

Re: **ADOPTION OF THE SUPERINTENDENT'S
RECOMMENDED FY 2004 OPERATING BUDGET**

On recommendation of the Superintendent and on motion of Mr. Felton seconded by Ms. Cox, the following resolution was placed on the table:

WHEREAS, The superintendent of schools presented an FY 2004 Recommended Operating Budget of \$1,506,301,494, to the Board of Education on December 11, 2002; and

WHEREAS, The revised special education and ESOL enrollment projections result in the need to fund additional positions, salaries, and benefits totaling \$1,815,378; and

WHEREAS, Section 6-408 of the Education Article, Annotated Code of Maryland, permits the Board of Education to enter into negotiations with designated employee organizations concerning "salaries, wages, hours, and other working conditions;" and

WHEREAS, In November 2002, the Board of Education and MCAASP began negotiations on a collective bargaining agreement to be effective July 1, 2003; and

WHEREAS, The Board of Education and MCAASP have reached a tentative three-year agreement that has been approved by the MCAASP Board of Directors and is pending ratification; and

WHEREAS, The tentative agreement with MCAASP includes a salary increase of 3 percent to be applied to the salary schedule on July 1, 2003, for a total cost, including salaries and employee benefits, of \$2,029,806; and

WHEREAS, The tentative agreement with MCAASP includes an increase of \$10,000 for tuition reimbursement and an increase of \$24,500 for additional annual and sick leave payment upon termination; and

WHEREAS, In November 2002, the Board of Education and SEIU Local 500, MCCSSE began negotiations on a collective bargaining agreement to be effective July 1, 2003; and

WHEREAS, The Board of Education and SEIU Local 500, MCCSSE have reached a tentative two-year agreement that has been approved by the SEIU Local 500, MCCSSE Executive Board and is pending ratification; and

WHEREAS, The tentative agreement with SEIU Local 500, MCCSSE includes a salary increase of 3 percent to be applied to the salary schedule on July 1, 2003, for a total cost, including salaries and employee benefits, of \$8,575,168; and

WHEREAS, The tentative agreement with SEIU Local 500, MCCSSE includes an increase

of \$80,000 for holiday pay for certain summer employment and an increase of \$4,000 for additional annual leave payment upon termination; and

WHEREAS, The total of the amendments proposed is \$12,538,852; and

WHEREAS, It is necessary for the Board of Education to include these amendments in the adoption of the FY 2004 Operating Budget; now therefore be it

Resolved, That the Board of Education adopt the Superintendent's FY 2004 Recommended Operating Budget totaling \$1,518,840,346, as follows:

Category	Superintendent's Recommended Operating Budget	Amendments	Amended Recommended Budget
1 Administration	\$ 30,558,163	\$ 677,443	\$ 31,235,606
2 Mid-level Administration	95,944,670	2,633,454	98,578,124
3 Instructional Salaries	667,634,402	2,173,270	669,807,672
4 Textbooks and Instructional Supplies	27,860,913	97,978	27,958,891
5 Other Instructional Costs	14,353,756	(208,971)	14,144,785
6 Special Education	182,042,100	1,855,572	183,897,672
7 Student Personnel Services	8,443,975	75,576	8,519,551
8 Health Services	45,638		45,638
9 Student Transportation	59,975,871	1,373,414	61,349,285
10 Operation of Plant and Equipment	78,018,061	1,399,893	79,417,954
11 Maintenance of Plant	24,786,238	519,730	25,305,968
12 Fixed Charges	266,459,079	1,341,522	267,800,601
14 Community Services	272,000		272,000
37 Instructional Television Revenue	1,098,348	20,888	1,119,236
41 Adult Ed/Summer School Fund	6,434,736	17,416	6,452,152
51 Real Estate Management Fund	1,537,598	14,205	1,551,803
61 Food Services Fund	38,252,351	507,197	38,759,548
71 Field Trip Fund	1,542,248	29,485	1,571,733
81 Entrepreneurial Activities Fund	1,041,347	10,780	1,052,127
All Funds	\$ 1,506,301,494	\$12,538,852	\$1,518,840,346

Re: DISCUSSION

All Board members thanked the superintendent and staff for their hard work and their time in developing the budget that stayed the course during difficult economic times in the state and county.

