

MONTGOMERY COUNTY PUBLIC SCHOOLS, ROCKVILLE MARYLAND

THE SUPERINTENDENT'S RECOMMENDED

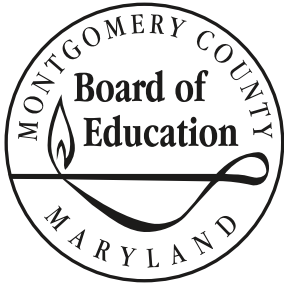
# FY 2017 OPERATING BUDGET in Brief

Recommended to the Board of Education  
December 2015

Fiscal and School Year Ending  
June 30, 2017

Mr. Larry A. Bowers  
Interim Superintendent of Schools





## **VISION**

*We inspire learning by providing the greatest public education to each and every student.*

## **MISSION**

*Every student will have the academic, creative problem solving, and social emotional skills to be successful in college and career.*

## **CORE PURPOSE**

*Prepare all students to thrive in their future.*

## **CORE VALUES**

*Learning  
Relationships  
Respect  
Excellence  
Equity*



**[montgomeryschoolsmd.org](http://montgomeryschoolsmd.org)**

Check out the MCPS website for more detailed information about the FY 2016 Recommended Operating Budget.

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**MONTGOMERY COUNTY PUBLIC SCHOOLS**  
MARYLAND  
www.montgomeryschoolsmd.org

December 8, 2015



Dear Members of the Board of Education:

I am pleased to submit for your consideration my Fiscal Year (FY) 2017 Operating Budget recommendation for Montgomery County Public Schools (MCPS). I am recommending an FY 2017 Operating Budget of \$2,453,323,284, which will help to build the foundation and structure that is needed to ensure that all MCPS students are ready to graduate from high school and are prepared to be successful in college and careers.

My recommendation includes an increase of \$103.0 million to fund the same level of services for a growing number of students, previously negotiated agreements, rising costs in operations, and strategic enhancements. Part of this increase is offset by savings generated by program efficiencies and reductions. The \$103.0 million represents a 4.5 percent increase in the operating budget compared to FY 2016.

An additional \$24.0 million of funding will be needed to restore one-time funding that was used by the Montgomery County Council to fund the FY 2016 Operating Budget. In addition, \$7.9 million of additional funding is needed to cover increased costs related to the teacher pension shift from the state to the county that began a few years ago. When these two amounts are added, my budget recommendation represents an increase of \$134,934,348 more than the approved FY 2016 Operating Budget, an increase of 5.8 percent.

As we begin our discussions on the budget, it should be noted that our community continues to receive a strong return on the investment they make in our students. For instance, consider the performance of the MCPS Class of 2015:

- Two-thirds of our graduates took at least one Advanced Placement (AP) exam while in high school, and more than half earned a college-ready score on at least one exam;
- Our graduates earned a combined average score of 1629 on the SAT, which is 139 points higher than the nation and 167 points higher than the state of Maryland; and
- Our students earned \$335 million in college scholarships.

Although our students collectively are performing at a high level compared to other students across the nation, we continue to recognize that we have not served all students as well as we would like. Although progress has been made in graduation rates, dropout rates, suspensions, and AP access, there is more work to be done. We must increase our efforts to close the achievement gap in all areas.

September 21, 2015. This budget is developed around the core values of Learning, Excellence, and Equity, with a focus on closing the achievement gap.

We cannot continue to operate at the funding levels we have received during the past eight years following the economic downturn experienced starting in 2008. I recognize that the county and the state both have faced difficult economic and budgetary challenges since that time. However, we cannot continue to fund the MCPS Operating Budget as we have in the past and expect the school system and our schools to meet our targets and close the achievement gap.

Between FY 2009 and FY 2016, we have eliminated more than 1,800 positions and \$210 million from the budget. Nearly 300 of these positions and more than \$53 million have been from central services. Simply put, we cannot cut more positions from the budget and expect to maintain and improve our students' performance in the classroom. We cannot continue to fund the MCPS operating budget at the minimal funding level of Maintenance of Effort (MOE) and, at the same time, use one-time funding sources to fund a recurring budget, including savings from hiring freezes and expenditure restrictions, to build up an MCPS fund balance to fund the next year's budget. Funding at MOE is a misnomer as it simply means the county is required to fund the same dollar amount per pupil as the prior year. It does not maintain the same level of services because it does not provide the resources to address inflation; the increasing cost of health benefits for our employees and retirees; salary increases for our current employees; and utility costs to heat, cool, and light our schools. With rising costs, funding MCPS at the minimum funding level required by state law means funding at less per student than before.

### **Managing Growth**

The projected enrollment for the 2016–2017 school year is 159,016, or 2,502 more students than what was budgeted for the 2015–2016 school year. This is the eighth year in a row that our enrollment has increased by at least 2,000 students, and the trend is expected to continue. While most of the growth during the past several years has occurred in elementary schools, we are anticipating dramatic increases in secondary school enrollment in the coming years as this current enrollment bubble moves into middle and high school. By the 2021–2022 school year, enrollment is expected to reach 166,598 students, an increase of more than 10,000 students from the current fiscal year.

In order to manage our expected growth in student enrollment, my budget recommendation adds more than 247 positions, including 140.5 general elementary/secondary positions, 58.0 positions for special education services, and 32.6 positions to serve our growing population of students who receive English for Speakers of Other Languages (ESOL) services. We also need 35.1 positions to open the new Clarksburg/Damascus Middle School, plan for a new middle school in the Bethesda/Chevy Chase Cluster, and open additional space at several existing schools.

### **Strategic Priority Enhancements**

This budget recommendation includes \$2.8 million in strategic priority enhancements, including 13.0 new positions. These resources support efforts that build on our ongoing work and address our long-standing challenges in new and innovative ways. The enhancements will help our mission to close the achievement gap, implement the Common Core State Standards, and ensure that students are college and career ready. These enhancements are reflected in each of the district's five strategic priorities including: (1) strengthen the foundation for academic success; (2) focus on accountability and results; (3) focus on human capital management; (4) strengthen partnerships and engagement; and (5) enhance our culture of collaboration and respect.

These strategic priority enhancements include funding to conduct a review of the Dual Language program and provide for professional learning to strengthen the program; professional development to support literacy and mathematics; 4.0 teachers and funding to expand the Students Engaged in Pathways to Achievement program; funding to strength our Career and Technology Education pathways to enhance the career readiness of our students; funding to help develop and organize transition opportunities for students; funding for our Student to Educator Pathway program; funding to expand the Achieving College Excellence and Success program to two additional schools; 5.0 additional parent community coordinators focusing on schools with Free and Reduced-price Meal System totals that exceed 40 percent; 4.0 equity specialists for our Equity Initiatives Unit to lower the number of schools that each specialist is assigned; and funding for the Minority Achievement University Partnerships focusing on students interested in pursuing a career or degree in one of the science, technology, engineering, and mathematics fields.

I also am recommending organizational changes that are intended to better focus our work around the strategic priorities. This includes reestablishing the chief of staff position in the Office of the Superintendent of Schools, and assigning the Office of Communications and the departments of Shared Accountability and Partnerships to the chief of staff. The organizational changes include establishing the Office of Student Services and Family Engagement, reporting directly to the chief academic officer. This new office combines the Department of Student Services and the Department of Family and Community Engagement. We also will consolidate parent community coordinators, ESOL counselors, and ESOL transition counselors to better serve families and students. Other resources in the Division of ESOL/Bilingual Services will be realigned to the three departments in the Office of Curriculum and Instructional Programs. Finally, Study Circles will be realigned to the Equity Initiatives Unit to support our focus on cultural proficiency in all of our schools.

### **A Budget Developed in Collaboration with our Partners**

As it has been for the last several years, this budget recommendation was developed in partnership with our employees and parents/guardians. I want to thank the leadership of the Montgomery County Association of Administrators and Principals, the Montgomery County Education Association, and the Service Employees International Union Local 500 for their collaboration and commitment during the budget development process. I also am grateful to the leaders

of the Montgomery County Council of Parent-Teacher Associations, Inc., who were involved in the development of this budget recommendation. This fall, we added representatives of the African American Student Achievement Action Group and the Latino Student Achievement Action Group to the discussion on the development of the MCPS operating budget. I also appreciate the dedication and cooperation of our executive leadership team and other MCPS staff in the development of this recommendation.

This will be the last budget that I have developed here at MCPS, but in many respects it is the most important budget on which I have worked. At the beginning, I said this budget is about building a strong foundation for our school district for the years ahead. I look forward to working with the Board of Education on my recommended FY 2017 Operating Budget. I believe this budget reflects our core values, is an investment in our children, and is an indication of our commitment to providing all students in Montgomery County with an education that prepares them to be successful in their futures.

Sincerely,

A handwritten signature in cursive script that reads "Larry A. Bowers".

Larry A. Bowers  
Interim Superintendent of Schools

LAB:AMZ:tpk

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**TABLE 1**  
**SUMMARY OF RESOURCES**  
**BY OBJECT OF EXPENDITURE**

OBJECT OF EXPENDITURE	FY 2015 ACTUAL	FY 2016 BUDGET	FY 2016 CURRENT	FY 2017 BUDGET	FY 2017 CHANGE
<b>POSITIONS</b>					
Administrative	717.700	706.200	707.200	713.100	5.900
Business/Operations Admin.	90.650	89.650	88.650	87.650	(1.000)
Professional	12,517.482	12,468.276	12,468.776	12,650.686	181.910
Supporting Services	8,262.157	8,181.423	8,182.623	8,255.440	72.817
<b>TOTAL POSITIONS</b>	<b>21,587.989</b>	<b>21,445.549</b>	<b>21,447.249</b>	<b>21,706.876</b>	<b>259.627</b>
<b>01 SALARIES &amp; WAGES</b>					
Administrative	\$92,258,189	\$95,569,558	\$95,672,848	\$98,002,924	\$2,330,076
Business/Operations Admin.	8,227,299	8,948,116	8,844,826	8,981,968	137,142
Professional	984,828,931	1,025,225,658	1,025,285,078	1,074,722,174	49,437,096
Supporting Services	350,906,239	369,933,797	369,914,377	379,378,463	9,464,086
<b>TOTAL POSITION DOLLARS</b>	<b>1,436,220,658</b>	<b>1,499,677,129</b>	<b>1,499,717,129</b>	<b>1,561,085,529</b>	<b>61,368,400</b>
<b>OTHER SALARIES</b>					
Administrative	331,121	397,576	397,576	405,528	7,952
Professional	58,930,766	57,277,647	57,277,647	58,691,595	1,413,948
Supporting Services	25,286,952	23,486,206	23,486,206	24,260,569	774,363
<b>TOTAL OTHER SALARIES</b>	<b>84,548,839</b>	<b>81,161,429</b>	<b>81,161,429</b>	<b>83,357,692</b>	<b>2,196,263</b>
<b>TOTAL SALARIES AND WAGES</b>	<b>1,520,769,497</b>	<b>1,580,838,558</b>	<b>1,580,878,558</b>	<b>1,644,443,221</b>	<b>63,564,663</b>
<b>02 CONTRACTUAL SERVICES</b>	<b>26,380,344</b>	<b>27,087,749</b>	<b>27,047,749</b>	<b>27,661,080</b>	<b>613,331</b>
<b>03 SUPPLIES &amp; MATERIALS</b>	<b>64,528,428</b>	<b>66,007,929</b>	<b>66,007,929</b>	<b>66,132,307</b>	<b>124,378</b>
<b>04 OTHER</b>					
Local/Other Travel	2,204,651	2,641,153	2,656,591	2,494,062	(162,529)
Insur & Employee Benefits	523,945,817	526,747,522	526,747,522	594,892,593	68,145,071
Utilities	39,502,871	40,510,945	40,510,945	41,564,244	1,053,299
Miscellaneous	51,392,202	56,564,075	56,548,637	57,944,913	1,396,276
<b>TOTAL OTHER</b>	<b>617,045,541</b>	<b>626,463,695</b>	<b>626,463,695</b>	<b>696,895,812</b>	<b>70,432,117</b>
<b>05 EQUIPMENT</b>	<b>15,117,717</b>	<b>17,991,005</b>	<b>17,991,005</b>	<b>18,190,864</b>	<b>199,859</b>
<b>GRAND TOTAL AMOUNTS</b>	<b>\$2,243,841,527</b>	<b>\$2,318,388,936</b>	<b>\$2,318,388,936</b>	<b>\$2,453,323,284</b>	<b>\$134,934,348</b>

**TABLE 1A**  
**SUMMARY OF BUDGET CHANGES FY 2016 - FY 2017**  
(\$ in millions)

ITEM	FTE	AMOUNT
<b>FY 2016 CURRENT OPERATING BUDGET</b>	<b>21,447.249</b>	<b>\$2,318.4</b>
<b>ENROLLMENT CHANGES</b>		
Elementary/Secondary	140.485	10.3
Special Education	57.972	4.4
ESOL	32.600	2.2
Transportation	16.000	1.6
<b>Subtotal</b>	<b>247.057</b>	<b>\$ 18.6</b>
<b>NEW SCHOOLS/ADDITIONAL SPACE</b>		
	<b>35.100</b>	<b>\$ 4.1</b>
<b>EMPLOYEE SALARIES - CONTINUING AND NEGOTIATED SALARIES FOR CURRENT EMPLOYEES (including benefits)</b>		
		<b>\$ 55.3</b>
<b>EMPLOYEE BENEFITS AND INSURANCE</b>		
Employee Benefits Plan (active) - Including Negotiated Changes		28.9
Employee Benefits Plan (retired)		9.8
Retirement		(11.6)
FICA/Self-Insurance/Workers' Compensation, Fire Insurance		(0.9)
Self-insurance, Worker's Compensation		0.2
Restoration of MCPS OPEB		23.9
Pension Shift from State		7.9
<b>Subtotal</b>		<b>\$ 58.3</b>
<b>INFLATION AND OTHER</b>		
Textbooks, Instructional Materials, Building/Maintenance Supplies		0.6
Utilities		0.6
Special Education		0.8
Transportation	4.000	0.3
Transportation - Diesel Fuel		(1.4)
Grants and Enterprise Funds	(0.555)	0.1
Other	(0.800)	0.5
<b>Subtotal</b>	<b>2.645</b>	<b>\$ 1.5</b>
<b>EFFICIENCIES &amp; REDUCTIONS</b>		
Central Services	(18.400)	(3.0)
Support Operations	(2.000)	(0.2)
School-Based	(17.775)	(2.6)
<b>Subtotal</b>	<b>(38.175)</b>	<b>\$ (5.7)</b>

ITEM	FTE	AMOUNT
<b>STRATEGIC PRIORITY ENHANCEMENTS</b>		
Dual Language Program		\$ 0.1
Children's Opportunity Fund		0.4
Professional Development to Support Literacy and Mathematics		1.0
Career Readiness		0.1
Students Engaged in Pathways to Achievement	4.000	0.2
Marking Period Assessment Development		0.1
College and Career Readiness and College Completion Act		0.1
Teacher Workforce Diversity Initiative		0.1
Achieving College Excellence and Success		0.1
Parent Community Coordinators	5.000	0.3
Cultural Proficiency	4.000	0.3
Minority Achievement University Partnerships		0.1
<b>Subtotal</b>	<b>13.000</b>	<b>\$ 2.9</b>
<b>FY 2017 OPERATING BUDGET</b>		
	<b>21,706.876</b>	<b>\$ 2,453.3</b>
<b>FY 2016 - FY 2017 CHANGE</b>		
	<b>259.627</b>	<b>\$ 134.9</b>
<b>Less Grants</b>		
		(79.0)
<b>Less Enterprise funds</b>		
		(63.6)
<b>SPENDING AFFORDABILITY BUDGET</b>	<b>21,706.876</b>	<b>\$ 2,310.7</b>
<b>REVENUE INCREASE BY SOURCE</b>		
Local		106.3
State		28.1
Federal		(0.2)
Other		(0.3)
Fund Balance		-
Enterprise/Special Revenue Funds		1.0
<b>TOTAL REVENUE INCREASE</b>		<b>\$ 134.9</b>

**TABLE 2  
BUDGET REVENUE BY SOURCE**

<b>SOURCE</b>	<b>FY 2015 ACTUAL</b>	<b>FY 2016 BUDGET</b>	<b>FY 2016 CURRENT</b>	<b>FY 2017 ESTIMATED</b>
<b>CURRENT FUND</b>				
<b>From the County:</b>	\$1,439,045,758	\$1,463,274,812	\$1,463,274,812	\$1,613,936,762
Local Contribution for State Retirement	37,809,551	44,356,785	44,356,785	
Total from the County	1,476,855,309	1,507,631,597	1,507,631,597	1,613,936,762
<b>From the State:</b>				
Bridge to Excellence				
Foundation Grant	310,456,913	322,176,176	322,176,176	329,428,813
Geographic Cost of Education Index	34,394,095	17,744,167	17,744,167	35,488,334
Limited English Proficient	55,596,595	60,287,318	60,287,318	60,287,318
Compensatory Education	128,619,158	136,727,928	136,727,928	139,708,256
Students with Disabilities - Formula	35,861,741	36,565,418	36,565,418	37,362,453
Students with Disabilities - Reimbursement	17,037,526	17,737,979	17,737,979	17,270,242
Transportation	38,090,967	39,786,572	39,786,572	39,786,572
Miscellaneous	171,860	400,000	400,000	170,000
Programs financed through State Grants	6,225,301	644,000	644,000	644,000
Total from the State	626,454,156	632,069,558	632,069,558	660,145,988
<b>From the Federal Government:</b>				
Impact Aid	258,780	200,000	200,000	150,000
Programs financed through Federal Grants	71,503,473	71,717,356	71,717,356	71,588,683
Total from the Federal Government	71,762,253	71,917,356	71,917,356	71,738,683
<b>From Other Sources:</b>				
Tuition and Fees				
D.C. Welfare	115,020	200,000	200,000	120,000
Nonresident Pupils	704,032	680,000	680,000	530,000
Summer School	1,574,849	1,493,967	1,493,967	1,519,000
Outdoor Education	516,260	681,356	681,356	680,000
Student Activities Fee	703,269	756,500	756,500	691,600
Miscellaneous	496,950	293,932	293,932	300,000
Programs financed through Private Grants	823,051	6,731,204	6,731,204	6,731,204
Total from Other Sources	4,933,431	10,836,959	10,836,959	10,571,804
Fund Balance	38,172,451	33,162,633	33,162,633	33,162,633
Total Current Fund	2,218,177,600	2,255,618,103	2,255,618,103	2,389,555,870
<b>ENTERPRISE &amp; SPECIAL FUNDS</b>				
<b>School Food Service Fund:</b>				
State	2,081,616	2,259,860	2,259,860	2,305,057
National School Lunch, Special Milk and Free Lunch Programs	35,013,592	29,207,955	29,207,955	34,400,008
Sale of Meals and other	17,909,360	21,699,064	21,699,064	17,262,204
Total School Food Service Fund	55,004,568	53,166,879	53,166,879	53,967,269
<b>Real Estate Management Fund:</b>				
Rental fees	3,277,410	3,257,703	3,257,703	3,686,191
Total Real Estate Management Fund	3,277,410	3,257,703	3,257,703	3,686,191

