



Montgomery County Public Schools

The Citizens Budget

FY 2006



Building Our Future

BOARD OF EDUCATION

Mr. Stephen Abrams

Ms. Sharon W. Cox

Ms. Valerie Ervin

Dr. Charles Haughey

Mrs. Nancy Navarro

Mrs. Patricia O'Neill

Mr. Gabe Romero

Mr. Sagar Sanghvi

Student Member

SCHOOL ADMINISTRATION

Dr. Jerry D. Weast

Secretary-Treasurer, Board of Education

Superintendent of Schools

Mr. Larry A. Bowers

Chief Operating Officer

Dr. Frieda K. Lacey

Deputy Superintendent of Schools

Mr. John Q. Porter

Deputy Superintendent for

Strategic Technologies and Accountability

Office of the Superintendent of Schools

850 Hungerford Drive

Rockville, Maryland 20850

Telephone: 301-279-3381

For more information, visit the school system's Web site at www.mcps.k12.md.us

Letter from the Superintendent

December 15, 2004

Members of the Board of Education
Montgomery County Public Schools
850 Hungerford Drive
Rockville, MD 20850

Dear Members of the Board of Education:

Over the last five years, our community's investment in Montgomery County Public Schools has produced great returns. Last year, more students took the SAT than ever before – and they achieved the highest scores in the county and state's history. Every day, we see our investment paying off as more students achieve academic success. The recent *Washington Post* Challenge Index also confirms our work by ranking all of our eligible high schools among the top 5 percent in the nation in terms of academic rigor. Quite simply, our strategic plan, *Our Call to Action: Pursuit of Excellence*, is working, and this year's budget is aligned to ensure continued progress.

We are demonstrating that when you hire top quality teachers, administrators and support staff and give them the tools they need to do their jobs – good things happen. Over the last five years, we also have dramatically improved our accountability measures. Strong accountability measures give us the data and information we need to know what works and what needs improvement.

We are building on these successes in the proposed Fiscal Year 2006 Operating Budget. The recommended FY 2006 budget totals \$1.7 billion – an increase of \$109.2 million or 6.8 percent over the FY 2005 Budget. This percentage increase is less than last year's, and less than the average of the last five years. These new resources will be used to lower class size at all levels, expand full-day kindergarten, give teachers new technology tools to aid instruction, enhance our special education programs, and invest in hiring, training and retaining the best education workforce in Maryland. It is important to note that this budget also reflects the important input the Board of Education received during the community forums held this fall.

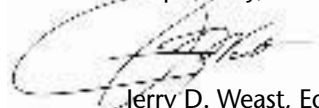
The Board's steady leadership over the last five years has set the stage for the many successes of our students, teachers, administrators, and support personnel. Your continued investment means that MCPS can meet the challenges of a rapidly growing, more diverse school district. We believe the FY 2006 budget is strategically designed for continued success well into the future. As in past years, the vast majority of our budget (89 percent) pays for our people. Administrative costs remain low, at about 2 percent, as we seek to direct more dollars to the classroom. In fact, we have the third lowest central administrative costs in the state and we are first in dollars invested in the classroom. Specifically, the \$109.2 million increase is divided as follows:

- ◆ \$26.5 million in improvement initiatives
 - ❖ First change in maximum class size guidelines in 20 years – \$9.8 million to add 175 teachers
 - ❖ Acceleration of full-day Kindergarten to 20 more schools – \$2.4 million
 - ❖ Largest investment in special education – \$3.3 million
 - ❖ Greater accountability measures and technology tools for teachers – \$3.0 million
 - ❖ Largest investment in school-based leadership support – \$1.2 million to pay for a total of 18 new assistant principals
 - ❖ Other initiatives to improve student achievement – \$6.8 million
- ◆ \$14.5 million for school growth and growth in special education and ESOL programs
- ◆ \$64.7 million for employee salaries and benefits; as well as benefits for retirees
- ◆ \$3.5 million for transportation, inflation, and other costs

Once again, it is critical that we receive our fair share of state revenue – an increase of about \$51 million – including \$12.6 million for the Geographic Cost of Education Index (GCEI) that accounts for higher costs in Montgomery County.

In closing, the FY 2006 budget will ensure that our resources are directed in the most efficient way so that Montgomery County Public Schools continues the steady progress we have made over the last five years. This budget will enable us to meet the challenges ahead with a well-trained, highly qualified, and extremely dedicated workforce equipped with the proper technology to help all of our children achieve academic success.

Respectfully,



Jerry D. Weast, Ed.D.
Superintendent of Schools

Program Highlights

Fiscal Highlights

- ◆ The superintendent's FY 2006 Recommended Operating Budget for Montgomery County Public Schools totals \$1,722,128,557. This represents an overall increase of \$109,172,072 (6.8 percent) above the \$1,612,956,485 current FY 2005 Operating Budget. This percentage increase is lower than last year and lower than the average for the past five years.
- ◆ Excluding grants and enterprise funds, the superintendent's recommended budget for the purpose of spending affordability is \$1,601,482,419. This represents an overall increase of \$106,513,532 (7.1 percent) over the \$1,494,968,887 in the current FY 2005 Operating Budget.
- ◆ In FY 2006, the county is expected to provide 74.8 percent of MCPS' total expenditures. This is a decrease from the 75.6 percent share that the county contributed in FY 2005.
- ◆ State education aid contributes 17.9 percent of total revenue, federal grants contribute 3.7 percent, enterprise funds supported by federal aid and fees make up 2.9 percent, and fees and all other sources of revenue total .7 percent.
- ◆ The FY 2006 Operating Budget requires an increase in local funding of \$68.7 million (5.6 percent). This percentage increase is less than last year and less than the average increase in the last five years.

Budget Initiatives

- ◆ Improvement initiatives recommended for the FY 2006 budget total \$26,542,971.
- ◆ The FY 2006 budget includes an initiative to expand full-day kindergarten at an additional 20 schools for a total of 93 schools (34 teacher positions and a total cost of \$2,357,000). This will advance the goal of having full-day kindergarten for every child by FY 2008 as required by state law.
- ◆ Class size reduction at all grade levels will add 175.0 classroom teacher positions (\$9,815,000). This will provide resources to reduce elementary school maximum class size guidelines by 2 students per class in all schools and provide staffing to eliminate most combination classes. The initiative also provides 40.0 positions to reduce oversize secondary school classes.
- ◆ Initiatives to increase accountability total \$3,028,000. They include expansion of the Teacher Centered Model (TCM) technology initiative to support teachers in diagnosing and monitoring student academic progress (\$2,475,000), rollout of the Instructional Management System (IMS) to all middle schools (\$104,000), development of more predictive formative assessments (\$83,000), improvement of student assessment data reliability (\$84,000), realignment of 6.0 positions to mentor underperforming supporting services employees (\$153,000), and the addition of a 1.0 consulting principal to assist new and underperforming principals and assistant principals (\$129,000). The budget also restores 3.0 consulting teacher positions resulting from enrollment growth.
- ◆ Improvements to technology systems and school support total \$2,171,000, including implementing a new financial information system (\$1,500,000), addition of 6.0 user support specialists in elementary schools (\$417,000), improved support for school computer networks (\$176,000), and improved computer system security (\$78,000).
- ◆ The FY 2006 budget adds 15.0 assistant principals at elementary schools with only a single building administrator (in addition to 3.0 assistant principals added to reflect enrollment growth) at a cost of \$1,225,000.
- ◆ To improve support services at schools, budget initiatives include a total of \$889,000. This includes the addition of 18.0 building service workers (\$546,000) to reflect the increase in school facility space and 13.5 school secretaries (\$343,000) at the remaining 27 elementary schools without 2 full-time secretaries. This completes a multiyear initiative.
- ◆ Initiatives to enhance curriculum and instruction and provide additional school support total \$3,236,000. Middle school extended-day and extended-year programs will add \$1,064,000. Intervention programs in reading and mathematics for students not achieving success total \$768,000. Support for the Downcounty Consortium and maintaining 9.6 existing grant-funded positions totals \$566,000. Other school support initiatives include expansion of International Baccalaureate (IB) and gifted programs (\$346,000), SAT preparation (\$243,000), translation services for ESOL parents (\$177,000), and support for grading and reporting implementation (\$72,000).
- ◆ Initiatives for special education and student services total \$3,311,000, in addition to \$4.6 million added to reflect the growth in the number of special education students. This includes support to schools and students for moving more special education students into least restrictive environments (\$2,308,000), expansion of the Collaborative Action Process (CAP) with 6.0 positions at a cost of \$512,000, support staff for preschool education (\$240,000), other special education program support (\$94,000), and expansion of evening high school alternatives (\$157,000). Special education initiatives are a result of the recommendations of the Special Education Staffing Plan Committee and other community input.
- ◆ Initiatives to improve school security and the learning environment total \$338,000. This includes school security training (\$90,000) and improvement of availability of school buses by adding a third maintenance shift at one transportation depot with the addition of 5.0 mechanic positions (\$248,000).
- ◆ Other initiatives include enhancement of the MCPS web site (\$73,000) and the addition of a compliance officer to monitor human relations requirements (\$99,000).



Summary of Recommendations	4
Five Years of Progress	5
Challenges of Growth.....	7
Aligning the Budget with the Strategic Plan	9
Strategic Initiatives to Improve Student Achievement:	
Goal 1	14
Goal 2	20
Goal 3	22
Goal 4	23
Quality Management.....	24
Factors Increasing Operating Costs.....	25
Summary of Revenues	28
Long-Term Planning Overview	30
Collaboration with Other Agencies.....	33
Accountability Report	34
Budget Review and Adoption Process	35
Selected MCPS Statistics.....	36

Summary of Recommendations

The superintendent's FY 2006 Recommended Operating Budget for the Montgomery County Public Schools (MCPS) totals \$1,722,128,557. This represents an overall increase of \$109,172,072, or 6.8 percent more than the \$1,612,956,485 current approved FY 2005 Operating Budget. Excluding grants and enterprise funds, the superintendent's budget recommendation for the purpose of spending affordability is \$1,601,482,419. This represents an overall increase of \$106,513,532, or 7.1 percent more than the \$1,494,968,887 appropriated for the FY 2005 Operating Budget.

The FY 2006 Operating Budget includes increases in operating costs for growth in student enrollment, compensation changes, and other required inflationary increases. It also includes a recommendation of \$26,542,971 for improvement initiatives in FY 2006 to expand full-day kindergarten to an additional 20 schools, reduce class sizes at all school levels, improve accountability for results, and expand other programs needed for improved student achievement. The chart below

summarizes the main items in each of these categories. The costs of enrollment growth and new schools add \$14.5 million to the budget. Employee salaries rise by \$48.1 million, including \$14.2 million for continuing salaries and \$33.9 million for the costs of already negotiated agreements with employee unions. There is a net increase of \$16.6 million for benefits for existing and retired employees, including health and life insurance for active and retired employees, retirement, and self-insurance costs. The effects of inflation and other cost increases add \$3.5 million to the budget. Improvement initiatives add \$26.5 million, including \$2.4 million for the expansion of full-day kindergarten to an additional 20 schools, \$9.8 million for class size reduction, \$3.3 million for improvements in special education, and \$11.0 million for other improvement initiatives. This recommended budget requires \$38.0 million in increased state aid as part of the Bridge to Excellence in Public Schools (Thornton) Act, \$1.6 million in anticipated federal grants, \$68.7 million in local support, and \$0.9 million in other revenue.

FY 2006 Superintendent's Recommended Operating Budget (\$ amounts in millions of dollars)

ITEM	AMOUNT	ITEM	AMOUNT
FY 2005 OPERATING BUDGET (Nov. 2004)	\$1,612.9	INITIATIVES	
ENROLLMENT GROWTH		Full-day Kindergarten - 20 Additional Schools	2.4
Elementary/secondary	0.9	Class Size Reduction	9.8
Special Education	4.6	Accountability	3.0
ESOL	0.5	Technology, including FIS	2.2
New Schools	5.0	Elementary Assistant Principals	1.2
Transportation/Food Service/Facilities/Plant Ops	1.6	School Secretaries and Building Services	0.9
Benefits for Staff Added for Growth	1.9	Curriculum and Instruction/K-12 Prog. Supp.	3.2
TOTAL GROWTH AND RELATED BENEFITS	14.5	Special Education and Student Services	3.3
EMPLOYEE SALARIES		Security and School Environment	0.3
Negotiated Agreements	30.7	Other	0.2
Benefits for Negotiated Agreements	3.2	TOTAL INITIATIVES	26.5
Continuing Salary Costs	12.8	RECOMMENDED FY 2006 BUDGET	\$1,722.1
Benefits for Continuing Salary Costs	1.4	Less Enterprise Funds	(50.8)
TOTAL SALARIES AND RELATED BENEFITS	48.1	Less Grants	(69.8)
EMPLOYEE BENEFITS AND INSURANCE		SPENDING AFFORDABILITY BUDGET	\$1,601.5
Employee Benefit Plan (active)	7.0		
Employee Benefit Plan (retired)	3.7		
Retirement	5.7		
FICA/Self-insurance/Workers' Compensation	0.2		
TOTAL BENEFITS AND INSURANCE	16.6		
INFLATION AND OTHER		FY 2006 REVENUE INCREASE BY SOURCE	
Special Education Non-public Tuition	(1.0)	Local	\$68.7
Transportation	2.4	State	38.0
Plant Operations/Maintenance/Materials Mgt	0.6	Federal	1.6
Inflation	1.1	Enterprise Funds	1.4
Technology	1.4	Other	(0.5)
Other changes	(1.0)	TOTAL REVENUE INCREASE	\$109.2
TOTAL INFLATION AND OTHER	3.5		

Five years ago, the superintendent of schools launched *Our Call to Action*, a plan to raise the bar for all students and to close the achievement gap among groups. After five years of constancy of purpose in pursuing this plan, academic results show major improvements in student achievement. Last year's SAT average of 1103, the highest ever scored by MCPS students, is only one example of the success taking place in the school system.

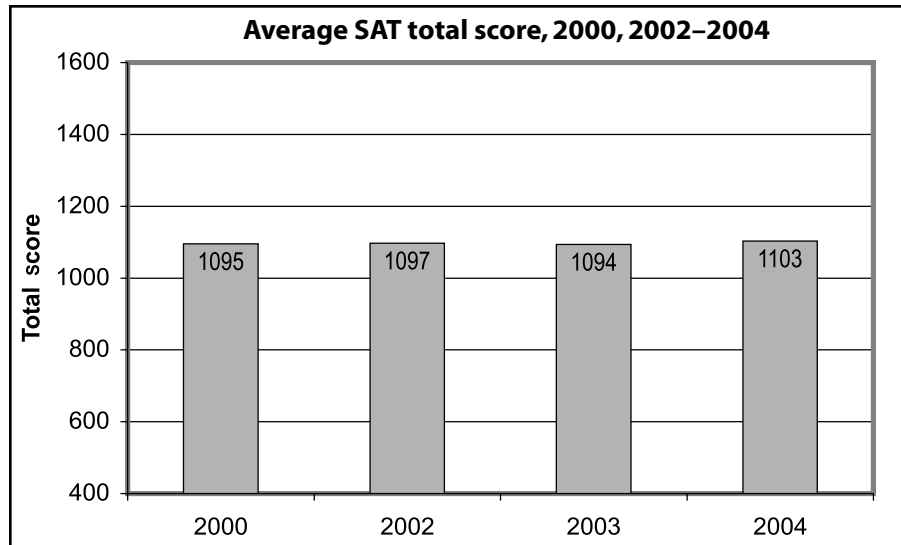
The key to this achievement has been an emphasis on high quality staff: a quality teacher in every classroom, a quality administrator in every school, and quality supporting staff throughout the system. Raising the level of student achievement requires that every child benefit from the highest possible quality teaching, supervisory, and support services staff. This strategy is based on the high standards of achievement set by the Board of Education and was developed in conjunction with parents, staff, and the community. The Operating Budget is aligned with this strategy to assure that available resources go to the highest priorities.

Resources Concentrated on High Quality Staff

The MCPS Operating Budget has grown by \$507 million or 46 percent, from \$1.106 billion in FY 2000 to \$1.613 billion, in FY 2005, an average of 9 percent per year. This growth includes increases for enrollment, inflation, new initiatives, and compensation for existing staff. The Board of Education has added \$72 million for the new initiatives over the five years, funded entirely by \$54 million in savings in the base budget and by reductions in other requests.

The school system's 20,000 employees have received the bulk of these increases. Of the total increases of \$507 million, \$468.9 million (92 percent) has been devoted to salaries and employee benefits. This amount exceeds the percentage of the total budget devoted to compensation (89 percent). Thus, during these five years, the proportion of the MCPS budget devoted to compensation has increased from an already high 88.1 percent to 89.2 percent. The proportion of the budget devoted to compensation remains at 89 percent for FY 2006.

Teacher salaries have grown during this period to make sure that MCPS stays competitive in attracting and retaining the



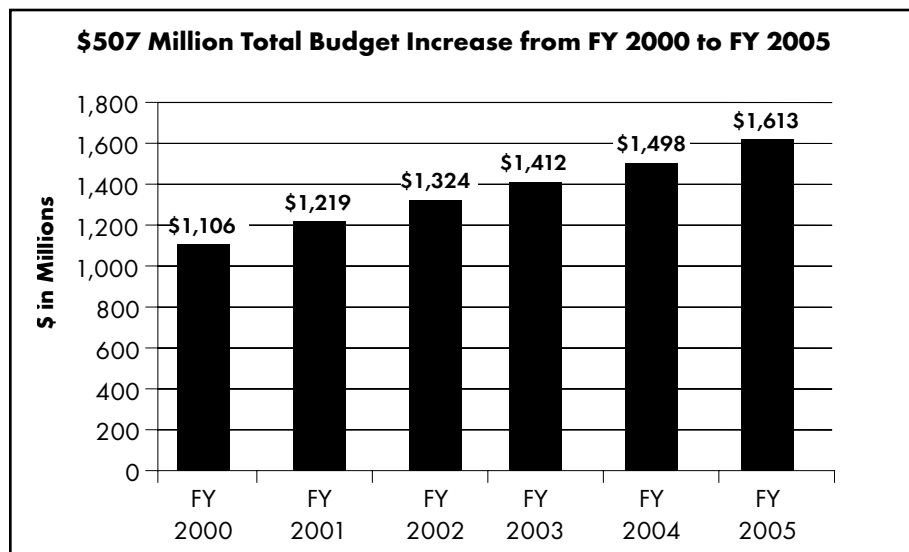
highest quality staff. Despite the growth in salaries, about 25 percent of staff reside outside Montgomery County, in part because of the high cost of housing. Some teachers and other staff must drive up to two hours each way from West Virginia or Pennsylvania because they cannot afford to live near work. To afford a median priced home a household would need an annual income of \$93,000, or \$44,000 to rent an apartment. A new teacher typically earns \$43,000 annually.

