



**Support
Our
Schools**
Kent County Public Schools

Solutions to Chronic Underfunding of KCPS

Presented by the
Support Our Schools Initiative



The Support Our Schools (SOS) Initiative believes, based on available data, that it is possible and appropriate to fully fund the 2020 KCPS Proposed Budget.



New Kent County leadership has pledged to improve KCPS funding with the following difficulties:

- How can KCPS funding be increased sustainably?
- How can KCPS funding be increased without detrimental impact to other county services?



To assist the Kent County Commissioners, County Administrator, and others to address these needs, SOS has undertaken an analysis of budget and spending trends in Kent County government as detailed in the Comprehensive Annual Financial Report with supporting data from the adopted budgets for the years 2015-2018 and the Maryland Overview of Local Governments Report. Where available, 2019 data is included.

We respectfully submit our analysis, findings, and recommendation for fully funding the KCPS 2020 proposed budget.

This analysis deals only with the operating budget, and does not address capital improvements or debt.



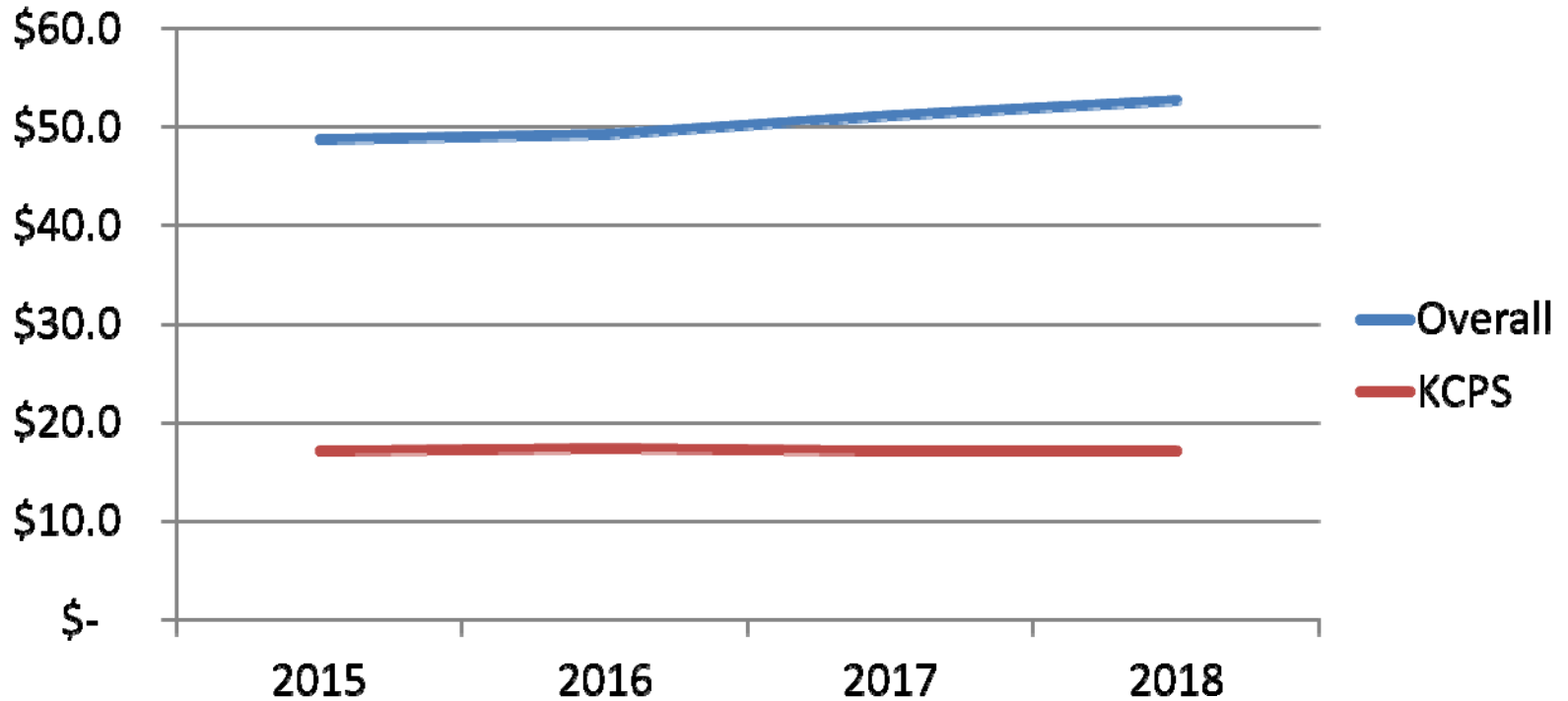
Initial Observations

SOS has identified a pattern of miscalculation of needs in the county budget consistently for the last 4 years, resulting in an average of \$2.6M per year being directed to areas where it is left unused.

