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INTRODUCTION

There are **five major parts** associated with the development and preparation of the MCPS operating budget submission:

1. The **Program Mission Summary** is the narrative portion of your budget. It describes the unit's mission, functions, accomplishments and performance measures. The format of the program mission summary is revised for FY 2016.
2. The **Base or Same Services Level Budget** is the part of the budget that details the amount that is necessary to continue current functions, activities, and services for the next fiscal year.
3. **Organization Charts** display the major functional and reporting relationships that exist among and between units in an office.
4. The **Program Efficiency, Abandonment, and Redirection (PEAR)** process provides information on how to reduce the budget by eliminating lower priority programs and services, or by realizing efficiencies. Reduction targets for each office will be distributed in early July, 2014.
5. **The Strategic Program Enhancement Request Form** is available for associate superintendents to request modifications to the current FY 2014 – FY 2017 Multiyear Enhancements Plan, or to request new enhancements for FY 2016 based on work that is being undertaken during the current year and must extend into FY 2016.

Detailed information and directions for preparing each part of the budget submission are provided below. All budget forms needed to complete the submission are available on the DMBP website except one (the Budget Resource Worksheet) that will be emailed to you.

1. PREPARING THE PROGRAM MISSION SUMMARY

The Program Mission Summary (PMS) is the narrative portion of the budget document that provides information about the organizational unit, and its budget. For the FY 2016 Operating Budget, as was the case for FY 2015, some sections have been eliminated and the remaining sections are more streamlined by using short paragraphs and bulleted statements. A sample program mission summary is shown in **Appendix B**.

The PMS is organized into several parts as described below:

- The **Mission** should state, in two to three sentences, how your office, department, division, or unit relates to the MCPS strategic planning framework, and/or to student success. While requested in prior years, it is no longer necessary to specify the elements that will be used to assess whether the mission is accomplished as a result of the units' work. Also, while requested in prior years, it is no longer necessary to reference how the mission may have/is changing from the current year's mission.

- The **Major Functions** are to be revised as needed and should to reflect the results of reorientation occurring in FY 2015. The section should include headings that describe the units' most significant functions, followed by descriptions that are brief and to the point.
- **Accomplishments and Initiatives** should highlight significant recent accomplishments, and any new initiatives that will be undertaken during FY 2015. The section is comprised of bullets that include concise sentences.
- The **Performance Measures** should describe several major measurable outcomes that further the office/unit's goals. The program indicators are quantifiable results used to test whether the goal is achieved. Each unit must provide specific data for several key measures. Each measure will include FY 2014 actual data, FY 2015 estimates, and a FY 2016 target. Each measure is to be accompanied by a brief explanation of the significance of the measure.
- The DMBP staff, with the help of program managers, will prepare the **FY 2016 Budget Overview** after the superintendent makes final budget decisions.

To avoid duplication and reduce the size of the budget document, some PMS's for supported projects (budgeted grants) may be combined with the PMS's of the managing office/department/division. Supported projects, however, will continue to have separate resource pages.

Electronic copies of the FY 2015 Program Mission Summaries (PMS) will be emailed to associate superintendents' secretaries early in July. The same format used for the FY 2015 publication will again be used for FY 2016. **Appendix C** offers some style and format guidance to provide consistency for all PMS's across the school system.

Please submit an electronic copy of the updated PMS's saved in Rich Text Format (RTF) to the Department of Management, Budget, and Planning (DMBP) **on or before September 12, 2014, when the budget submissions are due (September 26, 2014, for the K-12 and Office of Special Education and Student Services budgets)**. Submit them as a RTF file attachment via Outlook to Jayshree Patel, DMBP's administrative secretary. Hard copies do not need to be included with the budget submission. As with all parts of the budget submission, you will need to build in enough time to ensure that your PMS has been reviewed and approved by your associate/deputy superintendent prior to submitting it to DMBP.