**TABLE 2  
BUDGET REVENUE BY SOURCE**

<b>SOURCE</b>	<b>FY 2015 ACTUAL</b>	<b>FY 2016 BUDGET</b>	<b>FY 2016 CURRENT</b>	<b>FY 2017 ESTIMATED</b>
<b>Field Trip Fund:</b>				
Fees	2,003,127	1,991,533	1,991,533	2,006,361
Total Field Trip Fund	2,003,127	1,991,533	1,991,533	2,006,361
<b>Entrepreneurial Activities Fund:</b>				
Fees	2,205,227	2,700,509	2,700,509	2,364,802
Total Entrepreneurial Activities Fund	2,205,227	2,700,509	2,700,509	2,364,802
<b>Total Enterprise Funds</b>	<b>62,490,332</b>	<b>61,116,624</b>	<b>61,116,624</b>	<b>62,024,623</b>
<b>Instructional Television Special Revenue Fund:</b>				
Cable Television Plan	1,595,624	1,654,209	1,654,209	1,742,791
Total Instructional Special Revenue Fund	1,595,624	1,654,209	1,654,209	1,742,791
<b>GRAND TOTAL</b>	<b>\$2,282,263,556</b>	<b>\$2,318,388,936</b>	<b>\$2,318,388,936</b>	<b>\$2,453,323,284</b>
<b>Tax - Supported Budget</b>	<b>FY 2015 ACTUAL</b>	<b>FY 2016 BUDGET</b>	<b>FY 2016 CURRENT</b>	<b>FY 2017 ESTIMATED</b>
Grand Total	\$2,282,263,556	\$2,318,388,936	\$2,318,388,936	\$2,453,323,284
<b>Less:</b>				
Grants	(78,551,825)	(79,092,560)	(79,092,560)	(78,963,887)
Enterprise Funds	(62,490,332)	(61,116,624)	(61,116,624)	(62,024,623)
Special Revenue Fund	(1,595,624)	(1,654,209)	(1,654,209)	(1,742,791)
<b>Grand Total - Tax-Supported Budget</b>	<b>\$2,139,625,775</b>	<b>\$2,176,525,543</b>	<b>\$2,176,525,543</b>	<b>\$2,310,591,983</b>

The Adult Education Fund was created July 1, 1991, but was discontinued effective July 1, 2006, because the program was transferred to Montgomery College and the Montgomery County Department of Recreation. The Real Estate Management Fund was created July 1, 1992. The Field Trip Fund was created effective July 1, 1993. The Entrepreneurial Activities Fund was created effective July 1, 1998. The Instructional Television Special Revenue Fund was created July 1, 2000.

**TABLE 3  
REVENUE SUMMARY FOR GRANT PROGRAMS BY SOURCE OF FUNDS**

<b>Program Name and Source of Funding</b>	<b>FY 2015 ACTUAL</b>	<b>FY 2016 BUDGET</b>	<b>FY 2016 CURRENT</b>	<b>FY 2017 ESTIMATED</b>
<u>Budgeted</u>				
<b>FEDERAL AID: NO CHILD LEFT BEHIND (NCLB)</b>				
<b>Title I - A (941)</b>	\$ 18,332,660	\$ 23,022,664	\$ 23,022,664	\$ 22,790,115
Subtotal	18,332,660	23,022,664	23,022,664	22,790,115
<b>Title I - D</b>				
Neglected and Delinquent Youth (937)	135,502	131,896	131,896	140,137
Total Title I	18,468,162	23,154,560	23,154,560	22,930,252
<b>Title II - A</b>				
Skillful Teaching and Leading Program (915)	337,626	350,043	350,043	350,043
Teacher Mentoring (917)	215,382	254,880	254,880	254,880
Consulting Teachers (961)	2,902,171	2,902,171	2,902,171	2,902,171
Total Title II	3,455,179	3,507,094	3,507,094	3,507,094
<b>Title III</b>				
English Language Acquisition (927)	3,331,818	3,507,094	3,507,094	3,352,368
<b>Title VII</b>				
American Indian Education (903)	25,942	25,700	25,700	26,024
<b>SUBTOTAL</b>	<b>25,281,101</b>	<b>30,194,448</b>	<b>30,194,448</b>	<b>29,815,738</b>
<b>OTHER FEDERAL, STATE, AND LOCAL AID</b>				
Head Start Child Development (932) Federal	3,603,675	3,603,675	3,603,675	3,771,965
Individuals with Disabilities Education (907/913) Federal	29,718,897	30,611,365	30,611,365	30,557,523
Infants and Toddlers - Passthrough from Montgomery County Department of Health and Human Services (930) Federal	791,315	791,315	791,315	791,315
State	232,423	232,423	232,423	232,423
Judith P. Hoyer Child Care Centers State (904/905)	644,000	644,000	644,000	644,000
Medical Assistance Program (939) Federal	4,833,370	4,916,730	4,916,730	5,010,522
National Institutes of Health (NIH) (908) Federal	276,647	270,525	270,525	275,207
Provision for Future Supported Projects (999) Other	4,902,058	6,731,204	6,731,204	6,731,204
Carl D. Perkins Career & Technical Ed. Improvement (951) Federal	1,023,725	1,023,725	1,023,725	1,133,990
McKinney - Vento Homeless Children and Youth (910) Federal	-	73,150	73,150	-
<b>SUBTOTAL</b>	<b>46,026,110</b>	<b>48,898,112</b>	<b>48,898,112</b>	<b>49,148,149</b>
<b>TOTAL</b>	<b>\$ 71,307,211</b>	<b>\$ 79,092,560</b>	<b>\$ 79,092,560</b>	<b>\$ 78,963,887</b>

**TABLE 3  
REVENUE SUMMARY FOR GRANT PROGRAMS BY SOURCE OF FUNDS**

<b>Program Name and Source of Funding</b>	<b>FY 2015 ACTUAL</b>	<b>FY 2016 BUDGET</b>	<b>FY 2016 CURRENT</b>	<b>FY 2017 ESTIMATED</b>
<b><u>Summary of Funding Sources</u></b>				
Federal	\$ 65,761,153	\$ 71,717,356	\$ 71,717,356	\$ 71,588,683
State	644,000	644,000	644,000	644,000
County				
Other	4,902,058	6,731,204	6,731,204	6,731,204
<b>GRAND TOTAL</b>	<b>\$ 71,307,211</b>	<b>\$ 79,092,560</b>	<b>\$ 79,092,560</b>	<b>\$ 78,963,887</b>

**Additional grant appropriation through the Provision for Future Supported Projects as of November 10, 2015**

NIST Summer Institute	\$ 8,000
Title I - A	11,515
Title II - A	65,704
American Indian Education	324
IDEA - Preventative Services	154,783
<b>SUBTOTAL FEDERAL FUNDING</b>	<b>240,326</b>
National Defense Education Program	46,276
Race to the Top - Master Teacher	5,500
Ready 4 Kindergarten	115,055
<b>SUBTOTAL STATE FUNDING</b>	<b>166,831</b>
ED Cluster Project	62,985
Howard Hughes Medical Institute	545,000
<b>SUBTOTAL OTHER FUNDING</b>	<b>607,985</b>
<b>TOTAL</b>	<b>\$ 1,015,142</b>

**TABLE 4  
SUMMARY OF STUDENT ENROLLMENT - FY 2014 THROUGH FY 2017**

DESCRIPTION	(1) FY 2014 ACTUAL 9/30/2013	(2) FY 2015 ACTUAL 9/30/2014	(3) FY 2016 ACTUAL 9/30/2015	(4) FY 2016 BUDGET 9/30/2015	(5) FY 2017 PROJECTED 9/30/2015	CHANGE COLUMN (5) LESS COLUMN (4)	
						#	%
<b>ENROLLMENT</b>							
PRE-KINDERGARTEN	1,899	1,912	2,152	2,145	2,285	140	6.5%
HEAD START	628	628	628	628	628		
KINDERGARTEN	11,858	11,544	11,419	11,400	11,366	(34)	-0.3%
GRADES 1-5 / 6 *	58,121	59,584	60,186	60,390	60,730	340	0.6%
<b>SUBTOTAL ELEMENTARY</b>	72,506	73,668	74,385	74,563	75,009	446	0.6%
GRADES 6-8 **	32,125	33,167	34,106	34,236	34,991	755	2.2%
<b>SUBTOTAL MIDDLE</b>	32,125	33,167	34,106	34,236	34,991	755	2.2%
GRADES 9-12	44,759	45,257	45,797	45,496	46,817	1,321	2.9%
<b>SUBTOTAL HIGH</b>	44,759	45,257	45,797	45,496	46,817	1,321	2.9%
<b>SUBTOTAL PRE-K - GRADE 12</b>	149,390	152,092	154,288	154,295	156,817	2,522	1.6%
<b>SPECIAL EDUCATION</b>							
PRE-KINDERGARTEN	1,112	1,206	1,601	1,563	1,493	(70)	-4.5%
SPECIAL CENTERS	486	425	434	431	481	50	11.6%
<b>SUBTOTAL SPECIAL EDUCATION</b>	1,598	1,631	2,035	1,994	1,974	(20)	-1.0%
<b>MONTESSORI CHARTER SCHOOL</b>	99	-	-	-	-	-	-
<b>ALTERNATIVE PROGRAMS</b>	155	117	121	225	225	-	-
<b>GATEWAY TO COLLEGE</b>	47	12	3	-	-	-	-
<b>GRAND TOTAL</b>	151,289	153,852	156,447	156,514	159,016	2,502	1.6%

SOURCE: Division of Long-range Planning

NOTE: Grade enrollments include special education students

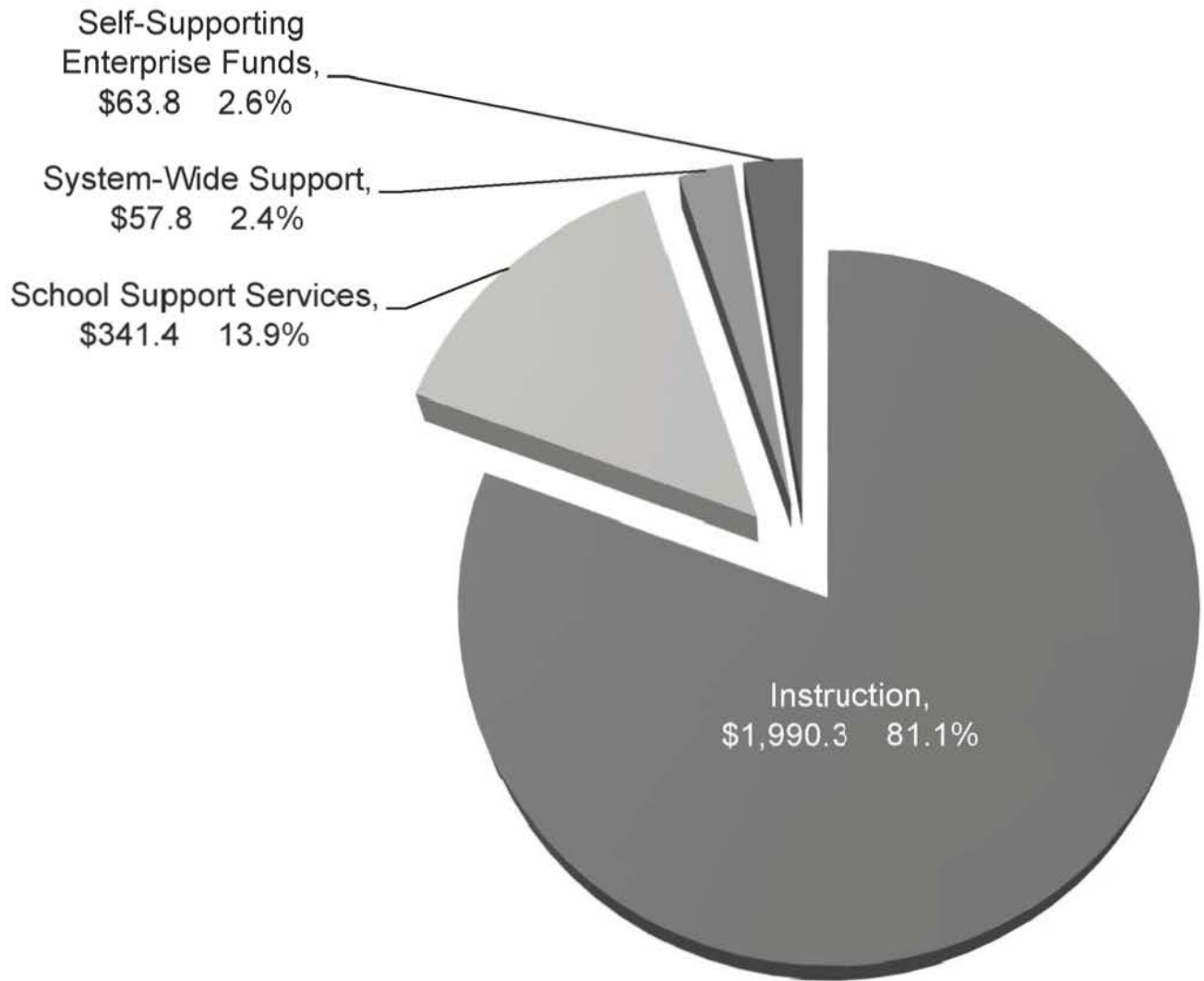
\* The Elementary enrollment figures include enrollment numbers for Chevy Chase and North Chevy Chase Grade 6.

\*\* Excludes enrollment numbers for Chevy Chase and North Chevy Chase Grade 6 that are budgeted in the elementary schools' enrollment figures.

# WHERE THE MONEY GOES

## FY 2017 OPERATING BUDGET

Total Expenditures = \$2,453,323,284  
(Dollars in Millions on Chart)

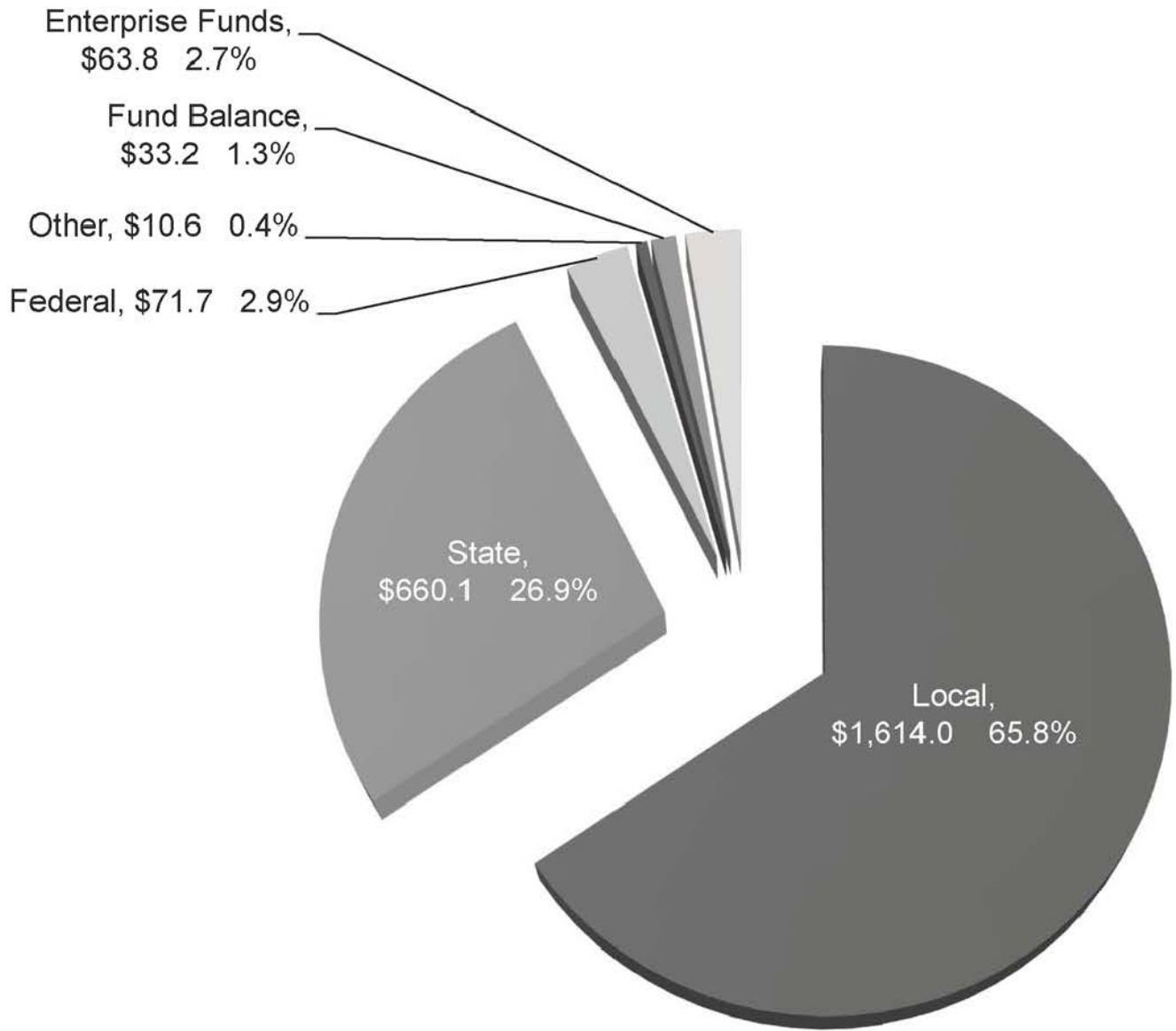




# WHERE THE MONEY COMES FROM

## FY 2017 OPERATING BUDGET

Total Revenue = \$2,453,323,284  
(Dollars in Millions on Chart)

