

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

February 1, 2023

MEMORANDUM

To: Members of the Board of Education

From: Monifa B. McKnight, Superintendent of Schools

Subject: Funding (12-06-2022-03-A, -C)

During the *Overview of the Superintendent's Recommended Fiscal Year 2024 Operating Budget* presentation, Board members requested the following information:

Question A

Ms. Yang requested that staff update the information contained on slide 8 with an explanation of the color lines as well as the funding sources.

Response Question A

As requested, slide 8 of the *Overview of the Superintendent's Recommended Fiscal Year 2024 Operating Budget* presentation from the Board business meeting on December 6, 2022, has been revised. A copy of the updated slide is attached and is included in the public content version of the PowerPoint available in BoardDocs.

Question C

Ms. Rivera-Oven requested information regarding where the funding comes from to teach the students that enter the system after the September 30 cut-off date. Can the funding be retroactively requested if there is an increase in enrollment after the state enrollment reporting deadline of September 30?

Response Question C

Funding that Montgomery County Public Schools (MCPS) receives from the state, as well as the minimum amount required from the county government based on the state's Maintenance of Effort (MOE) law is calculated using the September 30 enrollment count which takes place nine months before the fiscal year in question. For example, state aid and the minimum amount under the MOE law for Fiscal Year 2024, beginning July 1, 2023, is based on the official enrollment as of September 30, 2022. Once the official enrollment is determined as of September 30 for MCPS

and the other 23 local education agencies (LEAs), the state uses complex formulas based on our enrollment and our county's wealth relative to all of the LEAs in the state. The state aid allocations to the LEAs are included in the governor's annual budget submitted in January for the state and voted on by the state legislature in the spring annually.

There is no formal process for the state to provide additional funding to the LEAs in a situation when actual enrollment for the fiscal year exceeds the official enrollment determined nine months earlier. Similarly, LEAs are not required to return funding to the state if actual enrollment experienced in the fiscal year is less than the official enrollment from nine months earlier.

The local government may decide to fund MCPS at the minimum MOE level or exceed MOE for the upcoming fiscal year. There also are provisions in the law that would allow the county with Montgomery County Board of Education and Maryland State Board of Education approval to fund MCPS at less than the minimum MOE level. During the course of a fiscal year, the Board of Education has the option to seek a supplemental appropriation from the local government if a need exists that the current appropriation cannot support.

It also should be noted that although the state funding and MOE calculation is based on official enrollment as of September 30 prior to the fiscal year in question, the superintendent's recommended budget is based on projected enrollment determined by an analysis conducted by the system's demographer.

The actual student enrollment MCPS may experience at the start of or during the school year will most likely be greater or less than the enrollment used in calculating the state and local funding for the budget. Staffing allocations for schools are determined by MCPS' own school-by-school projections. In the event that enrollment changes occur during the course of the school year, a small reserve of key positions including classroom, art, general music, physical education, and reading initiatives teachers may be used to mitigate instances where the initial staffing allocations by school are inadequate.

If you have questions, please contact Mr. Robert Reilly, associate superintendent of finance, Office of the Chief Operating Officer, via email.

Attachment

MBM:MBH:RR:tk

Copy to:

Executive Staff

Ms. Webb

MCPS Total Amount Per Student, County, State, and Federal Revenue Combined FY 2001–2023, Actual v. Constant 2000 Dollars

Amount per pupil