2. PREPARING THE BASE/SAME SERVICES LEVEL BUDGET

The first step in developing the FY 2016 base/same services level budget submission is to review, and help those who review it, understand how the unit's budget relates to the unit's mission and the work that must be performed. A zero-based budgeting approach is used to accomplish this. It requires that:

1. The base (FY 2015) budget be organized into major programs, functions, and activities (PFAs)

2. The appropriate level of resources necessary to carry out the PFAs next year at current/same service levels be determined
3. Clear and detailed explanation of how the funds are currently used and will be used for next fiscal year is provided.

The starting point is to identify the major PFAs for each unit. Most units will have 4-6 major PFAs. Next, the current FY 2015 approved budgeted funds for the unit must be allocated among the PFAs to reflect current operations. To do this, the forms identified below will be used. More detailed instructions on the forms begin on the next page.

- **Form E: Zero-Based Budgeting (ZBB) Cost Worksheet (See Appendix E).** A worksheet will need to be filled out for each identified PFA. Then, the amount of the FY 2015 current budget is to be allocated to each of the PFAs in terms of how the funds are actually being used in the current year. After completing the allocation of the current FY 2015 budget, fill in the requested budget amounts for FY 2016, and the change from FY 2015 to FY 2016.
- This form also will be used to describe the purpose and justification for the funds. **There must be a clear description of why these funds are needed even if they have been budgeted for in the current year.** These forms will be used extensively by DMBP, the deputy superintendent, chief academic officer, chief operating officer, the superintendent of schools, and the Budget Steering Committee to review your budget request.
- **Form F: Program Summary Form (See Appendix F)** is to be used to provide a summary list of your PFAs and the FTE and dollar totals for FY 2015 and FY 2016.
- **Form G: Budget Resource Worksheet (See Appendix G).** The purpose of this worksheet is twofold. **First**, it provides current budgeted amounts by department/unit number, as reflected in the FY 2015 Operating Budget Summary and Personnel Complement published in July, 2014. You will need this worksheet to know what resources you have to allocate among your PFAs and to complete the ZBB Cost Worksheet (Form E) as described above. **Second**, it provides DMBP with a summary level display of the unit budgets rolled up at the department level.

It is important to note that any current year changes that have been approved by the chief operating officer since the FY 2015 Operating Budget Summary and Personnel Complement document was published, that will be permanent changes for FY 2016 will not be reflected on this worksheet. Please work with your management and budget specialist on how to reflect these changes.

FORM E: ZBB COST WORKSHEET - OVERVIEW

Form E: ZBB Cost Worksheet (Appendix E) will need to be filled out for each identified PFA. As mentioned previously, **current positions and budgeted funds** are to be allocated among the PFAs. The allocation should reflect how budgeted funds are being used during FY 2015. The total amount budgeted for consultants, for example, may be allocated to one PFA or allocated

among two or more PFAs. Every dollar in the current budget needs to be accounted for, and the total of all of the individual ZBB worksheets must add up to the total current budget.

*Note that the ZBB Cost Worksheet has a column for the current budget and a column for the budget request for next year. There also is a column to show the difference between the current budget and requested budget for next year. **The budget request for next year should be different than the amount budgeted this year only if:***

- There is a proposed **realignment** of resources from one account to another (i.e., professional part-time salaries to consultants) or from one PFA to another. Realignments may be made within or between units within an office. Generally, realignments do not result in a change to a department/unit's bottom line budget. However, associates/deputies may realign funds between units under their supervision. Also, deputies may decide to realign funds from one office to another (i.e., from the Office of Curriculum and Instructional Programs to the Office of Human Resources and Development). Please coordinate with the other units/offices if you have such a situation to make sure that both sides concur and that both sides of the realignment are included in both budget submissions.
- Another instance where realignment may change the bottom line budget is if there is a proposal to realign non-position funds to create a FTE position. The amount realigned must be sufficient to pay for both the salary and employee benefits for the position. However, when the budget is published, the employee benefits will be shown in the Department of Financial Services budget.
- There is a scheduled rate change in a contract next year, or in the cost per gallon for bus fuel, utilities rates, or tuition rates for students with disabilities in nonpublic settings.
- A lease/purchase payment is no longer necessary
- Changes are required based on changes in projected student enrollment, new schools, or changes in square footage of space