Addressing the causes of over budgeting and allocating those funds to unmet needs through the budget process would create a more equitable and sustainable formula for funding Kent County.



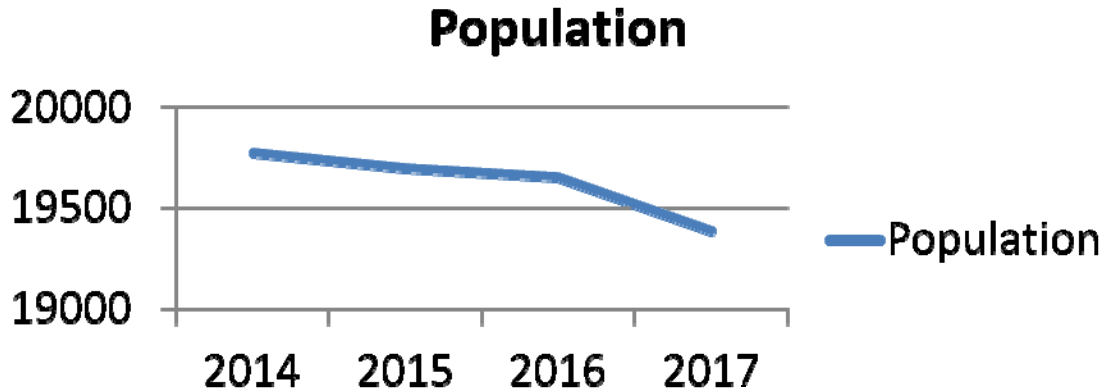
Overall Budget vs. KCPS



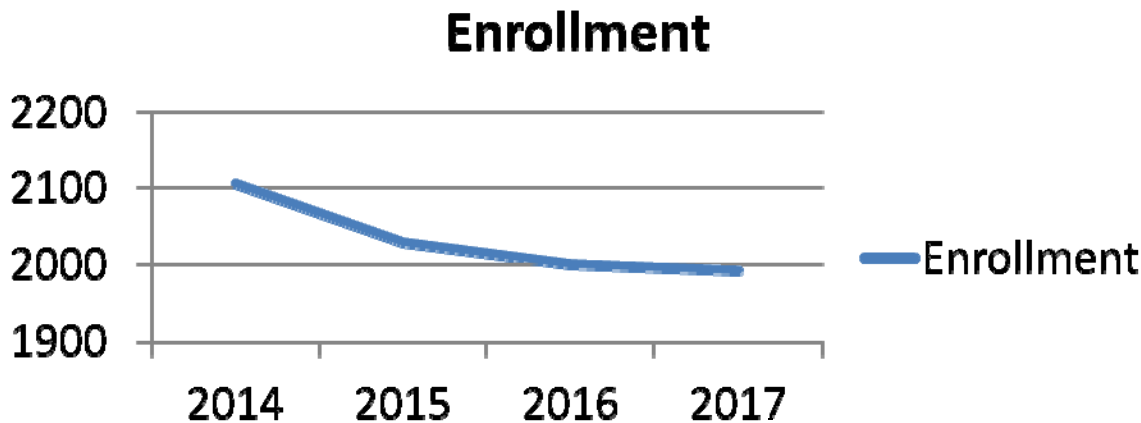
The overall Kent County budget has increased in recent years from a low of \$48.7M in 2015 to a high of \$52.7M in 2018. KCPS funding has remained virtually unchanged in that time.