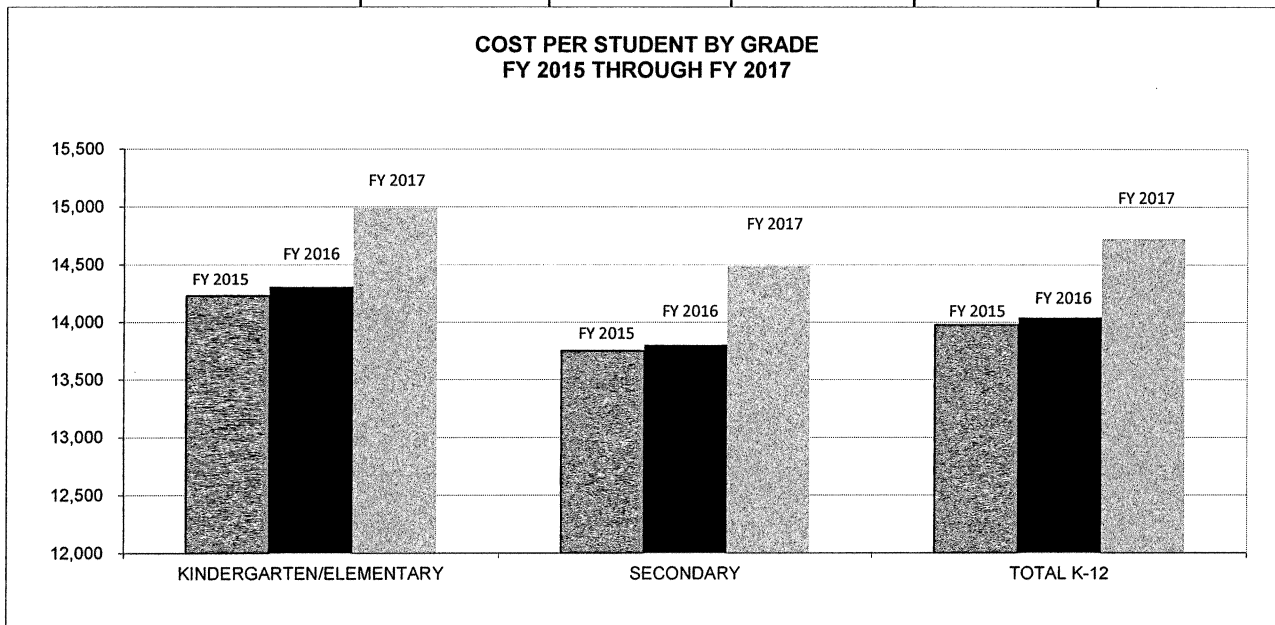


**TABLE 5  
ALLOCATION OF STAFFING**

	<b>POSITIONS</b>	<b>BUDGET FY 2012</b>	<b>BUDGET FY 2013</b>	<b>BUDGET FY 2014</b>	<b>BUDGET FY 2015</b>	<b>CURRENT FY 2016</b>	<b>REQUEST FY 2017</b>	<b>FY 16 - FY 17 CHANGE</b>
1	<b>Executive</b>	17.000	19.000	21.000	19.000	16.000	16.000	-
2	<b>Administrative</b> - (directors, supervisors, program coordinators, executive assistants)	199.000	195.000	196.700	204.700	199.700	196.600	(3.100)
3	<b>Business/Operations Administrator</b> - (leadership positions supervised by directors and supervisors)	92.000	92.000	91.650	90.650	88.650	87.650	(1.000)
4	<b>Other Professional</b> - (12-month instructional/ evaluation specialists)	186.900	182.300	183.500	189.500	187.400	186.400	(1.000)
5	<b>Principal/Assistant Principal</b>	484.000	486.000	491.500	494.000	491.500	500.500	9.000
6	<b>Teacher</b>	10,281.220	10,475.070	10,759.420	10,984.160	10,940.304	11,114.414	174.110
7	<b>Special Education Specialist</b> (speech pathologists, physical/occupational therapists)	482.400	495.200	506.750	508.958	506.708	503.008	(3.700)
8	<b>Media Specialist</b>	189.200	190.200	192.200	195.500	195.500	196.500	1.000
9	<b>Counselor</b>	451.300	453.300	456.300	467.500	467.000	476.500	9.500
10	<b>Psychologist</b>	94.805	94.905	100.000	106.034	106.034	107.034	1.000
11	<b>Social Worker</b>	13.905	14.405	14.800	14.830	14.830	15.830	1.000
12	<b>Pupil Personnel Worker</b>	45.000	45.000	45.000	51.000	51.000	51.000	-
13	<b>Instructional Aide and Assistant</b> (paraeducators, media assistants, lunch-hour aides, parent assistants, instructional data assistants)	2,519.048	2,560.253	2,596.605	2,660.994	2,652.222	2,684.414	32.192
14	<b>Secretarial/Clerical/Data Support</b> (secretarial, clerical, personnel/transportation/fiscal/other lower grade program/data assistants)	997.250	988.100	986.625	983.250	963.225	964.975	1.750
15	<b>IT Systems Specialist</b>	131.000	131.000	131.000	133.000	109.000	108.000	(1.000)
16	<b>Security</b> - (includes all positions except those in lines 2,3,14 above)	227.000	227.000	227.000	229.000	232.000	233.000	1.000
17	<b>Cafeteria</b> - (Includes all positions except those in lines 2,3,14,15 above)	556.448	557.948	558.948	561.448	561.448	564.323	2.875
18	<b>Building Services</b> - (includes all positions except those in lines 2,3,14 above)	1,335.200	1,342.700	1,365.075	1,376.700	1,363.200	1,379.700	16.500
19	<b>Facilities Management/Maintenance</b> - (includes all positions except those in lines 2,3,14,15 above)	344.500	345.000	354.000	354.000	352.000	353.000	1.000
20	<b>Supply/Property Management</b> - (includes all positions except those in lines 2, 3,14,15 above)	53.000	47.000	50.000	51.500	51.500	51.500	-
21	<b>Transportation</b> - (includes all positions except those in lines 2,3 14,15 above)	1,687.650	1,685.650	1,685.590	1,685.590	1,673.153	1,693.153	20.000
22	<b>Other Support Personnel</b> - (business, technology human resources,communications, printing, and other support staff)	224.400	234.575	230.075	226.675	224.875	223.375	(1.500)
	<b>TOTAL</b>	<b>20,612.226</b>	<b>20,861.606</b>	<b>21,243.738</b>	<b>21,587.989</b>	<b>21,447.249</b>	<b>21,706.876</b>	<b>259.627</b>

**TABLE 6  
COST PER STUDENT BY GRADE SPAN**

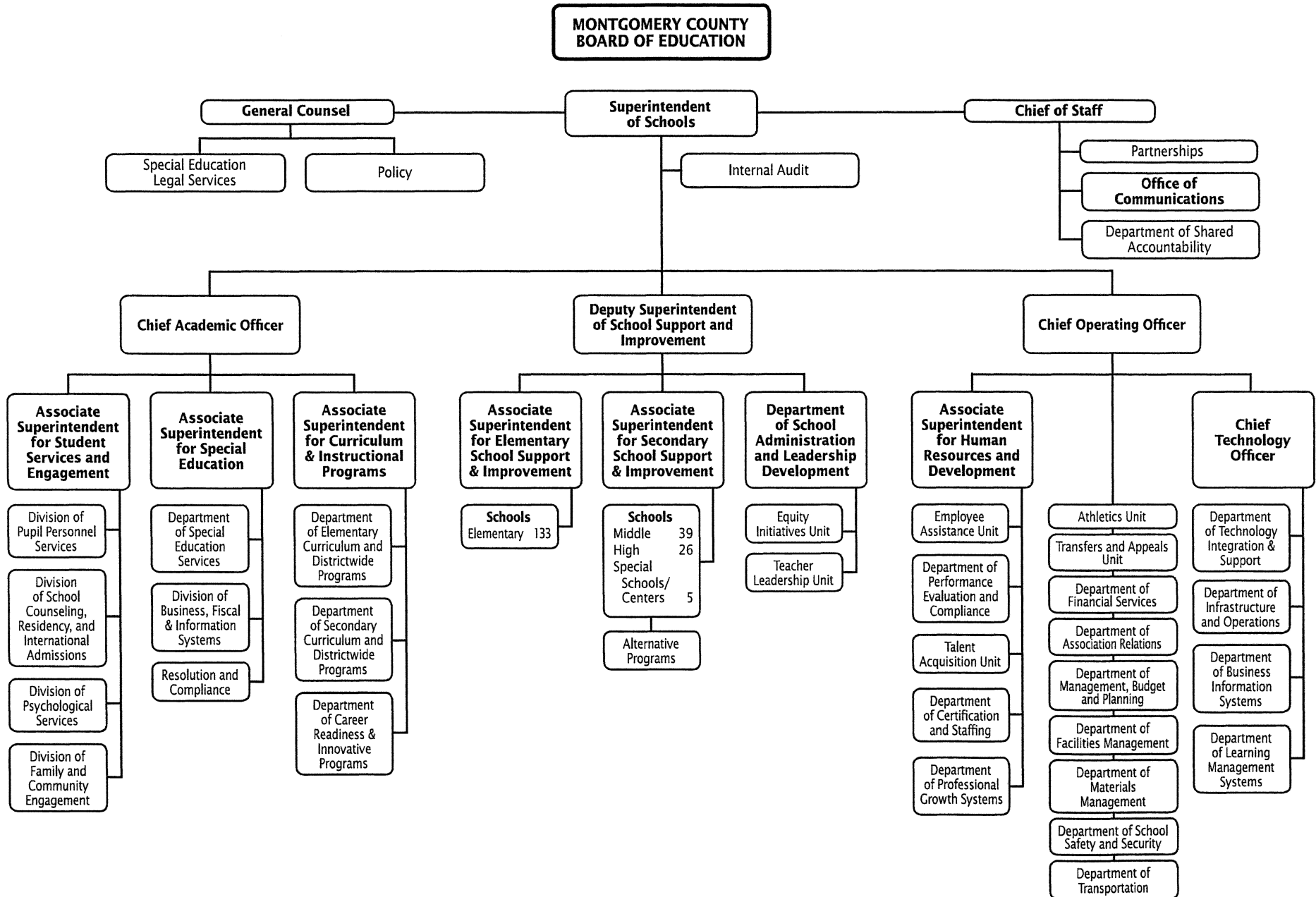
	KINDERGARTEN/ ELEMENTARY	SECONDARY	TOTAL K-12*	AMOUNT EXCLUDED*	TOTAL BUDGET**
<b>FY 2015 BUDGET</b>					
EXPENDITURES	\$1,016,611,306	\$1,079,347,800	\$2,095,959,106	\$180,804,878	\$2,276,763,984
STUDENTS 9/30/14	71,451	78,491	149,942		
COST PER STUDENT	14,228	13,751	13,978		
<b>FY 2016 BUDGET</b>					
EXPENDITURES	1,027,204,678	1,109,773,603	2,136,978,281	181,410,655	2,318,388,936
STUDENTS 9/30/15	71,790	80,388	151,522		
COST PER STUDENT	14,308	13,805	14,043		
<b>FY 2017 BUDGET</b>					
EXPENDITURES	1,081,003,449	1,185,291,841	2,266,295,290	187,027,994	2,453,323,284
STUDENTS 9/30/16	72,096	81,808	153,904		
COST PER STUDENT	14,994	14,489	14,725		



**Notes:**

Enrollment figures used to calculate cost per student excludes students in Gateway to College and PreK/Head Start.  
 Operating budget funds used in the calculation excludes amounts for Summer School, Community Services, Tuition for Students with Disabilities in Private Placement, Prekindergarten, Infants and Toddlers, and Enterprise Funds.  
 FY 2016 Figures Reflect Current Approved Budget.

# MONTGOMERY COUNTY PUBLIC SCHOOLS ORGANIZATION—FY 2017



## **Montgomery County Public Schools FY 2017 Operating Budget**

### **Summary of Negotiations**

During FY 2014, the Board of Education reached agreement on comprehensive three-year agreements covering economic and non-economic terms with all three employee associations. All groups are covered under separate three-year agreements, effective July 1, 2014, through June 30, 2017. The bargaining units are the Montgomery County Education Association (MCEA), representing certificated non-administrative employees; Service Employees International Union (SEIU) Local 500, representing supporting services employees; and the Montgomery County Association of Administrators and Principals/Montgomery County Business and Operations Administrators (MCAAP/MCBOA), representing certificated and non-certificated administrators and non-certificated supervisory employees in separate units. The two MCAAP units are covered in a single contract covering both units.

The Board of Education ratified these three-year agreements on March 11, 2014. Based on the three agreements, employees received a general wage increase of 1.5 percent effective November 29, 2014, and a 2 percent general wage increases effective on October 17, 2015, and employees will receive a 2 percent general wage increase effective on September 3, 2016. The agreements ratified in March 2014 also provide annual step increases and longevity increases based on certain eligibility criteria. Additionally, effective March 4, 2017, all employees who missed a step increase in FY 2012 due to the negotiated deferral of step increases, or new employees with previous experience who had their “hire-in” rate adjusted back one step in FY 2012, and who have an additional step available, shall advance one additional step on the salary schedule.

The appropriation that the County Council passed on May 21, 2015, for the FY 2016 MCPS Operating Budget left a funding gap of \$53.1 million compared to the Board of Education’s budget request. In order to close the gap, the Board of Education took several steps on June 16, 2015, when it approved the final FY 2016 Operating Budget. This included savings of more than \$3 million from the delay of implementation of FY 2016 salary increases from October 3, 2015, to October 17, 2015. The members of the employee associations ratified these changes prior to the Board’s action on the FY 2016 Operating Budget. The Board approved the amendments to the contacts along with the FY 2016 Operating Budget on June 16, 2015.

The agreements call for employees to pay a greater share of their health insurance premiums, and over the 2015 and 2016 calendar years, the amount each employee pays will increase by 7 percent. Beginning on January 1, 2016, employees will be able to lower their benefit costs if they participate in a voluntary health risk assessment and/or submit the results of a routine blood test. The contract calls for employees who smoke to pay 3 percent more for their health benefits beginning in January 2016. The benefit changes are expected to save \$18.5 million in FY 2016 and each year thereafter.

# Montgomery County Public Schools FY 2017 Operating Budget

## Operating Budget Summary

An increase of \$134.9 million is required for the Fiscal Year (FY) 2017 Operating Budget for Montgomery County Public Schools (MCPS) to fund the same level of services for an additional 2,502 students, previously negotiated agreements, rising costs in operations, and strategic enhancements, which are offset somewhat by savings from program efficiencies and reductions. This is a 5.8 percent increase in the operating budget. In addition, the budget assumes that Montgomery County will continue to provide \$27.2 million from the county's Consolidated Other Post-employment Benefits (OPEB) Trust Fund to pay for retiree health benefits in FY 2017.

As a result, the Superintendent's Recommended FY 2017 Operating Budget for MCPS totals \$2,453,323,284, an increase of \$134,934,348 from the current FY 2016 Operating Budget.

While the overall budget increase in FY 2017 is \$134.9 million, \$24.0 million is needed to restore funding that came from MCPS OPEB Trust Fund in FY 2016, and \$7.9 million is needed for the increased payments to the state for the teacher pension costs that were shifted from the state to the county. Without these two items, the increase would be \$103 million, or a 4.5 percent increase over the current FY 2016 Operating Budget.

The Superintendent's Recommended FY 2017 Operating Budget includes \$1,613,936,762 in local funding. This is an increase of \$106,305,165 in local funding compared to FY 2016.

There are several key components of this expenditure increase for FY 2017. Below are details of major elements of the changes in the Superintendent's Recommended FY 2017 Operating Budget.

### Expenditures to Fund Same Services

Overall, enrollment is projected to be 159,016 for FY 2017, an increase of 2,502 from the FY 2016 budget. FY 2017 will be the eighth year in a row that enrollment will increase by more than 2,000 students. Enrollment continues to grow dramatically, and there are an increasing number of students needing special services.

- K-12—A total of \$10.3 million and 140.485 additional positions are needed for the Kindergarten through Grade 12 student enrollment of 153,904 or 2,382 more students in FY 2017 than the 151,522 students budgeted in the FY 2016 Operating Budget. This FY 2017 enrollment growth includes an increase of 340 additional students in Grades 1-5 offset by a decrease of 34 kindergarten students for a net increase of 306 students in Grades K-5. This K-5 enrollment change requires \$1,563,533 and 18.975 positions including assistant school administrator, assistant principal, teacher, lunch hour aide, and paraeducator positions. In secondary schools, an additional 2,076 students are projected in FY 2017. These additional students require \$8.8 million and 121.510 positions

including assistant school administrator, teacher, security assistant, media assistant, and paraeducator positions.

- Special Education—An additional \$4.4 million and 57.972 positions are needed for changes in special education enrollment and services including \$1.85 million for 25.4 additional teachers, \$1.3 million for 30.272 paraeducators, \$41,337 for a .4 speech pathologist, \$42,778 for a 0.5 psychologist – 10 month, \$58,379 for a 1.0 school secretary II position, \$85,554 for a 1.0 social worker and reductions of \$9,852 for a net reduction of a 0.1 occupational/physical therapist, and a reduction of \$17,651 for the reduction of a 0.5 media assistant position. In addition, there is \$964,412 budgeted for students attending non-public schools to provide services for a projected net increase of 10 additional students over the number budgeted for FY 2016, and \$132,877 for substitutes, materials, and other growth-related requirements.
- English for Speakers of Other Languages (ESOL)—An additional \$2.2 million and 32.6 positions are required for an increase of 1,570 ESOL students, for a total of 22,650 students for FY 2017. While these students receive supplementary services, they are included in the overall enrollment numbers.
- New Schools/Additional Space—An increase of \$2.9 million and 17.6 positions is required for the opening of the new Clarksburg/Damascus Middle School in August 2016. In addition, \$105,907 is required for a .5 principal and .5 secretary position for a half year in FY 2017 to prepare for the opening of a new middle school in the Bethesda/Chevy Chase cluster. In addition, \$1.1 million and 16.5 building service worker positions are required for additional space at several schools in FY 2017.
- Student Transportation—An additional \$1.6 million and 16.0 bus operators and attendants are required to support 16 additional buses for routes related to the increased enrollment projected for FY 2017.
- Continuing Salaries—A total of \$55.3 million is required to be added to the budget for continuing salaries and associated benefits. Based on the three-year contracts reached with the three employee associations, employees received a general wage adjustment of 1.5 percent on November 29, 2014, a 2 percent general wage adjustment on October 17, 2015, and will receive a 2 percent general wage adjustment on September 3, 2016. The agreements also provide step and longevity increases for eligible employees that will be effective on these same dates. Additionally, effective March 4, 2017, all employees who missed a step increase in FY 2012 due to the negotiated deferral of step increases, or new employees with previous experience who had their “hire-in” rate adjusted back one step in FY 2012, and who have an additional step available, shall advance one additional step on the salary schedule.
- Employee Benefits—The cost of employee benefits and insurance for current and retired employees will add \$58.2 million to the FY 2017 Operating Budget, including funding for the increased cost of health care and life insurance for current employees and retirees. This includes \$11.6 million of savings based on a contribution of 4.18 percent for

retirement costs. In addition, the amount includes an increase of \$7.9 million that is required by the state for the county's share of teacher pension costs.