Do not add or change funds to pay for existing staff salaries next year (i.e., step increases), and inflation for supplies and materials. DMBP will adjust rates for salaries and inflation if approved by the superintendent. Amounts for substitutes, stipends, and summer employment/program development funds should be based on rates published in this guide. All rates are shown in **Appendix D.**

Chronic Deficits

During FY 2014, efforts were undertaken to ensure that accounts did not run deficits. Account owners submitted 210-1 forms during the year to move (reassign/transfer) funds to cover actual and projected deficits. Most of the reassignments and transfers were submitted only for FY 2014. If these deficits will continue, permanent budget changes need to be made to cover them. Managers are to review current operations and determine how funds will be realigned to permanently offset deficits. While realignment of existing funds to offset deficits should be shown on the ZBB Worksheet, requests for additional funding to relieve **large, chronic** deficits will need to be discussed with the director of the Department of Management, Budget, and Planning and the

chief operating officer. Use **Form H: Deficit Information Form (See Appendix H)** to submit information about chronic deficits that cannot be offset by realignment. This form is to be used to explain the reasons for the chronic deficits and the management improvement actions that have been taken or are planned to mitigate the deficits.

FORM E: ZBB COST WORKSHEET - DETAIL

The ZBB cost worksheet contains **7 sections** as listed below. All budgeted accounts will fall under one of these sections. For each account under the appropriate section fill out (1) the current budget; (2) the requested budget; (3) the change; and (4) itemized information about purpose/use of the funds. In addition, fill in actual expenditures for FY 2013 and FY 2014. You may contact your management and budget specialists for assistance with retrieving your actual expenditures from the Financial Management System (FMS). The form will have columns for any additional data that is needed. In some cases, calculations will be required as part of the justification. *Information about how funds are used/will be used need not be limited by the size of the space on the form. Preparers are encouraged to provide any additional materials that will help reviewers understand your budget request. Since you are preparing a zero-based budget, you should not assume that funds budgeted in the current year will be carried over into the next fiscal year.*

- Section 1 – Positions
- Section 2 – Non-position/Temporary Part-time Salaries
- Section 3 – Consultants and Other Contractual Services
- Section 4 – Supplies and Materials
- Section 5 – Other
- Section 6 – Equipment
- Section 7 – Employee Benefits Due to Realignment

Section 1 – Positions (Object 01)

Current budgeted amounts for positions should be put on the form in the Current Budget Column on the ZBB Worksheets. Use **Form G: Budget Resource Worksheet** that will be emailed to obtain the budget figures. The Requested (FY 2016) Budget Column, as mentioned above, should reflect any proposed realignments. There may be a realignment to trade (reconstitute) a vacant position for another position of the same cost, or trade a higher salaried vacant 1.0 position for 1.5 lower salaried positions. Also, there may be a proposal to realign non-position dollars to create a new position. **In all of the above realignment scenarios, sufficient dollars must be realigned to fund the employee benefit costs of the position(s) requested. Further guidance on funding employee benefit costs is provided below in Section 7- Employee Benefits Due to Realignment.**

Section 2 – Non-Position/Temporary Part-time (Other) Salaries (Object 01)

Other or non-position salaries accounts are budgeted to pay for temporary part-time and overtime employment. Current budgeted amounts are to be displayed in the Current Budget Column. Each "other salaries" line item request must be fully justified on the ZBB Worksheets by showing rates of pay and how many hours of part-time work are necessary. **Use current rates of pay for both the Current Budget and Requested Budget columns. See Appendix D for current pay rates.**

DMBP will adjust your budget for next year as necessary if there are changes to salaries and rates approved by the superintendent.