Population



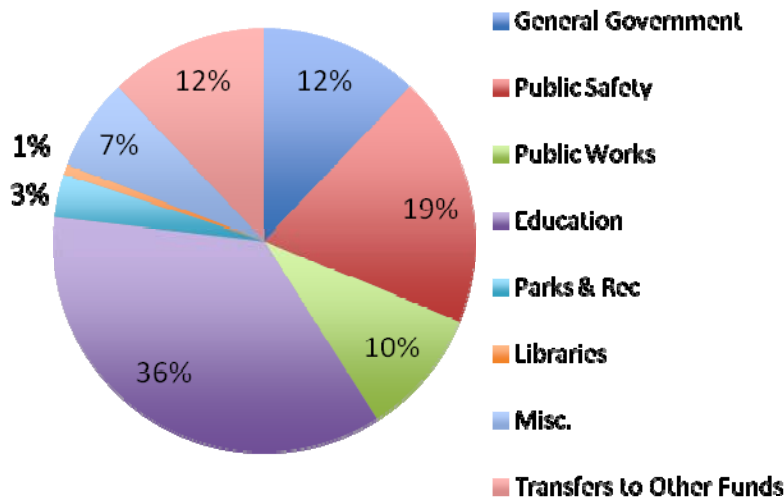
Both the Kent County population and KCPS enrollment are trending downward.



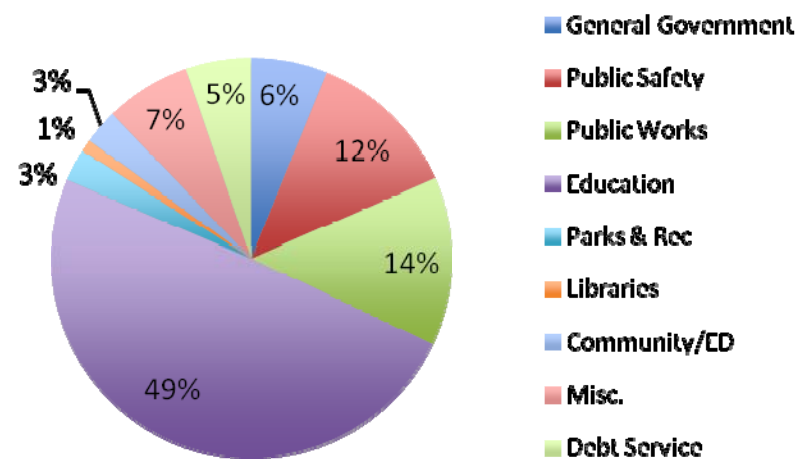
While county spending has increased, education spending has been flat in recent years, despite rising costs and increased mandates and needs.

Analysis of Allocations

Kent County



MD State Average



Kent County allocates just 36% of its expenditures to education, while the state average is 49%. This includes allocations to community colleges. Also, note that Kent County's allocation to "General Government" is double the state average.



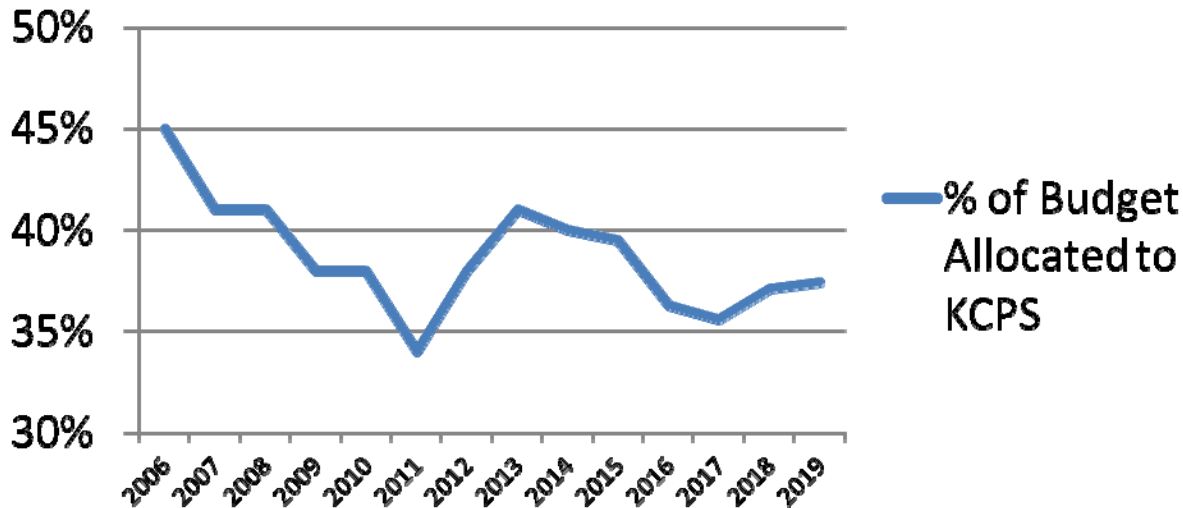
State Trend

For the most recent year available (2017), the “Overview of Maryland Local Governments” shows Kent County has made the 2nd lowest investment in education by percentage of expenditures.