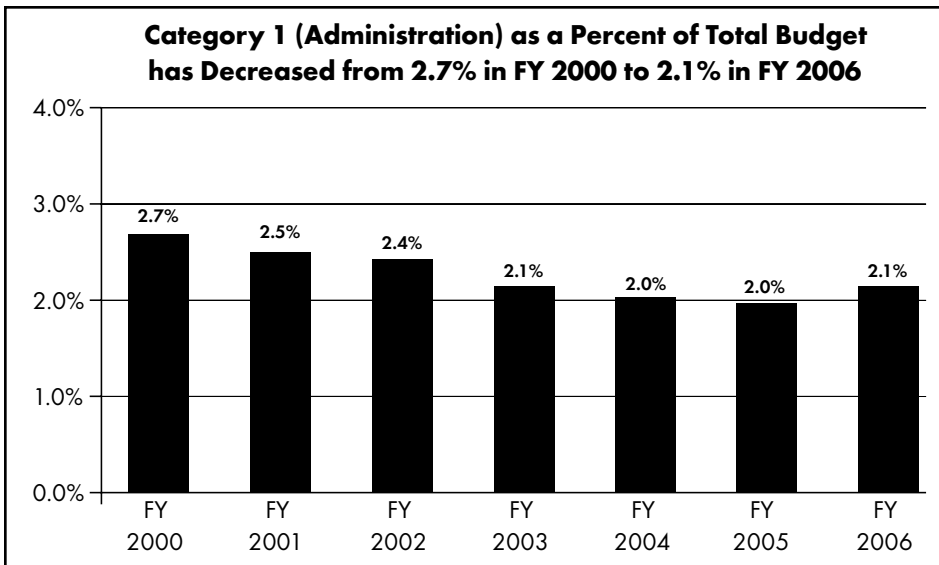
The average teacher salary has gone up from \$51,240 in FY 2000 to \$63,480 in FY 2005 (24 percent), the highest in the state of Maryland. Annual salary schedules increased 21.5 percent, compared to a total of only 10.4 percent for the previous four years. This compares to a statewide average of 15.6 percent over the FY 2001-2004 period and a consumer price index four-year increase of

10.8 percent (previous year CPI-U for the Washington metropolitan area).

Less Budget Resources for Central Services

The percentage of the budget used for central administration (Category 1) declined from an already low 2.7 percent in FY 2000 to an all-time low of 2.0 percent in the FY 2005 budget. At the same time, the administrative demands in areas of teacher recruitment, technology, procurement, accounting, employee services, and budgeting keep growing. The combined cost of central and school-level administration (Categories 1 and 2) shows the same downward trend. The combined cost of these activities—principals, assistant principals, instructional support staff, and school secretaries, in addition to central office staff—declined





steadily from 9.4 percent to 8.2 percent of the budget. This means that a greater proportion of resources are devoted to the classroom.

Expenditures on instructional categories—mid-level administration, instructional salaries, textbooks and supplies, special education, and other instructional costs (Categories 2, 3, 4, 5, and 6) and related employee benefits—rose from 77 percent in FY 2001 to 81 percent in FY 2005. This exceeds the statewide average spent on instructional categories. In addition, employees added to address enrollment growth and for new initiatives went mainly to instructional duties.

With 89 percent of the budget devoted to employee compensation, only 11 percent is left for all other operating costs. Increases for these operating costs total only \$39 million over the last five years.

In FY 2005, a total of \$173.9 million is spent on other operating costs (11 percent of the budget). The following items of expenditure accounted for the majority of these costs:

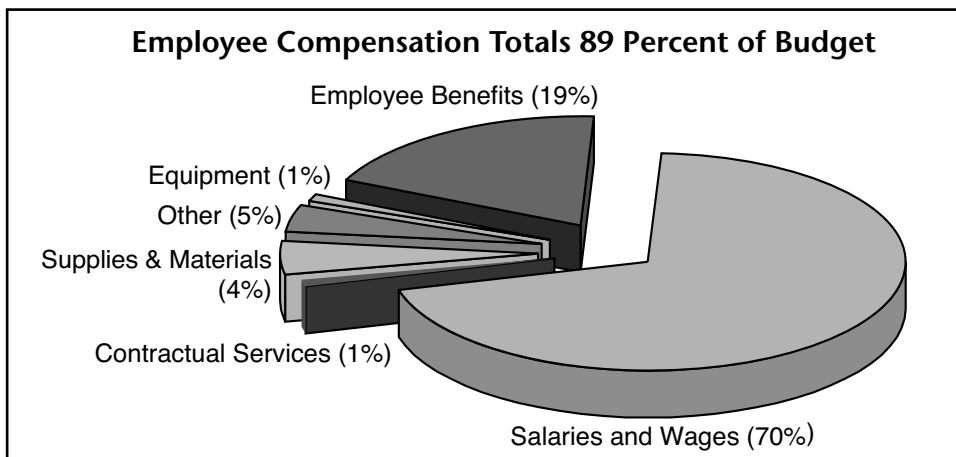
- ◆ Textbooks and instructional materials (\$29.4 million)
- ◆ Utilities (\$28.2 million)

- ◆ Tuition for special education students in private placements (\$34.5 million)
- ◆ Food for school lunches (\$14.1 million)
- ◆ School bus lease payments (\$7.4 million)
- ◆ Supplies for school building services (\$8.9 million)
- ◆ Contractual maintenance of schools and other facilities (\$5.6 million)

All other operating expenses including bus fuel, school furniture and equipment, and facilities costs total only \$45.9 million, or about 2.7 percent of the total budget.

Almost 90 percent of all budget dollars goes for compensation (i.e., salaries and employee benefits) for MCPS staff, and 70 percent is for salaries and wages. Another 19 percent is for employee benefits, including:

- ◆ Medical and dental expenses for employees and their families
- ◆ Health costs for retirees
- ◆ Retirement
- ◆ Workers' compensation
- ◆ Social Security and Medicare (FICA) payments



The cost of employee benefits has grown rapidly over the last five years, increasing the share of the MCPS budget from 16 percent in FY 2000 to 19 percent in FY 2005.

Funding the Budget: A Rise in State and Federal Contribution

Despite significant increases in county funding (the source of most of the MCPS revenue), the proportion funded by Montgomery County has dropped from 79 percent to 76 percent over the last five years. The proportion funded by the state and federal governments has risen.

County funding has gone up by 39.9 percent since FY 2000 from \$872.4 million to \$1,220.5 million in FY 2005. This compares with the overall budget increase of 46 percent over the five-year period. The FY 2006 budget requires an increase of 5.6 percent in county funding—less than last year and less than the average over the last five years.

State aid constitutes the second major source of funds for MCPS. Since FY 2000, state funding has increased by \$149.9 million or 94 percent. This increase reflects both changes in state formulas under the Bridge to Excellence law and the increasing proportion of state aid due to Montgomery County because of increases in total enrollment and increases in the enrollment of Free and Reduced-price Meals (FARMs), ESOL, and special education students.

Federal aid has increased 137 percent, from \$26.5 million in the Current Fund (not including meals reimbursements) in FY 2000 to \$62.9 million in FY 2006. This is mainly due to the increased role the federal government has assumed for ESOL, special education, and disadvantaged students. It includes additional aid related to the No Child Left Behind Act (NCLBA) received since FY 2003.

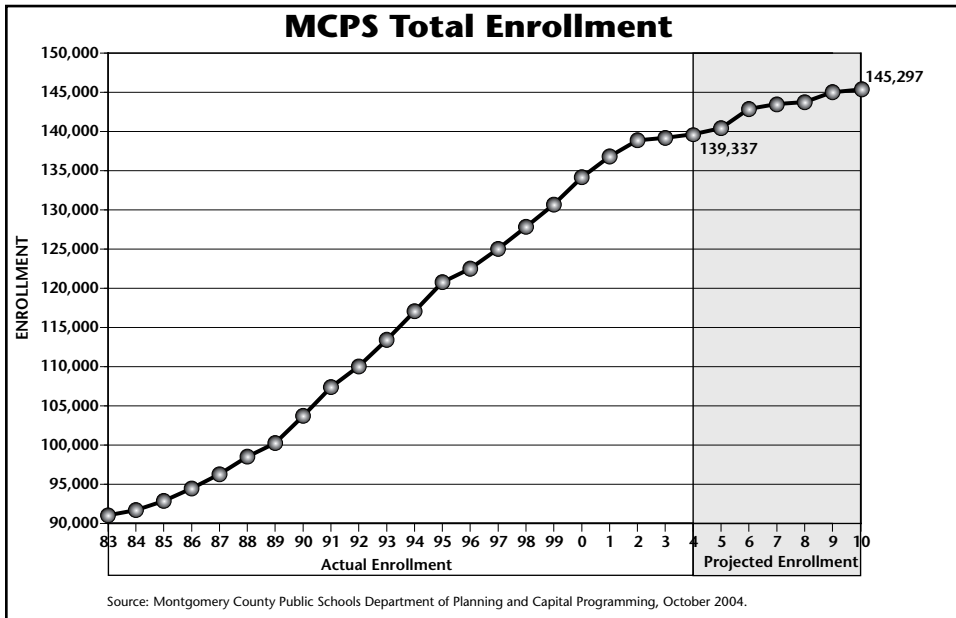
Grants from all sources, including government agencies and private foundations, have risen sharply over the last five years. Total grants have more than doubled from \$30 million in FY 1999 to \$71 million in FY 2004, the last year with complete results. In addition, the Bridge to Excellence law converted \$25 million in state grants to general aid. Competitive grants that pit MCPS against other grant-seeking agencies also have more than doubled over this period from \$6 million to \$16 million. This means that MCPS can provide some crucial extra services to children without burdening the local taxpayer.

The growth and diversity in the Montgomery County Public Schools make it a challenge to sustain the strategic plan and build on its success. County births, migration, and immigration are the major factors resulting in increased enrollment.

13,000 to 14,000 students enter the system each year with a similar number exiting the system each year. During the past three years, there has been a net increase of nearly 2,000 students who have come to MCPS from private schools.

(not including Hispanic students) has edged slightly downward since 1983 to about 61,000, with all the growth coming from non-White students. More than 5 of every 10 students today are classified as African American, Asian American, Hispanic, or Native American. This year MCPS enrollment is 22.6 percent African American, 14.4 percent Asian American, 19.4 percent Hispanic, 0.3 percent Native American, and 43.3 percent White. This ethnic diversity is even greater in the lower grades.

MCPS students have backgrounds from 159 foreign countries and 134 languages are spoken at home. Nearly 8 percent of our students this year are English Language Learners (ELL) and, remarkably, the fastest growing portion of those students was born in the United States (45 percent). Enrollment in the English for Speakers of Other Languages (ESOL) program has increased by 20 percent during the past three years to 12,476 students. The number of ELL in Montgomery County in FY 2004 exceeded the total enrollment of 9 Maryland school districts. Montgomery County enrolls more than 40 percent of all ELL in Maryland.



Enrollment is now at an all-time high—139,337, up 134 students from last year. MCPS is the 17th largest school system in the United States. The school system has gained nearly 12,000 students since FY 1999. This rate of growth has imposed severe pressures on the school system. Facilities are not adequate to deal with this level of enrollment, and 719 relocatable classrooms have been installed. Resources necessary for improvements in quality have been devoted to hiring enough teachers and other staff to accommodate this rate of enrollment growth.

Births and Migration Increase Enrollment

A child is born in Montgomery County every 40 minutes. After declining from 1991 to 1997, county births began increasing in 1998. In 2003, births topped 13,000 for the fourth year in a row, reaching an all-time high of 13,529. As a result, enrollment will begin climbing at the elementary level in 2005. The next wave of enrollment growth will be more gradual than that of the 1980s and 1990s.

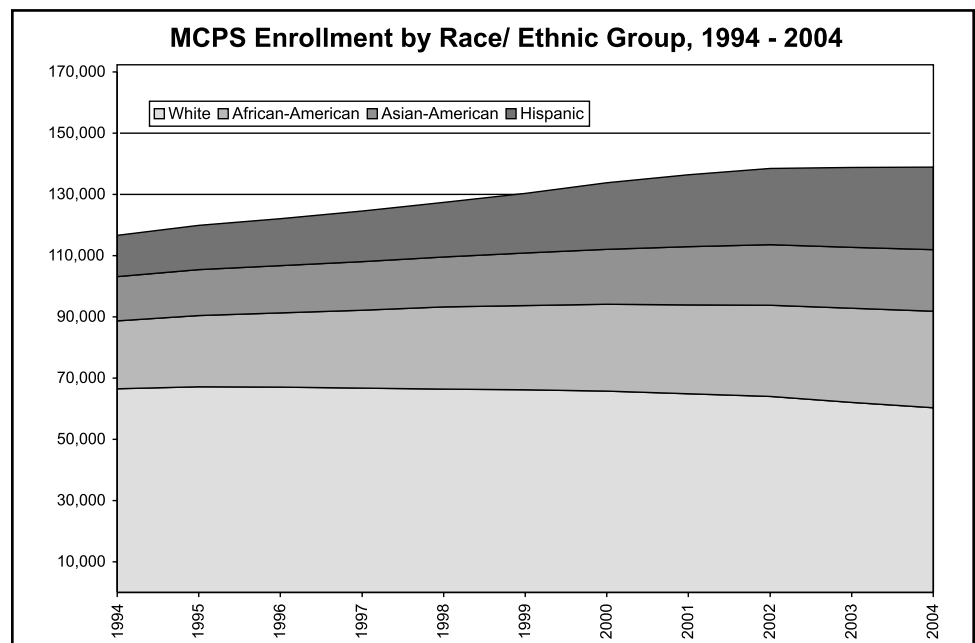
Migration and immigration are important components of enrollment change. Typically,

Diversity Poses Greater Challenges

One of the great strengths of our school system is its cultural, ethnic, and racial diversity. This is also one of its greatest challenges. The ethnic composition of the public schools has rapidly shifted from nearly all White to a diverse ethnic and racial blend. White enrollment

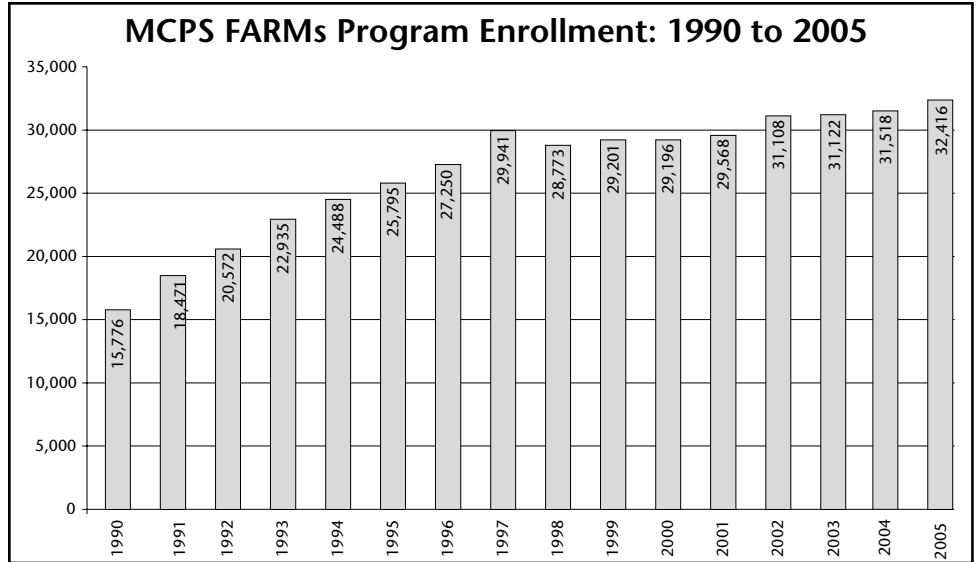
Concentrations of Poverty and Diversity

The different communities throughout Montgomery County vary greatly in their ethnic and racial composition. The core urbanized area stretching from Takoma Park



to Germantown includes 50 percent of all elementary school students, but 71 percent of African American and 78 percent of Hispanic students, 75 percent of English language learners, and 80 percent of students receiving support from the Free and Reduced-price Meals program.

As with race and ethnic diversity, socio-economic levels in the student population also have been changing. Despite the availability of jobs in the county, the cost of living here can place severe strains on household finances. As a result, the number of students participating in FARMs more than doubled during the past 15 years from 15,776 to 32,416. The number of students participating in FARMs is greater than the total enrollment of 16 Maryland school districts. This diversity means that the challenges faced by individual schools differ greatly. Schools must be ready to respond

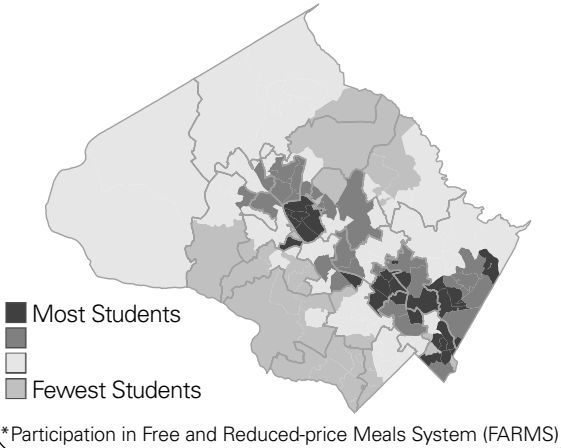


student achievement in this area is known as the “greening of the red zone” because schools with high student poverty are achieving at the same levels as schools without such poverty.

The rapid growth during the 1990’s has provided the resources for school improvement, but it also has raised expectations

for academic achievement to a new level. Schools must produce graduates ready to compete in the new economy. Parents and community members have increased their demands on schools and their attention to specific results in student achievement. They demand the best from their schools and expect to have a voice in the education of their children.

Areas of Poverty* in Montgomery County



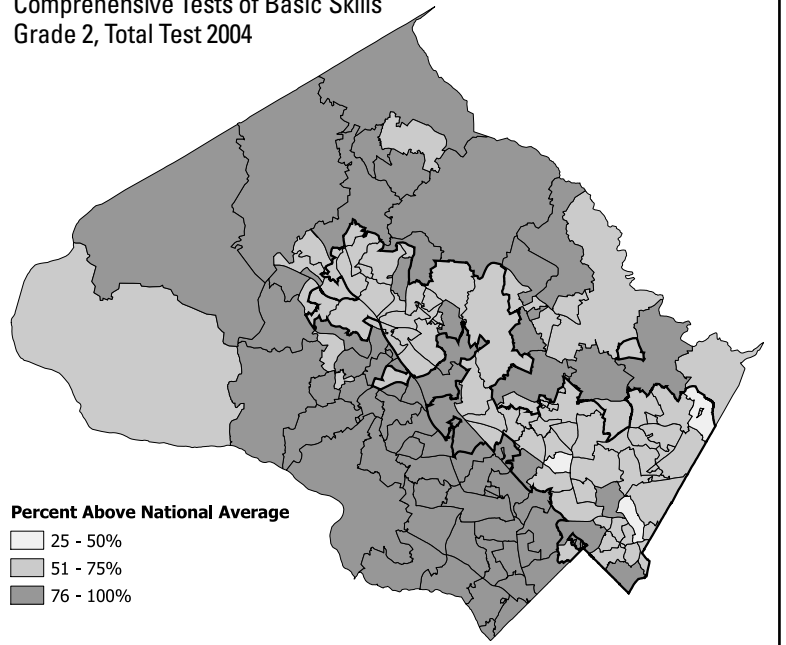
creatively to these differences. Teachers and other staff must meet the complex challenges inherent in this increasingly urbanized school district.

Responding to the Challenges of Diversity

Schools have responded to the challenge of diversity by improving levels of student achievement in all areas of the county. The school system’s efforts to overcome the influence of poverty are evident in the recent results of the Comprehensive Tests of Basic Skills and the Maryland School Assessments. The majority of schools most heavily impacted by poverty lie in an area of the county spanning the section from Takoma Park to Germantown, known as the “red zone.” The improvement in

Academic Achievement in the Red Zone

Percentage of Students Above National Average
 Comprehensive Tests of Basic Skills
 Grade 2, Total Test 2004



Aligning the Budget with the Strategic Plan

The MCPS Operating Budget carries out strategies outlined in *Our Call to Action: Pursuit of Excellence*, the MCPS strategic plan. The strategic plan implements and is aligned with the Board of Education's academic priorities. The reform efforts mandated by the academic priorities originated in 1999. They include targeted improvement initiatives that research shows can make a significant difference in academic achievement. During the succeeding five years, the people of Montgomery County have enthusiastically supported this approach and made educational reform a top priority. As a result, since FY 2000, MCPS has received a total of \$615 million or 46 percent in increased funding, including \$72 million for improvement initiatives.

