

Superintendent's Fiscal Year 2015 Operating Budget Recommendation

December 2013

Superintendent Joshua P. Starr released his Fiscal Year (FY) 2015 Operating Budget recommendation after receiving significant internal and external input. This included more than 200 students, staff, parents, and community members who participated in focus groups and budget planning teams. The budget was developed in full partnership with the employee associations that represent Montgomery County Public Schools (MCPS) employees—MCEA, MCAAP/MCBOA and SEIU Local 500—and the Montgomery County Council of Parent-Teacher Associations (MCCPTA), and in alignment with the Board of Education's budget interests.

This budget is the continuation of a multiyear budgeting strategy that began in FY 2014 and is focused on three key areas:

- Managing the district's continued growth
- Re-energizing efforts to narrow achievement gaps
- Investing in our future

The budget recommendation continues the commitment of MCPS and the Board of Education to allocating resources to schools based on enrollment and need. This includes providing extra funds to schools that are more impacted by poverty. For instance, MCPS provides, on average, \$1.9 million in additional money per school to the district's 67 most impacted elementary schools, which is used to hire additional staff, offer prekindergarten classes, and lower class sizes in grades K-2.

FY 2015 Operating Budget Overview

Dr. Starr is recommending a \$2.282 billion operating budget for FY 2015, which is an increase of \$56.4 million, or 2.5 percent, over FY 2014 (the current fiscal year). The budget is about 1 percent (\$17.4 million) above the minimum county funding level required by state law.

This recommendation should be considered preliminary for a number of reasons:

- Uncertainty about the level of state funding MCPS will receive
- Uncertainty about the county's economic situation
- Ongoing negotiations with the employee associations (compensation increases for FY 2015 are not included in Dr. Starr's recommendation)

Managing Growth

Eighty-five percent of Dr. Starr's recommended budget increase is dedicated to managing growth and continuing costs. Enrollment this school year is 151,289 students, an increase of more than 2,500 students from last school year and nearly 14,000 students over the past six years. Enrollment is expected to increase by 11,000 students over the next six years. At the same time, a greater number of MCPS students require specific services and support to ensure success. More than 52,500 students (35% of total enrollment) now receive free and reduced-price meals, an increase of more than 14,500 students

since 2008. Nearly 20,000 students (13.2% of enrollment) receive English for Speakers of Other Languages (ESOL) services. This number has doubled since 2000.

- Dr. Starr's recommendation includes \$21.9 million to address enrollment changes, including—
 - 178 elementary and secondary positions to serve an additional 2,721 students;
 - 8 positions to serve additional ESOL students; and
 - 75 positions to increase individualized services for special education students.
- This budget also includes \$6.8 million for continuing salary costs and \$17.3 million to cover increased costs for providing benefits for current and retired employees. The money for benefits includes \$3.3 million for state teacher pension costs.
- \$3.3 million in efficiencies and reductions are included in Dr. Starr's budget, including further cuts to central services, which have been reduced considerably in the past five years.

Embracing the New to Narrow Achievement Gaps and Face Future Opportunities

Over the past decade, MCPS has had tremendous success narrowing the achievement gap in some areas, including Advanced Placement access and success, early grades reading, and graduation rates. In other areas, the gaps have been more persistent. At the same time, MCPS is preparing its students and staff for the future. This includes the implementation of the Common Core State Standards (CCSS); new, more rigorous state and national assessments; and a workplace that will require students to have a very different set of skills and knowledge. The MCPS Strategic Planning Framework—*Building Our Future Together: Students, Staff and Community*—identifies the key competencies that students will need for success in the 21st century so they can thrive in their futures: academic excellence, creative problem solving, and social emotional learning. Along with a commitment to organizational effectiveness, Dr. Starr's budget invests money in strategic areas to deepen the district's efforts to narrow gaps and prepare our students for their futures.

In FY 2014, the first year of the multiyear budgeting strategy, MCPS invested and reallocated funds to address specific areas of need, despite receiving a budget at the minimum county funding level. These areas included placing additional teachers in middle schools to address achievement gaps; additional staff to improve mathematics teaching and learning; and an increase in professional development around the CCSS and Curriculum 2.0. MCPS also began two programs aimed at providing customized support to schools and improving timely interventions to students who are struggling. The Innovation and Interventions Schools Networks did not have a budgetary impact in FY 2014, but required the realignment of funds and central office services.

Dr. Starr's Recommended FY 2015 Operating Budget builds on the investments made in FY 2014 with \$11.8 million in enhancements and restorations, as well as the realignment of some existing funds.

