


Office of the Superintendent of Schools
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

February 23, 2009

MEMORANDUM

To: Members of the Board of Education

From: Jerry D. Weast, Superintendent of Schools 

Subject: FY 2010 Operating Budget Amendments

Executive Summary

On February 9, 2009, the Board of Education adopted its FY 2010 Operating Budget Request totaling \$2,130,659,836. On February 17, 2009, President Barack Obama signed the American Recovery and Reinvestment Act (ARRA) of 2009. This bill will provide significant federal aid to Montgomery County Public Schools (MCPS) in addition to the amount anticipated in the Board of Education's FY 2010 Operating Budget Request. The additional revenue for MCPS will include \$6.1 million in FY 2010 for Title I and \$15.3 million for the Individuals with Disabilities Education Act (IDEA) grant. Amendments to the operating budget are required to reflect the additional grant funding in the new law. The amendments include additional support for the Title I program for disadvantaged students and for the IDEA program for special education students. A brief description of each amendment follows. In addition, Attachment A includes the specific amendments that are being recommended. The Board's adoption of the operating budget amendments is recommended.

Federal Stimulus Package

Although the potential revenue from the federal stimulus package for MCPS is not yet fully known, the United States Congress has now issued specific estimates for additional support included in the ARRA law for Title I and IDEA. MCPS is estimated to receive an additional \$6,100,000 for both FY 2010 and FY 2011 for Title I and \$15,343,500 for each year for IDEA. This is a total of \$21,443,500 in grant revenue in FY 2010 in addition to the preliminary estimates for these programs included in the Board's budget request. The budget amendments recognize this additional revenue, but more federal aid is likely to become available later this year from other aspects of the ARRA provisions.

Title I

The law provides a total of \$13.0 billion for Title I programs nationwide for disadvantaged children, which is expected to increase the MCPS allocation by approximately \$12.2 million over two years. MCPS is estimated to receive \$6,100,000 in FY 2010. The use of this funding

must comply with existing Title I requirements. All current Title I schools will continue to receive federal funding, including Rosemont Elementary School, which otherwise might be removed from Title I. I recommend that two new schools be added because of the high level of poverty at those schools: Brown Station and Watkins Mill elementary schools. This will cost \$1.7 million. A total of \$553,000 will permit the addition of eight new full-day Head Start classes so that all Title I schools that have Head Start classes can offer full-day Head Start services. I also recommend increasing the per-pupil allocation for all 30 Title I schools from \$1,943.11 per student to \$2,372.05 per student at a cost of \$3.8 million. Schools will be able to restore teacher positions to reduce class size, support reading and mathematics intervention, and provide ESOL support. They also will be able to restore paraeducator positions to support the instructional program. Finally, \$61,000 will be set aside as required by law for family involvement programs at all Title I schools.

IDEA

The law provides \$11.8 billion to increase funding of the Individuals with Disabilities Education Act (IDEA) for special education nationwide, which will increase the MCPS allocation by \$30.6 million over two years. MCPS is expected to receive half this amount in FY 2010. The federal government has long fallen short of its original commitment to fund 40 percent of the excess costs of special education. It now provides only about half of this amount. MCPS currently receives only 10 percent of its instructional special education expenditures from IDEA. This additional aid also includes the current requirement that 15 percent of the IDEA grant be devoted to the prevention of disproportionate identification of students for special education services based on race and ethnicity. MCPS uses this part of its IDEA grant to fund a variety of programs, including early childhood programs, professional development, and diversity training. This provision applies to the new funding, requiring a set aside of \$2.3 million for early intervention services to reduce disproportionality. I recommend that this funding should be used for expansion of the Positive Behavior and Intervention Support (PBIS) program (\$148,000) and for funding prekindergarten services currently funded with tax-supported resources (\$2.1 million). The latter makes available \$2.1 million to restore tax-supported operating budget reductions that were made in the Board's budget request and remain in compliance with federal grant requirements.

Other additional IDEA support will restore reductions made in the FY 2010 Operating Budget for the Home School Model, including 20.5 special education teacher positions (\$1.4 million), 5.0 secondary intensive reading teachers (\$337,000), tuition for students in non-public placement (\$1.0 million), and special education instructional materials (\$150,000) and will add hours-based staffing at 15 additional middle schools (\$4.5 million), greenhouses at Stephen Knolls and Rock Terrace centers (\$80,000), mini-grants to schools for co-teaching planning (\$300,000), equipment for students who are deaf and hard of hearing or have visual impairments (\$73,700), psychological assessment materials (\$117,000), additional professional development in differentiated instruction and co-teaching (\$539,000), curriculum assessment modification (\$620,000), reading and mathematics interventions (\$300,000), assistive playground equipment at three schools with large numbers of preschool special education students (\$240,000), funds for substitute teachers for Individualized Education Program (IEP) annual reviews (\$150,000),

technology to implement the Universal Design for Learning (UDL) program (\$2.5 million) and a technical adjustment to add IDEA-related employee benefits because of higher contribution rates for the Maryland State retirement program and other benefits cost increases (\$700,000).