Board of Education Goals

1. Ensure success for every student
2. Provide an effective instructional program
3. Strengthen productive partnerships for education
4. Create a positive work environment in a self-renewing organization

No Child Left Behind

Fortunately, changes in educational standards mandated by the federal and state governments align well with the academic priorities already mandated by the Board of Education. MCPS has been ahead of the curve in standards-based reform aimed at significant improvements in educational outcomes for students.

In January 2002, the federal government enacted the No Child Left Behind (NCLB) Act, the most far-reaching change in federal education policy in more than a generation. NCLB reauthorized the former Elementary and Secondary Education Act (ESEA) of 1965. The legislation significantly changes the role of the federal government in education. It provides more federal funding to states, and supported by accountability, requires school districts to meet specific standards for student achievement as determined by individual states. With standards put in place, states must test

individual student progress toward meeting those standards. Individual tests are administered annually in Grades 3 through 8 and Grade 10 reading and mathematics. Science tests will be added in FY 2008. MCPS is developing formative assessments to prepare students for these new requirements. There are formative assessments linked to an upgraded curriculum based on world-class standards.

Adequate Yearly Progress

NCLB requires schools to demonstrate Adequate Yearly Progress (AYP) in achieving state standards for each school as a whole and for designated categories of students, including:

- ◆ Economically disadvantaged students
- ◆ Students from major racial and ethnic groups
- ◆ Students with disabilities
- ◆ Students with limited English proficiency

Parents must receive reports on the progress made by their children on an individual basis. By 2014, the goal is to have all students attain proficiency levels on state tests. AYP goals will become more rigorous as the 2014 deadline nears.

Financial Flexibility

In return for these higher expectations for student achievement, the federal legislation allows considerably greater flexibility in the use of federal funds. In some cases, funds in one grant program may be used in another federal grant program if the district has different priorities related to student needs. MCPS has taken full advantage of this flexibility to use federal and state funds for its highest priorities.

Parental Choice

Parents of students enrolled in a federally-funded Title I school not meeting state standards have additional options. If a school is identified by the state as not making Adequate Yearly Progress and in need of improvement, the parents may elect to transfer their children to another school within the district. If a school continues to fall short, students impacted by poverty have an opportunity to receive supplemental

educational services, such as tutoring. MCPS has received state approval to offer supplemental services to qualifying children.

ESEA Improvement Goals

The state of Maryland's plan adopted five performance goals as established by the U.S. Department of Education (see ESEA Goals). The five goals (with accompanying performance indicators to measure progress) address the levels of academic proficiency that all students must meet, the special needs of certain populations of students, and factors such as qualified teachers and school safety that are critical to improving teaching and learning.

Underlying the five goals is the presumption that all local, state, and federal resources will be integrated and coordinated to reach the goals of improved student achievement. Thus, the emphasis required under the new law is on student outcomes, not resource inputs. The test will be in the results achieved, with flexibility granted to local districts to use resources to achieve agreed-upon results in ways particular to the needs of their individual districts.

Bridge to Excellence

In 2002, the state of Maryland adopted the Bridge to Excellence in Public Schools Act. This law has made far-reaching changes in the way the state of Maryland finances public education. The new approach is an outgrowth of the report of the Commission on Education Finance, Equity, and Excellence (Thornton Commission) established by the legislature in 1999. The report of the Thornton Commission called for a significant increase in state aid for education to ensure adequacy of resources to make educational excellence possible.

The Thornton Commission also advocated additional equalization of funding between rich and poor districts and significant weighting of aid formulas to meet the greater needs of districts with high numbers of economically disadvantaged students, students with limited English proficiency, and special education students.

New State Funding

The new law called for an increase in state aid to localities of \$1.3 billion over six years. The share of this expected increase for Montgomery County is \$147 million. The funding formula adopted by the General Assembly is designed to ensure equity and adequacy by linking resources to the needs of students and distributing about 75 percent of all aid inversely to local wealth.

The basic structure of the new finance system contains four basic elements:

- ◆ A “base cost” per student that is considered to be “adequate” for the average child to reach high standards

ESEA Goals

As part of the No Child Left Behind (NCLB) Act, the U.S. Department of Education established the following goals. The state of Maryland adopted these goals as required for submitting a consolidated application for federal aid under the Elementary and Secondary Education Act (ESEA). As part of their master plans, local school districts must show how they will reach these goals.

Performance Goal 1: By 2013–2014, all students will reach high standards, at a minimum attaining proficiency or better in reading/language arts and mathematics.

Performance Goal 2: All limited English proficient students will become proficient in English and reach high standards, at a minimum attaining proficiency or better in reading/language arts and mathematics.

Performance Goal 3: By 2005–2006, all students will be taught by highly qualified teachers.

Performance Goal 4: All students will be educated in learning environments that are safe, drug-free, and conducive to learning.

Performance Goal 5: All students will graduate from high school.

- ◆ An additional amount of money for special education, limited English proficiency, and low income students to reach standards
- ◆ A guaranteed tax base program to encourage low-wealth jurisdictions to maintain and increase local tax effort
- ◆ Annual increases in direct state aid through FY 2008

Increased State Funding Needed

By FY 2008, as part of total additional state aid of \$1.3 billion, MCPS anticipates receiving an additional \$147 million. This is a nearly 60 percent increase in direct state aid to Montgomery County. The formula recognizes the increasing needs in Montgomery County, especially related to the growth of limited English proficiency, special education, and low-income students. Increased funding is phased in over six years through FY 2008. The largest increases in funding will be concentrated over the final three years. In FY 2006, for example, MCPS can expect an increase of more than \$38 million. Full funding of the Bridge to Excellence Act is vital to the improvement initiatives in the strategic plan.

Although local districts have considerable flexibility in the use of state aid, the law requires that local school systems must:

- ◆ Make full-day kindergarten programs available to all eligible students by FY 2008
- ◆ Offer prekindergarten programs to all at-risk students by FY 2008

These prekindergarten programs may be established in a variety of ways, either directly by the school system or through other community institutions.

Geographic Cost of Education Index

Part of the increased funding promised in the Bridge to Excellence Act includes an adjustment related to the cost of education to reflect the higher costs in certain counties. Based on the formula adopted in 2004 by the legislature, Montgomery County would receive a 3.4 percent adjustment because of the high cost of education in this county. This would increase state aid by \$12.6 million in the first year and double that amount when the provision is fully phased in. However, the legislature failed to mandate the inclusion of this additional aid in the state budget. This will be a significant issue

for local legislators in the 2005 General Assembly session.

Accountability

Unlike previous state school finance laws, the Bridge to Excellence explicitly links financing to accountability. It places responsibility on local school systems to improve student achievement and close the academic gaps among students of different racial, ethnic, and economic backgrounds, students with disabilities, and students learning English. The state will set standards and measure how well school districts, schools, and individual students are doing in meeting expectations. The presumption is that all local, state, and federal resources will be integrated and coordinated to reach the goals of improving student learning.

Master Plan for Student Achievement

The Bridge to Excellence legislation mandates that each school district must develop a comprehensive five-year master plan to describe how it intends to make improvements in achievement for every student. In June 2003, after extensive participation by the community and review with county government officials, the Board of Education unanimously approved its first multiyear plan under the new law. The plan described the goals, objectives, and strategies that will be used to improve student achievement and meet state and local performance standards for



all students. The master plan also described specifically how the district would improve student achievement for:

- ◆ Special education students
- ◆ Students with limited English proficiency
- ◆ Prekindergarten and kindergarten students
- ◆ Gifted and talented students
- ◆ Students enrolled in career and technology courses.

Aligning the Budget with the Master Plan

The Bridge to Excellence Act also requires that the school district operating budget must be aligned with the district's master plan and show specifically how the use of resources will address the goals and objectives of the plan. The FY 2006 Operating Budget implements this requirement as described in the Citizen's Budget.

Board of Education Goals and Priorities

The goals and academic priorities adopted by the Montgomery County Board of Education align well with the goals and objectives of the federal No Child Left Behind Act and the Maryland Bridge to Excellence in Public Schools Act. In June 2003, the Board of Education reaffirmed its vision and goals originally adopted in 1991. This vision states, "A high-quality education is the fundamental right of every child. All children will receive the respect, encouragement, and opportunities they need to build the knowledge, skills, and attitudes to be successful, contributing members of a global society." Building on this vision, the Board of Education developed four system goals. Based on this vision and these goals, the Board of Education adopted academic priorities in March 2003. They are to:

- ◆ Organize and optimize resources for improved academic results
- ◆ Align rigorous curriculum, delivery of instruction, and assessment for continuous improvement of student achievement
- ◆ Develop, expand, and deliver a literacy based prekindergarten to Grade 2 initiative
- ◆ Use student, staff, school and system performance data to monitor and improve student achievement

- ◆ Foster and sustain systems that support and improve employee effectiveness, in partnership with MCPS employee organizations
- ◆ Strengthen family-school relationships and continue to expand civic, business, and community partnerships that support improved student achievement.

To focus on these academic priorities, the superintendent of schools presented a detailed strategic plan, *Our Call to Action: Pursuit of Excellence, The Strategic Plan for the Montgomery County Public Schools 2003-2008*, that was adopted by the Board of Education in June 2003. This strategic plan forms the keystone of the five-year master plan. The master plan incorporates extensive community input, was reviewed by the county executive and County Council, and submitted to the Maryland State Board of Education in September 2003. The Maryland State Department of Education approved the Montgomery County plan. The law requires each district to submit annual updates of their comprehensive master plan, showing how well the school system is achieving the Master Plan goals. Montgomery County Public Schools submitted the first annual update in August 2004, which was approved by the Maryland State Board of Education in October 2004.

Community Forums

In February 2004, the Board of Education decided to change the process for public involvement in the development of the MCPS strategic plan and operating budget. The Board wanted to encourage greater public involvement in long-range strategic issues and involve the public in the development phase of the strategic plan and the operating budget. Previously, public input was only provided after the presentation of the operating budget. The Board also wanted to encourage participation by a broader range of stakeholders in the development of the operating budget.

To carry out these goals, the Board of Education sponsored three community forums during September and October 2004. Each forum concentrated on different goals of the strategic plan. Participants were asked to provide feedback on the following questions:

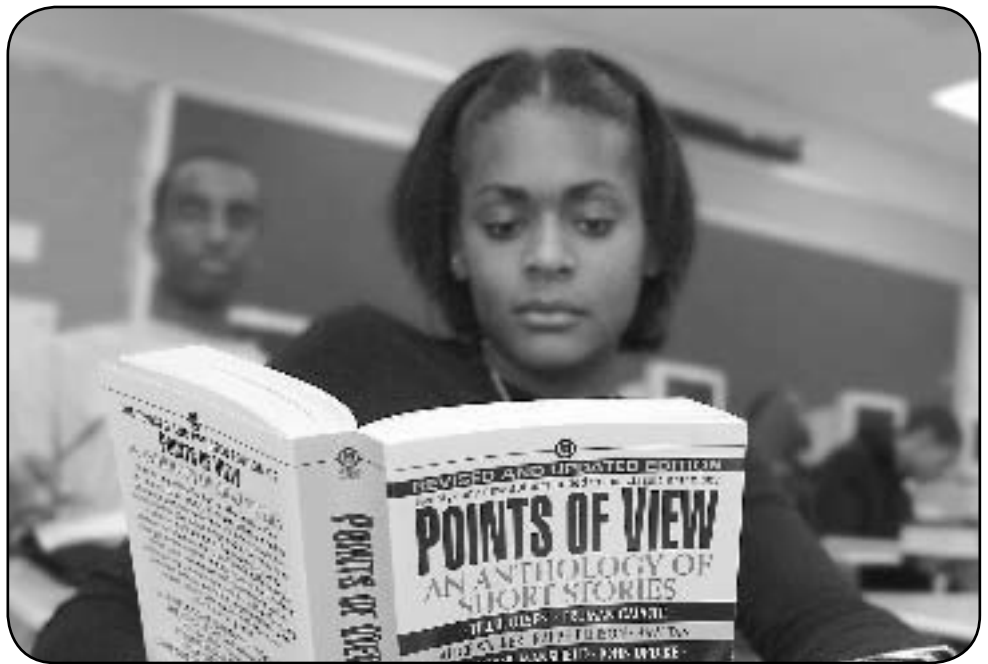
- ◆ Which strategies and initiatives are on target to achieve the goal?
- ◆ What is missing or falling short?
- ◆ How can the Board of Education communicate the goals and objectives of the strategic plan more effectively to the community?



The Board received a variety of feedback from invited speakers, from participants in breakout groups, and from written comments received through the MCPS Web site. Staff organized follow-up meetings to share the results of the forums with many community organizations. The community forums demonstrated the diversity of viewpoints of stakeholders within the school community. The feedback received also showed many areas of consensus and provided valuable ideas for improvement.

Many of the ideas advanced at the forums have resulted in specific recommendations made by the superintendent in this operating budget. The Board of Education has expressed its appreciation to the forum participants and decided to continue community forums in future years. The Board also decided to modify the procedures for Operating Budget public hearings to expand participation to a wider spectrum of stakeholders.

The development of this budget also involved a significant role for the special education community, by incorporating the valuable work of the Special Education Staffing Committee. This citizen and staff committee met over the summer to develop



a staffing improvement plan. This budget includes some of the highest funding priorities of the committee, with the goal of increasing the number of students with disabilities educated in the Least Restrictive Environment (LRE). These initiatives constitute the largest increase for special education improvements made by the district in any

single year. The process for developing this budget aligns with the process required by MSDE to submit an annual staffing plan. By commenting on the proposals in this budget, citizens concerned with special education have a full opportunity to comment on the proposed annual staffing plan.

MCPS Operating Budget Increases FY 2001 - FY 2006

Fiscal Year	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FYs 01-06
Beginning Budget	\$1,107.2	\$1,222.0	\$1,327.7	\$1,412.2	\$1,499.0	\$1,612.9	\$1,107.2
<u>Growth and Inflation</u>							
Growth	11.7	14.9	11.9	21.1	13.5	14.5	87.6
Inflation and other	18.9	13.7	13.8	6.4	15.0	3.5	71.3
Textbooks				3.1			3.1
Subtotal	30.6	28.6	25.7	27.5	28.5	18.0	162.0
<u>Compensation (salaries and benefits)</u>							
Continuing salary costs	8.4	7.8	7.0	15.0	14.4	14.2	66.8
Negotiated salary costs - MCEA	38.9	32.7	30.9	37.3	27.0	22.9	189.7
Negotiated salary costs - MCAASP, SEIU	14.8	10.1	9.6	10.7	11.1	11.0	67.3
Employee benefits - Active employees	8.9	14.6	12.9	19.3	25.7	12.9	94.3
Employee benefits - Retired employees	3.4		4.7	10.1	2.4	3.7	24.3
Subtotal	74.4	65.2	65.1	92.4	80.6	64.7	442.4
Subtotal-same services	105.0	93.8	90.8	119.9	109.1	82.7	604.4
<u>Savings and Efficiencies</u>	(16.1)	(14.0)	(21.4)	(33.1)			(84.6)
<u>Budget Initiatives</u>							
Class size reduction	5.0	11.2	7.2			9.8	33.2
Workforce excellence	10.9	3.8	2.5			0.3	17.5
Literacy and ESOL	6.9	2.6	3.3		1.7	5.6	20.1
Special education	0.4	4.3	0.9			3.3	8.9
Partnerships	0.3					0.1	0.4
Safety, maintenance, technology, school support	2.4	3.6	1.2			4.4	11.6
Shared accountability		0.4				3.0	3.4
Subtotal - Budget Initiatives	25.9	25.9	15.1		1.7	26.5	95.1
Total Budget Increase	\$114.8	\$105.7	\$84.5	\$86.8	\$110.8	\$109.2	\$614.9
Final Approved Operating Budget (and % Inc.)	\$1,222.0	\$1,327.7	\$1,412.2	\$1,499.0	\$1,609.8	\$1,722.1	\$1,722.1
<u>Revenue - Sources of increases</u>							
Local	\$90.0	\$68.7	\$49.6	\$55.6	\$85.4	\$68.7	\$458.5
State	17.0	27.8	21.9	28.7	14.0	38.0	109.4
Federal	2.5	5.9	10.6	2.1	1.6	1.6	22.7
Other	5.3	3.3	2.4	3.5	9.8	0.9	24.3
Total	\$114.8	\$105.7	\$84.5	\$89.9	\$110.8	\$109.2	\$614.9

Strategic Initiatives to Improve Student Achievement

The improvement measures outlined in *Our Call to Action: Pursuit of Excellence* focus on the basics of education: providing a quality teacher and a quality instructional program for each child, backed by excellent supporting services staff, and supervised by outstanding administrators. The crucial improvements required to achieve this goal include:

- ◆ Rigorous curriculum at each grade level
- ◆ Instructional guides and assessment measures
- ◆ Staff development at the school level to implement curriculum
- ◆ Support for diverse learners who need special assistance to succeed
- ◆ Effective monitoring of schools to see that students are learning
- ◆ Technology supports so that teachers and principals can review student data and monitor their own efforts



Implementing the Strategic Plan

Program initiatives included in the FY 2006 Recommended Operating Budget implement the goals and strategies of the strategic plan. Many of these initiatives further more than one strategy and contribute to the achievement of several goals. These initiatives advance many of the improvements implemented during the first years of *Our Call to Action*. Because of fiscal constraints since FY 2003, some initiatives planned for completion in earlier years have been postponed. Now there is an opportunity to resume progress in those areas because of savings made in previous years and anticipated in FY 2006.

Essential Questions

The school system's ongoing improvement efforts are designed to address four essential questions:

- ◆ What do students need to know and be able to do?
- ◆ How will we know they have learned it?
- ◆ What will we do when they haven't?
- ◆ What will we do when they already know it?

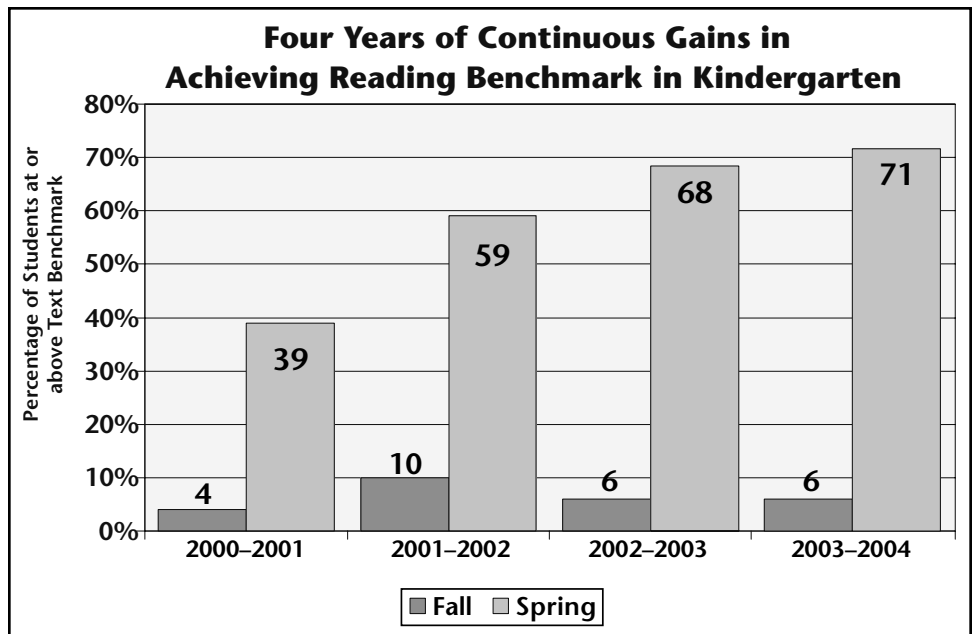
FY 2006 INITIATIVES SUMMARY	FTE	AMOUNT
Full-Day Kindergarten - 20 Additional Schools	34.0	\$2,357,403
Class Size Reduction	175.0	9,815,064
Accountability	14.0	3,027,785
Technology, including Financial Info. System	9.0	2,171,290
Elementary Assistant Principals	15.0	1,225,071
School Secretaries and Building Services	31.5	889,488
Curriculum and Instruction/K-12 Program Support	11.1	3,236,019
Special Education and Student Services	60.4	3,310,985
Security and School Environment	6.0	338,324
Other	<u>2.0</u>	<u>171,542</u>
TOTAL	358.0	\$26,542,971

Goal 1: Ensure Success for Every Student

The objective of all these improvements is to improve student achievement, to provide every student with a high-quality world-class education. The initiatives recommended for FY 2006 are proven measures based on research in Montgomery County and nationally. The school system has planned carefully to align initiatives with the objectives of the strategic plan and to review progress continually through both internal and external evaluations. Based on these reviews, changes have been made when necessary to maximize the impact of additional resources. Positive results in student assessments indicate that MCPS is moving in the right direction. The recommended improvements continue the successful strategies implemented in prior years. Many of these recommendations are based on feedback received during the community input on the strategic plan received at the public forums and other input from stakeholders and individuals. This budget is truly a product of the entire school community.