- Inflation and Other Expenses—The effects of inflation and other expenditures require a net increase of \$1.5 million and an increase of 2.645 positions. Included in this increase is \$602,762 for a 3 percent inflation adjustment for supplies and materials, \$841,479 for special education including a 1.5 percent rate increase for tuition for non-public placements, \$635,118 for increased utility costs, 4.0 positions and \$277,521 for transportation-related expenditures while, at the same time, there is a \$1,437,250 savings for bus fuel based on an estimated \$2.50 per gallon, There is a net increase of \$556,542 and a decrease of 1.355 positions for grant programs and other miscellaneous changes.

### **Strategic Priority Enhancements**

- Strategic priority enhancements are included in the FY 2017 budget totaling \$2.8 million and 13.0 positions. These resources support efforts that build on our ongoing work and address our long-standing challenges in new and innovative ways. The enhancements will help close the achievement gap, implement the Common Core State Standards, and ensure that students are college and career-ready. These enhancements are reflected in each of the district's five strategic priorities including: (1) strengthen the foundation for academic success; (2) focus on accountability and results; (3) focus on human capital management; (4) strengthen partnerships and engagement; and (5) enhance our culture of collaboration and respect.
- These strategic priority enhancements include funding to conduct a review of the Dual Language program and provide for professional learning to strengthen the program; professional development to support literacy and mathematics; 4.0 teachers and funding to expand the Students Engaged in Pathways to Achievement Program; funding to strength our Career and Technology Education pathways to enhance the career readiness of our students; funding to help develop and organize transition opportunities for students; funding for our Student to Educator Pathway program; funding to expand the Achieving College Excellence and Success program to two additional schools; 5.0 additional parent community coordinators focusing on schools that exceed a 40 percent Free and Reduced-price Meal System students; 4.0 equity specialists for our Equity Unit to lower the number of schools that each specialist is assigned; and funding to expand Minority Achievement University Partnerships focusing on students interested in pursuing a career or degree in one of the Science, Technology, Engineering, and Mathematics fields.

### **Efficiencies and Reductions**

- Between FY 2009 and 2016, the MCPS Operating Budget has included reductions of more than \$210 million and more than 1,800 positions. Employees also agreed to forgo a negotiated general wage increase in FY 2010, saving \$89.5 million, and seniority salary increments of \$54.0 million during FY 2011 and FY 2012.



- In FY 2017, budget efficiencies and reductions total \$5.7 million and 38.175 positions, including \$3.0 million and 18.4 positions from central services.

## **Revenues**

- **Local**—The Superintendent’s Recommended FY 2017 Operating Budget includes an increase of \$106.3 million in the local contribution. Starting in FY 2017, the local contribution is based on the total per pupil appropriation for FY 2016 that includes the \$44,356,785 that Montgomery County was required to appropriate to MCPS for the teacher pension shift in FY 2016.
- **State**—Total revenue from the state is estimated to increase by \$28.1 million in the FY 2017 Operating Budget. Foundation aid is the largest component of state aid and the amount reflects changes in enrollment. The foundation aid formula is also driven by relative property and income wealth in the county. MCPS will receive state aid figures from the Maryland State Department of Education in January 2015. Based on a law passed by the General Assembly in 2015, full funding for the Geographic Cost of Education Index is mandated starting in FY 2017, which is an increase of \$17.4 million in FY 2017.
- **Federal**—Federal revenue is estimated to total \$71.7 million for Impact aid and Federal grants. There is a reduction of \$50,000 in Impact aid and an overall decrease of \$158,673 anticipated for federal grants.
- **Fund Balance**—The County Council used \$33.2 million of MCPS fund balance to fund the same amount of recurring expenditures in the FY 2016 Operating Budget. This left \$4.0 million of MCPS fund balance at the start of FY 2016. Based on latest FY 2016 financial report for MCPS, and the continuing freeze on expenditures, the Superintendent’s Recommended FY 2017 Operating Budget assumes that the same fund balance, or \$33.2 million, will be available at the end of FY 2016 to fund recurring expenditures in FY 2017.

## Montgomery County Public Schools FY 2017 Operating Budget

### Development of the Board of Education's FY 2017 Operating Budget Interests

The Superintendent's Recommended FY 2017 Operating Budget reflects the impact of several elements that led to priorities included in the formulation and development of the FY 2017 Operating Budget. These elements include the Strategic Planning Framework, the operating budget interests adopted by the Board of Education, the district's strategic priorities, and continuous improvement processes.

The Strategic Planning Framework, *Building Our Future Together: Students, Staff, and Community*, incorporates the three competencies that students need for success in the 21st century—academic excellence, creative problem solving, and social emotional learning—as well as a continued commitment to operational excellence. The Strategic Planning Framework emphasizes the commitment to ensure that students graduate from MCPS ready for college and/or entry into the workforce. Created in collaboration with a variety of stakeholders including students, staff, parents, and the community, the Strategic Planning Framework addresses what students need to be successful. The framework outlines the expectations for staff, students, and the community, laying out a clear path to meet our goals. MCPS will continue to organize and optimize resources that align to the three competency areas and reflect the Board's core values to ensure that every student is well prepared for success beyond high school.

In addition, for the past five years the Board of Education has developed operating budget interests that have served as a guide in the formulation of the annual operating budget. These operating budget interests were developed to enhance transparency and lead to a richer discussion for the operating budget during the year. The development of the Board's FY 2017 Operating Budget interests was an important initial step in the MCPS budget formulation process.

As a starting point for the development of the FY 2017 Operating Budget Interests, the Board used the operating budget interests it had adopted in September 2014, for the FY 2016 Operating Budget.

At its meeting on July 14, 2015, the Board reviewed each of the 12 budget interests from the previous year and found that some needed modification. Following that meeting, the Board's Strategic Planning Committee met on August 24, 2015, and was charged with finalizing the draft operating budget interests for FY 2017. Suggested changes were made based on the July 14, 2015, meeting. On September 21, 2015, the Board adopted the following budget interests for the FY 2017 Operating Budget.

1. Meet the needs of each individual child, including his/her health and social and emotional wellbeing, ensuring no child "falls through the cracks."

2. Support challenging opportunities that draw out and maximize the individual strengths of all students by promoting instructional strategies and curriculum that engage students through innovative teaching practices and 21st century physical spaces.
3. Recruit, train, and retain highly skilled staff who are culturally proficient and are reflective of our student population, and support them to create the conditions that support schools and students.
4. Provide multiple pathways enabling graduates to be globally competitive and college and career-ready.
5. Provide a strong start for all students before kindergarten and provide support for students who enroll in Montgomery County Public Schools after kindergarten and are not performing on grade level to help them catch up.
6. Continue to reduce variability of performance outcome data, and differentiate the allocation of resources based on school need so that outcomes are not predictable by race, ethnicity, or socioeconomic status.
7. Maintain and improve our programs and processes for special education students and English language learners.
8. Focus attention to improve teaching and learning in secondary schools, in particular middle schools, with special emphasis on mathematics and to facilitate implementation of the Maryland College and Career-Ready Standards.
9. Expand and support community engagement with a high expectation of customer service in our schools, responsive to the unique needs of our students, families, and communities.
10. Organize, optimize, and promote flexibility in the use of resources.

The Board and interim superintendent have also identified five strategic priorities for the 2015-2016 school year, which are aligned to the Strategic Planning Framework and the District Implement plan and are areas on which MCPS will focus to ensure student success. The five priorities are (1) strengthen the foundation of academic success; ensuring that all students have the literacy and mathematics skills they need for success; (2) focus on accountability and results; use reliable data to monitor student progress, provide timely supports, and measure return on investment; (3) enhance our culture of collaboration and respect; ensure that all students are engaged in their learning and employees are increasing their cultural proficiency; (4) focus on human capital management; hire and retain the best employees, and provide them with the necessary training and support; and (5) strengthen partnerships and engagement; engage parents and work with county, nonprofit, and business partners to provide opportunities and resources for students and their families.

Another important factor in the development of the FY 2016 Operating Budget is the continuous improvement process embodied in the Malcolm Baldrige Education Criteria for Performance Excellence. This continuous improvement process has helped produce the school system's

outstanding academic and operational results. MCPS has formalized key processes designed to produce high levels of performance from all staff members. These processes were created through collaboration, making employees integral players in the design of the systems they use every day to perform their jobs. Collecting, tracking, and analyzing data to monitor progress and make decisions about what happens inside and outside of the classroom is central to continuous improvement in MCPS.

## **Montgomery County Public Schools FY 2017 Operating Budget**

### **MCPS Record of Success**

- Six MCPS high schools rank in the top 200 of The Washington Post 2015 High School Challenge and all 25 MCPS high schools appear on this list, which only includes the top 11 percent of high schools in the country.
- 14 MCPS high schools made the U.S. News & World Report 2015 list of Best High Schools. MCPS had the top six high schools in the state of Maryland.
- Five high schools made the list of America's Best High Schools, published by Newsweek.
- MCPS has one of the highest graduation rates among the nation's largest school districts, according to an Education Week report.
- The Schott Foundation reports that MCPS has the highest graduation rate in the nation for African American males among the nation's largest districts.
- A historic high of 33,662 Advanced Placement (AP) exams were taken by MCPS students in 2014. Students earned a college-ready score (3 or higher) on 73.9 percent of those exams.
- In 2014, the percentage of AP exams taken by MCPS' African American students (49.8 percent) that earned college-ready scores of 3 or higher is significantly higher than the percentage of 32.9 percent in Maryland and 28.9 percent in the nation.
- In 2014, the percentage of AP exams taken by Hispanic students that earned college-ready scores of 3 or higher (57.7 percent) was greater than the percentage of exams for Hispanic students in Maryland (52.9 percent) and the nation (41.8 percent).
- More than two-thirds (66.7 percent) of graduates from the Class of 2014 took at least one AP exam, compared with 50.9 percent in Maryland.
- More than half (51.5) of the Class of 2014 scored a 3 or higher on at least one AP exam while in high school—significantly higher than the state average of 31.8 percent.
- In 2014, the percentage of MCPS African American and Hispanic graduates earning a 3 or higher on at least one AP exam surpassed the state average.
- The Class of 2014 earned a 1629 average combined SAT score, surpassing both national and state averages. Sixty-seven percent of graduates took the SAT and MCPS' Hispanic and African American students outperformed their peers across the nation.
- More than \$335 million in scholarships was awarded to students in the Class of 2015.

- 208 Ivy League school acceptances, Class of 2015
- 59 National Merit Finalists, Class of 2015
- 37 National Blue Ribbon Schools
- 5 National Green Ribbon Schools
- Michael Winer, a student at Montgomery Blair High School, was one of three first-place winners in the 2015 Intel Science Talent Search. Across the district, 16 students were named semifinalists in the competition.

## Montgomery County Public Schools FY 2017 Operating Budget

### Program Realignments to Fund the Highest Priority Work

Each year, MCPS realigns millions of dollars for positions and other resources within and between units to ensure that the budget is aligned with the most important priorities. A zero-based budgeting process was used to identify realignments for FY 2017 to ensure that budgeted funds are used for the highest priority work. The FY 2017 recommended budget also includes a reorganization that results in an overall budget neutral set of realignments between offices and departments. A summary of the major realignments is provided below.

#### Office of School Support and Improvement

- There is a 1.0 coordinator and 2.0 parent community coordinator positions realigned to the Department of School Administration and Leadership Development including resources from the Office of Community Engagement and Partnerships moving the Study Circles Unit to the Equity Initiatives Unit.

#### Office of the Chief Academic Officer

- As a result of a reorganization, a realignment for Office of the Chief Academic Officer includes a 1.0 copy editor/administrative secretary position and \$66,048 from the Office of Shared Accountability.

#### Office of Curriculum and Instructional Programs

- There is a realignment to the Department of Elementary Curriculum and Districtwide Programs (DECDP) of a 1.0 FTE office assistant IV position and \$53,904 from the Division of Title 1 and Early Childhood Programs and Services. In addition, there is a realignment of \$300,791 from DECDP for training stipends, staff development substitute salaries, contractual services, textbooks and instructional materials to the Department of Secondary Curriculum and Districtwide Programs, and \$373,973 in contractual services is realigned to the Office of Communications.
- In the Department of Elementary Curriculum and Districtwide Programs, there is a reorganization that results in 9.5 FTE counselor positions and \$1,033,550, 4.3 FTE ESOL transition counselor positions and \$289,863, a 1.0 FTE ESOL parent community coordinator position to the the Office of Student Services and Engagement and \$58,831, and a 1.0 FTE instructional specialist and \$120,693 moved from the ESOL and Bilingual Programs within this department to the Department of Secondary Curriculum and Districtwide Programs. In addition, there are realignments of a 1.0 FTE coordinator position to a 1.0 FTE supervisor position and a 1.0 FTE administrative secretary II position to a 1.0 FTE administrative secretary I position within this department.

- In the Department of Secondary Curriculum and Districtwide Programs, there is a realignment of 1.0 FTE instructional specialist position and \$120,693, as well as \$300,791 in training stipends, staff development substitutes, contractual services, and textbooks and instructional materials from ESOL and Bilingual Programs within the Department of Elementary Curriculum and Districtwide Programs.

#### Office of Special Education

- In the Division of Business, Fiscal, and Information Systems, there is a realignment of 1.9 paraeducator positions and \$46,562 to the Department of Special Education Services. There are numerous budget neutral realignments within and between units in the Office of Special Education to meet priority spending and operational requirements.

#### Office of Student Services and Engagement

- Within the Division of Psychological Services, there is a realignment of \$90,000 from stipends to contractual services. The realigned funds will be used for students whose accommodation plans entitle them to contractual nursing services under Section 504 of the Rehabilitation Services Act.
- To provide a seamless infrastructure of support for students and families, positions and funding within the Department of Student Services, the Office of Community Engagement and Partnerships, and the Office of Curriculum and Instructional Programs were reorganized to establish the Office of Student Services and Engagement (OSSE). OSSE includes the core office (7.6 positions and \$838,417), the Division of Psychological Services (95.5 FTE positions and \$11,506,354); the Division of School Counseling, Residency, and International Admissions (22.5 FTE positions and \$2,312,477); the Division of Pupil Personnel Services (55.0 FTE positions and \$6,759,367); and the Division of Family and Community Engagement (26.3 FTEs and \$2,235,384).

#### Office of the Chief Operating Officer

- In the Department of Materials Management, there is a realignment of \$100,000 from supporting services part-time salaries to support the purchase of \$50,000 for school furniture, and \$50,000 for vehicle operations for moving trucks.
- In the Division of Food and Nutrition Services, there is \$450,000 realigned between supplies and materials accounts budgeted within the fund. The realignments are neutral overall and reflect the actual costs and operations of this fund. In addition, there is \$120,000 realigned from supporting services part-time salaries to contractual services to provide for additional expenses related to the Child Care Food program.



- There is a realignment of \$320,464 from the Pearson Project within the Entrepreneurial Activities Fund to the Real Estate Management Fund to support salaries of \$170,000 and 3.0 building services positions for the English Manor site. The realignment of funds can be made from the Pearson Project as a result of the project ending in FY 2016.

#### Office of the Chief Technology Officer

- There is a realignment of 2.0 FTE positions and \$197,063 from the Department of Infrastructure and Operations to the Department of Learning Management Systems in order to fund a 1.0 FTE technical analyst position, and a 1.0 FTE IT systems specialist position. Additionally, \$91,871 is realigned from the lease/purchase of equipment in the Department of Infrastructure and Operations, of which \$5,118 is for program supplies, \$80,919 for contractual maintenance, and \$5,834 was realigned to the Office of the Chief Technology Officer for contractual maintenance.
- In the Department of Business Information Services, there is a realignment of \$9,000 in consultant services, \$294,379 in contractual maintenance, \$1,000 in program supplies, \$1,022 in local travel, \$1,216 in dues, registrations, and fees, and \$4,583 in lease/purchase of equipment, for a total realignment of \$311,200 to the Department of Learning Management Systems to fund contractual maintenance.

#### Office of Human Resources and Development

- There are several realignments within the Office of the Associate Superintendent of Human Resources and Development, and between other units/departments, in order to align resources to where they are being managed. Within this office, there is a realignment of 9.875 FTE positions and \$957,088, of which, 2.0 FTE positions and \$242,889 are being realigned to the Talent Acquisition Unit, and 7.875 FTE and \$714,199 to the Department of Performance Evaluation and Compliance. In addition, there is a realignment of \$26,000 for health evaluations, \$5,000 for supporting services part time salaries, and \$1,000 for local travel, to the Department of Performance Evaluation and Compliance. Furthermore, there are realignments of \$15,000 in consulting services and \$2,377 in advertising funding to the Talent Acquisition Unit.
- From the Department of Certification and Staffing, there is a realignment to the Talent Acquisition Unit of a 1.0 FTE administrative secretary III position and \$66,522, \$41,098 in advertising funding, \$26,180 in non-public travel, \$2,000 in program supplies, and \$1,500 in local travel. Additionally, from the Department of Professional Growth Systems, there is a realignment of \$35,000 from contractual services to establish this account in the associate's office.
- From the Department of Certification and Continuing Education, 8.0 FTE positions and \$623,464, along with \$750 in local travel, are being realigned to the Department of Certification and Staffing. Additionally, a 1.0 FTE director I position and \$129,830 is being realigned to the Department of Performance Evaluation and Compliance.