Dr. Haughey supported the budget with some concerns since the Board should look staffing and budget data simultaneously. He was also concerned that people who testified pointed out the difference in some of the calculations. Finally, he was impressed at the hearing because almost all of those who testified support the budget, and they urged the Board to seek adequate funding from the County Council.

Mr. Romero remarked that he had studied the budget for a number of years. He supported the budget even though there were some reductions he did not support, such as in Safe and Drug-Free Schools.

Mr. Lange supported the budget because it is solid and well reviewed. He commended the community for its active review and support in recognition of the economic situation within the county.

Ms. Cox thought that \$1.5-billion was a tremendous amount of money, but it is necessary to maintain the level of quality of education in Montgomery County. To see the results that the community expects, the school system must stay the course on educational reforms and support to staff, and meet the requirements of state and national law.

Mr. Felton expressed his appreciation to citizens who have worked on committees and task forces to examine the academic program and budget in recognition of local and state funding shortages. He thanked the employee organizations for their courage in making commitments to the school system. At this time, the fundamental focus is to not add anything to this budget because adding one program raises the issue that other programs are not as good or strong. He reluctantly supported the budget.

Mr. Burnett noted that there were items Board members would like included in the budget, but funding shortfalls make it impossible. It will be difficult to comply with state and national laws. He asked for feedback from the community as the budget is scrutinized by the county executive and county council.

Mrs. O'Neill looked forward to having all advocacy groups support the budget before the county council and said the budget will be uncertain again next year.

Re: **AN AMENDMENT TO THE SUPERINTENDENT'S
RECOMMENDED FY 2004 OPERATING BUDGET**

On motion of Ms. Cox and seconded by Mr. Romero, the following amendment was placed on the table:

Resolved, That the Board of Education add \$131,859 for the creation of a highly gifted program at Roberto Clemente Middle School and offset the cost by (1) deleting one full-time position of the Board Office (\$90,018 and move \$25,000 into contractual services in the Board Office) and (2) staff identify \$37,841 from lapse and turnover or some other appropriate category.

Re: **DISCUSSION**

Mr. Felton agreed with the value of this program and any other program because there are needs in the school system. He asked what was reduced in the highly gifted program to arrive at the cost of \$131,859. Mr. Bowers explained that it was the reduction of a secretarial position, other salaries for substitute days and supplemental employment, and instructional materials and contractual services. Philosophically, Mr. Felton thought that the Board should not add any programs.

Mrs. O'Neill pointed out that last year the Board directed the superintendent to begin planning, and a work group developed a plan. There is space at Clemente with participation of its students, and it will open seats in the downcounty gifted programs at Eastern and Takoma Park middle schools. Transportation will be provided by shuttles from the high schools.

Mr. Burnett thought that if the school system identifies children as gifted, there must be a program for those children. He supported the amendment.

Dr. Haughey thought some people have waited long enough, and he was prepared to support the amendment. He was not sure that the reduction in the Board Office was a wise decision.

Mr. Romero knew that the upcounty had advocated for this program for years, and he was prepared to support the amendment. What does the \$131,859 provide the program? Mr. Bowers responded that this would be the first year with other years phased in and the programs will focus on humanities and math/computer science. There will be 50 students outside of the Clemente area, and Clemente students will have opportunities to participate in the programs.

Mr. Lange thought this amendment would have a significant impact on the upcounty students. He was concerned about the reduction in the position in the Board Office. He was prepared to support the amendment.

Mr. Felton asked what the projected cost was for the third year. Mr. Bowers replied that the additional cost in the second year would be \$105,000 and the third year would be \$98,000.

RESOLUTION NO. 38-03

Re: **AN AMENDMENT TO THE SUPERINTENDENT'S
RECOMMENDED FY 2004 OPERATING BUDGET**

On motion of Ms. Cox and seconded by Mr. Romero, the following amendment was adopted with Mr. Alnifaidy, Mr. Burnett, Ms. Cox, Dr. Haughey, Mr. Lange, Mrs. O'Neill, and Mr. Romero voting in the affirmative; Mr. Felton voting in the negative:#

Resolved, That the Board of Education add \$131,859 for the creation of a highly gifted program at Roberto Clemente Middle School and offset the cost by (1) deleting one full-time position of the Board Office (\$90,018 and move \$25,000 into contractual services in the Board Office) and (2) staff identify \$37,841 from lapse and turnover or some other appropriate category.