Early Success Performance Plan

The Early Success Performance Plan integrates improvements from prekindergarten through Grade 3. During the past five years, MCPS has invested more in Early Success than in any other single improvement strategy. The comprehensive plan provides a four-year pathway for all children. Implementation of the plan addresses the opportunity gap facing our most affected children. It includes the following elements:



- ◆ Focused and challenging curriculum for reading, writing, and mathematics
- ◆ Ongoing assessment of student progress using the latest technology
- ◆ Expanded time for instruction with a longer day and extended year programs for students who need the most help
- ◆ Professional development for teachers to make possible more individualized instruction
- ◆ Intensified family involvement in each child's learning

Together these elements have produced significant improvements in student learning, especially for those students most affected by poverty and language.

During the past five years, initiatives totaling \$23.0 million have advanced the early success program, including:

- ◆ Expansion of prekindergarten programs to include 250 more children (\$655,000),
- ◆ Full-day kindergarten at 73 schools (\$10.1 million),
- ◆ Additional support for young children in federally-funded Title I schools (\$4.8 million), and
- ◆ Reduction in class size in kindergarten, Grade 1, and Grade 2 to 17:1 in 56 schools (\$7.5 million).

Full-day Kindergarten

This budget advances the Early Success plan by adding 34.0 classroom teacher positions at a cost of \$2,357,403 to expand full-day kindergarten to an additional 20 schools, for a total of 93 schools. Schools will be included according to the plan adopted by the Board of Education as part of the Capital Improvements Program (CIP). This proposal includes more schools than envisioned in the plan adopted last year by the Board of Education. The growth in the number of kindergarten-age children and the proven value of full-day kindergarten make it imperative to advance the multiyear plan as fast as possible. The state mandate included in the Bridge to Excellence Act requires that all schools have full-day kindergarten and that counties offer prekindergarten programs to all at-risk students by FY 2008. MCPS is on target to fulfill that requirement. A total of 29 schools will remain to be included in



full-day kindergarten after next year. The increased number of schools with full-day kindergarten will require more relocatable classrooms financed in the capital budget, but that is an essential requirement to secure the advantages of full-day kindergarten for all children.

The full-day kindergarten program uses a comprehensive and rigorous literacy-based curriculum. The program provides for ongoing assessment to monitor student progress, assist in instructional planning, and inform parents of their children's literacy and mathematics development. The extended literacy

and mathematics program provides the extended learning time so crucial to students' acquisition of skills needed to become effective language users and problem solvers.

The budget also advances Early Success by beginning a new program to provide reading, writing, and mathematics interventions for

FY 2006 Budget Initiatives		
Goal/Initiative	FTE	Amount
Goal 1: Ensure Success for Every Student		
Reduce Elementary Schools Maximum Class Guideline by 2	120.0	\$6,730,330
Eliminate Most Elementary Combination Classes	15.0	841,291
Reduce Oversized Classes in Secondary Schools	40.0	2,243,443
Full-Day Kindergarten - 20 Additional Schools	34.0	2,357,403
Collaborative Action Process (CAP)	6.0	511,985
Least Restrictive Environment (LRE) for Special Education Students	49.4	2,320,573
Other Special Education Initiatives	5.1	321,913
Middle School Extended Year & Extended Day		1,064,290
Instructional Management System - Middle School Rollout	1.0	103,801
Reading, Writing, Math Intervention - non-Title I Schools		300,000
Evening High School		156,514
Downcounty Consortium	9.6	566,474
Elementary Assistant Principals	15.0	1,225,071
Elementary School Secretaries	13.5	343,077
School Safety and Security - Training Coordinator	1.0	89,700
Building Services	18.0	546,411
Transportation-Additional Fleet Maintenance Shift-2nd Phase	5.0	248,624
New Financial System		1,500,000
Goal 2: Provide an Effective Instructional Program		
Reading Intervention	0.5	467,911
Grading and Reporting		72,000
SAT Long-Range Success Initiative		199,500
Roberto Clemente M.S. Upcounty Center		55,427
Data Monitoring - Master Plan Results	1.0	84,139
Development of Predictive Formative Assessments	1.0	83,175
Teacher Centered Model (TCM) & Pre-K Assessment Development	4.0	2,474,906
High School Academic Short Term SAT Interventions		43,546
7th Center for the Highly Gifted		140,286
International Baccalaureate (IB)		149,299
Elementary School Technical Support	6.0	416,658
School Network Support	2.0	176,055
Information Systems Security - Staff Support	1.0	78,577
Goal 3: Strengthen Productive Partnerships for Education		
Translation Services	1.0	177,286
Web Communications Enhancement	1.0	72,785
Goal 4: Create a Positive Work Environment in a Self-Renewing Organization		
Supporting Services Training and Development	6.0	153,046
Administrative and Supervisory Professional Growth System	1.0	128,718
Human Relations Compliance	1.0	98,757
TOTAL	358.0	\$26,542,971

Impact of Reducing Maximum Class Size Guidelines by 2

Wyngate Elementary School

	Grade 1		Grade 2	
	Before	After	Before	After
Class A	27	20	23	23
Class B	28	21	25	25
Class C	28	21	26	26
Class D		21		
Total	83	83	74	74

students at non-Title I elementary schools who need additional help to succeed. This initiative adds \$300,000 to provide some of the benefits now available only in federally-funded Title I schools. The details of these interventions will vary depending on the needs of the schools to be selected, and on the school improvement plans in those



class size. This unprecedented initiative included:

- ◆ Full-day kindergarten for 56 schools at 15:1 (\$8.4 million)
- ◆ Grades 1 and 2 class size reduction in 56 schools at 17:1 (\$7.5 million)
- ◆ Other elementary school class size reduction (\$1.1 million)
- ◆ Special education class size reduction (\$1.9 million)
- ◆ Middle and high school class size reduction (\$3.8 million)

In addition to these initiatives, the Board approved 22.6 positions to implement smaller learning communities at the five high schools in the Downcounty Consortium.

Despite these improvements, many class sizes at all grade levels remain too large for the most effective differentiated instruction. In

addition, as more special education students are included in regular classrooms, students require smaller classes to achieve necessary gains in learning. The FY 2006 budget addresses this issue by continuing efforts to reduce class size at all school levels. It adds a total of 175.0 classroom teacher positions at a cost of \$9,815,064. This will enable the Board of Education to reduce maximum class size guidelines in all elementary schools by 2 students, from 28 to 26 in grades 1-3, and 30 to 28 in grades 4 and 5. Reducing maximum class size guidelines will have the effect of reducing actual class sizes for oversize elementary school classes by approximately 5 to 7 students, depending on student enrollment in each school. The chart shows how Grade 1 and Grade 2 classes are expected to be reduced in a school. This staffing will allow the elimination of elementary school combination classes unless a school chooses to retain a combination class for educational reasons or in exceptional cases in very small schools.

The class size reduction initiative includes 40.0 classroom teacher positions at a cost of \$2.2 million to reduce the oversized classes in secondary schools. This will be done without changing maximum class size guidelines.

Special Education

During the past five years, MCPS has expanded funding for special education by over \$70 million, including the addition of 553.7 positions. The state of Maryland requires each local district to submit

schools. The goal of this intervention plan is to make it possible for students, especially those highly impacted by poverty, to make gains in achievement similar to those being made in Title I schools. The FY 2006 budget also continues to provide instructional materials for the Ruth Rales Reading Tutorial program serving Grade 2 students. This program is a collaboration between MCPS, the Montgomery County Department of Health and Human Services, and several community organizations using parent and community volunteers to work directly with children.

Class Size Reduction

In FY 2001, the Board of Education began a comprehensive initiative to reduce class size at all grade levels. During FYs 2001-2005, the Board added 504.5 classroom teacher positions at a cost of \$22,705,812 to reduce

L.R.E.
(Least Restrictive Environment)

Access to high quality, rigorous curriculum to improve student achievement.

All students with disabilities receive instruction in general education classroom for 80% of the day.

All students are members of their neighborhood school community.

A World of Opportunities

Collaboration between general educators and special educators occurs on a regular basis.

annually a staffing plan to describe how the needs of special education students will be met. The Maryland State Department of Education has approved each annual submission from MCPS. To align the annual plan with the operating budget, the FY 2005 Operating Budget incorporated the staffing plan for FY 2005. The FY 2006 budget also includes the Special Education Staffing Plan that resulted from months of extensive stakeholder input, including the Special Education Staffing Plan Committee. The Board of Education's community forums included extensive participation of special education stakeholders and indicated a consensus that more needs to be done to improve academic achievement of special education students.

During the last five years, the operating budget has included initiatives to advance special education adding 155.4 positions at a cost of \$6.1 million, in addition to resources added for growth in enrollment, including:

- ◆ Special education class size reduction (\$1.9 million)
- ◆ Paraeducator support (\$1.6 million)
- ◆ Additional staffing using Individuals with Disabilities Education Act (IDEA) funding (\$580,000)
- ◆ Secondary school reading and writing support (\$700,000)
- ◆ Psychologists (\$800,000)
- ◆ Special education training (\$565,000)

The principal objective of the Special Education Staffing Plan is to advance the placement of special education students in general education settings or Least Restrictive Environment (LRE). The LRE mandate included in IDEA requires children with disabilities to be educated to the maximum extent appropriate with nondisabled peers. The goal is to provide access to the general education curriculum for special needs students, and to raise the bar so that students with special needs will achieve consistently at higher levels in response to rigorous expectations.

MSDE has set a goal for MCPS of at least 80 percent of students with disabilities to be educated within general education classes at least 40 percent of the time (LRE A or LRE B). MCPS has made progress toward that goal. On average, MCPS has experienced an annual 6 percent increase in LRE A and LRE B enrollment. The current

percentage of MCPS students in LRE A and LRE B is 68 percent. In FY 2004, special education students outperformed the Maryland state average on Maryland School Assessments in Grade 5 by 8 percent in reading and 9 percent in mathematics. Disabled students in the Intensive Needs Reading project gained 1½ grade levels the first year of participation and 3 grade levels after a second year of participation. In high school 6.8 percent of students taking Advanced Placement classes were special education students.



The FY 2006 budget encourages progress toward LRE, with a comprehensive improvement program that includes input from the Special Education Staffing Plan Committee and other community feedback. The total cost of this initiative is \$2,320,573, including 49.4 positions. This recommendation is the largest special education improvement plan in any single year at MCPS. It provides 20.0 paraeducators (160 hours) at a cost of \$650,449 to facilitate inclusion of special education students in general education classrooms. It provides for 6.0 teachers to assist high schools to provide direct instructional support for included students. The budget adds 7.0 speech pathologists at a cost of \$462,553 to reduce caseloads to 56.4:1 in grades K-12. Speech/language skills are the foundation of oral communication and the development of literacy. The budget expands the Home School Model to a fourth high school cluster by adding 5.0 positions at cost of \$240,362. There is an addition of 9.0 itinerant special education resource teachers at a

cost of \$491,714 to assist classroom teachers in facilitating inclusion. The budget initiative also provides other support to facilitate LRE, including an assistive technology specialist (\$60,020) to integrate technology into the classroom, and an augmentative communications teacher and paraeducator at the Cannon Road Elementary School (\$56,133). Other special education improvements include interpreting services for students who are deaf or hard of hearing (\$35,285), program support for the growing preschool education program (3.0 positions in addition to growth positions at a cost of \$228,189), and an auditory development specialist to serve the growing number of students who have cochlear implants (\$58,439).

Collaborative Action Process

When students are not successful, there may be many reasons why. A variety of factors—instructional, individual child development, peer relationships, family issues, behavioral – must be considered. The Collaborative Action Process (CAP) model provides systematic problem solving by intervening early and providing functionally relevant instructional, social, and behavioral interventions. CAP provides teachers with answers that can resolve issues and promote learning. The CAP model has been introduced in 29 schools. It uses a team of psychologists, counselors, and pupil personnel workers to work with and train teachers and other school staff to understand and apply the new approach. Initial results show reduced student suspensions and expulsions, higher attendance rates, and fewer referrals to special education. CAP also can help to reduce the disproportionality of African Americans referred to special education. The goal is to introduce CAP in all schools. For FY 2006, the budget includes the addition of 3.0 psychologists and 3.0 pupil personnel workers at a cost of \$511,985 to expand CAP to an additional 30 schools. Implementation of the CAP model will become mandatory in selected schools. In future years, the CAP model will be expanded to additional schools as staff are rotated out of schools that have completed the implementation process.

ESOL

The FY 2006 budget includes funding for additional translation services to make MCPS documents available to parents in five languages. The need to communicate essential information to our rapidly growing linguistically diverse community requires providing translation services in multiple languages using web publishing, print media, and television.

During the last five years, MCPS has strengthened services for the growing ESOL community. As ESOL enrollment has grown, direct expenditures increased from \$19.7 million in FY 2000 to \$31.8 million in FY 2005. As part of this increase, budget initiatives to serve ESOL students totaled \$1.4 million, including \$800,000 to expand staffing for schools with high concentrations of students with greater language difficulties, \$180,000 for bilingual assessment, \$180,000 for counseling, and \$225,000 for parent outreach.

The FY 2006 budget includes an increase of \$.5 million related to enrollment growth and \$177,286, including one position, to provide translation services in Spanish, French, Vietnamese, Korean, and Chinese. Most of this will fund part-time salaries and contractual services to complete translations of MCPS documents for distribution to the community.

Middle School Reform

The next phase of comprehensive school reform will emphasize teaching and learning at the middle schools. Over the last five years, many of the reform initiatives have concentrated on early childhood and on academic rigor in high schools. Completion of this program now requires greater efforts at middle school improvement.

Later this year, the results of an audit of the middle school program will be provided to the Board of Education. Anticipating the findings of the audit, this budget includes recommendations for a variety of initiatives in middle schools. In 2004, MCPS received a federal Magnet Schools grant of \$7.2 million. This grant permits the establishment of the Middle Schools Magnet Consortium, which will open in 2005.

Special themes integrated into the MCPS curriculum will be available school wide to all students at Argyle, Parkland, and the reopened Belt middle schools. The themed academies that will be available include information technology, performing arts, communication and the humanities, and aerospace technologies. The goal is to engage student interest in the core curriculum and expose students to opportunities for more intensive learning. Each middle school will establish partnerships with institutions of higher education, businesses, and government agencies. Through a preferred choice process, the programs will be open to all middle school students throughout Montgomery County, with transportation



provided in the attendance areas of the three magnet schools and for the three contiguous clusters of Bethesda-Chevy Chase, Rockville, and Walter Johnson.

Other academic initiatives involve all middle schools. Building on the success of previous programs, some funded with federal or state grants, this budget provides extended day and extended year programs at all middle schools. Research indicates that middle school students need more time for learning. These programs provide extended instructional time for students who want to accelerate their learning, strengthen their skill base, and enhance their content knowledge of curriculum as assessed by the Maryland School Assessment (MSA). It includes classes in grade-level curriculum in reading and mathematics and preparation for above-level classes in mathematics in the home school.

Approximately 7,200 students participate annually in the extended-year programs. Last year, attendance was a remarkable 88 percent. Evaluation of the program in 2004 indicated that the most important need was more time to strengthen skills. The Extended Year program will expand the existing summer programs for 2005 at all middle schools from 14 to 19 days and all enrichment math classes to 9 or 10 days at an added cost of \$700,000, for a total cost of \$1.4 million. Students pay a modest fee for these programs, with waivers available for qualifying students, providing approximately \$300,000 in fees to offset costs.

The middle school Extended-Day Academic Intervention program at all middle schools serves students who need more time for learning to succeed on the Maryland School Assessments. The FY 2006 budget doubles the number of students who can be served to 120 per school at a cost of \$363,680. The program serves students during 20 weeks of the second and third marking periods with classes not exceeding 20 students. Both the Extended-Day and Extended-Year programs are vital components of the county's gang prevention strategies. They will help some of our most vulnerable students to remain occupied during times when school is not in session and strengthen their academic skills and improve achievement levels.

Students in middle schools also need textbooks as new curriculum units are introduced. In FY 2006, textbook purchases for all middle schools will include new textbooks for Grade 6 in Reading/English/Language Arts, Grade 8 Science, and Special Education FLS. The total cost is \$850,000.

All middle schools will benefit from the rollout of the Instructional Management System (IMS). This will enable middle school teachers to develop instructional plans, create assignments, monitor assessment data, and modify instructions based on student needs within the curriculum framework. IMS enables teachers to see reports on diagnostics and benchmark student assessments. The initiative includes a position to develop and support the rollout at a total cost of \$103,801.

The middle school initiatives includes reading interventions for students reading below grade level, using the READ 180 program. This program is tailored to students with a variety of needs. Students in middle school will receive assistance in preparing for the SAT, using the Preliminary SAT Scoring Service (PSSS) in Grade 8. Middle schools also will benefit from expansion of the Collaborative Action Process (CAP) to deal with behavioral issues.

In order to serve students working at the highest levels of attainment, the Roberto Clemente Middle School Upcounty Center Program will be completed by expanding to Grade 8 next year. This program features both the Humanities and Communication and the Mathematics, Science, and Computer Science programs offered at Eastern and Takoma Park middle schools in the downcounty area. A new Middle Year's International Baccalaureate (MYIB) program will be implemented at Silver Spring International Middle School and planning will begin for a similar program at Francis Scott Key and Newport Mill middle schools. Continued support will be provided for the existing programs at Westland and Julius West middle schools.

Middle schools also require strong assessment programs. The budget uses existing resources to expand middle school assessment programs, including the extension of the successful Stanford Diagnostic Reading Test and the Measures of Academic Progress-Reading (MAP-R) to middle schools and the further development of predictive formative assessments. In FY 2006 there also will be additional support for the implementation of standards-based grading and reporting in middle schools.

High School Reform

High schools continue to increase the rigor of their academic program. During the past five years, the Board of Education has supported the Northeast Consortium and founded the Downcounty Consortium, in addition to providing signature and International Baccalaureate programs at several high schools. The Operating Budget now contributes \$1.9 million toward the Downcounty Consortium. A federal grant that has provided a total \$1.9 million over three years will expire after this year. To maintain the quality of the themed academies and administer the choice process,

the FY 2006 budget adds \$566,474 to support 9.6 positions in the Downcounty Consortium, including 5.6 positions in the schools, 2.0 instructional specialists, and 2.0 support positions to administer the choice process. Maintenance of this commitment will allow continued progress in the five schools of the Downcounty Consortium: Montgomery Blair, Albert Einstein, John F. Kennedy, Northwood, and Wheaton high schools. The FY 2006 budget includes increased support to high schools as they prepare students for the SAT exam. To improve the quality of the Evening High School program by bringing it in line with the high school curriculum, the budget implements a recommendation of the Evening High School Task Force to provide after-school intervention programs to prepare students for state High School Assessments (HSA) at ten sites at a cost of \$156,514. The program will serve approximately 250 students. Existing resources will be realigned to expand the number of on-line courses offered to students who cannot take those courses at their home schools because of insufficient enrollment.