- **Districtwide Investments:** Dr. Starr is recommending additional funding aimed at fostering innovation and improved instruction and support across all grade levels, including—
 - \$800,000 to begin an effort that will encourage exemplary teachers to move to or stay in high-needs schools. These funds will provide teacher salary supplements for up to 250 teachers, who will provide instruction and leadership. The funding also includes grants that schools can use to improve teaching and learning;
 - \$3 million for the purchase of technology, mainly tablets, to enhance instruction and properly deliver new state assessments;
 - \$947,109 to continue a multiyear effort to improve the student support model. These funds will add 5.5 elementary school counselors, 4 school psychologists, and 3 pupil personnel workers, with more positions to be added in future years to lower caseloads; and
 - \$300,000 to provide additional support and coaching to Innovation and Interventions Schools Networks.
- **Middle Schools:** Some of the district's largest achievement gaps are in middle schools and Dr. Starr's recommendation continues to invest in improving this key area, including—
 - \$1.45 million that will fund positions in 21 middle schools to provide focused support to ESOL students; and
 - \$704,167 that will provide middle school teacher leaders more opportunities to engage and support educators and school staff.
- **High Schools:** To support the improvement and redesign of MCPS high schools, Dr. Starr's budget recommends several additional investments, including—
 - \$977,145 for 15 high school focus teachers that, in combination with 23.5 existing positions, will reduce English and mathematics class sizes in the district's most impacted schools;
 - \$996,918 for additional positions that will allow high school resource and staff development teachers to increase opportunities for planning, coaching, and professional learning in high schools;
 - \$136,534, combined with \$300,000 in realigned funds, to redesign Alternative Programs. These funds will help provide more individualized instruction and support to students who have not been successful in traditional school settings; and
 - \$49,500 to further project-based learning at Wheaton High School, which will serve as a model for the district on how to engage students in instruction that builds academic excellence and creative problem-solving skills.
- **Elementary Schools:** In addition to providing additional resources to the 67 elementary schools most impacted by poverty, Dr. Starr's budget recommendation includes—
 - \$251,832 to create additional team leader positions in some elementary schools that serve

higher special education and ESOL populations, as well as the arts;

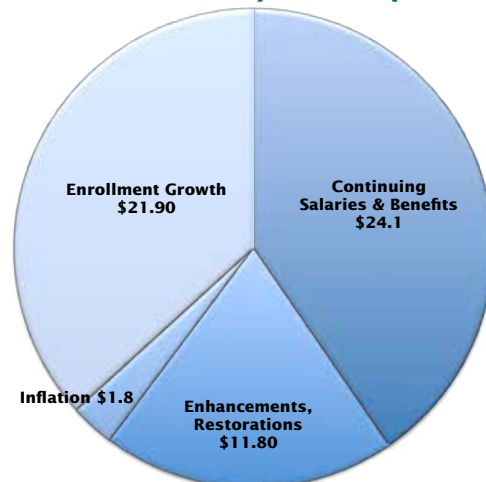
- \$456,000 for teachers to support the expansion of the compacted mathematics curriculum to Grade 5; and
 - \$541,677 to restore various positions in smaller elementary schools that have been reduced over the past five years, including staff development teachers, reading specialists, media specialists, and counselors.
- **Building Community Partnerships and Engagement:** To support the mission of the *Building Our Future Together* Framework, Dr. Starr's budget invests in the expansion of community partnerships that support student success, including—
 - \$118,157 to expand the Kennedy Cluster Project, a multiagency partnership that provides students and families with access to healthcare, housing, financial assistance, and other social services. These funds would extend the program into the Watkins Mill Cluster;
 - \$148,480 to expand transportation for students in Excel Beyond the Bell, a collaborative effort that provides high-quality after-school programs in middle schools that are impacted by poverty; and
 - \$532,230 to add positions to the Office of Community Engagement and Partnerships as part of a multiyear effort to develop business and community connections and provide support to parents in our schools.

Sources of Revenue for FY 2015 Budget Increase (\$ in millions)

		Total
Local Required Funding:		
Maintenance of Effort	\$25.3	
Pension Shift from State	3.3	\$28.6
Local Above Maintenance of Effort		17.4
State Aid		14.0*
Federal Aid		(-4.3)
Other		0.7
Total Revenue Increase		\$56.4

*estimated

FY 2015 Operating Budget Increase How the Money Will Be Spent



Efficiencies and Reductions: (\$3.3 million)
TOTAL: \$56.4 million

Note: Totals may vary slightly due to rounding.