Section 3 – Consultants and Other Contractual Services (Object 02)

A contractual item is an arrangement for services to be performed by a business, agency or an individual who is not a MCPS employee. It is important for the budget submission to be clear about contractual services. Units must review consultant and/or contractual accounts to make sure that your current budget accurately reflects how funds are used. All current and proposed requests for contractual services will be scrutinized carefully by DMBP. What constitutes a consultant service versus a contractual service is defined in Administrative Regulation DJA-RA as follows:

- **Consultant service contracts** (a) require professional or technical advice or service; (b) are labor intensive; (c) may be performed under the supervision of an MCPS employee; (d) may include personal service contracts; and (e) include, but are not limited to, educational survey and research activities, and educational/management consulting.
- **Product-oriented service contracts** (a) require the delivery and/or maintenance of an output or product; for example, a report, an analysis, a curriculum manual, or a data processing program or maintenance service of MCPS equipment or software; (b) may be, but are not necessarily labor intensive; and (c) are not performed under the supervision of an MCPS employee.

If a change in your budget is necessary to clarify this distinction, show the change as realignment in the Requested Budget Column.

Section 4 – Supplies and Materials (Object 03)

Individual items requested under supplies and materials must cost \$999 or less. As with all other line items, justification for all requests for supplies and materials are to be explained and fully justified on the ZBB Worksheets. **Changes due to inflation will be made later in the process by DMBP if approved by the superintendent.**

Section 5 – Other (Object 04)

Examples of items budgeted under “other” are local travel, subscriptions, dues and registration fees, and utility costs. Amounts for local travel are budgeted to reimburse employees for mileage expenses incurred as part of performing their normal work responsibilities. All funds requested in the budget under “other” must be fully justified on the ZBB Worksheet. For local travel, it is necessary to explain how local travel funds are used and provide an estimate of how many miles of local travel are anticipated.

Budgets for grant-supported programs and enterprise funds include employee benefit costs that also are shown under “Other” (Object 04). Use the information provided in **Appendix D** to calculate employee benefit costs associated with salaries of employees in these programs.

Section 6 – Equipment (Object 05)

All equipment items that individually cost \$1,000 or more must be categorized as either additional,

replacement, or lease/purchase equipment. The criteria for this categorization are detailed below.

Additional/Replacement Equipment:

As a result of MCPS capitalization policies, all individual equipment purchases must be reported either as capitalized equipment (individual items costing \$5,000 or more) or non-capitalized equipment (individual items costing \$1,000 to \$4,999). You are to itemize these purchases on the ZBB Worksheets. The MCPS accounting structure provides for this distinction and you should review your current budget to verify compliance with this structure. Subobject 011 is used for non-capitalized equipment; subobject 040 is used for purchases of additional capitalized furniture and equipment; and subobject 050 is used for purchases of replacement capitalized furniture and equipment. The justification for additional or replacement furniture and equipment should be clearly described on the forms. Written estimates may be obtained from the Division of Materials Management and included as part of the budget submission.

Note: all individual equipment items costing \$999 or less must be budgeted and purchased under Supplies and Materials.

Lease/Purchase Equipment:

Lease/purchase (subobject 060) is used to finance over time, major equipment purchases (typically costing \$15,000 or more) such as copiers and plant equipment (3 years); computer systems/software, communications/security systems (4 years); and buses, trucks, and maintenance vehicles (6 years). Items that will continue to be lease/purchased for FY 2015 as well as new/proposed lease/purchases should be detailed on **Form I: Lease/Purchase Schedule**. A sample form is provided in **Appendix I**. Any additional information that is necessary to justify your request should be attached.

Section 7 – Employee Benefits Due to Realignment

This section will need to be filled only if there is a request to realign resources to create a new position, change a position from one bargaining group to another, or add part-time salaries for a **non-grant program**. You must realign a sufficient amount of dollars to fund the employee benefits costs for that position or part-time salary line item as shown below.