School Leadership

The success of school improvement reforms requires outstanding leadership at the school level, including monitoring of school performance. The focus is on the role of the principal as the school's instructional

leader. The presence of an assistant principal is vital for school safety when the principal is away from the building and essential to allow the principal to concentrate on instructional leadership. Currently, there are 70 schools without an assistant principal. To reduce the number of schools with only a single building administrator, the budget adds 15.0 assistant principals at elementary schools at a cost of \$1,225,071. This is in addition to three assistant principals added for enrollment growth under existing formulas. The 15 principals will be added at schools with the greatest enrollment and number of professional staff. This will permit an assistant principal at every Title I school and at all but eight schools highly impacted by poverty.

The FY 2006 budget completes the multi-year effort to have at least two full-time secretaries at every school. The secretary plays an essential role in providing support to parents and other visitors and maintaining communication within the building. Past emergencies have emphasized the need for a secretary to help coordinate emergency response. Currently, there are 27 elementary schools without a second full-time secretary. This budget adds the necessary 13.5 positions at a cost of \$343,077.



Safe and Secure Schools

MCPS continues to ensure a safe and secure learning environment. Staff is working closely with public health and safety officials at the local, county, state, and federal levels in response to national warnings about potential terrorist threats. To ensure school safety, the FY 2006 budget includes \$89,700 for a training coordinator previously funded through a federal grant. This position will work directly with schools to prepare them for emergency situations. To improve the safety of school buildings, the budget adds 18.0 building service worker positions—in addition to 21.0 added for enrollment growth—at a cost of \$546,411. This will enable building service workers to deal with the growth in cleaning space and the more complex equipment that protects the school environment. The budget adds 5.0 positions and \$248,624 to establish a third maintenance shift at one of the bus depots. This will speed bus repair and make sure that sufficient buses are on the road. The addition of elementary school secretaries also will help improve the learning environment at 27 elementary schools.

Fiscal Accountability

The Board of Education in collaboration with staff has the responsibility to maintain fiscal accountability for the use of resources. Adoption of the Education Fiscal Accountability and Oversight Act by the state of Maryland in 2004 emphasizes the importance of careful fiscal management. MCPS currently has a proprietary financial information system that is more than 25 years old. It is without sufficient analytical capability, and is not integrated with the new Human Resources Information System and other management information systems. Replacing this out-of-date system also is vital because of the lack of staff capacity to guarantee continued operation of the system. The Board of Education has made replacement of the financial system and its associated accounting, budget, procurement, and materials management systems the highest priority for information systems development. In FY 2004, the county executive and County Council supported a requirements study financed through the Technology Investment Fund. This study is moving forward this year. The FY 2006 budget includes \$1.5 million to begin implementation of the



new system. It is expected that significant increases in investment will be required over several years to complete installation of the new system. Once it is completed, MCPS managers, elected officials, and other stakeholders will have more complete and convenient information to assess how MCPS resources are used, and to evaluate the cost-effectiveness of school programs. MCPS will continue working with Montgomery County government to maximize the ability to exchange necessary financial information.

Goal 2: Provide an Effective Instructional Program

The Board of Education has established as an academic priority the alignment of a rigorous curriculum, delivery of instruction, and assessment. In 2001, Montgomery County Public Schools embarked upon a monumental effort to revise curriculum in reading/English language arts, mathematics, science, and social studies. The goal was to create a curriculum aligned to state, national, and international standards. In the past five years, the operating budget has included \$6.8 million in improvements and 79.0 positions for improved curriculum, mainly in reading, writing, and mathematics. In addition, more than \$4 million was realigned annually from other accounts to purchase new textbooks.

Over the course of four years, the Office of Curriculum and Instructional Programs (OCIP) has produced 182 standards-based curriculum guides that stress the skills and knowledge necessary for students to successfully engage in rigorous and challenging instruction. Another 75 guides are being developed in FY 2005. MCPS is committed to providing an instructional program that ensures all of our graduates are prepared for both college and the demands of the work force.

The development of a curriculum framework, instructional guides (including pre- and post- assessments), and the identification

of textbooks and resource materials, reduce the variability in instruction that has been reflected in student achievement. Ongoing professional development designed to support implementation of the revised curriculum while building teachers' content understanding is key to improving teaching and learning.

The curriculum framework describes what students should know and be able to do. How the knowledge and skills are to be taught is detailed in instructional guides. Instructional guides contain the sequence of units for each year, a timeframe for completion of those units, model lessons on which teachers should build their own instruction, connections to resources approved for classroom use, and assessments to gauge student progress. The assessments are developed so that there is a clear pathway from the curriculum framework indicators taught in each unit to the demonstration of mastery of those indicators by students.

The goal of the assessment measures, which have been incorporated into the instructional guides, is for teachers to administer assessments frequently so that instruction can be adjusted both to meet the individual needs of the learner, and to monitor student progress on the learning continuum. The diagnostic information gained through the use of assessments informs intervention, acceleration, and/or enrichment. The assessments measure a student's progress toward mastery of specific content knowledge and/or skill.

In FY 2005, OCIP is implementing new curriculum units for pre-K mathematics, Reading in grades 4 and 5, English in grades 6 and 10, Grade 8 social studies, geometry, matter and energy, and earth science.

Next year, curriculum in reading/English language arts, mathematics, science, and social studies will be implemented fully in 14 new grades or courses, bringing the total to 36 fully implemented grades or courses. Curriculum will be field-tested in six other grades or courses, and curriculum blueprints will be developed in four additional grades or courses.

Students not achieving at grade level in reading need improved intervention strategies. The FY 2006 budget includes several tested reading intervention programs designed for all school levels, including Read 180 aimed at grades 4-12, Horizons targeted at grades

2-3, and Corrective Reading directed at grades 4-5, at a total cost of \$467,911. These programs will serve an additional 2,160 students.

Buying New Textbooks

In order to make the new curriculum effective in the classroom, teachers and students must have textbooks aligned with the curriculum and with formative and summative assessments of student progress. Many MCPS textbooks do not reflect the scope or sequence of the new curriculum. Over three years, it will be necessary to purchase more than \$6 million worth of new textbooks just to implement new curriculum units. Many of these textbooks cost \$50 or more. To advance this program in FY 2006, MCPS plans to purchase and distribute more than \$3.7 million in new textbooks, including Grade 2 social studies, Grade 6 reading/English language arts, Grade 8 science, English 10, U.S. history, algebra II, foreign language, and special education FLS. These textbooks will be purchased without adding to the budget by realigning funds from other textbook and materials accounts, and by reducing temporarily the flexibility that schools have in using their textbook allotments.

Grading and Reporting

Quality teaching requires access to formative assessments, and ongoing measures of student progress, that inform instruction, report to parents, predict success on final examinations, and guide diagnosis of student needs. Teachers administer formative assessments during the normal course of instruction. Students' grades will accurately reflect how well they meet grade-level or course expectations. Parents need standards-based information to tell them where students are and where they need to be. Implementation of the new grading and reporting system will require detailed consultation with stakeholders including parents, staff, and the wider community. The development of parent/teacher guides, surveying constituents on their satisfaction, and mechanisms to monitor implementation will cost an additional \$72,000.

Honors and Advanced Placement

MCPS has made a commitment to provide a rigorous academic program for all students, culminating in Advanced Placement (AP) courses. Since 2001, the number of students taking AP tests has increased by 75 percent, and average scores have remained over 3.0. In FY 2004, more than 27,000 students, two-thirds of all high school students, participated in at least one Honors or AP course.

To strengthen programs for highly able students, the FY 2006 Operating Budget includes:

- ◆ the opening of a 7th center for the highly gifted at Chevy Chase Elementary School (\$140,286)
- ◆ expansion of the Roberto Clemente Middle School program to Grade 8 (\$55,427)
- ◆ expansion of middle year's IB programs and other IB program support (\$149,299)

SAT Intervention Plan

MCPS is committed to increasing participation and success on the SAT. In 2004, 80 percent of eligible students participated and set an all-time record for the district with an average score of 1103. Scores continue to reflect, nevertheless, a stubborn and persistent gap between African American and Hispanic students and their White and Asian classmates. In order to continue to improve SAT results, short- and long-term intervention strategies have been developed. Students must start early to prepare. Several years ago, MCPS provided funding for all students to take the PSAT in Grade 10. The FY 2006 budget implements the Preliminary SAT Scoring Service (PSSS) in Grade 8, the "College Ed" program in Grade 7, includes training for the Springboard program, and provides the TOEFL exam for students with language issues (\$199,500). For those students closer to exam participation, the budget provides the SAT Prep Crash Course for 10 one-hour sessions immediately before the SAT (\$43,546).

Shared Accountability

In order to evaluate the success of its reform initiatives, the Board of Education has instituted a System of Shared Accountability (SSA). This system provides information to monitor student performance and institutes course corrections as necessary to achieve

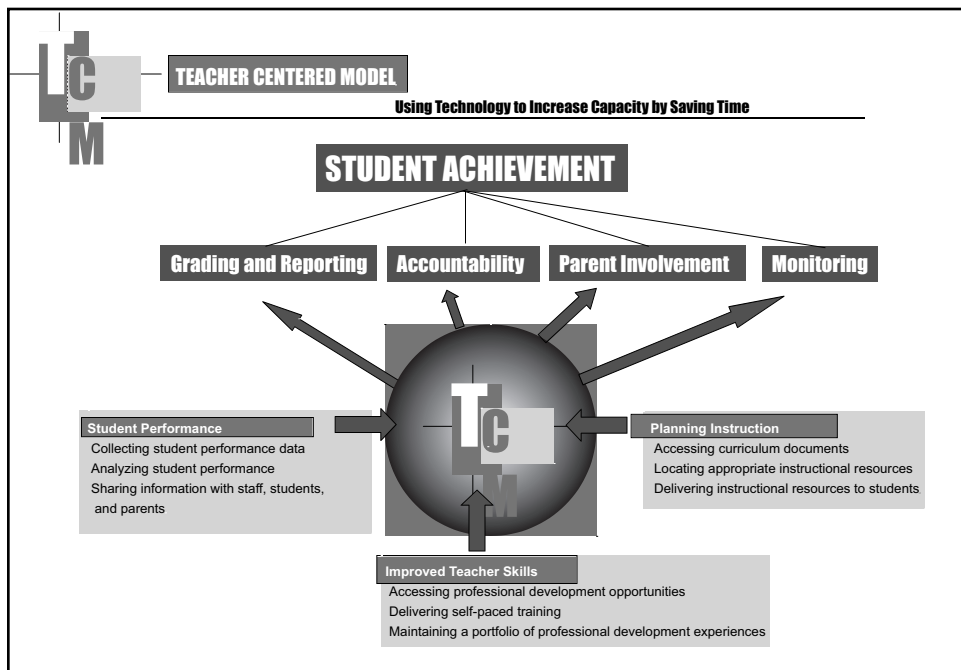
system goals. The FY 2006 Operating Budget strengthens shared accountability. It provides for stronger data monitoring to ensure that school data is reliable, by adding a 1.0 position at a cost of \$84,139. It provides resources for developing more predictive assessment instruments to align formative assessments and local exams with state High School Assessments and national tests at a cost of \$83,175. The Teacher Centered Model (TCM) described below also will improve the System of Shared Accountability.

systems and accountability systems to serve school, teachers, and parents.

The new Teacher Centered Model (TCM) is a technology support initiative that is designed to reclaim valuable teacher time and improve student performance by facilitating the development, scoring, and reporting of formative assessments. Using this new technology, formative assessments that took hours to administer can now be done in minutes with much higher quality and more accurate information. By saving teachers time, TCM can strengthen teaching and learning.

the system will take place during FY 2005, and expanded to all elementary schools in FY 2006. The FY 2006 budget includes \$2,474,906 to provide equipment, software, and materials to implement TCM. Training activities are included in the comprehensive training plan using existing resources. MCPS is exploring grant opportunities to enhance the TCM.

Other technology support for schools includes the addition of 6.0 user support specialists (\$416,658) to provide elementary schools with improved technical support for computer systems, support for school computer networks (\$176,055), and improved computer systems security (\$78,577) to prevent disruptions to major computer systems.



Goal 3: Strengthen Productive Partnerships for Education

The Board of Education's priorities include strengthening family-school relationships and expanding partnerships with civic, business, university, and community organizations. This goal includes collaboration with employee unions to strengthen schools. In the past five years, MCPS has developed active partnerships with business through the Montgomery County Business Roundtable for Education (MCBRE). The MCBRE Operations Excellence project has contributed to more efficient management of a variety of MCPS services. University partnerships have helped recruit highly qualified new teachers. Partnerships with County agencies discussed below have made common work more efficient and employees more productive. MCPS also has worked cooperatively with county agencies to establish such programs as Gateway to College, Linkages to Learning, and the Early Childhood Initiative. This year, MCPS has worked to transfer responsibility for adult ESOL and GED programs to Montgomery College. Partnerships with community organizations have encouraged the contribution of volunteers and provided supplementary services such as the George B. Thomas Saturday Schools. Collaboration with each of the employee unions has helped to moderate the growth in employee benefit costs for both employer and employee, made possible the professional growth systems, and facilitated implementation of all the initiatives that have improved student achievement.

Technology

Technology is critical to learning, and supporting the system of shared accountability. The Technology Modernization program has updated school-based technology with the goal of having a student-to-computer ratio of 5:1. The Digital Divide initiative works with schools, government agencies, business, and community organizations to address the gap between students who have access to technology at home and those who do not. The Integrated Quality Management System (IQMS) provides student information to teachers, administrators and parents to improve educational quality through the Data Warehouse and the Instructional Management System (IMS). MCPS recently reorganized to combine the accountability and technology responsibilities under the deputy superintendent of strategic technologies and accountability. This new organization will provide a seamless connection between technology

During FY 2005 and continuing into FY 2006, a variety of TCM tools are being introduced. MCLASS: Reading and mCLASS DIBELS are early reading assessment tools. Teachers use personal digital devices (PDAs) to record observations of student reading during administration of running records and DIBELS. The Measures of Academic Progress—Reading (MAP-R) and the Stanford Diagnostic Reading Tests (SDRT) are reading assessments for grades 3-5. MCLASS DIBELS Plus is being developed to administer a new hybrid assessment created with components of DIBELS and the MCPS Assessment of Primary Reading (MCPS-PR) that will monitor student progress in grades K-2. The TCM system provides immediate reports to teachers and administrators. Data generated by the TCM assessment flows into the IQMS system to be used as one of many comparative sources of information on student achievement. Initial deployment of

Family and Community Partnerships

Parents, as first teachers, are partners in supporting student achievement. Two nationally recognized models, the National Network of Partnership Schools, developed by the Johns Hopkins University, and the Comer Process Model of Parent Involvement from Yale University have been identified for implementation in MCPS. The goal is to provide a structure and process for mobilizing parent and community involvement that requires schools to adopt a parent involvement model and incorporate it into their school improvement plans.

Comprehensive parent handbooks identify available services and resources within MCPS and provide guidance for parents and community members in understanding MCPS organization, programs, and services. The MCPS Call Center provides parents and community members with direct access to information and timely answers to questions.

In FY 2005, the Division of Family and Community Partnerships (DFCP) was realigned to the Office of Curriculum and Instructional Programs (OCIP). The DFCP was reorganized to ensure alignment to the pre-K–12 instructional program, focus support to families and community members, and broaden business partnerships to increase academic achievement and improve student development. To accomplish this goal, DFCP works closely with other staff with similar missions to provide essential outreach activities that are focused around the MCPS curriculum and the DFCP efforts to build the capacity of all stakeholders to support increased student achievement.

Study Circles

Over the past two years, the MCPS Study Circles program has provided tools and assistance to schools working to overcome racial and ethnic barriers to communication and student achievement. Study Circles is a dialogue and action program that confronts issues of race and ethnicity, engages diverse stakeholders, creates collaborative action, and supports student achievement.

Study Circles staff help schools organize roundtable dialogues with teachers, families, and students. The dialogue facilitates the understanding of diverse experiences and creates unified groups working together for the success of all students. In FY 2006, Study Circles programs will be expanded to more schools throughout the county.

Web Enhancement

Technology can be a powerful tool to strengthen partnerships and facilitate two-way communication with stakeholders. The MCPS web site has received an award from the Center for Digital Education as the best K-12 school district web site in the United States. But in order to communicate more effectively with parents and community stakeholders, the web site must be enhanced to provide more system level content in English and in other languages. The FY 2006 budget adds a web producer at a cost of \$72,785 to develop and update content. This will support the addition of foreign language materials.

The budget also advances parent and community partnerships through providing increased translation services for making MCPS documents available in five languages, involving parents and community volunteers in the Grade 2 Ruth Rales Reading Tutorial program, expanding the Collaborative Action Process (CAP) to 30 more schools, and providing a second full-time secretary at the final 27 elementary schools.

Goal 4: Create a Positive Work Environment in a Self-Renewing Organization

For the new curriculum to be successful, each staff member must have the knowledge, job skills, attitudes, and expectations to bring about the optimum learning for each child. Teachers must know what to teach and how to teach it. Principals and other leaders must understand the most effective ways to measure great teaching, including the essential role in student success played by attitudes and expectations.

During the last five years, MCPS has added 226.0 positions and \$17.2 million to support organizational development. This investment includes:

- ◆ Staff development teachers (\$6.2 million)
- ◆ Staff development substitute teachers (\$3.0 million)
- ◆ Consulting teachers (\$2.9 million)
- ◆ Skillful teaching programs (\$1.7 million)
- ◆ Support services training (\$0.5 million)
- ◆ Administrator training (\$0.4 million)
- ◆ Other staff development programs (\$2.5 million)

Professional Growth System

All employees are ready to participate in a Professional Growth System (PGS). Montgomery County Public Schools has fully implemented the Teacher Professional Growth System. The PGS includes a redesigned teacher evaluation system now implemented in all schools. The Peer Assistance and Review system (PAR) includes consulting teachers for new and underperforming teachers. Findings from external evaluators indicate that the program is having a positive impact on the quality of teaching and learning. The FY 2006 budget adds 3.0 consulting teachers related to enrollment growth to handle the increase in the number of new teachers.

Administrators and supervisors now have their own PGS, the implementation of which began last year. It complements the system for teachers. During FY 2004, the initial phase of the evaluation system was implemented in cooperation with the Montgomery County Association of Administrative and Supervisory Personnel (MCAASP). In FY 2005, 3.0 consulting principals are assisting new principals and those in need of improvement. For FY 2006, a fourth consulting principal at a cost of \$128,718 is needed to work with principals and assistant principals identified as in need of improvement. Mentors will be assigned to work with new assistant principals.

During FY 2006, MCPS also will implement the Supporting Services PGS in cooperation with SEIU Local 500. The program will include coaches who will work with underperforming supporting services employees in all areas to strengthen their job competencies. The FY 2006 budget includes 6.0 positions and \$153,046 which will be under the supervision of the Office of Organizational Development.

The budget includes other organizational development initiatives funded through realignment of existing training priorities. These include training in the Teacher-Centered Model, rollout of the Instructional Management System (IMS) to middle schools, support for training needed for the standards-based grading and reporting system, required training for staff added to International Baccalaureate (IB) programs and training coordination for school safety and security programs. In addition, a human relations compliance officer is added to coordinate the response of offices to human relations concerns.