## Office of the Superintendent

- As a result of the reorganization, there are several changes within the Office of the Superintendent of Schools. There is a realignment of 2.0 FTE positions and \$225,341 within the office including reconstituting the executive director position to a chief of staff position, and realigning an administrative services manager position. Additionally, there is a realignment of 6.0 FTE positions and \$625,432 from the Office of Community Engagement and Partnerships to form the Partnerships Unit under the chief of staff.
- As a result of the reorganization, the majority (29.875 FTEs) of the Office of Shared Accountability is realigned to be the Department of Shared Accountability, reporting to the chief of staff. There is also a realignment of a 1.0 position from the Office of Shared Accountability and \$134,255 to the chief of staff to fund the assistant to the chief of staff position.
- The Internal Audit Unit, which is comprised of 4.0 FTE positions and salaries, as well as non-position funding, is realigned to the Office of the Superintendent of Schools from the Office of Shared Accountability.
- In addition, there are realignments within the Office of Communications. The realignments include a 1.0 FTE position and \$46,062 from a fiscal assistant position to an administrative secretary II position. The realignments also include \$15,828 from program supplies and \$1,000 from out of area travel, \$16,278 to contractual services, \$125 to dues, registrations, and fees, and \$425 to books and subscriptions. Lastly, from the budget of the Office of Curriculum and Instructional Programs, there is a realignment of \$345,261 to professional part-time salaries for language assistance services.
- As a result of the reorganization, there are several realignments to the Office of the General Counsel to create the Policy Unit. These include a 1.0 FTE administrative secretary II position and \$67,003 from the Office of Student Services and Engagement, and 2.625 FTE positions and \$284,182 from the Office of Shared Accountability. Additionally, there is a realignment from the Office of Shared Accountability of \$22,632 from supporting services part-time salaries, \$7,350 from contractual services, \$13,130 from contractual maintenance, and \$9,154 from program supplies to supporting services part-time salaries. Lastly, there is a realignment within the Office of the General Counsel of a 1.0 FTE administrative services manager I position to a 1.0 paralegal position.

**Montgomery County Public Schools  
FY 2017 Operating Budget**

**Strategic Priority Enhancements**

The FY 2017 Recommended Operating Budget includes 13.0 full-time equivalent (FTE) positions and \$2,834,132 for strategic priority enhancements. The enhancements are efforts that build on our ongoing work and address our long-standing challenges in new and innovative ways. The enhancements will help close the achievement gap, implement the Common Core State Standards, and ensure that students are college and career-ready and are described in detail below.

**Strategic Priority: Strengthen the Foundation for Academic Success**

**Budget Focus: Focus on Literacy and Mathematics**

***Dual Language—\$85,920***

Perfecting existing programs prior to expansion is an element of strategic continuous improvement. The Dual Language program at Kemp Mill Elementary School has been a singleton program for many years. Without an institutional partner and with changes in staff and administration, the program has lacked attention and nurturing. Bringing a renewed level of intentionality to the Dual Language program will not only strengthen the academic program at Kemp Mill Elementary School but will provide valuable lessons for any possible expansion beyond Kemp Mill Elementary School. Funding is included for a consultant to conduct a review of the Kemp Mill program and lead professional learning.

***Children's Opportunity Fund—\$375,000***

For FY 2017, an additional \$375,000 will be added for the Children's Opportunity Fund to provide funding for a partnership between MCPS, Montgomery County, the Norman R. and Ruth Rales Foundation, and Bell, a non-profit organization that partners with schools to expand learning time in the summer and after school. This funding will be used to launch a high quality summer learning program for third grade students in summer 2016.

***Professional Development to Support Literacy and Mathematics—\$1,076,500***

Building a more strategic infrastructure for the delivery of professional development will result in a more deliberate allocation of resources. Rather than a system that is based on developing the same professional development for all schools and staff, the system will be based on an understanding of the individual needs and context of each school. This approach will allow the school system to effectively target schools based on demonstrated needs and provide differentiated professional development that is designed specifically to meet the needs of the targeted school. The redesigned approach to professional development creates the opportunity for schools with the greatest need for support to receive significant, deep, and ongoing support; thereby, more effectively utilizing existing resources and significantly increasing the return on

investment ratio. For FY 2017, \$1,000,000 will be added to the budget to support professional development for literacy and mathematics. It should be noted that in FY 2016, \$2,000,000 of professional development funds were eliminated from the budget in order to meet the funding level appropriated to MCPS.

### **Budget Focus: Focus on Career Readiness**

#### ***Career Readiness—\$70,000***

Creating a pathway to high school completion—where every student in MCPS exits the school system amply prepared for the next phase of life—requires the school system to have a professional development system that strategically targets and effectively meets areas of need of a broad array of school communities, programs, and options that supports an increasingly diverse and complex student population and broadens relationships with other governmental agencies that leverage resources to support students and families. As a part of this effort, to ensure that every student has a pathway to thrive in their future, there will be a focus on strengthening the Career and Technology Education (CTE) pathways. These pathways, which can result in certifications and/or the building of employability skills, will be fortified and effectively marketed so that students and families understand their benefits. This effort combined with an increased use of Naviance and with an enhanced communications strategy will raise the understanding of staff, students, and families about the potential of the CTE pathways, and what is required to be college and career ready.

#### ***SEPA Program Expansion—4.0 FTE Teachers and \$272,464***

In order to meet the needs of a growing student population who have limited or no formal education, a reimagining of both the Students Engaged in Pathways to Achievement (SEPA) and the Multidisciplinary Education, Training, and Support (METS) programs is required. As a growing number of older students who have not had the advantage of a quality formal education enter the school system, designing programs that will get them a high school diploma, a GED, or at a minimum, a marketable skill, is paramount. To meet this need, strengthening and creating greater access to the SEPA program is a critical entry point. As our understanding of the needs of older students who are unable to meet high school graduation requirements by the age of 21 deepens, the need to construct and expand programs such as SEPA is clear. Just as the needs of this growing group of older students demand attention, so to must attention be paid to the larger pool of students with limited or interrupted education who need significant support to achieve a high school diploma. Thus, investments in the METS program will strengthen the academic program that is essential if these students are to meet MCPS's rigorous requirements. Implementing core content and CTE courses for SEPA students will be at one location. The program will be offered through an extended day at Thomas Edison High School of Technology with time divided between core content areas and CTE areas for industry certification. The initiative will require the realignment of positions allocated to schools for the students identified for the program, plus an additional 4.0 teachers.

**Strategic Priority/Budget Focus: Focus on Accountability and Results**

***Marking Period Assessment Development—\$135,639***

Funding is included in FY 2017 for summer marking period assessment development for 30 courses. This is based on four teachers per course working with a central services instructional specialist to develop four marking period assessments for each course.

***College and Career Readiness and College Completion Act (Transition Courses)—\$25,765***

MCPS will utilize teachers to help develop/organize transition opportunities for students in preparation for the 2016–2017 school year. Work would take place during summer 2016. Teachers will help to develop and organize support materials that will be used through after school and lunchtime programs. In addition, funding will support expansion of Accuplacer to include the English as a second language version, as well as additional licenses to cover the increased number of students taking this assessment.

**Strategic Priority/Budget Focus: Focus on Human Capital Management**

***Teacher Workforce Diversity Initiative—\$21,000***

The Student to Educator Pathway (STEP) program seeks to build our talent pipeline by expanding opportunities for students who grow up in neighborhoods that are underrepresented among our MCPS alumni teachers. It will establish a career pathway for a yearly cohort of MCPS graduating seniors that will lead to a career teaching in MCPS. This program is already under way, with 20 students from four high schools—Wheaton, Northwood, Einstein, and Clarksburg—participating in their senior year of high school. In FY 2017, this cohort of students will matriculate to college, and as a part of their acceptance into the STEP program, MCPS will provide scholarships annually to each student-teacher as part of our commitment to supporting them through their college years and on their journey to become an MCPS teacher. This scholarship will be leveraged to garner additional private and philanthropic funding to support our STEP students and grow the STEP program as a part of building new teacher talent pipelines here in Montgomery County.

**Strategic Priority/Budget Focus: Strengthen Partnerships and Engagement**

***Achieving College Excellence and Success—\$30,000***

Achieving College Excellence and Success (ACES) is a collaborative program that seeks to create a seamless pathway from high school to college completion. A collaboration among MCPS, Montgomery College, and The Universities at Shady Grove, ACES focuses on identifying and supporting students who come from backgrounds that are underrepresented in higher education and those who are the first in their family to attend college. The program began in fall 2013 at 10 high schools. Students apply to ACES in the spring of their sophomore year and, if accepted to the program, are assigned an academic coach during their 11th and 12th grades. Coaching and support through Montgomery College and The Universities at Shady

Grove will continue for ACES students who choose to attend these institutions. For FY 2017, two additional schools will be added to the program. Existing funds totaling \$20,000 will be realigned, and an additional \$30,000 will be added to cover the costs for transportation.

***Parent Community Coordinators—5.0 FTE Positions and \$295,456***

Parent Community Coordinators (PCCs) provide schools and parents with direct services to support family engagement efforts promoting student learning and well-being. In order to provide services to schools with Free and Reduced-price Meal System totals exceeding 40 percent, an additional 5.0 PCCs will be added in FY 2017. Locating all PCCs within the Office of Student Services and Engagement will create consistency within the role and eliminate duplication of efforts. Combining the pool of PCCs also will allow for more effective and strategic use of their knowledge and skills. Creating an office dedicated to establishing and maintaining a seamless infrastructure of support for students and families through a coordinated program of student services focusing on student wellness will allow the school system to maximize the use of student service staff. Housing the PCCs, counselors, ESOL transition counselors, and pupil personnel workers together in a single office provides an opportunity to truly coordinate efforts without the institutional barriers inherent in interoffice work. Additionally, the system's implementation of a restorative student discipline model will be led by the office and the coordination of that work will be enhanced through a structure that consolidates student and family support staff.

**Strategic Priority: Enhance our Culture of Collaboration and Respect**

**Budget Focus: Focus on Equity and Cultural Proficiency**

***Cultural Proficiency—4.0 Equity Specialist FTE Positions and \$364,093***

MCPS is committed to educational equity for all of its students. To achieve this goal, it is essential that all staff members develop a strengths-based perspective of diversity to improve engagement, increase rigor, and enhance our culture of collaboration and respect. The growth and transformation of practice that incorporates daily, intentional practices to eliminate the racial achievement gap requires targeted, ongoing professional learning at the school and office level. Cultural proficiency has been elevated as a key strategy for achieving equity and closing the achievement gap. As such, every school and office has identified specific action plans they will engage in to build the cultural proficiency of every staff member.

The mission of the Equity Initiatives Unit is to build capacity of MCPS staff to eliminate racial predictability in student achievement. The six existing equity specialists offer one-on-one support to 202 schools, design and deliver training models for school and office staff, collaborate with Study Circles, and provide logistical and technical support to the Montgomery County Education Association/McDaniel College Partnership graduate certificate program in Equity and Excellence in Education.

In order to effectively implement this work and achieve our goal of cultural proficiency across all schools and offices, 4.0 instructional specialists and funding for professional development will be added to the budget in the amount of \$364,093.

***Minority Achievement University Partnerships—\$82,295***

The Minority Achievement University Partnerships will link students with local Historically Black Colleges and Universities supporting a focus on pathways to college predicated on building positively reinforcing relationships with adults. The partnerships will focus on students interested in pursuing a career or degree in one of the STEM fields and will include college-level coursework, mentoring, and support with the college application process.

## Montgomery County Public Schools FY 2017 Operating Budget

### Program Efficiencies and Reductions

Every year, MCPS undertakes a comprehensive process to identify potential program reductions and efficiencies in the operating budget. This is called the Program Efficiency, Abandonment, and Redirection (PEAR) process. Zero-based budgeting is used to review and justify all expenditures in the base budget and identify opportunities for efficiencies, realignments, and reductions.

Between FY 2009 and FY 2016, MCPS has made base budget reductions of more than 1,800 full-time equivalent (FTE) positions and more than \$210 million as reflected in the table below. Additionally, employees did not receive \$89.5 million of negotiated wage increases and \$54.0 million of seniority salary increments. Budget reductions have been targeted to minimize disruption to classroom instruction and to preserve, as much as possible, the highest priority improvement initiatives. Central services reductions during this time frame included \$53.4 million (more than 20 percent of total central services expenditures) and 296.7 positions. Details on the reductions for FY 2009 through 2016 that were included in the Superintendent's recommended operating budgets for these years can be found at the following link:

<http://www.montgomeryschoolsmd.org/uploadedFiles/departments/budget/fy2015/BudgetInBrief2015.pdf> and at <http://www.montgomeryschoolsmd.org/uploadedFiles/departments/budget/fy2016/BudgetInBrief2016.pdf>

Budget Reductions	FTE	Dollars in Millions
<b>FY 2009</b>		
Total	(318.0)	(\$36.0)
Central Services	(49.3)	(7.6)
<b>FY 2010</b>		
Total	(227.0)	(31.5)
Central Services	(62.5)	(13.0)
<b>FY 2011</b>		
Total	(444.1)	(53.1)
Central Services	(51.4)	(7.8)
<b>FY 2012</b>		
Total	(322.3)	(30.1)
Central Services	(46.7)	(9.0)
<b>FY 2013</b>		
Total	(23.4)	(9.3)
Central Services	(17.8)	(6.4)

Budget Reductions	FTE	Dollars in Millions
<b>FY 2014</b>		
Total	(27.5)	(4.3)
Central Services	(5.7)	(1.9)
<b>FY 2015</b>		
Total	(22.6)	(3.3)
Central Services	(9.5)	(2.3)
<b>FY 2016</b>		
Total	(448.6)	(46.5)
Central Services	(53.9)	(5.5)
<b>Total, FY 2009 - FY 2016</b>		
<b>Total</b>	<b>(1,833.4)</b>	<b>(214.0)</b>
<b>Central Services</b>	<b>(296.7)</b>	<b>(53.4)</b>



For FY 2017, the operating budget includes \$5,669,383 of efficiencies and reductions, including a reduction of 38.175 positions. Of these amounts, \$2,985,537 and 18.4 positions are from central services. The table below summarizes these reductions and is followed by details of the reductions.

<b>Central Services:</b>	<b>FTE</b>	<b>Amount</b>
<b><u>Office of School Support and Improvement:</u></b> Professional Part-time; Substitutes; Stipends; Supporting Services Part-time; Travel for Professional Learning; Program Supplies, Consultants; Contractual Services; Dues, Registrations, and Fees	-	(\$71,761)
<b><u>Office of the Chief Academic Officer</u></b> Supporting Services Part-time; Travel for Professional Learning; Local Travel; Dues, Registrations, and Fees	-	(8,111)
<b><u>Office of Curriculum and Instructional Programs:</u></b> 1.0 Director I; 1.0 Fiscal Assistant I; 0.5 Office Assistant II; Professional Part-time; Substitutes; Staff Development Stipends, Supporting Services Part-time; Instructional Materials; Office Supplies; Contractual Services; Consultants; Local Travel; Lease/Maintenance of Copying Equipment; Dues, Registrations, and Fees; Building Rental; Summer Employment Non-teaching	(2.500)	(616,257)
<b><u>Office of Special Education and Student Services:</u></b> 2.0 Instructional Specialists; 0.8 Speech Pathologist Assistant; 1.0 Office Assistant IV; 1.0 Administrative Secretary I; Summer School Non-training Stipends; Supporting Services Part-time Salaries; Summer Employment Non-teaching; Training Supplies; Assistive Technology Materials; Office Supplies; Contractual Services; Local Travel;	(4.800)	(412,207)
<b><u>Office of Shared Accountability:</u></b> 1.0 Associate Superintendent; Professional Part-time; Dues, Registrations, and Fees	(1.000)	(227,786)
<b><u>Office of the Community Engagement and Partnerships:</u></b> 1.0 Associate Superintendent; Professional Part-time; Back to School Fair Contractual Services; Family Markets; Office Supplies; Program Supplies Local Travel; Out of Area Travel; Dues, Registrations, and Fees	(1.000)	(321,458)
<b><u>Office of the Chief Operating Officer:</u></b> 0.1 Director I (partial shift to Employee Benefits Trust Fund); 1.0 security monitor; 1.0 security patroller; 1.0 instructional materials assistant; 1.0 printing equipment operator; Non-training Stipends; Training Supplies; Reduction Amount in Relocatables Budget; Program Supplies; Recycling Supplies; Consultants; Dues, Registrations, and Fees; Contractual Services	(4.100)	(824,770)
<b><u>Office of the Chief Technology Officer:</u></b> 2.0 Supervisors; 1.0 Information Technology System Specialist; 1.0 Administrative Secretary III; Supporting Services Part-time Salaries; Software; Contractual Services; Consultant Services; Local Travel, Dues, Registrations, and Fees	(4.000)	(446,962)
<b><u>Office of Communications:</u></b> 1.0 Secretary	(1.000)	(56,225)
<b>Total Central Services</b>	<b>(18.400)</b>	<b>(\$2,985,537)</b>

<i>School-Support Operations</i>	<b>FTE</b>	<b>Amount</b>
<b><u>Office of the Chief Operating Officer:</u></b>		
1.0 Cabinet Maker; 1.0 Electronic Technician; Maintenance Supplies	(2.000)	(\$186,628)
<b>Total School-Support Operations</b>	<b>(2.000)</b>	<b>(186,628)</b>
<b><i>School-based:</i></b>		
<b><u>K-12 Instruction</u></b>		
Compacted Math Instruction	(3.500)	(238,407)
Inflation for Textbooks, Instructional Materials, and Media Center Materials	-	(602,762)
<b><u>Office of School Support and Improvement</u></b>		
Alternative Programs: Summer Employment; Professional Part-time Salaries; Supporting Services Part-time Salaries; Out of Area Travel	-	(101,200)
<b><u>Office of Curriculum and Instructional Programs</u></b>		
Extended Day/Extended Year: Professional Part-time Salaries; Stipends; Substitutes; Instructional Materials; Program Supplies	-	(176,641)
Downcounty Consortium: Professional Part-time; Supporting Services Part-time; Contractual Services; Consultants; Dues, Registrations, and Fees; Equipment	-	(20,894)
Signature School Programs: Consultants; Dues, Registrations, and Fees	-	(6,650)
Career and Technology Education: Substitutes; Supporting Services Part-time; Dues, Registrations, and Fees; Equipment; Field Trips; Consultants	-	(17,812)
Advancement Via Individual Determination: Substitutes; Non-training Stipends; Contractual Services; Local Travel; Out of Area Travel	-	(67,352)
Assessments: Stipends; Assessment Scoring Materials; Instructional Materials	-	(53,612)
Bridge Program: Substitutes; Supporting Services Part-time; Local Travel; Program Supplies; Out of Area Travel	-	(23,804)
Interim Instructional Services: Professional Part-time; Contractual Services	-	(31,278)
Head Start - Local Match: Instructional Materials; Local Travel; Meals and Snacks	-	(15,492)
Prekindergarten: 0.4 Paraeducator; Consultants; Instructional Materials; Meals and Snacks; Transportation for Field Trips	(0.400)	(36,474)
ESOL and Bilingual Programs: Contractual Services; Instructional Materials	-	(15,683)
Secondary ESOL: Contractual Services; Instructional Materials	-	(108,469)
<b>Total, Office of Curriculum and Instructional Programs</b>	<b>(0.400)</b>	<b>(574,161)</b>
<b><u>Office of Special Education and Student Services</u></b>		
Division of Business, Fiscal, and Information Systems: Substitutes; Program Supplies	-	(8,331)
Speech and Language Services: 3.0 Speech-Language Pathologists; Local Travel	(3.000)	(310,623)
Visually Impaired Programs: 1.0 Speech-Language Pathologist; 0.875 Paraeducator; 0.3 Parent Educator	(2.175)	(154,727)
Programs for Students Who are Deaf/Hard of Hearing: 1.0 Interpreter I	(0.500)	(18,961)
Department of Special Education Services: Stipends	-	(1,733)
Programs for Students with Physical Disabilities: 0.375 Physical Therapy Assistant; Local Travel	(0.375)	(34,056)