Education Investment

% of Budget Allocated to KCPS

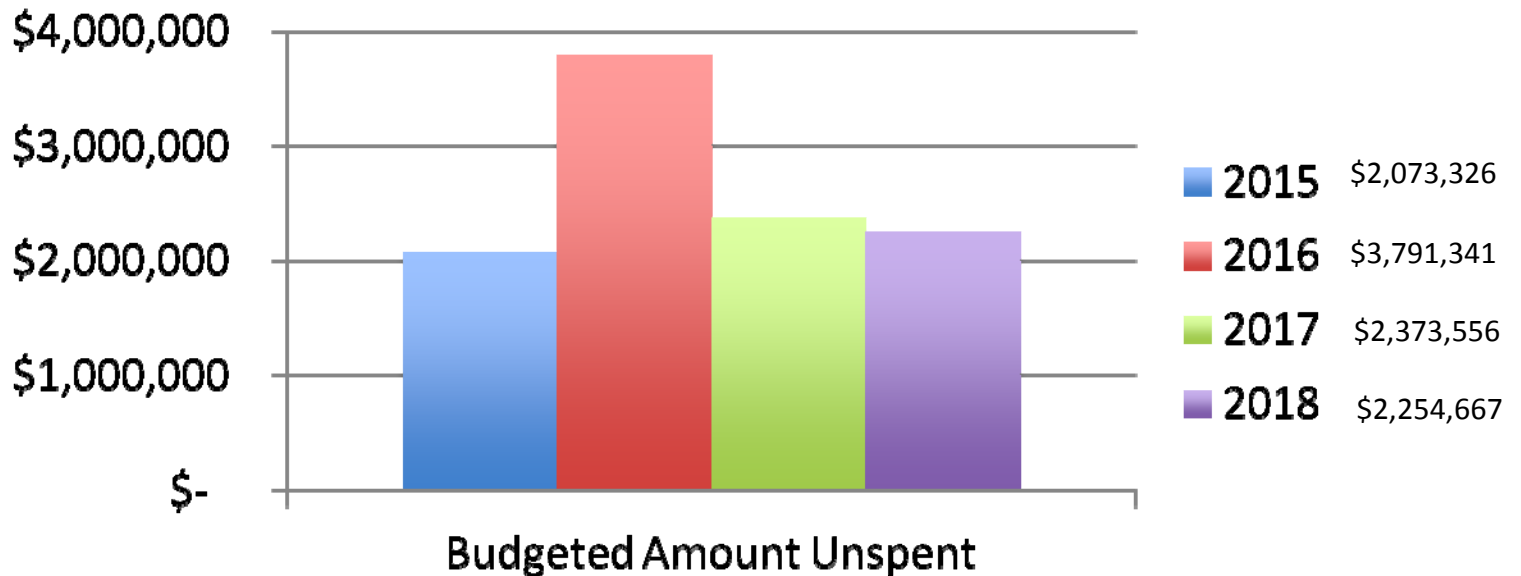


- The percentage of Kent County expenditures invested in education has been declining for more than a decade.
- The highest was in 2006, when KCPS received \$20.1M from Kent County, or 45% of the county budget.
- Recent years have averaged 36%.