Quality Management

Over the last five years, \$53.4 million needed for improvement initiatives has been identified by realigning resources within the MCPS budget rather than requesting new resources. Improvements in management and increases in productivity have enabled managers to identify additional savings that could be realigned to higher priorities. In recent years, for example, changes in the design of employee benefit plans has led to \$2.6 million in savings. All units have applied the principles of zero-based budgeting to scrutinize carefully all resources to make sure they are used for the highest priorities. MCPS has instituted a comprehensive process to evaluate programs and has reduced or eliminated programs that aren't working or which have reached their maximum effectiveness. The PEAR (Program Efficiency, Abandonment, and Redirection) process, coordinated with County Council intensive budget reviews, has enabled MCPS to evaluate programs for cost-effectiveness, using external evaluators, experts within MCPS in the Department of Shared Accountability, and individual program managers and staff. The expansion of performance measurement in all units has facilitated program evaluation. Finally, the Malcolm Baldrige Quality Management Principles have provided a guiding set of aligned approaches to individual units and schools to guide management improvement and student achievement.

Doing Business Differently to Serve Schools Better

Zero-based Budgeting

MCPS offices have used zero-based budgeting to make literally hundreds of realignments, using existing resources in more creative and productive ways to accomplish system goals.

- ◆ For FY 2002, zero-based budgeting began in the Office of Strategic Technologies and Accountability. Over three years, this office reduced or realigned \$5 million.
- ◆ For FY 2003, realignment of resources included significant reorganization of central office functions to coordinate services for schools.

- ◆ For FY 2004, each office drilled down to see how it could use its resources to accomplish more effectively the goals of its strategic plan within existing levels of resources.
- ◆ For FY 2005, the zero-based budgeting process was used to implement the MCPS strategic plan by scrutinizing each item in the budget based on its relevance to the overall strategic plan for the school system.

MCPS offices have realigned existing resources to concentrate on their core missions and key objectives. The zero-based budgeting process encouraged this realignment of resources and resulted in literally hundreds of realignments totaling millions of dollars. Criteria for zero-based budgeting decisions include enrollment projections, staffing allocation guidelines, strategic plan objectives and standards, and fiscal constraints. By FY 2003, all units in MCPS used zero-based budgeting to prepare the FY 2004 Operating Budget. Zero-based budgeting now works as an efficient planning tool to align resources with the strategic plan. It forces a regular review of all functions and activities, not simply incremental changes. It encourages all managers to prioritize resources and involve their staffs in proactive planning. Finally, it provides a useful tool for expenditure control after adoption of the annual budget.

Program Efficiency, Abandonment and Redirection (PEAR)

The PEAR process provides a multi-pronged approach to determine the value and effectiveness of strategic initiatives. Major multiyear budget initiatives, such as middle school and staff development programs, are evaluated by outside experts. Professionals in the Department of Shared Accountability evaluate other key initiatives, including full-day kindergarten and Title I. Evaluation workshops trained program staff to be more independent in collecting program monitoring data and develop plans for evaluating their accomplishments against agreed-upon objectives. DSA staff continues to provide technical assistance to program staff throughout the PEAR process.



MCPS has become a data-driven organization. Each office, department, division, and school has developed performance measures as part of its strategic plan or school improvement plan. These performance measures help managers and staff monitor programs and assess outcomes compared to established objectives. The Operating Budget includes a selection of these performance measures. The recently issued Annual Report includes a more detailed selection of key performance measures tied to the strategic plan.

Baldrige Quality Management

MCPS has adopted the Malcolm Baldrige Criteria for Performance Excellence as the continuous improvement model for all schools and offices. With the help of federal grant funding, Baldrige quality management principles were implemented in central offices, the Walter Johnson cluster, and Waters Landing Elementary School. Now more than 90 schools have implemented the Baldrige School Improvement Process. In March 2004, the Office of the Chief Operating Officer was awarded the U.S. Senate Productivity and Maryland Quality Award (Bronze) based on Baldrige criteria. The MCPS application for a national Baldrige award advanced to a Stage 2 review, one of 34 organizations in all sectors across the country. Baldrige principles provide a framework for continuous improvement in all offices and help schools improve the teaching and learning process by involving all children as well as staff.

Factors Increasing Operating Costs

The FY 2006 Operating Budget for Montgomery County Public Schools must increase significantly to accommodate the effects of enrollment growth, inflation, and employee compensation. Factors that contribute to increased operating costs include enrollment growth, opening new

schools, negotiated salary costs, continuing salary costs, employee benefits and insurance, mandated rate increases, and inflation. The increase in the cost of standard services, however, will increase less in FY 2006 than in some previous years. These requested increases total \$82.6 million.

Enrollment Growth

Enrollment growth impacts most aspects of the Operating Budget, such as requirements for increased instructional staffing, additional student transportation (operators, attendants, and buses), more instructional materials (textbooks and supplies), other school-based supporting services, and new and expanded school facilities.

Although the growth of systemwide enrollment has reached a temporary plateau, continued growth in some programs will increase the operating budget by \$9.6 million. In FY 2006, total enrollment is projected to decline by 82 from 140,492 to 140,410 (budget-to-budget projections). Enrollment in elementary schools will increase by 246. Middle school enrollment is projected to decline by 310. High school enrollment is expected to increase by 846. Total enrollment changes in grades K-12 increase costs by \$.7 million.

There is an increase of \$5.0 million related to the opening of new schools. Northwood High School, which opened in FY 2005, will add Grade 10 in FY 2006. Two new middle schools will open in FY 2006, including Quince Orchard Middle School #2 and the reopened Belt Middle School. The FY 2006 budget also includes funds for core staffing for four new elementary schools and one new high school slated to open in FY 2007. The cost of transporting and feeding new students and providing additional facilities building services staff for new school space results in an increase of \$3.5 million for FY 2006.

Special Education Enrollment Growth

Enrollment for students with disabilities requiring special classes is projected to increase by 575 students (6.8%). The number of resource services for students with hearing impairments, resource program needs, and vision, speech, and physical disabilities will increase by 1,162. This requires an additional 102.4 teachers, speech pathologists, occupational/physical therapists, and paraeducator positions, as well as other growth-related costs, such as textbooks and instructional materials. The total cost for special education including transportation and benefits, will be \$312.4 in FY 2006, an increase of \$21.1 million (7.2%).

New Schools and Additions

NEW SCHOOLS	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11
Northwood HS Reopening	X						
Quince Orchard MS #2		X					
Downcounty Consortium MS #9 (Belt reopening)		X					
Clarksburg/Damascus ES #7			X				
Clarksburg Area HS (conversion of Rocky Hill MS)			X				
NE Consortium ES #16			X				
Northwest ES #7			X				
Downcounty Consortium ES #27 (Connecticut Park reopening)			X				
Downcounty Consortium ES #28 (Arcola reopening)				X			
Seven Locks ES Replacement Facility				X			
Clarksburg/Damascus ES #8						X	
SCHOOL ADDITIONS	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11
Matsunaga ES (6)	X						
Baker MS (6)		X					
Forest Knolls ES (4)		X					
Gaithersburg ES (9) + (6 CSR)		X					
Rosemont ES (10) + (6 CSR)		X					
South Lake ES (6) + (6 CSR)		X					
Broad Acres ES (6) + (4 CSR)			X				
Farmland ES (8)			X				
Gaithersburg HS (16)			X				
Garrett Park ES (6)			X				
Northwest HS (20)			X				
Watkins Mill ES (10) + (6 CSR)			X				
Einstein HS (3)				X			
Sherwood HS (12)				X			
Sligo Creek ES (4)				X			
Weller Road ES (4) + (7 CSR)				X			
Fields Road ES (9)					X		
Pyle MS (6)					X		
Travilah ES (6)					X		
Westland MS (6)					X		
Bethesda-Chevy Chase HS (5)						X	

Note: Numbers in parentheses indicate additional classrooms for enrollment increases. Numbers in parentheses preceding CSR indicate additional classrooms for class size reduction.

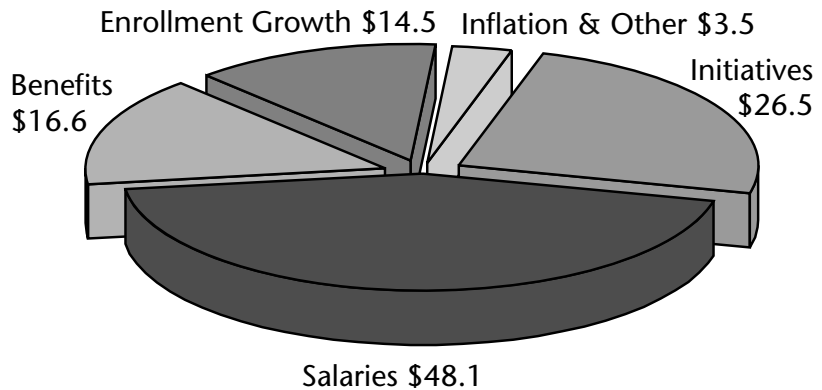
Increases in special education enrollment are particularly great among prekindergarten students, enrolled in the Infants and Toddlers program, managed in cooperation with the Department of Health and Human Services, and the Preschool Education Program (PEP). The number of pre-school children qualifying for services is expected to increase by 139 in FY 2006. Success in identifying children in need of services at an early age through the Child Find program has increased the number of children from birth to age 5 with special needs. Many of these children, moreover, have multiple disabilities or are medically fragile. These trends among prekindergarten students with disabilities mirror national trends.

ESOL Enrollment

The number of students who will receive ESOL services is projected to increase by 180 students in FY 2006, at a cost of \$.5 million. Enrollment of English Language Learners (ELL) has increased by more than 1,200 students (10 percent) in the past three years. Almost all of this growth is at the elementary school level. The number of ELL students in Montgomery County is greater than the total enrollment of nine Maryland school districts.

More than 40 percent of all ESOL students in Maryland are enrolled in Montgomery County Public Schools. The largest number of ESOL students are at the elementary school level, with nearly half born in the

FY 2006 Factors Increasing Operating Costs \$109.2 million



United States. Because of higher ESOL enrollment, there is a need for 12.2 teacher and other positions and other expenditures for an increase in the operating budget of \$.5 million.

Employee Salaries

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

- ◆ Montgomery County Education Association (MCEA)
- ◆ SEIU Local 500 representing supporting services employees
- ◆ Montgomery County Association of Administrative and Supervisory Personnel (MCAASP)

Negotiated Agreements with Employees

Negotiated agreements with the employee unions include economic terms already agreed for FY 2006. These agreements increase the Operating Budget by \$33.9 million for existing employees.

In January 2004, the Board of Education reached a three-year contract with MCEA that expires on June 30, 2004. The salary agreement calls for a 2.0 percent increase effective July 1, 2004, an additional 2.75 percent increase effective July 1, 2005, a 3.0 percent increase effective July 1, 2006, and a midyear increase of 1.0 percent during 2006-07. The agreement also allows for additional negotiations during FY 2005 and FY 2006 on several issues, including impacts of the No Child Left Behind Act and implementation of a career ladder plan.

In February 2003, MCPS completed negotiations with the Montgomery County Association of Administrative and Supervisory Personnel (MCAASP) on a three-year contract that took effect July 1, 2003, and runs through June 30, 2006. The agreement provides for reopening of negotiations for salary and benefits for the second year. The negotiations resulted in a three-year agreement on salary and benefits, with the basic contract being extended one year, now expiring June 30, 2007. The salary agreement calls for a 2.0 percent increase effective October 1, 2004, an additional 2.0 percent increase effective July 1, 2005, and a 4.0 percent increase effective November 1, 2006. The salary schedule is restructured to be more uniform between lanes, and longevity increases for service as an administrator in MCPS are added.



In February 2003, MCPS also completed negotiations with SEIU Local 500 (representing supporting services employees), on a two-year contract that was effective July 1, 2003, and goes through June 30, 2005. This agreement also provided for reopened negotiations for salary and benefits for the second year of the agreement. The negotiations for salary and benefits for the second year resulted in a three-year agreement on salary and benefits and an extension of the contract through June 30, 2007. The salary agreement calls for a 2.0 percent increase effective July 1, 2004, an additional 2.75 percent increase effective July 1, 2005, a 3.0 percent increase effective July 1, 2006, and a midyear increase of 1.0 percent during 2006-07. There will be negotiations during 2004-2005 on most contract language except salary and benefits.

Continuing Salary Costs

Also tied to the negotiated agreements are annual salary increments, which are part of continuing salary costs. As with most government workers, whether federal, state, or local, an MCPS employees' pay is based on a salary schedule, published as part of the Operating Budget, that provides periodic increase for employees who perform satisfactorily. In addition, teacher salaries depend on the educational level of teachers. Salaries for supporting services employees depend on the number of hours worked in addition to their years of service.

The total budget increase for continuing salary costs and related benefits is \$14.2 million. This increase includes \$12.8 million for scheduled annual increments for employees with satisfactory service who are still progressing along salary schedules and for teachers who accumulate sufficient graduate credits to move to a higher salary schedule. The remaining \$1.4 million is required for associated social security and retirement payments. Budgeted salary costs for FY 2006 are based on the assumption that all new employees will be hired at the budgeted new-hire rate for their position. Included in continuing salary costs is \$18.2 million in lapse (savings resulting from short-term vacancies) and turnover (savings from replacing a senior employee with a lower-paid junior employee) based on historical experience.

Employee Benefits and Insurance Costs

The cost of health insurance and other employee benefits represents approximately 18.2 percent of the total MCPS budget, a total of \$312.8 million in FY 2006. National trends of higher health care costs have affected MCPS significantly. Despite ongoing efforts to contain costs, health care costs have risen by more than 10 percent annually for the last three years. Largely due to these higher costs for health care, the total cost of employee benefits for the current number of beneficiaries is projected to increase by \$16.6 million in FY 2006.

The increase for health care for active employees assumes a 6.2 percent cost increase trend for FY 2006, the net of savings and reductions resulting from the positive effects of cost-containment initiatives, negotiated changes to the benefit programs, and a variety of other miscellaneous factors.

Joint negotiations with the employee unions resulted in a series of changes in health care plan designs, including higher co-pays for some plans, changes in pharmaceutical access, and new plan administration. These changes are anticipated to save \$6 million in FY 2006.

Costs for current retirement programs will increase in FY 2006 by \$5.7 million based on 3.30 percent of salary. Total retirement costs will be \$35.4 million. A policy of five-year smoothing of investment gains and losses will necessitate significant increases in retirement costs over the next several years to make up for actuarial losses in previous years.

Costs for the MCPS contribution to the county's joint self-insurance fund will increase by \$.2 million in FY 2006. This fund covers a variety of risk management insurance needs, including liability and fire insurance. In addition, improved safety measures for employees have reduced significantly the increase in the anticipated cost of worker's compensation claims. This will result in a savings of \$1.3 million compared with earlier projections.

Inflation and Other Cost Increases

A total of \$3.5 million (2 percent of the budget) is set aside for inflation and other required cost increases in FY 2006. During the past three years, inflation in the Washington metropolitan area has remained at about 2.5 percent. Inflation increases are calculated for most budgeted items other than salaries, and increases for major items that have specific rates different from general inflation rates are calculated separately. These include such items as utilities, tuition costs for students with disabilities who are in private placements, textbooks, and instructional materials. Inflation has been recognized for textbooks, instructional materials, media center materials, and facilities maintenance, adding \$1.1 million to the budget.

Other items requiring major increases include the following:

- ◆ Student transportation (\$2.4 million)
- ◆ Food services (\$.2 million)
- ◆ Plant operations and maintenance of facilities (\$.6 million)
- ◆ Technology (\$1.4 million)

These increases are offset by the following decreases:

- ◆ Nonpublic tuition for special education students (\$1.0 million)
- ◆ Expected transfer of adult education programs to Montgomery College (\$2.1 million)
- ◆ Reductions in the Summer School program appropriations (\$.6 million)

In addition, the utilities budget for FY 2006 includes approval by the County Council of a supplemental appropriation for FY 2005 of \$3.3 million as requested by the Board of Education. This additional cost reflects higher prices for electricity resulting from deregulation of electric generation and higher prices for natural gas and heating oil resulting from worldwide increases in oil prices.

Summary of Revenues

Budget requests are intended to reflect program and service needs. Yet this county's ability to fund public education needs is dependent on the fiscal environment.

In this section, the following issues will be reviewed:

- ◆ Sources of revenues—including state and federal aid and the amount of local revenues
- ◆ Maintenance of effort—a state of Maryland law that ensures additional state aid will not supplant local revenues supporting public schools
- ◆ Spending affordability guidelines—a Montgomery County Charter amendment that ensures that annual guidelines for spending are based on projections of the available revenue

Sources of Revenues

In recent years the share of the budget funded by state and federal governments has risen. However, most of the operating budget continues to come from county tax funds.

County Revenue

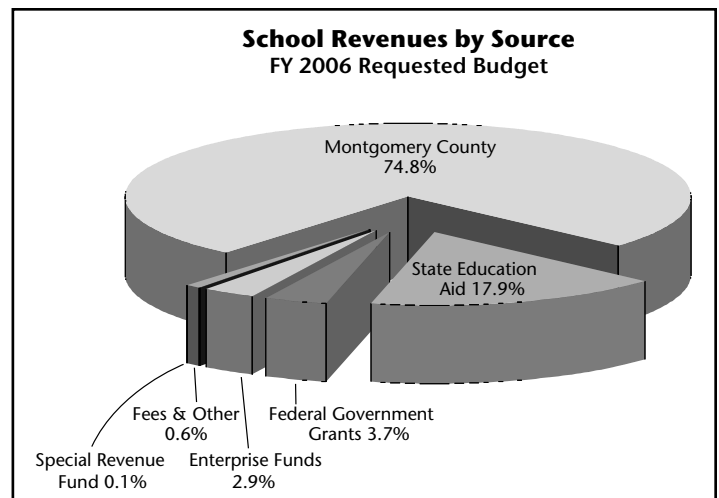
The citizens of Montgomery County have been generous to the schools and still provide three-fourths of the system's total resources, more than the percentage paid by any other county in Maryland. In FY 2006, the county is expected to provide 74.8 percent of total expenditures. The county percentage has declined gradually during the past decade as the Montgomery County share of state aid has increased. Nevertheless, MCPS still receives far less as a percentage from the state (17.9 percent) than other counties receive.

State Sources

The state Bridge to Excellence Act (Thornton) has significantly increased the total amount of state funding. In FY 2006, mandated funding under Thornton will increase state aid to MCPS by \$38.3 million. In addition, full funding of Thornton requires implementation of the Geographic Cost of Education Index (GCEI). This provision was part of the original Thornton law. It recognizes that some counties, including Montgomery County, have a higher cost of education beyond their

control that should be reflected in higher state aid. The General Assembly agreed on a GCEI formula in 2004 that would give Montgomery County a 3.4 percent adjustment to reflect higher costs, but this provision was not funded for FY 2005. If funded as provided by law for FY 2006, Montgomery County would receive an estimated \$12.6 million in additional state aid.

