MCPS MONTGOMERY COUNTY PUBLIC SCHOOLS
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December 15, 2010

The Montgomery County Board of Education
850 Hungerford Drive
Rockville, Maryland 20850

Dear Members of the Board of Education:

On behalf of the students and employees in Montgomery County Public Schools (MCPS), I am submitting for your consideration my Recommended Operating Budget for Fiscal Year (FY) 2012.

We are grateful that the Montgomery County community continues to place a high value on public education, even in difficult economic times. In exchange, we have been good stewards of taxpayer dollars and have achieved the stellar results that our community has come to expect and value. Over the past few months, MCPS has received external affirmation that we are getting an excellent return on the investment made in our schools.

In November, MCPS was named a recipient of the Malcolm Baldrige National Quality Award, the highest Presidential honor an American organization can receive. The award recognizes performance excellence through innovation, improvement, and visionary leadership. MCPS is just the sixth school system to receive the award and is the largest, by far.

Our school system also was honored when we were named a finalist for the Broad Prize for Urban Education, which recognizes large school systems that have improved student performance while narrowing racial, ethnic, and socioeconomic achievement gaps. We are the first district in Maryland and in the Washington Metropolitan area to be a finalist for this prestigious award. In fact, we are the only district in America to earn both honors, an extraordinary testimony to the exceptional workforce we have in MCPS.

These awards recognize, at a national level, that MCPS is conducting its business in an innovative, efficient, and effective manner, which is leading to record-setting achievement results for all students. Among the achievement highlights from the past year:

- The Class of 2010 posted a 1653 average combined SAT score, an all-time high for the district and significantly higher than the national and state averages.
- Nearly 30,000 Advanced Placement (AP) exams were taken by MCPS students in 2010, with approximately 72 percent receiving a college-ready score of 3 or higher. AP participation and performance increased for all student subgroups. For instance, our African American students represent 10 percent of the total African American public school population in Maryland, but nearly 40 percent of the MCPS African American students whose AP exams earned a 3 or higher.

- In 2010, 91.7 percent of kindergarten students were reading at text level 4 and more than 75 percent were reading at text level 6. All subgroups of students have shown substantial gains over the past four years and the achievement gap has closed dramatically.

- According to a report by Education Week, MCPS has the highest graduation rate among the nation's largest districts. Also, MCPS placed seven high schools on Newsweek's list of the 100 best high schools in the nation, the most of any school district in the United States. All 25 of our high schools placed among the top three percent in the nation.

- The Class of 2010 earned nearly $235 million in college scholarships, generating an immediate 10 percent return on our budgetary investment.

It is a credit to our incredible staff that our students have reached these levels of achievement during a time of tremendous change for our district. Over the past three years, enrollment in MCPS has increased by about 6,300 students and the number of students who are living in poverty or have limited proficiency in English has continued to rise dramatically. This year, more than 31 percent of our students are receiving Free and Reduced-price Meals System (FARMS) services and more than 16 percent of our students are English Language Learners.

That our district has continued to perform at a high level amid such dramatic demographic shifts is a direct result of the commitment by the Board of Education and the staff of MCPS to the values outlined in our strategic plan, *Our Call to Action: Pursuit of Excellence*. We have never wavered in our firm commitment to provide all students with a world-class education, despite economic and political pressures. We must not waver now.

Given the fiscal realities facing the county and the state, my budget recommendation only seeks to maintain our focus on providing the people and services our students need. I am requesting an increase of 2.8 percent—approximately $59 million—for the FY 2012 Operating Budget. The budget will fund a 2.3 percent increase in our student enrollment and make up for $40 million of the $54 million in federal stimulus funds that will be lost at the end of this fiscal year. The remaining $14 million in federal stimulus expenditures, including some Title I funding, will be eliminated.

In accordance with state law, this budget recommendation meets "maintenance of effort," meaning the county will, at a minimum, provide a local contribution at the same per student level—$10,664—as it did two years ago. Meeting maintenance of effort will require an increase of $82 million in local funding. Additional state aid is projected to be $27 million and we anticipate carrying forward an additional $4 million from this fiscal year into FY 2012. It is imperative that the county meets its maintenance of effort obligation this year or we risk a state fine that will result in the loss of the $27 million in state aid.

It is important to note that MCPS already has reduced spending by more than $300 million in the past three years, through a variety of budget cuts and savings. Among the reductions made:

- In FY 2011, we eliminated more than 400 positions and increased class size by an average of one student across the system.

- We have reduced our central office approximately 20 percent in the past three years, requiring us to realign several offices and eliminate others.

- Our employees have agreed to forego cost-of-living increases for the past two years, and voted to give up step increases last year, saving the district more than $115 million, annually.

Even in this maintenance of effort recommendation, I am not seeking any cost-of-living increases for our deserving employees and I am recommending $6 million in further cuts to our central office and support functions in order to fund future retiree benefits.

We have been able to maintain high levels of achievement even as we have made these difficult reductions because MCPS has the best staff in public education. But we are at a crucial point and I fear that further cuts to our people and our programs will begin to undo the progress we have made during the past 11 years.

As we begin the budget process, there are many unanswered questions: state and federal funding levels have not been set and may be impacted by the continuing economic downturn. The possibility of changes to the way that teacher pensions are funded also looms on the horizon. To that end, I ask that the Board move this budget recommendation forward. It is the right thing to do for the students of Montgomery County.

Finally, as we have in past years, we once again built this budget recommendation in collaborative partnership with our three employee associations—The Montgomery County Education Association (MCEA), the Montgomery County Association of Administrators and Principals (MCAAP), and SEIU Local 500, which represents our outstanding support and service staff—and the leadership of the Montgomery County Council of PTAs (MCCPTA). I would like to thank them for their role in putting forth a responsible budget for the children of Montgomery County.

Respectfully,

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