- For administrative and supervisory (MCAAP) positions - use 23.0 percent for employee benefits.
- For business and operations administrator positions (MCBOA) – use 27.8 percent for employee benefits.
- For professional (MCEA) positions – use 31.3 percent for employee benefits.
- For supporting services (SEIU Local 500) positions – use 45.5 percent for employee benefits
- For temporary part-time salaries – use 8 percent for employee benefits (FICA)

These amounts will not show in your budget but will be added to the budget of the Department of Financial Services. Budgeting for employee benefits for grants and enterprise funds is discussed below.

FORM F: PROGRAM SUMMARY FORM

For reviewers to understand your budget submission and to ensure that the various budget forms tie together, fill out **Form F: Program Summary Form** as shown in **Appendix F**. This is a summary list of all of the PFAs detailed on the ZBB worksheets. For each PFA, show the total current budget, total requested budget, and the change. **The totals for each PFA on this summary form must tie to the program totals on the ZBB Worksheets.** The “Grand Total” of the Current Budget Column **MUST** tie to the FY 2015 budget as shown in the FY 2015 Operating Budget Summary and Personnel Complement as approved by the Board of Education in June, 2014, and as shown on the **Resource Page Worksheets in FY 2015 Current Budget Column**. If it does not, it is an indication that the submission is in error and it may be returned to you for correction. The approved FY 2015 Operating Budget Summary and Personnel Complement document has a chart in front of each chapter that displays office-wide budget totals.

FORM G: BUDGET RESOURCE WORKSHEET

It is critical that **Form G: Budget Resource Worksheet (Appendix G)** is completed for DMBP to review and implement the budget request. It is a summary by department/unit, of the budget request by major object of expenditure, and by account. It provides columns to show by department/unit, what resources are proposed for realignment, what resources are necessary based on enrollment changes and other formula driven calculations, and what resources are necessary to accommodate rate changes for existing services such as utilities and local travel mileage reimbursement. **This worksheet is a summary of the same information you provided in the ZBB Worksheets. The ZBB Worksheet provides detailed information by account; the Budget Resource Worksheet categorizes your proposed budget changes by type of change. This worksheet will be sent to you via email.**

The numbers in the Current Budget Column must match your FY 2015 budget as approved by the Board of Education on June 17, 2014. The budget figures in the Current Budget Column plus changes shown in the realignment, growth, and rate change/other columns must total the FY 2016 requested budget. The total requested FY 2016 budget on this worksheet must match the total of the FY 2016 amounts on the ZBB Worksheets.

Supported (Grant) Projects and Enterprise Funds

Some additional instructions are necessary to develop budget requests for supported grant projects and enterprise funds. The first step is to identify the level of anticipated revenue and complete **Form J: Supported Projects (Grants) Revenue Worksheet and/or Form J-1: Enterprise/Special Fund Revenue Worksheet (See Appendices J and J-1)**. In most cases, revenue for budgeted grants is not available at the time that you prepare the budget. As such, you should prepare your budget using the **latest revenue projection for FY 2015**. Notify your management and budget specialist promptly if you receive any additional information about grant and enterprise fund revenues after you have submitted your budget request.

Anticipated revenue over and above the current year’s revenue amount will need to be used to fund same service level increases, such as changes in the costs of salaries, benefits, enrollment growth, inflation, and the make-up of any projected deficits in the current year.

If there is a significant amount of certainty there will be a reduced level of grant funding next year, the budget must be reduced to match the expected revenue. If you decide that a reduced level of spending will harm the program and local support is necessary, then a decision will need to be made on whether or not to cut local funds elsewhere in the budget. Please alert your management and budget specialist if you receive information regarding significant changes in grant funding. While continuing salary costs, and related employee benefit costs for existing positions in the project will not be calculated until later in the fall, they will automatically increase the cost of the grant and enterprise fund programs. The programs may have to be scaled back further to accommodate these increases later in the process.