Total Unspent Allocations

Under the heading of “General Fund Budgetary Highlights,” the following data has been shared each year since 2015 as the amounts of allocated budget not spent:

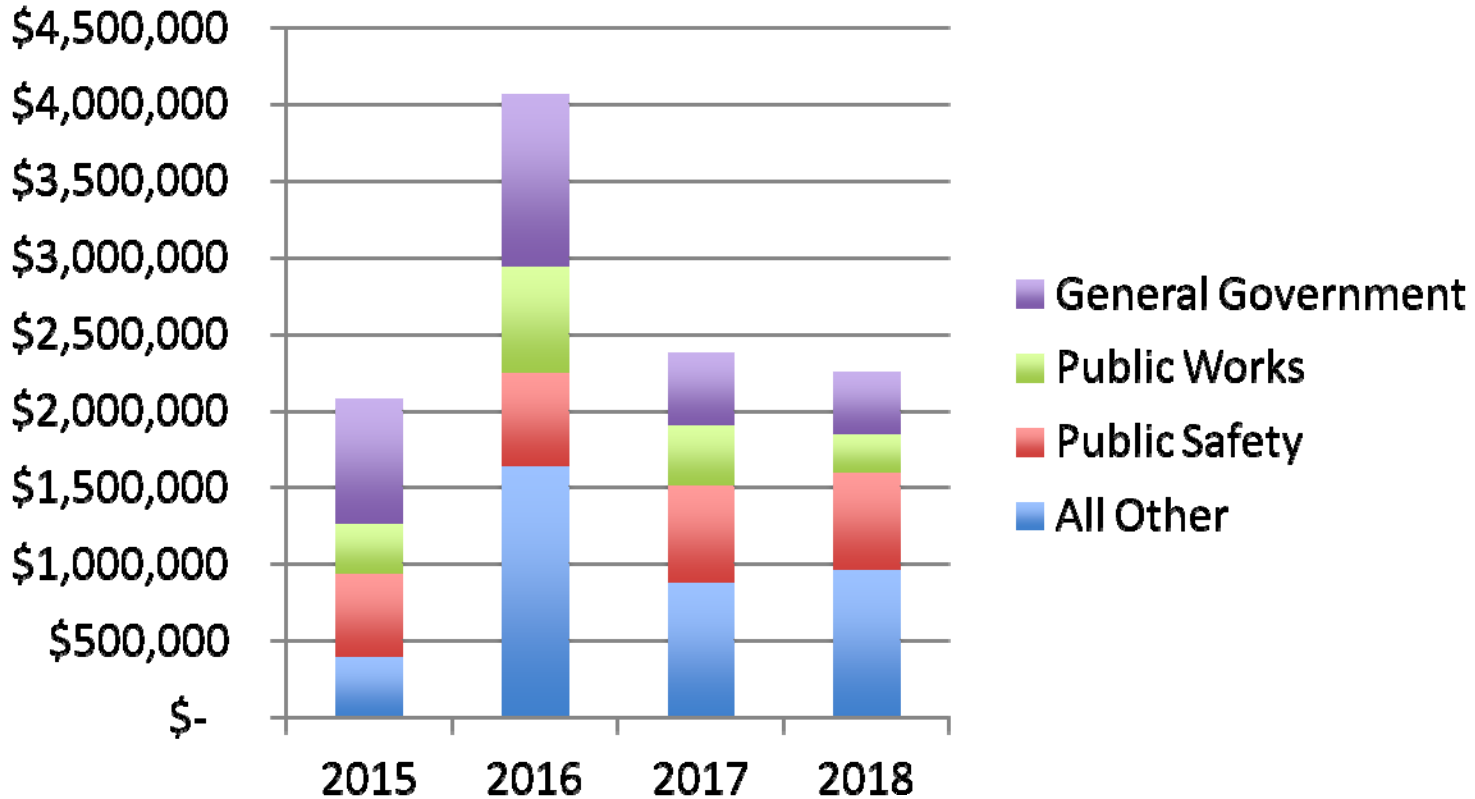


In each year from 2015 to 2018 Kent County over-budgeted non-education county expenditures by an average of \$2.6M every year, an average 5% variance under what was allocated.

Note: In 2016, the prior Kent County Commission promised \$1.6M in additional funding to prevent consolidation of elementary schools which they later decreased to less than half, claiming they did not have any funds to pay for it.



Top 3



General Government, Public Works, and Public Safety account for an average of 66% of Kent County's unspent allocations year over year.



Proposed Solution



Fully fund the
2020 KCPS Proposed Budget

\$18,828,663

so they can hire:

- 3 Content Specialists
- 3 IEP Specialists/Helping Teachers
- 5 School Secretaries (10-month position)



Each county department is allocated their
average expenditures from the last 5 years,
plus a

3% increase.

