

# Investing in Our Schools; Securing Our Future



February 2015

Dear Friends,

The future of our county depends on our schools—and our schools depend on you.

The Montgomery County Board of Education is submitting its Fiscal Year 2016 operating budget request to County Executive Isiah Leggett and the County Council for their consideration. It includes a modest spending increase of about 4 percent. As our county leaders begin their deliberations on our budget, it's more important than ever that you make your voice heard and let them know that an investment in education is an investment in the future of our children and our county.

A new report by noted economist Dr. Stephen Fuller shows that the requested investments in MCPS for FY 2016 would contribute more than \$3.26 billion to the Montgomery County economy and would increase the availability of jobs locally and throughout the state. (You can learn more about Dr. Fuller's report elsewhere in this document.)

The Board's FY 2016 operating budget request essentially allows us to provide the same services to a growing number of students. A \$10 million cut in state education aid has already forced us to significantly reduce most of our new investments, and a looming shortfall in the county budget threatens even more harm to the classroom. To save money and help fund next year's budget, we imposed a budget freeze in November. The freeze has increased our budget savings to \$33 million, which will be used to help fund the operating budget in FY 2016.

Each year since the Great Recession in 2009, we have scoured our budget for savings, tightened our belts, and only received the minimum increases from the county afforded us by law. Consider these important facts:

- Since 2009, we have eliminated more than 1,400 positions, saving more than \$175 million. More than \$140 million in wage increases were deferred at the same time.
- During the same period, we have grown by more than 17,000 students, many of whom require more services and supports.

We have included a quick summary of our FY 2016 budget here for your reference along with some important information about how we have invested to improve student achievement and close the gap.

This Board remains committed to ensuring that our schools have the resources necessary to deliver the highest quality instruction. All of us appreciate that Montgomery County is a great place to live because of the many outstanding services we have, like police, fire, libraries, and social services. But we also know that our future depends on making sure our children have the skills and preparation they need to thrive in their future and keep our community strong. Please review this information and help us make sure our county leaders know how important it is to continue to invest in our children!

Sincerely,

A handwritten signature in black ink that reads "Patricia B O'Neill".

Patricia B. O'Neill, President  
Montgomery County Board of Education

# Fast Facts About the Board's FY 2016 Operating Budget Request

**THE MONTGOMERY COUNTY BOARD OF EDUCATION IS REQUESTING** a \$2.39 billion Operating Budget for Fiscal Year (FY) 2016 (the 2015–16 school year). This is a **4.1 percent** increase (\$93.4 million) in spending over the current budget, with 99 percent of the budget going to fund the same services to a larger student body. An additional \$23.3 million will be needed to replace one-time sources that the County Council used to fund the FY 2015 Operating Budget, including an account that funds retiree health benefits.

With projected funding shortfalls at the county and state levels, even this modest spending increase remains uncertain.

The FY 2016 Operating Budget represents the third year of a multiyear budgeting strategy designed to—

- manage continued growth;
- narrow, and ultimately close, achievement gaps; and
- foster innovation to prepare students for the future.

## Managing Growth and Increased Costs

**MCPS IS GROWING** by more than 2,000 students per year. Most of the increase in the Board's budget simply allows MCPS to provide the same level of services to more students. This year, MCPS needs to add more than 270 positions just to keep up with this enrollment growth:

- 111 elementary and secondary school positions
- 96 special education positions
- 41.5 positions to serve students who receive English for Speakers of Other Languages (ESOL) services, and
- 25 positions for transportation.

The rest of the increase also funds ongoing costs, including compensation increases for MCPS staff; benefits for current employees and retirees; transportation and operational costs; supplies; materials; and technology. Savings from a spending freeze, budget cuts, and increased contributions by staff toward the cost of their health benefits will help fund the budget.