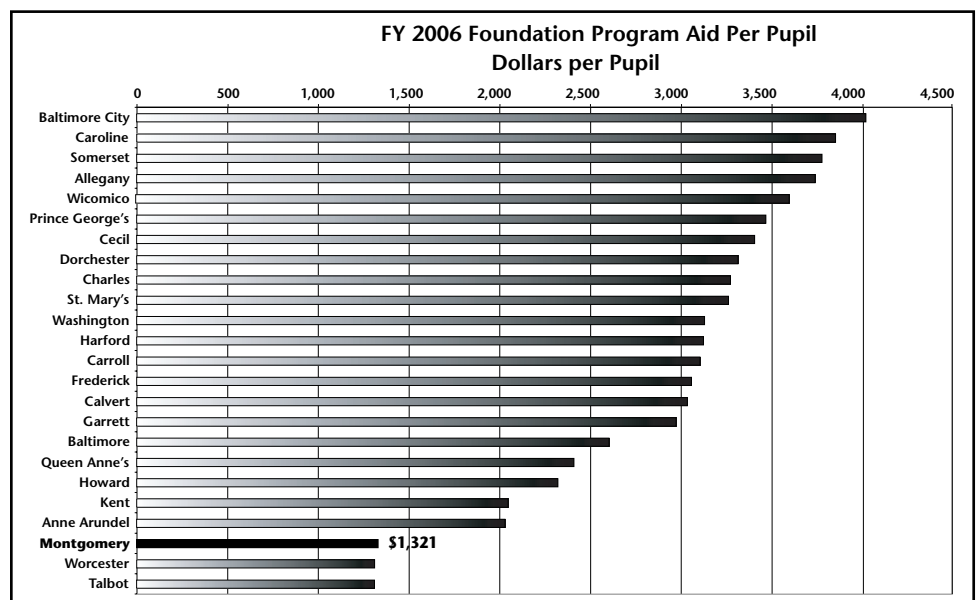
Basic state aid is now based on a foundation amount of \$5,497 per student, compared to \$4,124 before enactment of the new law. This increase is a result of a state commitment to provide every child in Maryland with the resources judged necessary for an "adequate" education. Maryland contributes an average of 51 percent of this total statewide, but only 24 percent for Montgomery County. This disparity results from wealth-based state aid formulas. Because Montgomery County citizens are, on average, wealthier than citizens in other counties in the state, MCPS receives less state education aid per student than other school districts receive. Under the state's equalized education aid formula, the differences in funding among counties in this



state are dramatic. For example, in FY 2006 Montgomery County is expected to receive only \$1,321 per student, whereas other Maryland counties are projected to receive an average of \$2,780 per student. Because the new state funding formulas take wealth into account to a greater degree than previously, the disparity between aid to MCPS and other districts is expected to continue.

Maintenance of Effort in Local Funding for Schools

According to the state of Maryland's maintenance-of-effort law, in order to receive any increase in basic state school aid, each county must appropriate at least as much per pupil as it appropriated in the previous year. More specifically, the maintenance-of-effort law states that if there is no enrollment growth,



local funding is to remain the same as that of the previous fiscal year in terms of total dollars and, if there is enrollment growth, local funding is to remain the same on a per pupil basis. Moreover, if this required level of local funding effort is not met, the county may lose state aid.

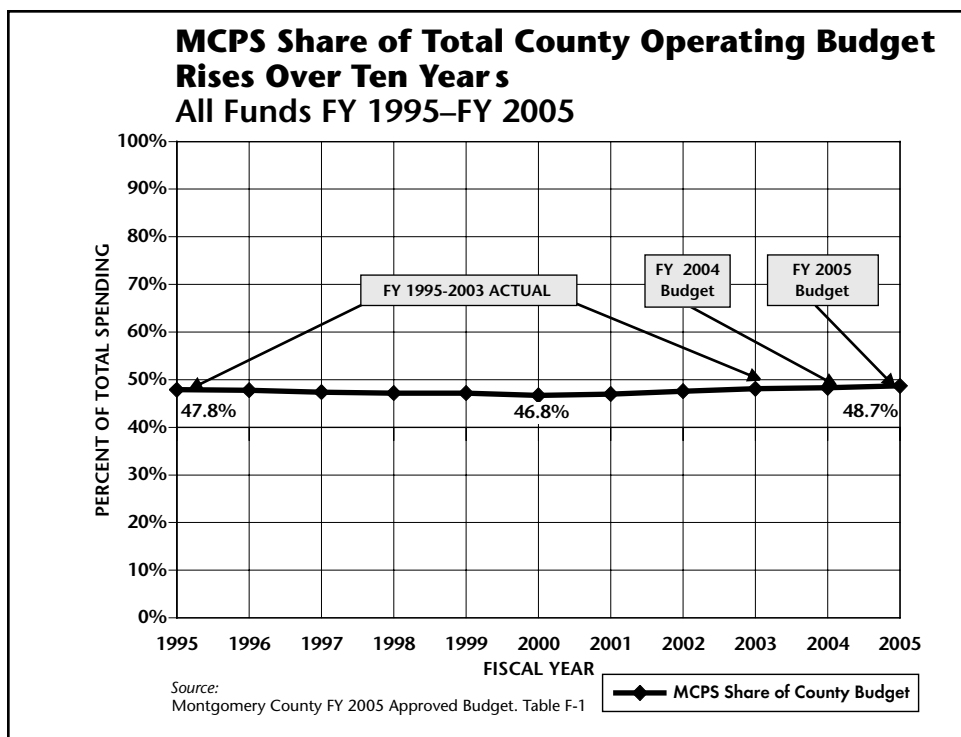
This local contribution accommodates basic enrollment growth, but makes no allowance for the effects of inflation on expenditure items such as textbooks, instructional materials, employee benefits, and the costs of negotiated wages and salaries. In FY 2005, the County Council approved a local contribution to the schools budget that was \$76 million higher than the minimum required by the maintenance-of-effort formula. This increase was necessary last year to pay basic cost increases, although no significant budget improvements were possible. For FY 2006, \$64.9 million in local funding will be needed above the minimum maintenance-of-effort requirement.

The maintenance-of-local-effort requirement for FY 2006 is \$1.224 billion in local tax contribution, which, combined with other projected tax-supported revenue, would produce a total FY 2006 spending affordability (tax-supported) budget for MCPS of \$1.537 billion, \$64.9 million above the maintenance-of-effort requirement.

Spending Affordability

In 1990, the Montgomery County Charter was amended to restrict increases in property taxation. This Charter amendment limits the growth of annual property tax revenue to the rate of increase in the metropolitan area Consumer Price Index (CPI-U) from the previous fiscal year plus the value of new construction. This limit may only be exceeded if seven members of the County Council agree to a higher increase based on an analysis of spending affordability.

The county code provisions that implement this Charter amendment require that by the third Tuesday in December of each year, the County Council approve preliminary spending affordability guidelines for agencies (including MCPS) that are based on the Council's estimate of the available revenues for the coming year. In 1997, the Council modified the spending affordability law that governs procedures for determining the guidelines mandated by the Charter to exclude school enrollment as a factor in determining spending affordability guidelines.



The March 1999 amendment to the spending affordability law postpones the deadline for submission of nonrecommended reduc-

tions to cut spending to within the affordability guidelines until April, after the final spending affordability guidelines are set.

FY 2006 Funding Calculations for Spending Affordability and Maintenance of Effort

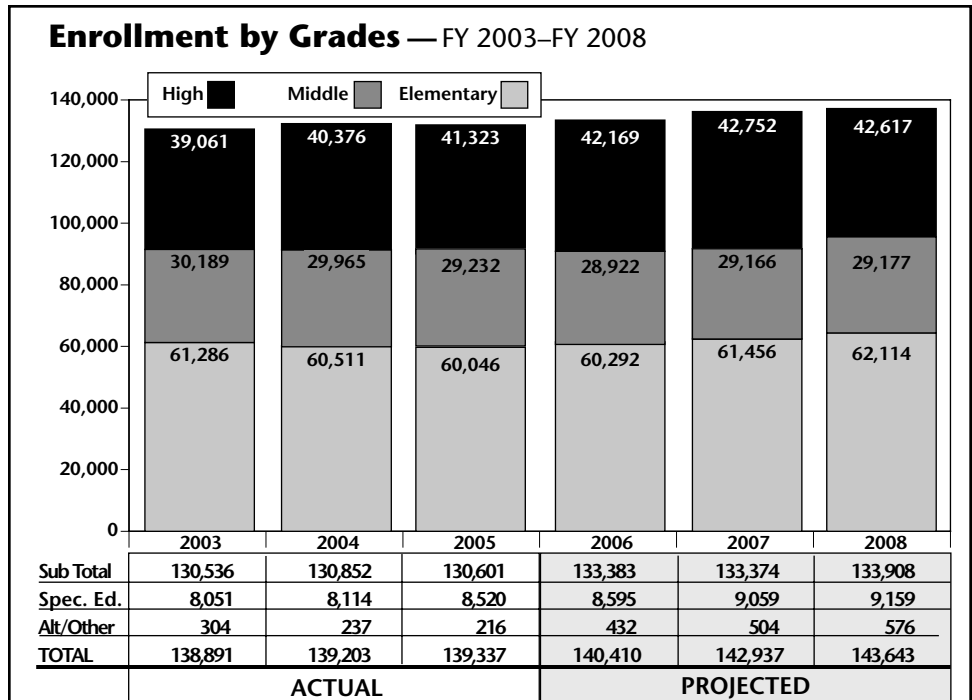
Tax Supported Spending Affordability Budget
(excluding grants and enterprise funds)

(dollars in millions)	Budget Request FY 2006	Increase Over FY 2005
SPENDING AFFORDABILITY (excluding grants & funds)		
TOTAL BUDGET REQUEST	\$1,601.5	\$106.5
MCPS Spending Affordability Guideline	<u>1,536.6</u>	41.6
DIFFERENCE	(\$64.9)	
MAINTENANCE OF EFFORT		
TOTAL BUDGET	\$1,601.5	\$106.5
REVENUE		
Non-Local Funds:		
State Aid	307.6	38.3
Other Revenue	<u>4.7</u>	(0.5)
Local Funding Effort Required	1,289.2	68.7
Maintenance of Effort Requirement	<u>1,224.3</u>	7.1
DIFFERENCE	(\$64.9)	

Note: Spending Affordability allocation at maintenance of effort level

Long-term Planning Overview

The operating budget reflects the day-to-day costs of operating and maintaining facilities, paying employees' salaries and benefits, contractual services, supplies and materials, and furniture and equipment (including new school buses). Other costs related to supporting MCPS are included in the Capital Improvements Program. The CIP addresses the school system's plans for investing in new facilities, modernization and renovation of old facilities, and other major capital investment programs. By way of comparison, the FY 2006 operating budget of \$1.7 billion is about 9 times the size of the \$183.0 million capital budget expenditures approved for FY 2006. This is because the capital program tends to fund one-time costs, whereas the operating budget represents the cumulative costs of operating and maintaining both old and new facilities, along with the balance of the school system, on a continuous basis.



Enrollment Trends

Over the past five years, enrollment has risen by more than 8,000 students. By 2010, 4,869 more students are expected to enroll. Higher county birth rates are expected to result in a rise in elementary enrollment after

a brief plateau. High school enrollment will continue to increase in the next six years. On an annual basis, enrollment increases will decline from 1 percent to .5 percent by FY 2011 as the school system nears a peak in enrollment. The September 2005

actual enrollment is 139,337, an increase of 134 from the prior year. For September 2006, projected enrollment is expected to be 140,410, an increase of 1,073.

Ten-Year Overview of MCPS Operating Budget (dollar amounts in millions)

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Beginning Budget (a)	\$1,222.0	\$1,327.7	\$1,412.2	\$1,502.1	\$1,612.9	\$1,722.1	\$1,847.8	\$1,898.5	\$1,951.3	\$2,013.0
Growth and Inflation										
Growth	14.9	11.9	19.9	13.5	14.5	32.4	(4.0)	4.9	10.5	10.1
Employee Benefits	14.6	19.1	33.3	31.6	16.6	27.1	26.3	19.5	21.2	22.4
Continuing Salary Costs	7.8	7.0	14.0	13.1	14.2	15.1	16.0	16.9	17.9	18.9
Inflation & Other	9.6	12.3	6.8	19.2	3.5	10.3	10.9	11.5	12.1	12.8
Subtotal, Growth & Inflation	46.9	50.3	74.0	77.4	48.8	84.9	49.1	52.8	61.7	64.1
Negotiated Salary Costs (b)	42.8	40.5	30.6	35.9	33.9	39.2	(b)	(b)	(b)	(b)
Multiyear Budget Initiatives	25.9	15.1	-	1.7	26.5	1.6	1.6	-	-	-
Savings & Reductions										
Subtotal, Savings & Reductions	(14.0)	(21.4)	(15.6)	(4.4)						
Council Approved Budget/Request	\$1,323.6	\$1,412.2	\$1,501.2	\$1,612.7	\$1,722.1	\$1,847.8	\$1,898.5	\$1,951.3	\$2,013.0	\$2,077.1
Percent incr. in total operating budget	8.31%	6.36%	6.30%	7.14%	6.77%	7.30%	2.74%	2.78%	3.16%	3.18%
Enrollment	136,832	138,891	139,203	139,337	140,410	142,937	143,643	143,990	144,642	145,279
Percent increase in enrollment	1.98%	1.50%	0.22%	0.10%	0.77%	1.80%	0.49%	0.24%	0.45%	0.44%
Cost per pupil	8,821	9,475	9,999	10,777	11,535	11,996	12,416	12,789	13,108	13,436
Percentage change in cost per pupil	3.42%	7.41%	5.53%	7.78%	7.03%	4.00%	3.50%	3.00%	2.50%	2.50%
Consumer Price Index increase (percent)	2.10%	2.10%	2.40%	2.40%	2.60%	2.50%	2.50%	2.50%	2.50%	2.50%
Percentage change in real cost per pupil, adjusted for inflation	3.40%	7.39%	5.51%	7.75%	7.01%	3.97%	3.47%	2.97%	2.47%	2.47%

(a) Beginning budget is higher than Council-approved budget to reflect supplemental appropriations.

(b) Years FY 2008 through FY 2011 do not include negotiated salary increases.

Expenditures by State Budget Category (000's omitted)

Category	Actual FY 2004	Budgeted FY 2005	Budgeted FY 2006	Percent Change	Percent of Total
Instruction:					
2 - Mid-level administration	96,565	100,725	108,848	8.1%	6.3
3 - Instructional salaries	653,431	692,983	729,457	5.3%	42.4
4 - Textbooks/inst. supplies	25,862	29,047	32,975	13.5%	1.9
5 - Other Instructional Costs	13,346	16,074	19,218	19.6%	1.1
6 - Special education	179,045	198,991	212,639	6.9%	12.3
SUBTOTAL	968,249	1,037,820	1,103,137	6.3%	64.1%
School and Student Services:					
7 - Student personnel services	8,663	9,266	9,729	5.0%	0.6
8 - Health services	33	45	45	0.0%	0.0
9 - Student transportation	64,175	66,990	72,900	8.8%	4.2
10 - Cleaning and utilities	80,321	87,610	90,850	3.7%	5.3
11 - Building maintenance	25,326	27,372	28,617	4.5%	1.7
SUBTOTAL	178,518	191,283	202,141	5.7%	11.7%
Other:					
12 - Insurance and employee benefits	270,045	302,289	329,535	9.0%	19.1
1 - Systemwide support	29,308	31,911	36,301	13.8%	2.1
14 - Community services	211	172	172	0.0%	0.0
SUBTOTAL	299,564	334,372	366,008	9.5%	21.3%
TOTAL GENERAL FUND	1,446,331	1,563,475	1,671,286	6.9%	97.0%
37 - Cable television fund	1,099	1,177	1,215	3.2%	0.1
41 - Adult education fund	4,092	3,757	3,677	-2.1%	0.2
51 - Real estate fund	1,502	1,721	1,795	4.3%	0.1
61 - Food services operations	34,703	40,094	41,551	3.6%	2.4
71 - Field trip fund	1,242	1,357	1,340	-1.3%	0.1
81 - Entrepreneurial activities fund	1,231	1,375	1,265	-8.0%	0.1
TOTAL SPECIAL & ENTERPRISE FUNDS	43,869	49,481	50,843	2.8%	3.0%
TOTAL EXPENDITURES	1,490,200	1,612,956	1,722,129	6.8%	100.0%

Expenditures by State Budget Category

State law requires each county and Baltimore City to classify school expenditures according to certain categories. This is to ensure comparability in reporting among the state's 24 school districts. Most categories contain discrete types of expenditures: transportation, maintenance, fixed charges (employee benefits and insurance), school lunch, and special education.

The five categories defined as instructional costs make up 64 percent of MCPS' total costs. Actual MCPS expenditures for instruction exceeded the statewide average by 1.8% in FY 2003, the most recent year for which data is available. This amounted to \$31 million more for instruction by MCPS than the statewide average proportion.

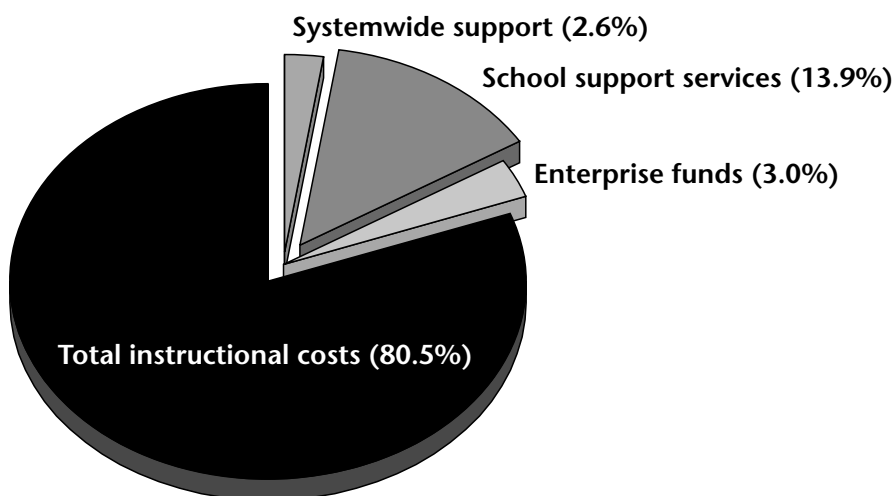
The total amount of MCPS resources allocated for instructional purposes is 80.5 percent. Because instructional salaries form the bulk of salary costs for the school system, most of the 19.1 percent in the budget category for insurance and employee benefits also is attributable to instructional staff.

Employee compensation, including salaries and wages and employee benefits, totals 89 percent of the budget. Thus, it is almost impossible to make significant budget reductions without affecting people.

A 10-Year Overview

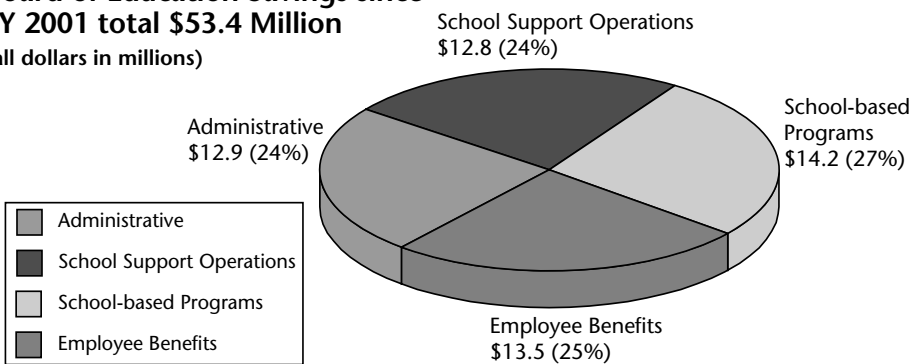
The Maryland Bridge to Excellence Act requires multiyear budget planning. MCPS has developed its budget for many years with multiyear implications. It has cooperated with other county agencies and with the County Council to develop a common format for reporting planning projections. This budget includes six-year projections for tax-supported resources displayed on summary table 6 in the recommended budget. This format includes major known commitments (Tier 1), inflationary projections (Tier 2), projections of the cost of future collective bargaining agreements (Tier 3), and multiyear initiatives and savings (Tier 4). Based on continuing discussions, it is expected that this format will be further refined for future budgets.

Distribution of Education Funds



**Board of Education Savings since
FY 2001 total \$53.4 Million**

(all dollars in millions)



A 10-year overview of the MCPS operating budget provides:

- ◆ a summary of the changes that have been made since FY 2002
- ◆ the FY 2006 Recommended Operating Budget
- ◆ increases for growth and inflation that are projected for the next five years, exclusive of not-yet-negotiated salary increases.