Or, alternatively, do a line item review with
all departments to bring all budgets in line
with actual spending and correct
forecasting



New Sustainable Budget Calculation

Item	Amount	Explanation
Average County Budget (2015-2019)	\$50,172,931	Start with average of all county budgets from 2015-2019
Average Amount Over Budgeted (2015-2018)	<u>-\$2,623,223</u>	Deduct the average amount expenditures were UNDER
Average county budget after deducting unspent allocations	\$47,549,708	This number is the average adjusted less unspent allocations.
KCPS 5 Year Average Allocation	<u>-\$17,239,708</u>	This is the amount Kent County has allocated to KCPS on average.
Average County Budget less KCPS Average	\$30,310,000	This is the amount left after deducting the KCPS average allocation from the 5 year adjusted average expenditure.
3% of Average county budget without KCPS	<u>+\$909,300</u>	This amount is 3% of the 5 year average for non-KCPS allocations.
Target budget for all non-KCPS General Expenditures	\$31,219,300	This increases all non KCPS budgets by an average 3% to get new target
KCPS 2020 Proposed Allocation	<u>+\$18,828,663</u>	This is the 2020 proposed KCPS budget presented by the BOE.
Total NEW Target Budget for 2020	\$50,047,963	Add new non-KCPS target to KCPS Proposed budget to get 2020 overall target budget

By basing new budgets on *actual historical spending (eliminating carry-forward of unused budget surpluses)*, it is possible to not only fully fund KCPS but to give every other department a 3% average increase and still come in \$100,000 under the 5 year average budget.



Conclusion

- By basing the budget process on actual historical spending averages instead of prior budgets, a truer picture of actual needs can be discerned
- Using this base point, it is possible to increase KCPS funding as requested AND maintain or increase spending levels for all non-KCPS departments
- The result would be a budget that is within 1-2% of average prior budgets



SOS Remarks

- Kent County has the ability to meet the needs of KCPS as outlined in the KCPS Proposed 2020 Budget
- This analysis demonstrates how the budget process can be viewed toward the idea of putting ALL of Kent County's citizens tax dollars to more effective use, not just for education, but in all areas.
- Further study, with full access to county data and resources would undoubtedly yield even more significant findings to improve the cash position and forecast of the county.

**NOW IS THE TIME TO INVEST IN OUR FUTURE AND
ALIGN OUR SPENDING WITH OUR STATED VALUES**



Supporting Data

- All supporting data can be found publicly on the Kent County or MD legislature websites (copy and paste urls for links):
 - Comprehensive Annual Financial Reports:
 - 2015 - <http://tiny.cc/0t294y>
 - 2016 (Draft report only) <http://tiny.cc/j1294y>
 - 2017 - <http://tiny.cc/21294y>
 - 2018 - <http://tiny.cc/82294y>
 - Adopted Budgets:
 - 2015 - <http://tiny.cc/qb394y>
 - 2016 - <http://tiny.cc/ta394y>
 - 2017 - <http://tiny.cc/k9294y>
 - 2018 - <http://tiny.cc/t8294y>
 - 2019 - <http://tiny.cc/m7294y>
 - Overview of Maryland Local Governments Report
 - 2019 - <http://tiny.cc/6g394y>



SOS Requests

SOS has submitted the following requests to the Kent County Commissioners in prior years, and we believe they are still relevant and should be undertaken:

- SOS Renews its request for a comprehensive county-wide efficiency study to identify opportunities to streamline processes, procedures, and eliminate duplication of services.
- SOS amends its request for investment in Economic Development to request investment in a County Communications/Public Relations Director to support ALL Kent County departments (including ED) on brand building and image to attract new businesses and citizens.
- SOS requests the KCPS 2020 Proposed Budget be approved and funded in its entirety.



Questions?

SOS welcomes discussion on this report and the issue of public school funding in Kent County.

Please send questions to soskcps@gmail.com, or contact Jodi Bortz at 410-849-9862.



About SOS

The Support Our Schools (SOS) Initiative is a grassroots advocacy effort devoted to increasing awareness of and support for the needs, challenges, and untapped potential of our public school system – for the sake of the current student population and for its opportunity to serve as a catalyst for economic development.