## Fiscal Challenges

**MCPS HAD PLANNED** on a \$15.8 million increase in state education aid, but instead received a cut of \$10.3 million in Gov. Lawrence J. Hogan, Jr.'s proposed state budget. At the same time, Montgomery County officials have indicated the county is facing a shortfall of \$200 million.

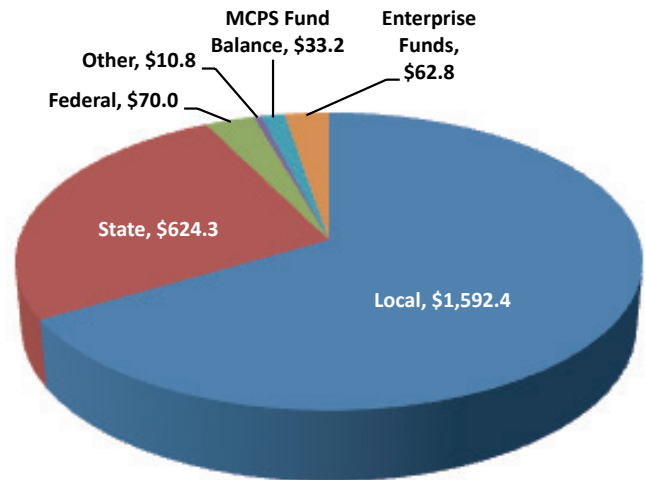
State law requires that the county provide a minimum of \$30.8 million in increased funding to MCPS to account for enrollment growth and pension obligations. But the need is much greater, and the Board's budget request seeks **\$84.7 million** more than the minimum funding level required by state law. If the county does not provide this level of funding, MCPS will be forced to make significant cuts to schools and offices.

## Possible Cuts to Schools

**MCPS WILL ALLOCATE** 350 fewer positions in schools for next year—saving about \$25 million to address the budget shortfall. The Board's budget also has significantly reduced the amount recommended by the superintendent for strategic enhancements:

- The Board's budget request includes \$2.5 million and about 20 positions for strategic enhancements instead of the \$8.2 million and 78 positions recommended by the superintendent.

**Revenue Sources FY16 Operating Budget**  
(in millions)



# Investing to Close the Achievement Gap

**EVERY DOLLAR** in the MCPS Operating Budget is aimed at providing all students with a world-class education. However, MCPS invests money in specific programs, services, and initiatives focused on narrowing—and eventually closing—the achievement gap.

A large portion of the Board’s \$2.39 billion operating budget request includes funds that directly support the district’s efforts to close the achievement gap. For instance, MCPS continues to provide additional funding to the 69 elementary schools that are most impacted by poverty. These schools receive, on average, about \$2 million more than other schools, which is used to provide prekindergarten programs, lower class sizes in early grades, provide additional staff to focus on literacy skills, and meet the wraparound needs of students and their families. As reported in the FY 2016 Program Budget, about one third of the Board’s request (\$787.6 million) is in three areas that specifically address efforts to close the achievement gap:

## Improving Student Achievement

- Programs that provide additional support to improve student achievement (\$637.4 million in FY 2016): These are programs that provide direct services to students beyond the core instructional program, such as special education, summer school, student services, and districtwide programs to improve student achievement at each grade level.

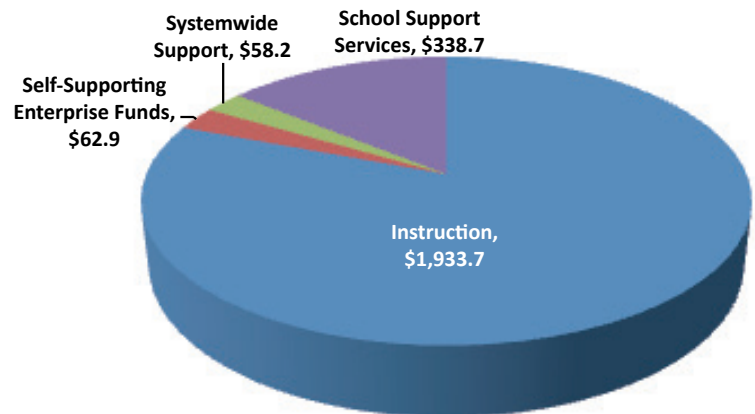
## Collaborative Partnerships

- Collaborative partnership programs to improve student achievement (\$15.1 million in FY 2016): These are programs that are administered in partnership with other government, business, and community entities that support the academic and social emotional success of children, such as afterschool programs, language assistance, services to homeless students, and partnerships to provide health care and other services to MCPS families.