Re: **AN AMENDMENT TO THE SUPERINTENDENT'S
RECOMMENDED FY 2004 OPERATING BUDGET**

On motion of Mr. Burnet and seconded by Mr. Lange, the following resolution was placed on the table:

Resolved, That the Board of Education implement a countywide Chinese Immersion program at Rock Creek Valley Elementary School starting with kindergarten without transportation for 25 students at a cost of \$63,300.

Re: **DISCUSSION**

Mr. Lange asked if there was an offsetting resource. Mr. Burnett replied that was not.

Dr. Haughey noted that the program cost would increase by \$63,300 per year.

Mrs. O'Neill pointed out that the school system had been rejected by the Freeman Foundation for a grant, but there are still funds in the Department of Education grant. Even though Potomac Elementary School is overcrowded, the Chinese Immersion program had vacancies.

Ms. Cox knew that Rock Creek Valley would require portables in the future. Mr. Bowers reiterated that the school does not have much space.

Mr. Romero was concerned that if the amendment was adopted, it might be cut in the finalization of the budget.

Re: **AN AMENDMENT TO THE SUPERINTENDENT'S
RECOMMENDED FY 2004 OPERATING BUDGET**

On motion of Mr. Burnett and seconded by Mr. Lange, the following resolution failed with Mr. Alnifaidy and Mr. Burnett voting in the affirmative; Ms. Cox, Mr. Felton, Dr. Haughey, Mr. Lange, and Mrs. O'Neill voting in the negative; Mr. Romero abstaining:#

Resolved, That the Board of Education implement a countywide Chinese Immersion program at Rock Creek Valley Elementary School starting with kindergarten without transportation for 25 students at a cost of \$63,300.

Re: **AN AMENDMENT TO THE SUPERINTENDENT'S
RECOMMENDED FY 2004 OPERATING BUDGET**

On motion of Mrs. O'Neill and seconded by Mr. Burnett, the following resolution was placed on the table:

Resolved, That the Board of Education express its support of the following proposal and request the superintendent of schools to review it for legal sufficiency and make recommendations before June 2003 (concurrent with the Board's final action on the operating budget):

The Chinese Immersion program at Potomac Elementary School shall be opened to a lottery-based transfer process beginning in the 2003-2004 school year for any openings in the kindergarten and first grade class not filled by students living in the Potomac Elementary service area. The maximum class size for the Potomac Chinese Immersion program in both the kindergarten and first grade shall be set at 25 students. In addition, transfers into the first grade class shall be open only to students who have passed a kindergarten Chinese proficiency screening.

The Chinese Immersion program at Herbert Hoover Middle School shall be opened to a lottery-based transfer process beginning in the 2003-2004 school year. The maximum class size for the sixth grade Chinese Immersion program shall be set at 30 students. Any open seats shall be filled by transfer students who have passed a fifth grade level Chinese proficiency test.

Transportation for these students will not be provided by MCPS outside the service area of the respective schools. Students who transfer into the Chinese Immersion Program are expected to make a long-term commitment to the program. Students who are transfers and drop out of the Chinese Immersion Program shall return to their neighborhood school for the next school year.

The remainder of the federal grant shall be used to provide textbooks, materials and to develop proficiency tests. Montgomery County Public Schools shall continue to explore additional outside resources to expand the Chinese Immersion Program to a full countywide program.

and be it further

Resolved, That the Board of Education direct the superintendent to establish a workgroup to review middle school foreign language offerings (which are currently limited to French and Spanish), and report the workgroup's findings to the Board, prior to the publication of the Superintendent's Recommended FY 2005 Operating Budget Request, and the areas of study shall include, but not be limited to, the following: local school and community support, availability of teachers, developmental appropriateness, curriculum already in place at the high schools, and the additional cost, if any, of implementation of new course offerings.

