Strategic Facilities Committee: Informational Workshop
School System Finances
April 25, 2019
Governmental Accounting & Reporting for Maryland Public Schools

Resources for Guidance:
• Financial Reporting Manual for Maryland Public Schools
• Governmental Accounting, Auditing, and Financial Reporting (GAAFR or The Blue Book)

Governance:
• Maryland State Department of Education (MSDE)
• Governmental Accounting Standards Board (GASB)
Garrett County Board of Education’s Funds

- All Funds
  - Governmental Funds (budgeted)
    - General Fund (Current Expense)
      - Unrestricted
      - Restricted
    - Special Revenue Fund (Food Service)
  - Capital Projects Fund (School Construction)
  - Fiduciary Funds (not budgeted)
    - School Activity Accounts
    - Health Reimbursement Arrangement (HRA)
    - Flexible Spending Account (FSA)
Types of Budgets in Maryland School Systems

• Unrestricted Operating Budget
  • Revenue Sources = State, Local, Federal & Other
  • Time Period = Fiscal Year 7/1 through 6/30

• Restricted Operating Budget
  • Revenue Sources = Federal, State & Other
  • Time Period = Dependent upon restrictions

• School Construction
  • Revenue Sources = State & Local
  • Time Period = Life of Project
Unrestricted Operating Budget Revenues

• State Major State-Aid Programs
  – Basic State Aid, Compensatory, Special Education, Transportation, Limited English, Supplemental Grants

• Designated Facility Funding
  – Aging School & QZAB

• Federal & State Funding
  – Nonpublic placement & JROTC

• Local Board Revenue - charges for services

• County Local Maintenance of Effort
  – Based upon a per pupil amount

• Prior Year – Use of Fund Balance
Economic Outlook

• **Unrestricted Operating Budget**
  - Enrollment, County’s Wealth, Legislation?
  - Will increases keep pace with inflation?
  - Cost drivers – per pupil vs fixed costs

• **Restricted Operating Budget**
  - Can GCPS support additional restricted sources?

• **School Construction**
  - Changing legislation?
  - Formula change?
Possible Kirwan Commission Impact

January 2019 - Maryland Commission on Innovation & Excellence in Education Interim Report outlined key policy areas:

- Early Childhood Education
- High Quality & Diverse Teachers and Leaders
- College & Career Readiness Pathways
- More resources to ensure all students are successful
- Governance & accountability

The Blueprint for Maryland’s Future – SB1030

- State Aid to local school systems could increase $321 million in FY20

Due December 2019

- Final Recommendation on fair & equal funding