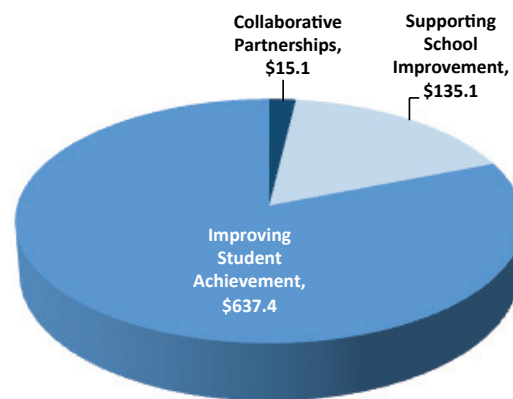
## Supporting School Improvement

- Programs to support school improvement and ensure high-quality instruction (\$135.1 million): These are programs designed to build the capacity of schools and staff to deliver high-quality, culturally proficient instruction, including school improvement; professional learning; leadership development; recruitment and certification; and assessment, evaluation, and research.

**Spending to Support Students**  
(in millions)



**Investing to Close the Gap**  
(in millions)



## Strategic Enhancements for FY 2016

---

**FOR THE PAST TWO YEARS** (FY 2014 and 2015), MCPS has been investing millions of dollars in strategic enhancements aimed at addressing areas where the achievement gap has persisted. Among these investments are more than 50 secondary school “focus” teachers to improve student performance in English and math; 10.5 English language development teachers for middle school; 17 elementary teachers to improve math instruction; 23.5 counselors, school psychologists, and pupil personnel workers; and significant investments in teacher leadership and school-based professional learning. The following are some of the strategic enhancements in the Board’s FY 2016 operating budget request:

- 6.5 elementary school counselors, school psychologists, and pupil personnel workers;
- 5.0 math content coaches to improve elementary school math performance;
- funds to enhance county and community partnerships;
- funds to increase equity training and support and help diversify the teacher workforce;
- 6.0 positions to increase services to students who receive Interim Instructional Services outside of the school; and
- enhanced training for staff to better serve students who receive ESOL services.



**FOR MORE INFORMATION ABOUT THE MCPS OPERATING BUDGET, visit [www.montgomeryschoolsmd.org](http://www.montgomeryschoolsmd.org), search “budget”**

### **NEW REPORT:**

## **MCPS is an Economic Engine for the County and the State**

---

**A REPORT** by noted economist Dr. Stephen Fuller concludes that MCPS is a major source of jobs and income for Montgomery County and the state of Maryland. Dr. Fuller, director of the Center for Regional Analysis at George Mason University, studied the economic impact of the MCPS Fiscal Year 2016 operating and school construction budgets and determined that the proposed outlays would—

- contribute \$3.26 billion to the Montgomery County economy and \$4.1 billion to the state economy;
- generate \$711 million in new personal earnings by workers residing in Montgomery County (beyond those positions included in the budget);
- support a total of 17,388 full-time, year-round jobs in Montgomery County and more than 30,000 jobs throughout the state of Maryland; and
- indicate that no private sector employer has a greater impact on the county’s economy than MCPS. In fact, MCPS is the third most important source of economic activity behind the federal government and the county government at large.

The report demonstrates that MCPS not only gets a strong educational return on taxpayers’ investments, but also creates jobs, raises revenue, and supports the future success of our county and our state.