Other factors to consider when preparing budgets for grant supported projects are audit costs and indirect costs. All federally supported projects must undergo an annual independent audit. Please refer to **Appendix D** for instructions on how to budget for audit and indirect costs. Benefits for budgeted grants and enterprise funds must be broken out into separate accounts based on the type of benefit. See **Appendix D** for instructions on how to budget for employee benefits for budgeted grants.

3. ORGANIZATION CHARTS AND PERSONNEL COMPLEMENTS

Current organization charts published in the FY 2015 Operating Budget Summary and Personnel Complement need to be updated to reflect functional and reporting relationships among and between units in an office, any current year changes approved by the chief operating officer since the FY 2015 Operating Budget Summary and Personnel Complement was printed in July, 2014, and any proposed FY 2015 position realignments. If you do not have a copy of the budget document, it can be found on the MCPS website, or you may request copies of current organization chart(s) from your management and budget specialist. **DMBP will only consider current year changes if documentation (i.e., copy of signed memo) that the change has been approved is provided along with the budget submission.** Position changes also must be annotated on the published personnel complement. **Organization Chart and Personnel Complement changes should only reflect proposed same service level changes. Do not include any position reductions proposed for PEAR.**

4. PROGRAM EFFICIENCY, ABANDONMENT, AND REDIRECTION (PEAR)

Once again, the fiscal outlook will force MCPS to make efficiencies and reductions for FY 2016. Offices will be notified of target efficiency and reduction amounts in mid-July. Grant-funded projects and enterprise funds are excluded from the reduction targets.

Reductions can be made using position and/or nonposition funds. Employee benefits may be used if position or temporary part-time salary reductions are proposed. Reductions may be identified from any unit in an office and do not need to be applied across the board, or from all units in an office. Rather than applying cuts across all units, associate and deputy superintendents are encouraged to consider more strategic reductions - organizational efficiencies, providing alternate program and service delivery models, and cutting programs that have had limited success.

The description, amount, and impact of each proposed reduction must be described in detail on

Form K: Program Efficiency, Abandonment, Redirection (PEAR) Form (Appendix K).
Form K-1: The PEAR Cost Worksheet (See Appendix K-1) should be used to show the detailed calculations of your reduction proposal. It is important that the impact narrative explain how the reduction can be accomplished, not how it cannot be accomplished. Related reductions may be combined on a single Program Reduction Form. Also, because reductions may impact employee's jobs, PEAR proposals must be considered confidential until disclosure is authorized by the superintendent.

5. STRATEGIC PROGRAM ENHANCEMENT REQUESTS

Due to fiscal constraints, funding for new program enhancements will be limited. Associate superintendents may request changes to the preliminarily planned enhancements for FY 2016 and FY 2017 as shown on the FY 2014 – FY 2017 Multiyear Enhancement Plan. Changes may be made based on data, or other current information that indicates that a change is necessary and/or appropriate. Also, new work directed by the superintendent and the Board of Education may require that enhancements be proposed for FY 2016, or over a three year period (FY 2016 through FY 2018). Proposals should be included with your budget submission using **Form L : Strategic Program Enhancements Request Form.** **Form L-1: Strategic Program Enhancements Cost Worksheet** should be used to show the detailed cost data associated with the proposal.

BUDGET SUBMISSION CHECKLIST

Your budget submission should be submitted in the order displayed on **Form M: Budget Submission Checklist (See Appendix M).** This checklist is to be filled out and submitted to DMBP as the **first** page of your budget submission. Your submission will not be considered complete and on time until **all** parts of the submission are complete; including required backup information and documentation.

