff, contracting for private management, or allowing state takeover.
13. **Restructuring – Implementing:** During the fifth year, districts must implement the restructuring plan called for in year four.

² Maryland Report Card website (www.mdreportcard.org) 2004

14. **Exiting School Improvement:** After one year of making AYP, the school holds its status in the improvement process. If it makes AYP the next year, it will exit. If it does not make AYP, it will move to the next step in the improvement process. If, after exiting, a school does not make AYP for two consecutive years, it will enter the improvement process from the beginning.

15. **Transition into School Improvement:** A transition policy was established to move schools into the state's new improvement process under NCLB.

- a. Any school not identified for improvement or reconstitution as of January 2002 has a "clean slate." A school not meeting the 2002-2003 baseline will be considered to have not made AYP. If it does not make AYP in 2003-2004, it will be identified for School Improvement.
- b. Schools under local or state reconstitution for one or two years as of January 8, 2002, are considered to have been in School Improvement for the corresponding number of years during the 2002-2003 school year. If these schools do not meet the 2002-2003 baseline, they will be considered to have not made AYP and will advance to the next level in the process, i.e., a second year of School Improvement or Corrective Action.
- c. Schools under local or state reconstitution for three or more years as of January 8, 2002, are considered to have been in Corrective Action during the 2002-2003 school year. If they do not meet the 2002-2003 baseline, they will be identified for Restructuring.
- d. Title 1 schools under School Improvement or Corrective Action as of January 2002 remained at this status during the 2002-2003 school year. If they do not meet the 2002-2003 baseline, they will be considered to have not made AYP and will advance to the next step of the improvement process.

16. **VSC:** Voluntary State Curriculum developed by the Maryland State Department of Education in collaboration with local school system staff and statewide education advocates to assist local school systems in improving the academic achievement of all students.