Re: **DISCUSSION**

Mr. Felton asked for a point of order. His concern was that this resolution was a policy change, and he asked if an amendment to the budget was appropriate. He supported the concept, but had many questions about the implementation, including questions on a lottery and transportation. Mr. Margolies, parliamentarian, responded that he thought it was in order since this was a program budget. However, if the majority of Board members were not ready to vote, the Board could decide at a different time or when the budget is finalized in June.

Mr. Lange agreed with the intent, but many ramifications in the resolution should be studied carefully before there is any action. Mrs. O'Neill asked if the Board could take action on the intent with ramifications to be studied. Mr. Lange thought the idea could be implemented without budget action.

Ms. Cox inquired about the remainder of the grant money, and if there were any requirements that had to be met for the expenditure of those funds. Dr. Spatz replied there were no requirements and the funds had already been received by the Board.

RESOLUTION NO 39-03

Re: **AN AMENDMENT TO THE SUPERINTENDENT'S
RECOMMENDED FY 2004 OPERATING BUDGET**

On motion of Mrs. O'Neill and seconded by Mr. Burnett, the following amended resolution was adopted unanimously:

Resolved, That the Board of Education express its support of the following proposal and request the superintendent of schools to review it for legal sufficiency and make recommendations before June 2003 (concurrent with the Board's final action on the

operating budget):

The Chinese Immersion program at Potomac Elementary School shall be opened to a lottery-based transfer process beginning in the 2003-2004 school year for any openings in the kindergarten and first grade class not filled by students living in the Potomac Elementary service area. The maximum class size for the Potomac Chinese Immersion program in both the kindergarten and first grade shall be set at 25 students. In addition, transfers into the first grade class shall be open only to students who have passed a kindergarten Chinese proficiency screening.

The Chinese Immersion program at Herbert Hoover Middle School shall be opened to a lottery-based transfer process beginning in the 2003-2004 school year. The maximum class size for the sixth grade Chinese Immersion program shall be set at 30 students. Any open seats shall be filled by transfer students who have passed a fifth grade level Chinese proficiency test.

Transportation for these students will not be provided by MCPS outside the service area of the respective schools. Students who transfer into the Chinese Immersion Program are expected to make a long-term commitment to the program. Students who are transfers and drop out of the Chinese Immersion Program shall return to their neighborhood school for the next school year.

The remainder of the federal grant shall be used to provide textbooks, materials and to develop proficiency tests. Montgomery County Public Schools shall continue to explore additional outside resources to expand the Chinese Immersion Program to a full countywide program.

Re: **DISCUSSION**

Mr. Felton said there has been a tremendous amount of discussion regarding Fast Start and Head Start. The Board has acknowledged that it does not agree on the specifics of how Fast Start will be implemented. Labels mean so much in this community, and he did not want the community to think that by approving the budget the Board was approving Fast Start. One alternative is to remove references to Fast Start until the program is defined. The other possibility is to add language that makes it clear that this is a program under consideration.

Mr. Alnifaidy left the meeting.

Re: **AN AMENDMENT TO THE SUPERINTENDENT'S
RECOMMENDED FY 2004 OPERATING BUDGET**

On motion of Mr. Felton and seconded by Dr. Haughey, the following resolution was placed on the table:

Resolved, That the Board of Education rename the *Fast Start and Head Start Prekindergarten Program* to *Head Start Prekindergarten Program*.

Re: **DISCUSSION**

Dr. Haughey asked if it did anything to leave Head Start in the title. It could be called Prekindergarten Program.

Mr. Felton felt that was harder to accept because there is a perception that the school system wants to get rid of Head Start, which is not the case. The school system wants to take maximum advantage of the dollars with the least amount of restrictions.

RESOLUTION NO. 40-03 Re: **AN AMENDMENT TO THE SUPERINTENDENT'S
RECOMMENDED FY 2004 OPERATING BUDGET**

On motion of Ms. Cox and seconded by Mr. Felton, the following resolution was adopted unanimously by members present:#

Resolved, That the Board of Education rename the *Fast Start and Head Start Prekindergarten Program* to *Prekindergarten Program*.