<b>Office of Special Education and Student Services</b>	<b>FTE</b>	<b>Amount</b>
Programs for Students with Emotional Disabilities: Local Travel	-	(\$3,000)
Division of Prekindergarten, Special Programs, and Related Services: Assistive Technology Equipment; Field Trips	-	(13,006)
Infants and Toddlers Program: 0.2 Teacher; Program Supplies	(0.200)	(31,664)
Gifted and Talented/Learning Disabled Program: 0.850 Paraeducator	(0.850)	(36,481)
Secondary Intensive Reading Program: 0.400 Teacher	(0.400)	(25,160)
Learning for Independence Programs: 1.0 Teacher; 0.875 Paraeducator	(1.875)	(110,415)
Least Restrictive Environment Support: 3.0 Teachers; 2.625 Paraeducators	(3.625)	(185,524)
Visually Impaired Programs: 0.375 Paraeducator; Local Travel	(0.875)	(47,007)
<b>Total, Office of Special Education and Student Services</b>	<b>(13.875)</b>	<b>(980,688)</b>
<b>Total School-based</b>	<b>(17.775)</b>	<b>(2,497,218)</b>
<b>TOTAL PROGRAM EFFICIENCIES AND REDUCTIONS</b>	<b>(38.175)</b>	<b>(\$5,669,383)</b>

The following are descriptions by office of the recommended PEARs for FY 2017.

### **Central Services Reductions**

For FY 2017, central services reductions total \$2,985,537 and 18.4 FTE positions. A summary of the central services efficiencies and reductions follows:

#### Office of School Support and Improvement (\$71,761)

Reductions include \$5,383 in professional part-time salaries, \$21,691 in stipends, \$8,612 for supporting services part-time salaries, \$2,870 for substitutes, \$7,500 for consultants, \$5,000 for contractual services, \$17,205 for travel for professional learning, \$1,000 for program supplies, and \$2,500 for dues, registrations, and fees.

#### Office of the Chief Academic Officer (\$8,111)

Reductions include \$1,080 for supporting services part-time salaries, \$1,309 for local travel, \$5,000 for travel for professional learning, and \$722 for dues, registrations, and fees.

#### Office of Curriculum and Instructional Programs (\$616,257 and 2.500 FTE positions)

In the Office of the Associate Superintendent, reductions include \$8,640 for professional part-time salaries, \$28,080 for staff development stipends, \$10,800 for supporting services part-time salaries, \$9,000 for contractual services, \$4,000 for program supplies, and \$100 for office supplies.

In the Department of Elementary Curriculum and Districtwide Programs, there are reductions of \$3,110 for substitutes, \$2,700 for dues, registrations, and fees, and \$4,137 for travel for professional learning.

In the Division of ESOL/Bilingual Programs, there are reductions of a 1.0 FTE director I position and \$185,961, a 1.0 FTE fiscal assistant I position and \$73,507, and \$16,081 for local travel.

In the Division of Title I and Early Childhood Programs and Services, there are reductions of a 0.5 office assistant II and \$23,695, \$12,913 for professional part-time salaries, \$1,000 for office supplies, \$500 for local travel, and \$900 for dues, registrations, and fees.

In the Department of Career Readiness and Innovative Programs, reductions include \$7,990 for professional part-time salaries, \$132,857 in instructional materials, \$86 in supporting services part-time salaries, \$2,494 in local travel, and \$16,422 in office supplies.

In the Division of Consortia Choice and Application Program Services, there are reductions of \$15,298 for professional part-time salaries, \$2,124 for substitutes, \$4,782 for supporting services part-time salaries, \$798 for contractual services, \$2,830 for office supplies, \$420 for maintenance of equipment, and \$474 for program supplies.

In the Department of Secondary Curriculum and Districtwide Programs, there are reductions of \$5,000 for professional part-time salaries, \$2,648 for substitutes, \$8,500 for staff development stipends, \$3,000 for consultants, \$7,198 for contractual services, \$2,819 in maintenance of equipment, and \$1,000 for building rental.

In the Evaluation and Instructional Materials Unit, there are reductions of \$6,379 for professional part-time salaries, \$92 for non-teaching summer employment, \$452 for local travel, \$4,469 for office supplies, and \$3,000 for dues, registrations, and fees.

#### Office of Special Education and Student Services (\$412,207 and 4.8 FTE positions)

In the Office of the Associate Superintendent, there are reductions of \$9,341 in supporting services part-time salaries and \$3,574 in contractual services.

In the Division of Business, Fiscal, and Information Systems, there are reductions of a 1.0 FTE instructional specialist position and \$81,604, \$7,641 for non-teaching summer employment, \$44,650 for summer school supporting services part-time salaries, \$10,007 for supporting services part-time salaries, \$2,400 for maintenance of equipment, \$1,900 for training supplies, \$2,800 for assistive technology materials, and \$1,851 for office supplies.

In Speech and Language Services, there are reductions of a 0.8 FTE speech pathologist assistant position and \$37,168, \$1,000 for office supplies, and \$236 for local travel.

In the Resolution and Compliance Unit, there is a reduction of \$600 for local travel.

In the Department of Student Services, there are reductions of \$1,944 for non-training stipends, and \$7,123 for local travel.

In the Department of Special Education Services, there are reductions of a 1.0 FTE office assistant IV position and \$53,741 and a 1.0 FTE instructional specialist position and \$81,604.

In Preschool Education Programs, there is a reduction of a 1.0 FTE administrative secretary I position and \$60,863.

In Visually Impaired Programs, there is a reduction of \$2,160 for supporting services part-time salaries.

Office of Shared Accountability (\$227,786 and 1.0 FTE position)

In the Office of Shared Accountability, there is a reduction of a 1.0 FTE associate superintendent position and \$213,160. In the Internal Audit Unit, there are reductions of \$11,626 for professional part-time salaries, and \$3,000 for dues, registrations, and fees.

Office of Community Engagement and Partnerships (\$321,458 and 1.0 FTE position)

In the Office of Community Engagement and Partnerships, there are reductions of a 1.0 FTE associate superintendent position and \$213,160, \$10,593 for professional part-time salaries, \$1,756 for supporting services part-time salaries, \$7,000 for supporting services part-time salaries for the Back to School Fair, \$26,000 for contractual services for the Back to School Fair, \$50,000 for family markets \$6,649 for office and program supplies \$5,500 for local and out of area travel, \$500 for dues, registrations, and fees, and \$300 for consultants.

Office of the Chief Operating Officer (\$824,770 and 4.1 FTE positions)

In the Department of Financial Services, there is a reduction of 0.1 FTE director I position and \$14,955 related to a shift of these resources from the operating budget to the MCPS Employees Health Benefits Trust Fund.

In the Department of School Safety and Security, there are reductions of a 1.0 FTE office security monitor position and \$59,665, 1.0 FTE security patroller position and \$59,665, \$1,000 for training supplies, and \$15,000 for non-training stipends.

In the Department of Facilities Management, there are reductions of \$225,000 in the relocatables budget, a shift of \$200,000 from the operating budget to the Real Estate Management account, \$3,300 for other program expenditures, and \$12,122 for the lease purchase of equipment.

In the School Energy and Recycling Team, there are reductions of \$1,241 for supporting services part-time salaries, \$17,937 for program supplies, and \$25,090 for recycling supplies.

In the Systemwide Safety Program, there is a reduction of \$4,000 for consultants.

In the Department of Materials Management, there is a reduction of \$1,500 for dues, registrations, and fees.

In the Supply and Property Management Unit, there is a reduction of \$2,000 for office supplies.

In the Library Media Center Unit, there is a reduction for \$6,664 for local travel, dues, registrations and fees, and vehicle operation costs.

In the Procurement Unit, there is a reduction of a 1.0 FTE instructional materials assistant position and \$55,117, \$800 for office supplies, and \$800 for local travel.

In the Editorial, Graphics, and Publishing Services Unit, there are reductions of a 1.0 FTE printing equipment operator position and \$52,694, \$2,171 for overtime, \$4,000 for contractual services, \$55,000 for program supplies, and \$1,000 for local travel.

In the Department of Management, Budget, and Planning, there are reductions of \$1,337 for supporting services part-time salaries, \$301 for maintenance of equipment, \$2,011 for office supplies, and \$400 for training.

Office of the Chief Technology Officer (\$446,962 and 4.0 FTE positions)

In the Office of the Associate Superintendent, there is a reduction of \$4,504 for equipment maintenance.

In Technology Modernization, there is a reductions of \$2,508 for software and \$10,000 for dues, registrations, and fees.

In the Department of Business Information Services, there are reductions of a 1.0 FTE information technology systems specialist position and \$103,502, \$659 for maintenance of equipment, \$503 for program supplies, \$1,106 for local travel, and \$1,716 for dues, registrations, and fees.

In the Department of Information and Application Architecture, there is a reduction of \$4,583 for the lease/purchase of equipment.

In the Enterprise System Administration, there are reductions of a 1.0 FTE supervisor position and \$114,953 and a 1.0 FTE administrative secretary III position and \$66,757.

In the Department of Learning Management Systems, there is a reduction of a 1.0 FTE supervisor position and \$114,953.

In Telecommunications Systems, there is a reduction of \$21,218 for supporting services part-time salaries.

Office of Communications (\$56,225 and 1.0 FTE position)

In the Office of Communications, there is a reduction of a 1.0 FTE secretary position and \$56,225.

## **School-Support Operations Reductions**

For FY 2017, school support operations reductions total \$186,628 and 2.0 FTE positions. Following is a summary of these reductions:

### Department of Facilities Management (\$186,628 and 2.0 FTE positions)

In the Division of Maintenance, there are reductions of a 1.0 FTE cabinet maker position and \$62,419, a 1.0 FTE electronics technician position and \$69,092, and \$55,117 for maintenance supplies.

## **School-based Reductions**

For FY 2017, school-based reductions total \$2,497,218 and 17.775 FTE positions. A description of these reductions follows:

### K-12 Instruction (\$841,169 and 3.50 FTE positions)

In K-12 Instruction, there is a reduction of 3.50 FTE positions and \$238,407 for compacted math instruction as a result of no longer serving Grade 4 and 5 students in middle school but rather serving them in their home school. In addition, there is a reduction of \$602,762 included in the FY 2017 Operating Budget for inflation for textbooks, instructional supplies, and media center materials.

### Office of School Support and Improvement (\$101,200)

In the Office of School Support and Improvement, Alternative Programs, there reductions of \$37,678 for professional part-time salaries, \$32,295 for summer employment, \$10,227 for supporting services part-time salaries, and \$21,000 for travel for professional learning.

### Office of Curriculum and Instructional Programs (\$574,161 and 0.4 FTE positions)

In the Extended Day and Extended Year Program, reductions include \$111,904 for professional part-time salaries, \$4,759 for stipends, \$4,352 for substitutes, \$8,870 for supporting services part-time salaries, \$5,881 for instructional supplies, and \$40,875 for program supplies.

In the Downcounty Consortium, reductions include \$3,230 for professional part-time salaries, \$1,603 for supporting services part-time salaries, \$3,500 for contractual services, \$7,896 for consultants, \$2,500 for dues, registrations, and fees, and \$2,165 for non-capitalized equipment.

In the Signature School Programs, reductions include \$2,500 for consultants and \$4,150 for dues, registrations, and fees.

In the Career and Technology Education Program, reductions include \$3,331 for substitutes, \$746 for supporting services part-time salaries, \$2,183 for dues, registrations, and fees, \$2,851 for non-capitalized equipment, \$6,341 for consultants, and \$2,360 for field trips.

In the Advancement Via Individual Determination Program, reductions include \$22,205 for substitutes, \$11,088 for non-training stipends, \$11,573 for contractual services, \$2,764 for dues, registrations, and fees, \$300 for local travel, and \$19,622 for travel for professional development.

In the Assessments Unit, reductions include \$37,000 for stipends, \$13,602 for instructional materials, and \$3,010 for assessment scoring materials.

In the Bridge Program, reductions include \$17,524 for supporting services part-time salaries, \$4,757 for stipends, \$504 for program supplies, \$619 for local travel, and \$400 for travel for professional learning.

In Interim Instructional Services, reductions include \$26,924 for professional part-time salaries and \$4,354 for contractual services.

In the Head Start local match, reductions include \$8,651 for instructional materials, \$75 for local travel, and \$6,766 for meals and snacks.

In the Prekindergarten Program, reductions include a 0.4 FTE paraeducator position and \$17,168, \$1,500 for consultants, \$12,500 for instructional materials, \$3,306 for meals and snacks, and \$2,000 for field trip transportation.

In the Division of ESOL/Bilingual Programs, reductions include \$5,683 for contractual services and \$10,000 for instructional materials.

In Secondary ESOL, reductions total \$46,469 for contractual services and \$62,000 for instructional materials.

Office of Special Education and Student Services (\$980,688 and 13.875 FTE positions)

In the Division of Business, Fiscal, and Information Systems, reductions include \$5,383 for substitutes and \$2,948 for program supplies.

In Speech and Language Services, reductions include 3.0 FTE speech pathologists positions and \$310,027 and \$596 for local travel.

In Visually Impaired Programs, reductions include a 1.0 FTE speech pathologist position and \$103,342, a 0.875 FTE paraeducator position and \$37,554, and a 0.3 FTE parent educator position and \$13,831.

In Programs for Students who are Deaf/Hard of Hearing, the reduction is a 0.5 interpreter I position and \$18,961.

In the Department of Special Education Services, the reduction is \$1,733 for stipends.

In Programs for Students with Physical Disabilities, reductions include a 0.375 FTE physical therapy assistant position and \$13,593 and \$20,463 for local travel.

In Programs for Students with Emotional Disabilities, the reduction is \$3,000 for local travel.



In the Division of Prekindergarten, Special Programs, and Related Services, reductions include \$9,334 for assistive technology equipment and \$3,672 for field trips.

In the Infants and Toddlers Program, reductions include a 0.2 FTE teacher position and \$12,580 and \$19,084 for program supplies.

In the Gifted/Talented/Learning Disabled Program, the reduction is a 0.850 FTE teacher position and \$36,481.

In the Secondary Intensive Reading Program, the reduction is a 0.4 FTE teacher position and \$25,160.

In the Learning for Independence Program, reductions include a 1.0 FTE teacher position and \$72,861 and 0.875 FTE paraeducator and \$37,554.

In Lease Restrictive Environment Support, reductions include a 1.0 FTE teacher position and \$72,861 and 2.625 FTE paraeducator positions and \$112,663.

In Visually Impaired Programs, reductions include a 0.5 FTE resource teacher position and \$31,450 and a 0.375 FTE paraeducator position and \$12,557, and \$3,000 for local mileage.

# Montgomery County Public Schools FY 2017 Operating Budget

## Budget Transparency and Publications

Montgomery County Public Schools publishes and posts on its website a variety of publications that allow different ways of looking at the operating budget. Together, these documents enable citizens to understand how MCPS resources are used and what is recommended in the operating budget. MCPS is continually trying to improve the transparency of these budget documents. To save printing and postage costs, the publication of paper documents has been considerably reduced, and all budget documents are available on the MCPS website at [www.montgomeryschoolsmd.org/departments/budget/](http://www.montgomeryschoolsmd.org/departments/budget/).

Following are details of the information available on the MCPS operating budget.

- *Building Our Future Together: Students, Staff and Community* – The MCPS Strategic Planning Framework emphasizes MCPS’ commitment to ensuring that students are college and career ready while focusing on three key competency areas: academic excellence; creative problem solving; and social emotional learning.
- *Recommended Operating Budget* – The *Superintendent’s Recommended Operating Budget* shows budget resources in summary and by office, department, and other units. Various charts and displays provide staffing and other detailed information.
- *Budget in Brief* – The *Budget in Brief* describes major budget changes and other issues as an introduction to the operating budget. It includes details of proposals included in the recommended budget. It also includes important summary statistical information about the operating budget.
- *Personnel Complement* – The *Personnel Complement* includes a detailed listing of all actual and budgeted positions. Both the *Program Budget* and the *Recommended Operating Budget* include personnel complements.
- *Program Budget* – The *Program Budget* summarizes the operating budget for more than 80 major programs across departments and offices. The *Program Budget* was redesigned and issued in the fall of 2014. It is aligned with the Strategic Planning Framework *Building Our Future Together*. The programs are categorized in six areas: (1) programs that provide additional support to improve student achievement; (2) collaborative partnership programs to improve student achievement; (3) programs to support school improvement and ensure high quality instruction; (4) core instructional programs; (5) school operational support programs; and (6) systemwide support programs.
- *OpenDataMCPS* – MCPS launched a new open data portal, OpenDataMCPS on January 5, 2015, that allows the public to search, sort, and download a variety of information about the district’s operating budget. The portal currently contains detailed budget data

for the Superintendent's FY 2016 Recommended Operating Budget and the Board of Education's Approved FY 2016 Operating Budget. The Superintendent's Recommended FY 2017 Operating Budget will be available on the OpenDataMCPS portal a few weeks after it is presented to the Board on December 8, 2015.