AFTER THE BUDGET SUBMISSION

After your FY 2016 budget request is submitted, it will be reviewed by the Department of Management, Budget, and Planning, chief operating officer, deputy superintendents, union and MCCPTA representatives (Budget Steering Committee), and the superintendent. Proposed PEARS and same services budgets (including current budget amounts) will receive a great deal of scrutiny. Offices may be asked to provide additional analyses and materials. DMBP will inform associate superintendents as decisions about their budgets are made. Prior to publication of the budget, associate superintendents will have an opportunity to review and sign off on their budget section(s).

PROGRAM BUDGET NARRATIVES

Because the Program Budget document is being revised, the final FY 2015 Program Budget will be published in early September, 2014. The revised publication will include a new structure, an updated inventory of programs, and a new format for narratives. Your management and budget specialist will be working with you on this over the summer. The first FY 2016 Program Budget will be published shortly after the Superintendent's Recommended FY 2016 Operating Budget and Personnel Complement is published in December 2014. In November, 2015 you will receive

your FY 2015 Program Budget narratives to update for FY 2016.

CHANGES TO YOUR BUDGET

Technical Changes to the FY 2016 Budget

In December 2014, when the Superintendent's Recommended FY 2016 Operating Budget and Personnel Complement is published, managers must carefully review their sections. The assigned management and budget specialist can provide copies of the BMA reports that provide budget detail at the account level. If technical corrections are needed, such as changes to account numbers, changes to the way the budget was loaded into the accounts, and corrections to position titles/grades, the changes must be communicated to the management and budget specialist as soon as possible, but **no later than February 3, 2015, to allow the changes to be included in the Board of Education's Adopted (March 1) FY 2016 Budget.**

Requests for Changes to the FY 2015 Current Budget that are Permanent

In the current year, offices are expected to operate based on their FY 2015 approved budgets. However, there may be urgent or extenuating circumstances that will require that you make position changes and/or organizational changes that would change your current budget and/or your current organization chart/personnel complement. These changes must be requested and approved via a memorandum to the chief operating officer. The memorandum must provide a detailed explanation of your request, including the fiscal impact. If the change is permanent, it is important that DMBP be able to reflect the change in the FY 2016 budget so that it is accurate. As a result, **you must request approval via a memorandum to the chief operating officer by February 3, 2015.**

Other Technical Changes for FY 2016

There may be a few instances where technical changes may need to be made to the FY 2016 budget **after February 3, 2015**. For example, additional revenue information about grants may require that grant budgets be realigned, or a grant may need to be realigned permanently based on a grant amendment that was approved in the current year. Managers and staff will need to inform their management and budget specialist of changes as soon as possible, **but no later than May 1, 2015**. These changes will need to be included in the budget prior to County Council action on the budget in mid-May and final Board of Education approval in mid-June. Also, because the County Council approves the MCPS budget by state category, there will be no other opportunities to make changes that involve state categories. If funds are not budgeted in the correct accounts, particularly if they are budgeted in the wrong state category, issues will surface during financial monitoring reviews and could present problems during our annual audits.

Organization and Unit Name Changes for FY 2016

It is preferable that proposed organizational (either internal or systemic) changes be brought forward with your budget submission in September. You must present a detailed explanation of the proposed reorganization, including any fiscal impact. You must provide a clear road map showing where positions, individuals, and nonposition resources are moving from and to. Annotated organization charts also should be provided. This will ensure that those who review your proposal can fully understand it and those who implement the changes will do so accurately. If approved by the superintendent, the reorganization and name changes will appear in the Superintendent's Recommended FY 2016 Operating Budget and Personnel Complement document.

There may be some instances where reorganization will need to be considered later in the budget process as a result of significant budget cuts or some other unforeseen situation. However, it must be considered and approved as part of the final operating budget approved by the Board of Education in June 2015. Associate superintendents must have all of the details of the reorganization worked out and approved by the deputy superintendents and chief operating officer **no later than May 1, 2015**. This deadline will allow time for a memorandum to be forwarded to the Board of Education and for the changes to be included in final budget approved by the Board in mid-June. To receive consideration, the same submission requirements listed above apply.

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