Re: **DISCUSSION**

Mr. Lange thought staff development was critical, and he thought 50 percent more should be added to the budget.

RESOLUTION NO. 41-03 Re: **ADOPTION OF THE SUPERINTENDENT'S
RECOMMENDED FY 2004 OPERATING BUDGET**

On recommendation of the Superintendent and on motion of Mr. Felton seconded by Ms. Cox, the following resolution, as amended, was adopted unanimously by members present:#

WHEREAS, The superintendent of schools presented an FY 2004 Recommended Operating Budget of \$1,506,301,494, to the Board of Education on December 11, 2002; and

WHEREAS, The revised special education and ESOL enrollment projections result in the

need to fund additional positions, salaries, and benefits totaling \$1,815,378; and

WHEREAS, Section 6-408 of the Education Article, Annotated Code of Maryland, permits the Board of Education to enter into negotiations with designated employee organizations concerning "salaries, wages, hours, and other working conditions;" and

WHEREAS, In November 2002, the Board of Education and MCAASP began negotiations on a collective bargaining agreement to be effective July 1, 2003; and

WHEREAS, The Board of Education and MCAASP have reached a tentative three-year agreement that has been approved by the MCAASP Board of Directors and is pending ratification; and

WHEREAS, The tentative agreement with MCAASP includes a salary increase of 3 percent to be applied to the salary schedule on July 1, 2003, for a total cost, including salaries and employee benefits, of \$2,029,806; and

WHEREAS, The tentative agreement with MCAASP includes an increase of \$10,000 for tuition reimbursement and an increase of \$24,500 for additional annual and sick leave payment upon termination; and

WHEREAS, In November 2002, the Board of Education and SEIU Local 500, MCCSSE began negotiations on a collective bargaining agreement to be effective July 1, 2003; and

WHEREAS, The Board of Education and SEIU Local 500, MCCSSE have reached a tentative two-year agreement that has been approved by the SEIU Local 500, MCCSSE Executive Board and is pending ratification; and

WHEREAS, The tentative agreement with SEIU Local 500, MCCSSE includes a salary increase of 3 percent to be applied to the salary schedule on July 1, 2003, for a total cost, including salaries and employee benefits, of \$8,575,168; and

WHEREAS, The tentative agreement with SEIU Local 500, MCCSSE includes an increase of \$80,000 for holiday pay for certain summer employment and an increase of \$4,000 for additional annual leave payment upon termination; and

WHEREAS, The total of the amendments proposed is \$12,538,852; and

WHEREAS, It is necessary for the Board of Education to include these amendments in the adoption of the FY 2004 Operating Budget; now therefore be it

Resolved, That the Board of Education adopt the Superintendent's FY 2004 Recommended Operating Budget totaling \$1,518,840,346, as follows:

Category	Superintendent's Recommended Operating Budget	Amendments	Board Adopted Budget
1 Administration	\$ 30,558,163	\$ 677,443	\$ 31,161,424
2 Mid-level Administration	95,944,670	2,633,454	98,640,639
3 Instructional Salaries	667,634,402	2,173,270	669,779,271
4 Textbooks and Instructional Supplies	27,860,913	97,978	27,968,891
5 Other Instructional Costs	14,353,756	(208,971)	14,144,785
6 Special Education	182,042,100	1,855,572	183,897,672
7 Student Personnel Services	8,443,975	75,576	8,519,551
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61 Food Services Fund	38,252,351	507,197	38,759,548
71 Field Trip Fund	1,542,248	29,485	1,571,733
81 Entrepreneurial Activities Fund	1,041,347	10,780	1,052,127
All Funds	\$ 1,506,301,494	\$12,538,852	\$1,518,840,346

**Re: REVENUE INCREASE TO SUPPORT OPERATING
BUDGET REQUEST**

On motion of Mrs. O'Neill and seconded by Ms. Cox, the following resolution was placed on the table:

WHEREAS, The Board has proposed a hold-the-line operating budget for Fiscal Year 2004, the increases in which are dictated primarily by increased enrollment; inflation in supplies, materials, and utilities; negotiated salary increases and benefits; textbook purchases; and state and federal mandates; and