- *Schools at a Glance* – The *Schools at a Glance* annual publication provides a variety of information for each MCPS school, including demographic and staff personnel allocated to each school. A separate document, *Special Education at a Glance*, is published to show special education resources at each school.
- Beginning in FY 2015, the Board of Education's Fiscal Management Committee has started to conduct "deep dive" fiscal review of major program budgets in MCPS. At its September 17, 2015 meeting, the Fiscal Management Committee heard a presentation and discussed the K-12 budget allocation process. Planned fiscal reviews over the next several months include the budgets for OCIP, ESOL, and the Department Transportation.

## Montgomery County Public Schools FY 2017 Operating Budget

### Public Engagement and the Operating Budget

While the MCPS Strategic Planning Framework: *Building Our Future Together: Students, Staff, and Community*, the district's strategic priorities, and the Board of Education's operating budget interests help guide budgetary planning and decision making, the superintendent and the Board reach out to stakeholders to strengthen public engagement in the development of the budget. A new data portal increases transparency in the MCPS operating budget. A description of these efforts is described below.

- Each year, the Board of Education holds public hearings on the operating budget. Hearings for the FY 2017 Operating Budget are scheduled for January 7 and 14, 2016, when the Board will receive testimony from Montgomery County Council of Parent Teacher Associations cluster representatives and other interested citizens regarding the Superintendent's budget recommendations.
- The Board of Education convenes each month over the course of the year. Near the beginning of these meetings, the public is allotted time to make comments to the Board. This provides the Board and the superintendent an opportunity to hear the views and advice from the community about MCPS and its programs and policies.
- MCPS hosts a website where the public may ask questions about the MCPS Operating Budget. The address for the website is the following:  
<http://www.montgomeryschoolsmd.org/departments/budget/question.aspx>
- On January 5, 2015, MCPS launched a new open data portal that allows the public to search, sort, and download a variety of information about the district. Among the data available on the OpenDataMCPS portal are the Superintendent's Recommended Operating Budget for FY 2016 and the Board of Education's Approved Operating Budget for FY 2016. The portal also provides enrollment data, select data from the "Schools at a Glance" publication, and facilities information. The Superintendent's Recommended FY 2017 Operating Budget will be available on the OpenDataMCPS portal a few weeks after it is present to the Board on December 8, 2015. The address for the OpenData MCPS website is the following:  
<https://data.montgomeryschoolsmd.org/>

## Montgomery County Public Schools FY 2017 Operating Budget

### Enrollment

The Superintendent's Recommended FY 2017 Operating Budget includes an increase by 247.057 positions and \$18,603,281 due to enrollment changes. Enrollment growth impacts most aspects of the operating budget, such as requirements for instructional staffing, textbooks and instructional materials, other school-based resources, and new and expanded school facilities. Additional information about enrollment is provided below.

#### Enrollment Projections

- Official actual enrollment for the 2015–2016 school year is 156,447 students. This is an increase of 2,595 students from the official enrollment for the 2014–2015 school year, and 67 students less than what was projected and budgeted in the FY 2016 Operating Budget.
- Enrollment is projected to be 159,016 students for FY 2017, 2,569 more than the FY 2016 official actual enrollment, and 2,502 more than the total of 156,514 budgeted for FY 2016
- Elementary school enrollment is projected to increase next year. The projection for Grades K-5<sup>1</sup> enrollment in FY 2017 is 72,096, up 491 from this year's actual enrollment of 71,605 and up 306 from the number budgeted in the FY 2016 Operating Budget.
- Secondary school enrollment is projected to increase in FY 2017. Grades 6–8 enrollment is projected at 34,991, an increase of 885 from this year's actual enrollment of 34,106, and up 755 from the number budgeted in the FY 2016 Operating Budget. Grades 9-12 enrollment is projected at 46,817, an increase of 1,020 from this year's actual enrollment of 45,797, and an increase of 1,321 from the number budgeted in the FY 2016 Operating Budget.
- In addition to Grades K-12 enrollments described above, Pre-kindergarten enrollment is projected to be 2,285 in FY 2017, 140 more than budgeted for FY 2016. Head Start enrollment is projected to be 628 for FY 2017, the same as budgeted for FY 2016. Pre-kindergarten special education enrollment is projected to be 1,493 for FY 2017, 70 less than budgeted for FY 2016. Special education center enrollment is projected to be 481 for FY 2017, 50 more than budgeted for FY 2016.
- Alternative Programs are projected to enroll 225 students for FY 2017, the same as budgeted for FY 2016.
- In summary, the primary reasons for the overall higher projected enrollment in FY 2017 include:

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<sup>1</sup> Includes enrollment numbers for Chevy Chase and North Chevy Chase Grade 6 that are budgeted in the elementary schools enrollment figures.

- Increases in resident births between 2000 and 2007, resulting in a large cohort of students now moving up from elementary schools to middle schools and high schools;
- A reduction of out-migration of households from Montgomery County;
- Increased in-migration of households due to a relatively stronger local economy and housing market; and
- Net gains in enrollment due to students entering MCPS from county private schools during the recession years.

Over the next six years, significant total enrollment increases will occur. Elementary enrollment will begin to plateau due to decreases in births from 2008 to 2013. However, middle school and high school enrollments will see large increases. By FY 2022, MCPS is projected to have 166,598 students enrolled, 10,151 more than the official actual enrollment for FY 2016.

### **Costs Related to Enrollment Changes**

Budget calculations are based on changes in projected enrollment for FY 2017 compared to the enrollment projection used for the FY 2016 Operating Budget. Staffing allocations to schools based on enrollment projections are zero-based each year. For FY 2017, a total of 247.057 positions and \$18,603,281 is required for enrollment growth. The following is a summary of the changes.

- This fall, there are 185 fewer students in Grades K-5 than projected and budgeted in FY 2016. The FY 2017 projection is 306 additional Grades K-5 students compared to what was budgeted in the FY 2016 Operating Budget. Overall, these additional students in FY 2017 require an increase of 16.0 classroom teachers for Grades 1-5 and a decrease of 2.0 kindergarten classroom teachers for a net change of 14.0 classroom teachers, 3.0 assistant principals, 1.0 assistant school administrator position, 1.4 paraeducators, 1.2 lunch hour aide position, and a decrease of 1.625 media assistant positions for a total net increase of 18.975 and \$1,499,188.
- This fall, there are 130 fewer students in Grades 6-8 than projected and budgeted for FY 2016. The projection for FY 2017 is 755 more middle school students than budgeted for FY 2016. These additional students in FY 2017 require 35.72 additional classroom teachers, 2.0 assistant school administrator, 4.0 counselors, 2.0 security assistants, and a .5 lunch hour aide position for a total increase of 44.22 and \$3,096,665.
- This fall, there are 301 more students in Grades 9-12 than were projected and budgeted for FY 2016. The FY 2017 projection is 1,321 more high school students than budgeted for FY 2016. These additional students in FY 2017 require 64.290 teachers, 2.0 resource teachers, 5.0 counselors, 3.0 security assistants, 1.5 paraeducators, 1.0 English composition assistant and a .5 media assistant position for a total increase of 77.290 and \$5,171,186.
- Growth in special education requires the addition of 57.972 positions including 25.4 classroom teacher positions, a .4 speech pathologist position, 30.272 paraeducator positions, a 0.5 psychologist – 10 month, a 1.0 school secretary II position, a 1.0 social worker and a decrease of a .1 occupational therapy/physical therapy position and a decrease of a 0.5 media assistant position at a total cost of \$3,350,751. There is a net

increase of \$964,412 for tuition for students in non-public programs for an additional 10 students. Other requirements total \$132,877 including \$43,802 for substitute teachers, \$44,051 for paraeducator substitutes, and \$45,024 for materials. The total cost for enrollment growth in special education is \$4,448,040.

- For FY 2017, there is a projected increase of 1,570 ESOL students, for a total of 22,650. The additional students and services require 32.6 ESOL teacher positions at a total cost of \$2,220,585.
- There are other costs related to enrollment changes for transportation. This includes 16.0 positions and \$1,606,711 for bus operators, bus attendants, the lease/purchase of buses, and bus parts and supplies.
- The new Damascus/Clarksburg middle school will open in August 2016. To prepare for its opening, an additional 17.6 FTE positions and \$2,877,349 are required. This includes the remaining 0.5 FTE each for the principal and administrative secretary, as well as 2.0 FTE assistant principals, 1.0 FTE resource counselor, 3.6 FTE general education teachers, 2.0 FTE special education teachers, 1.0 FTE media specialist, 0.625 FTE media assistant, 2.0 FTE school secretaries, 0.875 FTE paraeducator, 0.5 instructional data analyst, 1.0 FTE financial specialist, and 2.0 FTE school security assistants.
- To plan for the opening of the new Bethesda/Chevy Chase middle school, a 0.5 FTE principal and 0.5 school administrative secretary and \$105,907 are included in the FY 2017 Operating Budget.
- With the opening of additional space at several schools due to renovations and modernizations, an additional 16.5 building service worker positions and \$1,129,934 are included in the FY 2017 Operating Budget.
- Employee benefits costs of \$3,781,985 related to enrollment changes are included in the detailed amounts above.

## Montgomery County Public Schools FY 2017 Operating Budget

### Continuing Salaries

Continuing salaries and related employee benefits will increase the FY 2017 Operating Budget by \$55,335,331. Employee pay is based on salary schedules, published as part of the operating budget, for each pay grade and step. Continuing salary costs include general wage adjustments and annual salary increments (step and longevity increments) for eligible employees adjusted by savings for expected employee lapse (savings resulting from short-term vacancies) and turnover (savings from replacing a senior employee with a lower-paid junior employee) and by other adjustments, including changes in salary base. Continuing salary costs for FY 2017 include the annualized cost of the FY 2016 increases received on October 17, 2016; the step and general wage agreement that will be received on September 3, 2016; and the step that will be received by eligible employees on March 4, 2017, as well as other salary adjustments determined by negotiated agreements.

Changes in employee salaries are determined by negotiated agreements with three employee organizations:

- Montgomery County Education Association (MCEA) representing teachers and other professional employees
- SEIU Local 500 representing supporting services employees
- Montgomery County Association of Administrators and Principals/Montgomery County Business and Operations Administrators (MCAAP/MCBOA) representing administrators and non-certificated supervisory employees

In FY 2017, the cost for the step and 2 percent GWA on September 3, 2016, as well as longevity that will be provided to eligible employees throughout the year is \$58.9 million. The cost in FY 2017, for the step for eligible employees effective March 4, 2017, is \$8.9 million. In addition, there is \$6.0 million budgeted for related employee benefits.

Included in net continuing salary costs are savings for lapse and turnover of \$26.6 million based on historical experience. There also is a reduction of approximately \$18.0 million because this amount is available in the base budget.

Budgeted salary costs for FY 2017 assume that all new employees will be hired at the budgeted new-hire rate for their position, including BA4 for regular education teachers and BA6 for special education teachers.



## **Montgomery County Public Schools FY 2017 Operating Budget**

### **Employee Benefits and Insurance**

The MCPS FY 2017 Operating Budget includes an increase of \$64,199,909 to provide benefits and insurance for existing employees and retirees. The amount includes employee benefits increases of \$5,958,284 for continuing salaries costs related to social security and retirement contributions. In addition to existing employees and retirees, the budget includes an increase of \$4.0 million to provide benefits and insurance for enrollment growth, program efficiencies and reductions, and strategic priority enhancements. The total budget for FY 2017 of \$558.0 million (including the amount required to maintain insurance coverage, primarily through the county's Self-Insurance Program) represents 22.7 percent of the total operating budget. An explanation of this increase follows.

#### **Retirement Benefits**

The retirement budget for FY 2017 is decreased by \$3.6 million. The decrease is due to the following items:

- The budget for retirement costs is increased by \$7.9 million due to the amount owed to the state for the teacher pension shift to local school districts. The total amount is increased from \$50,761,802 in FY 2016 to \$58,672,664 in FY 2017.
- The normal pension cost for current retirement programs is based on a percentage of salary, as provided by the annual actuarial study. The rate applied in FY 2017 has been lowered from 5.01 to 4.18 percent. As a result of this rate reduction, the budget can be reduced by \$11.5 million for retirement contributions.

#### **Health and Life Insurances**

Health and life insurance coverage for current active and retired employees and their families are provided through the MCPS Employees Group Insurance Fund. The health and life insurance budget for FY 2017 active and retired employees is increased by \$62.7 million. The increase is due to several factors regarding both active and retired employees:

- There is an increase of \$27.6 million for projected increases in medical and prescription drug claims for the current active and retiree population. This increase is primarily due to a 7.1 percent increase in claims' expenses projected for FY 2017. Medical claims are projected to increase by \$14 million or 6 percent over FY 2016, and prescription drug claims are projected to increase by \$13 million or 12 percent over FY 2016. The rate increase is based on a blend of national, local, and MCPS claim trends.
- There is an additional \$11.1 million needed for FY 2017 to restore the MCPS Employees Group Insurance Fund balance back to a zero fund balance. Based on the County Council's action in funding the FY 2016 Operating Budget, as well as actual FY 2015 experience and current projections for FY 2016, the MCPS Employees Group Insurance

Fund balance for both active employees and retirees is projected to be in deficit by the end of FY 2016.

- The budget includes the restoration of \$24.0 million that was transferred from the MCPS Other Post-Employment Benefits (OPEB) Fund to the MCPS Employees Group Insurance Fund in FY 2016. The transfer allowed for a reduction of this amount in appropriation in the FY 2016 Operating Budget. Over the past two fiscal years, a total of \$51.2 million has been transferred from the MCPS OPEB Fund, thereby reducing the appropriation request within the MCPS Operating Budget on a temporary basis. However, since the MCPS OPEB Fund balance has been depleted, funding will be needed from the county in order to restore the budget in FY 2017 and in future fiscal years.

### **Other Post-Employment Benefits**

In FY 2012, Montgomery County established a combined Retiree Health Trust Fund for Other Post-Employment Benefits to pre-fund retiree health benefits. In FY 2012, the Montgomery County Council made \$20 million in contributions on behalf of MCPS as part of an eight-year phase-in period on behalf of MCPS. Consequently, OPEB contributions are no longer included in the MCPS Operating Budget. However, the MCPS Operating Budget will continue to include “Paygo” contributions for current retiree health obligations.

Last fiscal year, the MCPS FY 2016 Operating Budget was reduced by \$27.2 million by transferring the same amount of funds from the county’s OPEB Trust Fund to fund current retiree health benefits costs within the Group Insurance Fund for retirees. The MCPS FY 2017 Operating Budget does not attempt to restore these funds, and it is assumed that the county will continue to transfer \$27.2 million for retirees’ health benefit costs to the Group Insurance Fund.

### **Other Employee Benefits**

MCPS participates in an inter-agency risk management fund that covers worker’s compensation and other types of insurance. Due to recent claims experience and achieving higher reserve targets in FY 2016, the cost share allocated to MCPS is increased marginally by \$169,163 for FY 2017. Worker’s compensation is increased by \$50,510, liability insurance is increased by \$31,784, and fire and other insurance is increased by \$86,869.

**Montgomery County Public Schools  
FY 2017 Operating Budget**

**Inflation and Other Cost Changes**

Cost increases resulting from inflation and other rate changes to maintain the same level of services change the MCPS FY 2017 Operating Budget by an additional 2.645 FTE positions and \$1,476,172. Below are details of these changes.

- Increased costs due to inflation total \$602,762 for textbooks, instructional and media materials, and maintenance and building services supplies, is based on a 3 percent inflation rate.
- MCPS has achieved savings in utilities costs in recent years due to energy conservation measures and savings from lower electricity and natural gas costs. In FY 2011, utilities costs decreased by \$5.5 million. In FY 2012, increases in the county Energy Tax resulted in higher costs of electricity and other utilities that totaled \$2.3 million. In FY 2013, the cost of utilities decreased by \$3.4 million due to savings in electricity and natural gas costs. For FY 2014, costs increased by \$3.7 million due to higher consumption totals and higher costs for natural gas and electricity due to the extreme weather. For FY 2017, MCPS estimated costs for electricity, natural gas, and water/sewer result in an additional \$635,118.
- For student transportation, there is a projected savings of \$1,437,250 in the FY 2017 Operating Budget based on an estimated diesel fuel price of \$2.50 per gallon instead of \$3.00 per gallon that was budgeted for FY 2016. Also for student transportation, there is an increase of \$63,378 to support the schedule of buses being purchased for FY 2017. In addition, 4.0 FTE positions and \$214,143 are required in FY 2017 for moving buses between various bus depots where no maintenance facility is available and the MCPS bus maintenance depots.
- A projected 1.5 percent rate increase for tuition for special education students in non-public placements adds \$636,302. This rate increase is preliminary at this time and must be approved by the Maryland State Department of Education. In addition, an increase of \$205,177 is budgeted for a preventive services plan for the Office of Special Education.

**Other Changes and Grants**

- Other cost changes including grants reflect a decrease of 1.355 positions and a decrease of \$556,542 for FY 2017. This includes the following:
- For the Medical Assistance Program, an additional \$115,200 is required for FY 2017.
- Other cost changes include \$13,314 for contractual services for the external auditor, \$177,140 for Environmental Protection Agency regulation compliance, \$48,981 for changes in Board member compensation in FY 2017, and \$145,000 in contractual food services for the Outdoor Education program, a savings of 0.8 FTE positions and \$28,754 for changing support for the Excel Beyond the Bell Program to stipends instead of a 0.4 FTE position each of at two locations, and other adjustments.
- Miscellaneous grant adjustments include a decrease of 0.555 FTE positions and an increase of \$81,993.

## **Montgomery County Public Schools FY 2017 Operating Budget**

### **Local Revenue**

Montgomery County Public Schools receives about 66 percent of its total revenue from the local county contribution. The Superintendent's Recommended FY 2017 Operating Budget requests \$1,613,936,762 in local revenue. This is \$106,305,165 more than the \$1,507,631,597 in local revenue provided by the county in FY 2016. Within the FY 2017 amount is \$44,356,785 related to the shift of a portion of teacher pension costs from the state to the county that the county is required to provide MCPS.

The MCPS share of the county's tax-supported revenue has been dropping since FY 2003 as reflected in Schedule C-a in the county's budget. In FY 2003, MCPS received 52.5 percent of tax-supported revenues. In FY 2016, the percentage dropped to 41.3 percent.