Restoration of Reductions

The addition of federal grant revenue also offers an opportunity to restore some of the budget reductions with the greatest classroom impact without any increase in the total tax-supported budget. This is consistent with the goal of the federal law to permit restoration of program reductions. I recommend that a total of \$2.1 million in grant revenue that is available by increasing the amount of IDEA disproportionality funds for prekindergarten services be used to restore some of the budget reductions previously made by the Board of Education. The restorations include:

- 3.0 coordinator positions in the Middle School Magnet Consortium (\$92,000)
- 18.0 academic intervention teachers, including positions for the Middle School Magnet Consortium schools (\$1.271 million)
- 5.5 staff development or reading teacher positions at elementary schools with less than 350 students (\$346,000)
- 2.0 counselor positions (\$150,000)
- Supplies and materials funding (\$131,698)
- Supporting services employee training (\$156,000)

Recommended Resolution

WHEREAS, The Board of Education adopted the FY 2010 Operating Budget Request of \$2,130,659,836 on February 9, 2009; and

WHEREAS, President Barack Obama signed the American Recovery and Reinvestment Act of 2009 on February 17, 2009, which will provide significant federal aid to Montgomery County Public Schools in addition to the amount anticipated in the Board of Education's FY 2010 Operating Budget Request; and

WHEREAS, The additional revenue for MCPS will include \$6.1 million in FY 2010 for Title I and \$15.3 million for the Individuals with Disabilities Education Act grant for special education; and

WHEREAS, The additional revenue can provide for the expansion of Title I services for low-income students and Individuals with Disabilities Education Act services for special education students, and restore budget reductions with significant classroom impact without an increase in the tax-supported budget; now therefore be it

Resolved, That the Board of Education approve amendments to the FY 2010 Operating Budget Request for Title I, Individuals with Disabilities Education Act, and to restore budget reductions by a total of \$21,443,500; and be it further

Resolved, That the Board of Education adopt the FY 2010 Operating Budget as amended totaling \$2,152,103,336, as follows:

Category	Board of Education Adopted Operating Budget	Amendments	Amended Budget Request
1 Administration	\$41,809,677		\$41,809,677
2 Mid-level Administration	135,191,093		135,191,093
3 Instructional Salaries	849,721,014	\$6,530,420	856,251,434
4 Textbooks and Instructional Supplies	31,631,123	399,422	32,030,545
5 Other Instructional Costs	15,032,681	47,900	15,080,581
6 Special Education	270,554,584	9,784,690	280,339,274
7 Student Personnel Services	11,153,748		11,153,748
8 Health Services	41,002		41,002
9 Student Transportation	92,752,198	13,800	92,765,998
10 Operation of Plant and Equipment	118,534,406	54,698	118,589,104
11 Maintenance of Plant	34,961,236		34,961,236
12 Fixed Charges	472,925,088	4,612,570	477,537,658
14 Community Services	208,495		208,495
37 Instructional Television Fund	1,581,608		1,581,608
51 Real Estate Fund	2,651,095		2,651,095
61 Food Services Fund	47,821,972		47,821,972
71 Field Trip Fund	2,314,716		2,314,716
81 Entrepreneurial Activities Fund	1,774,100		1,774,100
Total	\$2,130,659,836	\$21,443,500	\$2,152,103,336

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FY 2010 OPERATING BUDGET AMENDMENT - February 23, 2009

Item	Positions	Amount
Title I Additional Revenue:		
Increase Number of Title I Schools from 27 to 30	18.475	\$ 1,715,777
Increase Full-Day Head Start Classes From 13 to 21	5.400	553,466
Family Involvement - 30 Schools (1% Set Aside)	1.125	61,000
Increase Per Pupil Allocation by \$428.94	40.825	3,769,757
Subtotal	65.825	6,100,000
IDEA Additional Revenue:		
Hours Based Staffing - 15 Additional Middle Schools	82.423	4,503,867
Home School Model - Restore Teacher Positions	20.500	1,415,220
Restore Secondary Intensive Reading Teachers	5.000	336,911
Restore Reduction for Tuition for Students in Nonpublic Placements		1,000,000
Employee Benefits for IDEA Positions - Technical Adjustment		700,000
Greenhouses for Stephen Knolls and Rock Terrace		80,000
Mini-Grants to Schools for Co-Teaching Planning		300,000
Equipment for Students - Deaf and Hard of Hearing & Visual Impairments		73,700
Psychological Assessment/Scoring Equipment and Materials		117,110
Modify Curriculum Assessments		620,000
Reading and Math Interventions		300,000
Playground Equipment for Preschool Age Students		240,000
Restore Special Education Materials		150,000
Substitutes for IEP Annual Reviews		150,000
Technology to Support Universal Design for Learning		2,522,292
Professional Development - Differentiated Instruction/Co-Teaching		539,400
PBIS Training - Early Intervening Services		147,624
Early Childhood Services - Early Intervening Services	24.000	2,147,376
Subtotal	131.923	15,343,500
Total Revenue Increase	197.748	21,443,500
Restore Reductions:		
Academic Intervention Teachers, Including Positions for MSMC	18.000	1,271,376
MSMC Coordinators		92,035
Staff Development and Reading Teachers in 11 Smallest Elementary Schools	5.500	346,467
Supplies and Materials		131,698
Supporting Services Training		155,800
Counselors	2.000	150,000
Subtotal	25.500	2,147,376
Total Budget Items	223.248	23,590,876
Reduction of Tax-Support Budget Items:		
Early Childhood Services - Early Intervening Services	(24.000)	(2,147,376)
TOTAL BUDGET CHANGE	199.248	\$ 21,443,500