WHEREAS, The proposed budget is predicated upon the receipt of sufficient revenues from the County and from the State; and

WHEREAS, Both the County and the State, respectively, have forecast shortfalls in

aggregate revenues that would be sufficient to fund adequately the needs of our school system next year and in future fiscal years; and

WHEREAS, Our school system and school districts throughout Maryland are facing increased unfunded mandates pursuant to the No Child Left Behind Act at the federal level and the Bridge to Excellence Act at the state level, not the least of which are the requirements for offering a full-day program to all kindergartners and pre-kindergarten programs to all eligible economically disadvantaged youngsters; and

WHEREAS, Various proposals will need to be considered, at both the local and state levels, that would expand current or provide new sources of revenue to fund education, including both the critical initiatives undertaken by our school system that are continuing and new mandates to be faced in the future; now therefore be it

Resolved, That, having proposed a hold-the-line budget which must be fully funded, the Board of Education go on record to support increases in taxation at both the local and state level to fund adequately education in this and future years, provided that revenues that are generated by such increases are dedicated at least in part toward the funding of educational needs; and be it further

Resolved, That this resolution be communicated to the County Executive, the County Council, the leaders of our House and Senate Delegation in Annapolis; and the Governor; and be it further

Resolved, That allied education and community advocacy groups be encouraged to support this resolution and join with the Board of Education in advocating for adequate fiscal resources, such as tax increases, to support full funding.

RESOLUTION NO. 42-03

Re: **AN AMENDMENT TO THE REVENUE INCREASE
TO SUPPORT OPERATING BUDGET REQUEST**

On motion of Ms. Cox and seconded by Mr. Romero, the following amendment was adopted unanimously by members present:#

Resolved, That the Board of Education amend the first resolve to read:

Resolved, That, having proposed a hold-the-line budget which must be fully funded, the Board of Education go on record to support increases in taxation at both the local and state level to fund adequately education in this and future years, ~~provided that revenues that are generated by such increases are dedicated at least in part toward the funding of educational needs;~~ and be it further

RESOLUTION NO. 43-03

Re: **REVENUE INCREASE TO SUPPORT OPERATING
BUDGET REQUEST**

On motion of Mrs. O'Neill and seconded by Ms. Cox, the following resolution, as amended, was adopted unanimously by members present:#

WHEREAS, The Board has proposed a hold-the-line operating budget for Fiscal Year 2004, the increases in which are dictated primarily by increased enrollment; inflation in supplies, materials, and utilities; negotiated salary increases and benefits; textbook purchases; and state and federal mandates; and

WHEREAS, The proposed budget is predicated upon the receipt of sufficient revenues from the County and from the State; and

WHEREAS, Both the County and the State, respectively, have forecast shortfalls in aggregate revenues that would be sufficient to fund adequately the needs of our school system next year and in future fiscal years; and

WHEREAS, Our school system and school districts throughout Maryland are facing increased unfunded mandates pursuant to the No Child Left Behind Act at the federal level and the Bridge to Excellence Act at the state level, not the least of which are the requirements for offering a full-day program to all kindergartners and pre-kindergarten programs to all eligible economically disadvantaged youngsters; and

WHEREAS, Various proposals will need to be considered, at both the local and state levels, that would expand current or provide new sources of revenue to fund education, including both the critical initiatives undertaken by our school system that are continuing and new mandates to be faced in the future; now therefore be it

Resolved, That, having proposed a hold-the-line budget which must be fully funded, the Board of Education go on record to support increases in taxation at both the local and state level to fund adequately education in this and future years; and be it further

Resolved, That this resolution be communicated to the County Executive, the County Council, the leaders of our House and Senate Delegation in Annapolis; and the Governor; and be it further

Resolved, That allied education and community advocacy groups be encouraged to support this resolution and join with the Board of Education in advocating for adequate fiscal resources, such as tax increases, to support full funding.

RESOLUTION NO. 44-03

Re: **ADJOURNMENT**

Resolved, That the Board of Education adjourn its meeting of February 6, 2003, at

9:30 p.m.

PRESIDENT

SECRETARY

JDW:gr