## Montgomery County Public Schools FY 2017 Operating Budget

### State Revenue

To fund the Montgomery County Public Schools (MCPS) FY 2017 Operating Budget, \$660.1 million is budgeted for state revenue, an increase of \$28.1 million compared to the amount in the current FY 2016 Operating Budget. For FY 2016, 27.3 percent of the MCPS Operating Budget is funded by the state of Maryland. It is necessary to estimate state aid for the superintendent's recommended budget for FY 2017 since the state will not provide preliminary allocations until January 2016.

A historical perspective and current issues related to state revenue are detailed below.

- State aid is distributed using a variety of formulas that provide relative comparisons of student enrollment and wealth with other Maryland school districts. MCPS continues to experience dramatic growth in enrollment which factors into the amount of state aid that is received. However, there is uncertainty as to whether MCPS will continue to benefit as much from the wealth-based components of the formula for counties as it has over the past several years. This uncertainty is reflected in the estimated amount of state aid included in the Superintendent's Recommended FY 2017 Operating Budget.
- The Foundation Program, the primary component of aid from the state of Maryland is estimated to total of \$329,428,813 for FY 2017, an increase of \$7.253 million. The Geographic Cost of Education Index (GCEI) in FY 2017 is projected to total \$35,488,334, which recognizes the higher cost of education in some districts. GCEI funds were not mandated state aid in prior years so there was no guarantee that GCEI funding would be available year to year. Only 50 percent of the funding was made available in FY 2016. The Maryland General Assembly passed a law in 2015 making the GCEI funding mandatory in FY 2017 if the Governor did not provide full funding for GCEI in FY 2016. As a result, funding is projected to increase from \$17,744,167 in FY 2016.
- For FY 2017, \$139,708,256 is estimated for compensatory education aid which is based on the number of eligible FARMS students, \$60,287,318 for Limited English Proficient (LEP) aid based on LEP enrollment, \$39,786,572 in transportation aid based on enrollment, and \$37,362,453 for students with disabilities aid based on our special education enrollment.
- Revenue from the state for tuition for students with disabilities in non-public programs is projected to be \$17,270,242. Miscellaneous revenue and revenue from state grants is projected to be \$814,000 for FY 2017.
- Beginning in FY 2014, the state required that education aid formulas that are dependent on local wealth be calculated twice, using wealth figures that are based on a net taxable

income amount for each county using tax return data filed by September 1, and again using returns filed by November 1. Each local school system will receive the greater total state aid amount of the results of the two calculations. The increased state aid related to this change is being phased in over a five-year period, beginning in FY 2014.

## Montgomery County Public Schools FY 2017 Operating Budget

### Federal Revenue

The FY 2017 Operating Budget includes federal revenue of \$71,738,683, which is 2.9 percent of total revenue, and a decrease of \$178,673 from the FY 2016 Operating Budget. Details about federal revenue are provided below.

- MCPS receives federal aid mainly through categorical grants that must be used for specifically designated purposes. The only exception is Impact Aid received as a reimbursement for the extra expenditures resulting from the attendance of children of certain federal employees. In FY 2017, MCPS expects to receive \$150,000 in federal Impact Aid, which is \$50,000 less than the amount included in the approved FY 2016 Operating Budget.
- Major federal categorical grants include Title I to provide support for children living in poverty, Title II-A to improve teacher quality, Title III (Limited English Proficiency) for English language learners, Head Start, Vocational Education, the *Individuals with Disabilities Education Act* (IDEA), and the Infants and Toddlers program.
- While the federal budget has not been finalized for federal FY 2017, MCPS has based its budget estimates on prior year trends. Federal grant revenue is projected to decrease by a net of \$128,673 from the amount budgeted for FY 2016.
- The largest reduction in federal revenue is anticipated in Title I funding from the federal *No Child Left Behind Act*, where a reduction of \$224,308 from the FY 2016 Operating Budget is projected. Federal revenue for the *Individuals with Disabilities Education Act* is anticipated to decrease by \$53,842 compared to the FY 2016 Operating Budget. A decrease in federal revenue of \$154,726 from the FY 2016 Operating Budget is projected for Title III of the *No Child Left Behind Act* for support for students with limited English proficiency. Also anticipated is an increase of \$168,290 for the Head Start program. Finally, an increase of \$93,792 is anticipated for the Medical Assistance Program for FY 2017.

## Montgomery County Public Schools FY 2017 Operating Budget

### MCPS Operating Budget Process

The operating budget process provides the Board of Education and the superintendent of schools with the opportunity to align the operating budget with the Montgomery County Public Schools' Strategic Planning Framework, *Building Our Future Together*, communicate its goals to the public, and secure approval of the operating budget by the county executive and the County Council. Below is a brief summary of the operating budget process and timeline for the FY 2017 Operating Budget.

- **September 21, 2015 – *Board of Education Adopts its FY 2017 Operating Budget Interests*** – Following a discussion at its July 14, 2015, business meeting, and a meeting of the Strategic Planning Committee on August 24, 2015, the Board of Education adopted its budget interests for the FY 2017 Operating Budget.
- **September 11-25, 2015 – *MCPS Office Budget Submissions*** – The operating budget is developed through a “zero-based” budget process. The process also includes the application of staffing and other funding formulas approved by the Board of Education using updated enrollment forecasts and other school-based data. Offices have an opportunity to realign existing resources to higher priority needs based on system and unit strategic plans.
- **September 2015 – November 2015 – *Budget Steering Committee Meetings*** – The Budget Steering Committee, which is comprised of the three deputy superintendents, employee association leaders, the Montgomery County Council of Parent Teacher Associations (MCCPTA) leadership, and representatives of the African American Student Achievement Action Group and the Latino Student Achievement Action Group met to review the budget requests from offices, departments, and divisions, and examine key components and programs of MCPS. The steering committee advises the superintendent of schools on his recommended operating budget.
- **December 8, 2015 – *Budget Presentation and Publication*** – In December, the superintendent of schools presents his budget recommendations to the Board of Education. The *Superintendent's Recommended Operating Budget* shows budget resources by office, department, and other units. The *Budget in Brief* describes highlights of the recommended operating budget for the general public. All MCPS budget publications are posted to the MCPS website.
- **January 7 and 14, 2016 – *Board of Education Public Hearings*** – In January, the Board of Education holds public hearings. Testimony is received from MCCPTA cluster representatives and other interested citizens regarding the superintendent's operating budget recommendations.
- **January 19 and 21, 2016 – *Board of Education Worksessions*** – Following the hearings, the Board holds two worksessions to review and ask specific questions about the budget and explore potential amendments.



- **February 9, 2016 – *Budget Adoption*** – At the all-day meeting in February, the Board formally considers the superintendent’s operating budget, often as amended. Board members propose and vote on suggested amendments and adopt the Board’s Operating Budget Request.
- **February 2016 – *Spending Affordability Guidelines Process*** – In February, the County Council adopts spending affordability guidelines (SAG) for the county, including possible property tax rates and allocations of resources to each agency. If an agency’s budget request exceeds its SAG allocation, it must submit a list of possible reductions to meet the SAG guideline no later than March 31. In June 2010, for the first time, the County Council adopted a fiscal plan to serve as the basis for its operating budget deliberations.
- **March 1, 2016 – *The Board of Education Budget Submission*** – On March 1, 2016, the Board of Education transmits its budget to the county executive and County Council.
- **March 15, 2016 – *County Executive Recommendation*** – The county executive issues his recommended budget on March 15, 2016, including a recommendation for Montgomery County Public Schools.
- **April-May 2016 – *County Council Public Hearings and Work Sessions*** – Beginning in April 2016, the County Council holds a series of public hearings that include considerable testimony on the MCPS budget. The County Council’s Education Committee reviews the MCPS request and the county executive’s recommendation during worksessions in April and May, and the full Council reviews the request in May.
- **May 19, 2016 – *County Council Appropriation Action*** – On May 19, 2016, the full County Council is scheduled to take action on the FY 2017 Operating Budget.
- **June 14, 2016 – *Board of Education Approval*** – The Board of Education determines the details of the final approved MCPS Operating Budget using state category totals approved by the County Council. The Board of Education may make changes only within the category totals if approved by the Council. The budget for the next school and fiscal year takes effect on July 1, 2016, and concludes on June 30, 2017.
- **July 1, 2016 – *Fiscal Year 2017 begins*** on this date.

## Montgomery County Public Schools FY 2017 Operating Budget

### School Resource Allocations

Operating budget resources, including staffing, materials, and equipment, are allocated to all schools using formulas and guidelines. Budget staffing formulas are published in the annual operating budget documents. The equitable allocation of resources is crucial to ensure that each school has the staff and other resources that it needs to serve students.

- *Allocation Formulas* – Staffing and non-position resources including textbook, instructional materials, and media center material funds are allocated based on formulas. These formulas and guidelines are applied to enrollment projections provided by the staff in Division of Long-range Planning. For example, in elementary schools, teacher positions are allocated based on a class size guideline of 28 in grades 1-3 and 30 in grades 4-5. The goal is to minimize the number of classes over guideline each year. The allocation ratio is sometimes higher than the budgeted ratio to permit the creation of a staff reserve to handle allocation adjustments when the school year begins. In middle and high schools, staffing formulas consider the number of student class periods per day divided by the number of periods taught by each teacher. Other enrollment-based formulas are listed for each allocated position in the Budget Staffing Guidelines (Appendix D of the operating budget). Formulas for building service workers, are based on a school's square footage. For some staffing, schools receive a single position (principal, for example), or a fraction of a position, regardless of enrollment.
- *Special Program and Needs-based Support* – All schools at each school level receive similar standard allocations based on established ratios as described above. In addition, schools receive positions above the base allocation for special programs or to address needs. Special and needs-based programs include Title I for high poverty schools, reading initiative, ESOL, signature programs, and high school consortia. In addition, elementary schools impacted by poverty, also called Focus Schools, are allocated additional classroom teacher positions to lower class size in the primary grades. Additionally, higher poverty schools may be allocated academic intervention teachers to support students and programs. These positions are often used for intervention programs to help students. The special program support accounts for much of the difference in per pupil costs from one school to another.
- *Special Education* – Special education resources are allocated differently than general education K-12 resources. Special education positions, including teachers, paraeducators, and other staff, are allocated based on a formula tailored by disability program and type of service. Special education allocations may be based on enrollment, on the hours of service required to meet a student's needs, or on the number of teaching stations required to serve students across the entire county. Staffing for special education is another factor that explains why some schools have higher per pupil costs than other schools. Special education allocations also are published in the Superintendent's Recommended Operating Budget (Appendix E). Once approved by the Board of Education, special education staffing guidelines must be submitted to the Maryland State

Department of Education annually as part of the Special Education Staffing Plan. The staffing plan is developed with significant community input.

- *Initial Allocation Process* – Schools receive initial staffing allocations for the upcoming school year early in March. Although the operating budget has not yet been approved, initial allocations are necessary to enable principals to plan schedules, make hiring decisions, and communicate with staff members who will not have a position to allow them the opportunity to transfer to another school.
- *Allocation Adjustments* – There are a limited number of reserve positions used to support schools that experience significant enrollment increases during the spring and summer. Depending on needs, staffing may be allocated as a full-time position or in smaller increments. Schools also may have a reduction of positions if actual enrollment does not support the need for the positions. Data are reviewed weekly beginning in March to identify staffing needs at schools.
- *Scheduling Classes* – Schools prepare master schedules based on the allocated staffing. In secondary schools, principals must balance the breadth of course offerings with class size as they develop schedules. The goal is to decide how to use allocated staffing most effectively to support student learning. Once a school develops its schedule and identifies staffing needs, it can begin the hiring process to ensure that all required staff is on board for the start of school.

## Montgomery County Public Schools FY 2017 Operating Budget

### Audit

Audits of financial operations and programs of Montgomery County Public Schools ensure financial and operational accountability to the public. Below are details of some of the regular audits.

#### Board of Education Oversight

- State of Maryland law, Section 5-109 of the Education Article, requires all school districts to commission an annual external audit of financial transactions by an independent certified public accountant. MCPS uses the firm of CliftonLarsonAllen (CLA). Neither CLA nor its predecessors have identified any material weaknesses or noncompliance with internal controls.
- MCPS issues an annual financial report, the Comprehensive Annual Financial Report (CAFR) for the previous fiscal year. This report has repeatedly received an Excellence in Financial Reporting Award from the Government Financial Officers Association of the United States and Canada (GFOA), and from the Association of School Business Officials International (ASBO).
- Board of Education Policy DAA, *Fiscal Responsibility and Control*, requires the superintendent of schools to ensure that adequate fiscal responsibility and control are maintained for funds entrusted to MCPS conform to the laws and regulations of the state of Maryland and to applicable provisions of the charter and laws of Montgomery County. In accordance with MCPS Regulation DAA-RB, *External Audits Requiring Board of Education Approval*, the Board of Education authorizes external agency performance audits that focus on processes and their inherent efficiencies.
- The Board of Education Fiscal Management Committee meets regularly with staff to review audit findings and provide financial oversight. The Fiscal Management Committee reviews the reports of the system's actuary and external auditor.

#### County Audits

- The county Office of Legislative Oversight (OLO) has conducted comprehensive budget reviews of MCPS programs, including food services, student transportation, special education, school plant operations, compliance with environmental regulations, organizational development programs, recycling, Northeast and Downcounty high school consortia, demographic and performance changes of 25 MCPS high schools, employee benefits administration, resources and staffing among MCPS schools, and revitalization and expansion program.

- The county Office of Inspector General has conducted analyses of MCPS capital improvement program projects, the MCPS budget and related financial information, and acquisition of promethean interactive classroom technology systems.

#### State of Maryland Audits

- The Maryland State Department of Education (MSDE) reviews MCPS activities and financial reports every two years. MSDE audits a variety of issues, including enrollment, program administration, special education, teacher certification, criminal background checks of teachers, and grant programs. MSDE conducted an audit of MCPS in FY 2015 to determine compliance with the financial and other requirements that are applicable to each of its State Aid to Education Programs. There were no material findings.
- MSDE conducts an audit of the MCPS meal benefit process (Free and Reduced-price Meal System (FARMS) applications) every three years. It is an audit of the verification and financial processes, as well as site reviews in 18 schools. If one of the schools were to fail to demonstrate compliance with U.S. Department of Agriculture and MSDE regulations, then the auditors return and audit 18 more schools. In its January 21, 2015 audit report, MSDE commended MCPS for exceeding standards in several areas.
- Senate Bill 323 requires that the state Office of Legislative Audit (OLA) conduct a comprehensive financial and operational audit of each local school system to evaluate the effectiveness of the financial management practices at least once every six years. The first audit report published January 15, 2009, found that MCPS has “procedures and controls in place to ensure the safeguarding of assets and the efficient use of financial resources.” The report made useful recommendations for process improvements in business operations, including accounting, internal controls, technology, and facilities operations. OLA began the second audit of MCPS in November 2014 to evaluate the effectiveness of its financial management practices. This audit report is projected to be published in early 2016.
- The Public School Construction Program (PSCP) office of the Interagency Committee on School Construction audits the use of state construction funds provided to all Maryland school systems every two to three years. The examination is made in accordance with the Public School Laws of Maryland and the regulations for the administration of the PSCP, and includes tests of accounting and construction procedures. PSCP conducted its most recent audit of MCPS in FY 2015 to evaluate its regulatory compliance. No material findings were published in the August 21, 2015, report of MCPS as well as in the two prior audit reports.

#### Federal Audits

- The federal government regularly provides mandated Office of Management and Budget Circular A-133 single audits of federal grant programs that have greatly increased in recent years. MCPS also receives a triennial review of its special education early childhood services programs for compliance with Individuals with Disabilities Education

Act (IDEA) and Medicaid requirements. Federal audit results of MCPS grants have not identified any material adverse findings.

#### Internal Audit

- The MCPS Internal Audit Unit (IAU) conducts financial and program audits of MCPS programs and school independent activity funds (IAF). The IAU also monitors the external audit contract and is responsible for ensuring implementation of external audit recommendations.

## Fiscal Year 2017 Operating Budget Timeline

Superintendent Presents Recommended FY 2017 Operating Budget to Board of Education	December 8, 2015
Sign-up begins for Board of Education Public Hearings	December 14, 2015 through January 13, 2016
Board of Education Public Hearings-Auditorium	January 7 & 14, 2016
Board of Education Budget Work Sessions	January 20 & 22, 2016
Board of Education Action	February 9, 2016
Board of Education Budget Transmittal to County Executive/Council (Required by March 1, 2016)	March 1, 2016
County Executive Releases FY 2017 Operating Budget	March 15, 2016
County Council Budget Public Hearings	April 2016
County Council Work Sessions	April - May, 2016
County Council Budget Action	May 19, 2016
Final Board of Education Action to Approve FY 2017 Operating Budget	June 14, 2016

## Operating Budget Documents

The documents listed below enable citizens to understand the MCPS budget and how resources are used.

*Budget in Brief* – Provides detailed summary information on the budget and changes proposed in the Superintendent’s Recommended Operating Budget.

*Superintendent’s Recommended Operating Budget* (often called the management budget) – Shows budget resources by office, department, and other units. It includes references to the units that carry out each program, describes in detail the work of each unit, shows all budget changes, and includes performance measures for each operating unit, a glossary of budget terms, an index of all items, and a section describing how to understand the budget.

*The Operating Budget Adopted by the Board of Education* – Shows summary budget information, including changes to the Superintendent’s Recommended Operating Budget made by the Board of Education.

*The Operating Budget Summary* – Includes information based on the final budget appropriated by the County Council and approved by the Board of Education.

*The Program Budget* – Includes summaries of more than 80 programs across MCPS departments and offices. The programs are categorized to show how the budget is aligned with the Montgomery County Public Schools Strategic Planning Framework, *Building Our Future Together*.

*Personnel Complement* – Provides a detailed listing of all positions requested in the budget. The Program Budget, the Superintendent’s Recommended Operating Budget, and the Operating Budget Summary include personnel complements organized by program and unit, respectively.

*Budgeted Staffing Guidelines* – The Superintendent’s Recommended Operating Budget includes budgeted staffing guidelines for regular education and special education. These guidelines govern the allocation of personnel resources by school and special education disability.

*Schools at a Glance* – Provides a variety of information for each school, including programs from the Program Budget that are implemented at each school and personnel expenditures budgeted for each school. A separate document, *Special Education at a Glance*, is published to show special education resources at each school.

All of these publications are available on the MCPS website at [www.montgomeryschoolsmd.org/departments/budget/](http://www.montgomeryschoolsmd.org/departments/budget/)



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