The Ten-Year Overview chart shows the expected annual increases for enrollment growth, employee salaries, employee benefits and insurance, inflation, and other costs.

Over the past five years, MCPS has made a total of \$55.4 million in savings and reductions, approximately 3.2 percent of the annual operating budget for FY 2006. These resources have been realigned to support improvement initiatives.

MCPS has steadily reduced central administration as a percentage of the total budget from 4.6 percent in FY 1991 to 2.0 percent in FY 2005. In FY 2006, required improvements in technology categorized by the state as a central administrative cost change the percentage of central administration to 2.1 percent.

Change in Administrative Category as a Percent of the Operating Budget

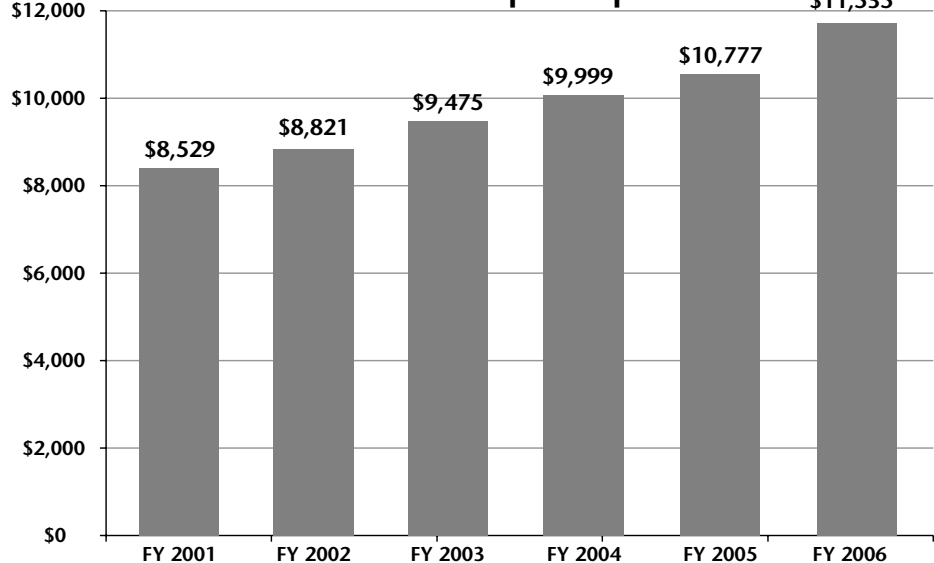
Year	Total Budget	Percent of Category 1	Total Budget
FY 1992	\$719,262,067	\$29,378,470	4.1%
FY 1993	744,808,273	26,960,622	3.6%
FY 1994	790,162,842	27,453,161	3.5%
FY 1995	836,118,020	23,082,437	2.8%
FY 1996	879,423,960	22,824,652	2.6%
FY 1997	916,835,603	23,435,528	2.6%
FY 1998	969,010,164	26,537,849	2.7%
FY 1999	1,032,598,526	33,064,502	3.2%
FY 2000	1,107,216,666	29,691,684	2.7%
FY 2001	1,221,998,485	30,484,861	2.5%
FY 2002	1,327,677,193	32,155,417	2.4%
FY 2003	1,398,594,671	30,218,318	2.2%
FY 2004	1,506,301,494	30,558,163	2.0%
FY 2005	1,612,956,485	31,911,147	2.0%
FY 2006	\$1,722,128,557	\$36,301,288	2.1%

NOTE: Data displayed for FY 1992 through 1994 is based on the old state Category 1. Data displayed for FY 1995 through FY 2006 is based on the new state Category 1.

Changes in Cost per Student

Since FY 2001, cost per student has increased in actual dollars from \$8,529 to \$11,535, excluding debt service and all enterprise funds. Mandated grant funding included in the budget is included in the calculation of cost per pupil. The average annual cost per student has increased 6.2 percent since FY 2001.

MCPS Cost per Pupil



Collaboration with Other Agencies

Montgomery County Public Schools has expanded the level of collaboration with other county agencies to minimize potential duplication of services and allow each agency to benefit both from the strengths of others and from their collective strength. Cooperative arrangements include:

- ◆ Provision of social services to children and families
- ◆ Child care
- ◆ Staff development
- ◆ After-school programs
- ◆ Employee benefits management
- ◆ Solid waste recycling
- ◆ Food services
- ◆ Transportation
- ◆ Maintenance

Such cooperation allows MCPS to take advantage of volume discounts, provide higher-quality service at reduced cost, and increase staff productivity. The following are examples of cooperation.

Gang Prevention Task Force

In response to the alarming increase in gang activities in Prince George's and Montgomery counties, the Joint County Gang Prevention Task Force (JCGPTF) was established in February 2004. The task force was charged with recommending strategies to deal with the escalating gang issue. Each county formed three subcommittees to look at the issue from different viewpoints: prevention, intervention, and suppression.

The following MCPS budget initiatives support the recommendations of the Montgomery County Task Force Report:

- ◆ Expansion of the middle school extended day program and middle school extended year program will minimize the opportunity for students to be recruited by gangs or to engage in gang activities (\$1.1 million)
- ◆ Reduction of oversized classrooms at the secondary level will allow more focused attention on individual student needs (\$2.2 million)

- ◆ Expansion of the Collaborative Action Process will train school staff in processes and skills needed to develop and implement strategies to support students considered "at-risk" for seeking gangs (\$.5 million)
- ◆ Enhancements to the Evening High School Program expand opportunities for students and provide an alternative to the traditional day program (\$0.2 million)
- ◆ The continued expansion of the Educational Facilities Officer (EFO) program, although not a budget item of MCPS, continues to be a strong response to the problem of gangs

MCPS will continue to work collaboratively with Montgomery County, Prince George's County, and other stakeholders to continue to monitor youth violence and gang activity and to reassess approaches to the problem as needed.



Early Success

A variety of MCPS units work intensively with the Department of Health and Human Services (DHHS) and the Collaboration Council for Children, Youth, and Families, an organization that includes Montgomery County government agencies as well as nonprofit organizations and individuals. The goal is to improve services for children from before birth until they begin kindergarten, with the aim of seeing that every child in Montgomery County is ready to start school successfully.

This model includes parent outreach, improved childcare, more comprehensive assessment and evaluation of early childhood services, prekindergarten programs, and full-day kindergarten with a revamped literacy-based curriculum. Sustained implementation of this plan has begun.

Parenting support centers (Judy Centers) are part of this model. MCPS has received funding for two Judy Centers that opened in 2001 in Silver Spring and in 2002 in Gaithersburg. Maryland has mandated the expansion of full-day kindergarten to all students and the provision of prekindergarten programs for all at risk children by 2007.

Linkages to Learning

This program was established in 1991 as a way to alleviate some of the social and family problems that undermine children's academic pursuits. Collaboration between the Montgomery County Department of Health and Human Services, MCPS, and nonprofit provider agencies, provides a culturally competent and family-centered approach to delivering school-based prevention and early interventions services to at-risk children and families. Since 1993, the Linkages program has provided integrated school-based health, mental health, and social services to thousands of families at 22 schools and two centers that address barriers to children's learning. Linkages to Learning serves approximately 3,000 at-risk children and their families who may otherwise not receive or seek such integrated services.

Graphics and Printing Consolidation

The partnership between MCPS and the Montgomery County Department of Public Works (initiated in FY 2000) continues to improve the efficiency and effectiveness of the graphics and publications produced for distribution throughout the community. Products include Ride-On bus passes, student exams, and community information booklets. Revenues generated from both internal and external government and education-based organizations have consistently surpassed the annual Entrepreneurial Activities Fund budgeting for this program (\$410,000 in FY 2004). Excess revenue has been utilized in part to acquire more efficient technologies that have led to further reductions in the overall cost of graphics and printing required by MCPS and the county government.

Accountability Report

In December 2004, MCPS issued its first comprehensive annual report of systemwide outcomes. Significant improvements have occurred in the measures of academic achievement. The data provide strong evidence of academic progress, underscoring the impact of successful instructional strategies and the importance of increased rigor in the curriculum. The data also show that the average student is scoring well above national averages in reading, language, and mathematics.

SAT Test

In 2004, MCPS students achieved the highest SAT scores ever recorded in the district, an average of 1103. The improvements were achieved with a student participation rate of 80 percent, representing the largest number of students ever to take the test in the district. Average scores among both African American and Hispanic students receiving FARMs assistance improved, but average scores for these groups remained considerably below those of Asian American and White students. Average scores for ESOL students dropped from the previous year. Teachers, principals, and support staff are working with students, parents, and the community to address this continuing trend in underperformance. The FY 2006 budget includes initiatives that address both long-term and short-term preparation for the SAT.

High School Assessments

The percentage of Montgomery County Public Schools students who passed the 2004 High School Assessments (HSAs) in algebra, biology, English and government reached the highest level since 2002, the baseline year. Starting with the class of 2009, graduating high school seniors in Maryland will be required to pass these four assessments before they receive their diplomas.

Gains in passing rates ranged from 1.8 percentage points in government to 9.4 percentage points in English. The overall MCPS passing rates were 72.4 for algebra, 73.8 for biology, 65.7 for English, and 79.1 for government.

Impressive gains in 2004 passing rates were evident among all racial and ethnic groups, particularly African American and Hispanic students. While Asian American and White students improved on their already high passing rates, African American and Hispanic students achieved the largest gains relative to

2003 in algebra, biology, and English, and had the second largest gain in government after Asian American students. In addition, increases in passing rates among African American and Hispanic students surpassed the countywide increases in every subject area.

Maryland School Assessments

The first class of students to receive the benefits of three years of reforms in primary grades reached Grade 3 last year. These students outpaced all other grade levels in reading and mathematics on the Maryland School Assessment, with 78 percent reaching proficiency in reading and 79 percent in mathematics. The largest gains were among African American, Hispanic, and ESOL students. Gains among the 15 schools most impacted by poverty were double the average gains in the rest of the district. Students most at risk of academic failure performed at or above the national median in key subjects, with some scores among the highest performing students in the nation. This is real evidence that reforms in the primary grades, including full-day kindergarten and lower class size, along with a reformed curriculum, are leading to significant results in closing the achievement gap. This budget maintains these reforms and expands full-day kindergarten and reduced class size to more students.

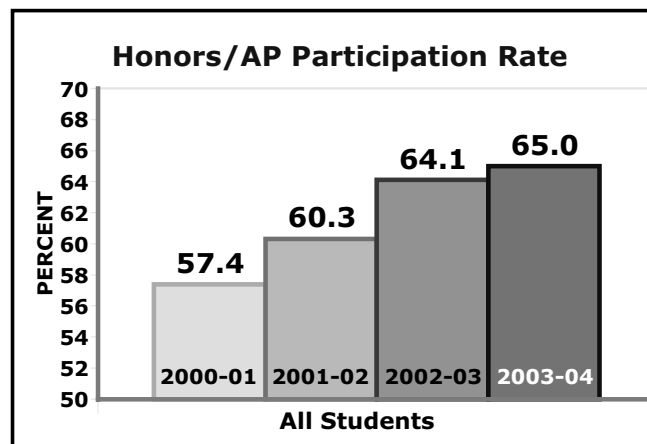
Adequate Yearly Progress

The No Child Left Behind Act requires schools to meet benchmarks of Adequate Yearly Progress (AYP) on state assessments. Nearly 90 percent of schools met AYP standards in 2004, up from 75 percent in 2003. With the exception of students with disabilities, all sub-groups of students—African American, Asian American, Hispanic, White, students with limited English proficiency, and students impacted by poverty—achieved the AYP requirements. This budget provides significant changes in special education designed to move more disabled students into classes with non-disabled peers in an effort to facilitate their making AYP standards.

Other Indicators of Academic Progress

Other recently released results point to strong evidence of academic progress.

- ◆ The secondary school dropout rate was 2.0 percent. A national study cited Montgomery County Public Schools as the top district in the nation in the graduation rate for Hispanic students, fourth nationally for African American students, and second overall in the graduation rate of minorities.



- ◆ During FY 2004, MCPS students with disabilities outperformed the Maryland state average on the Maryland School Assessment in Grade 5 by 8 percent in reading and 9 percent in mathematics.
- ◆ The highest-ever percentage of students was enrolled last year in Honors and Advanced Placement courses (65 percent). Despite this improvement, the gaps among racial and ethnic groups remain very wide, with only 44 percent of African American students and 42 percent of Hispanic students taking at least one honors or AP course, although these figures also represent all-time highs.

Budget Review and Adoption process

On December 15, 2004, the superintendent of schools presented his Recommended Operating Budget for FY 2006 to the Board of Education. His recommendations continue to reflect input from a variety of public and private stakeholders.

Review of the Master Plan

The review of the FY 2006 Operating Budget will play an important part in the development of the comprehensive master plan required of all school districts by the Maryland Bridge to Excellence Act. This budget is aligned with the school system's strategic plan, *Our Call to Action: Pursuit of Excellence*, which formed the basis of the comprehensive five-year plan submitted to the state in September 2003 and updated in August 2004.

Before the submission of the plan, the community had an extensive opportunity to review and comment on the plan and on how the operating budget aligns with it. The county executive and County Council also reviewed the plan, as required by law, before its submission. State guidelines require annual updates to the plan. This budget review process also serves as an opportunity to review the annual Special Education Staffing Plan required by the state of Maryland. The final staffing plan will reflect the decisions made on this budget.



Budget Review Process

After public hearings on January 13 and 20, 2005, the Board of Education will hold work sessions on January 26 and January 27, 2005 and adopt the requested budget on February 8, 2005. The Board of Education's budget will be sent to each principal, PTA president, and public library shortly after March 1, 2005, when the law requires that it be submitted to the county executive and the County Council.

The county executive will make public his recommendations for the MCPS budget by

March 15, 2005. County Council schedules public hearings on all local government budgets in early April. The County Council's Education Committee schedules work sessions on the Board of Education's budget in April, and the full County Council begins work on the school budget May. The Montgomery County Charter, as amended by the voters in November 1992, requires the County Council to act on all budgets by May 31 of each year. After the Council completes its appropriation action, the Board of Education will adopt the final approved budget for FY 2006 on June 14, 2005.

FY 2006 MCPS Operating Budget— Timeline of Budget Actions

Superintendent presents Recommended Operating Budget	December 15, 2004
Sign-up begins for Board of Education Operating Budget Hearings	December 27, 2004
Board of Education Operating Budget Hearings	January 13, 2005 at 7:00 p.m.
	January 20, 2005 at 7:00 p.m.
Board of Education Operating Budget Work Sessions	January 26, 2005 at 7:30 p.m.
	January 27, 2005 at 7:30 p.m.
Board of Education Operating Budget Action/Adoption	February 8, 2005
Board of Education FY 2006 Operating Budget Request presented to County Executive and County Council	March 1, 2005
County Executive issues Recommended Operating Budget	March 15, 2005
County Council holds Operating Budget Hearings	April 6, 2005
Council approves Operating Budget	May 19, 2005
Board of Education takes final action on Operating Budget	June 14, 2005

Selected MCPS Statistics –FY 1996 - 2006

Selected Trends	Fiscal Year (ACTUAL)									(BUDGETED)		% Change Since FY 96
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
ENROLLMENT												
Regular Enrollment	114,699	116,254	118,446	120,872	123,836	126,604	129,243	130,840	130,852	131,765	131,383	14.5
Special Education	5,592	6,251	6,589	6,980	6,853	7,576	7,589	8,051	8,114	8,377	8,595	53.7
Total Enrollment	120,291	122,505	125,035	127,852	130,689	134,180	136,832	138,891	139,203	140,492	140,410	16.7
ESOL Students	7,465	7,426	7,452	8,689	9,160	9,472	10,647	11,961	12,200	13,020	13,200	76.8
Free & Reduced Meals (FARMS)	25,795	27,250	29,941	28,773	29,201	29,196	29,568	31,108	31,518	31,419	-	21.8
Cost Per Pupil	\$6,694	\$6,866	\$6,949	\$7,306	\$7,584	\$8,402	\$8,821	\$9,475	\$9,999	\$10,777	\$11,535	72.3
NUMBER OF SCHOOLS												
Elementary	123	123	123	123	124	124	125	125	125	125	125	1.6
Middle	29	30	32	32	35	35	35	36	36	36	38	31.0
High	21	21	21	23	23	23	23	23	23	24	24	14.3
Career Centers	1	1	1	1	1	1	1	1	1	1	1	-
Special Centers	6	6	6	6	6	6	6	6	6	6	6	-
Total Number of Schools	180	181	183	185	189	189	190	191	191	192	194	7.8
New Schools Opened	1	1	2	2	4	0	1	1	-	1	2	100.0
SOURCE OF REVENUE												
% County	81.7	80.9	80.0	79.5	78.6	78.6	77.6	75.4	75.6	75.1	74.9	-6.8
% State	12.5	13.0	13.8	14.4	14.7	14.7	15.5	16.1	17.1	16.8	17.9	5.4
% Federal	2.3	1.7	2.5	2.6	3.0	3.0	2.7	3.3	4.0	3.7	3.7	1.4
% Fees & Other	0.3	1.1	0.4	0.4	0.5	0.5	1.0	0.9	0.3	0.7	0.6	0.3
% Surplus from prior year	0.2	0.2	0.2	0.0	0.1	0.1	0.0	1.0	0.2	0.6	0.0	-0.2
% Enterprise Funds	3.0	3.1	3.1	3.1	3.1	3.0	3.1	3.2	2.8	3.0	2.9	-0.1
% Special Revenue Fund							0.1	0.1	0.1	0.1	0.1	0.1
PERSONNEL CHANGES												
Total Professional	8,418	8,654	8,907	9,480	9,981	10,652	11,205	11,597	11,731	11,844	12,251	45.5
Total Supporting Services	5,988	6,100	6,308	6,599	6,965	7,104	7,370	7,419	7,562	7,757	7,980	33.3
Total Full-Time Positions	14,406	14,754	15,215	16,079	16,946	17,756	18,575	19,016	19,293	19,601	20,231	40.4
Administrative Category as a % of Operating Budget	2.6%	2.6%	2.7%	3.2%	2.7%	2.5%	2.4%	2.2%	2.0%	2.0%	2.1%	26.8
Average teacher Salary	\$46,926	\$49,369	\$49,793	\$50,647	\$51,240	\$53,766	\$58,729	\$58,758	\$59,010	\$63,480	\$65,245	N/A
Consumer Price Index Increase*	2.2	3.9	1.7	2.5	3.6	2.3	2.1	2.1	2.4	2.4	2.6	N/A
TRANSPORTATION												
Number of Buses	959	981	1,007	1,032	1,089	1,106	1,116	1,167	1,202	1,230	1,277	35.9
Average Age of Bus in Service	7.0	7.3	7.1	6.8	6.7	6.4	6.0	6.5	6.3	6.6	6.5	N/A

*Washington metropolitan area.





MAKE YOUR VOICE HEARD

Whether you have children in MCPS or not, the state of the school system should be of concern to you. First, your taxes finance the majority of the school system's operating cost. Therefore, you should have a say in how those funds are spent. Second, the quality of the school system attracts business to the county, which affects the taxes required from individual residents. Finally, if you are a parent with a child in school, you have a special interest in ensuring that your child receives the best education possible.

You are therefore encouraged to take advantage of the many opportunities afforded you to make your voice heard. These include Board of Education budget hearings, testimony before the County Council, and written comments to the superintendent and Board of Education. Get involved and learn about your public school system and what it does for the children of Montgomery County.



Published by the Department of Communications
for the Department of Management, Budget, and Planning

1013.05 • Electronic Graphics  & Publishing Services • 12/04 • 11K

Montgomery County Public Schools
Department of Management,
Budget, and Planning

850 Hungerford Drive
Rockville, Maryland 20850

Nonprofit Org.
U.S. Postage
PAID
Permit No. 201
Rockville, MD