

APPROVED
41-1980

Rockville, Maryland
December 18, 1980

The Board of Education of Montgomery County met in special session at the Educational Services Center, Rockville, Maryland, on Thursday, December 18, 1980, at 8:10 p. m.

ROLL CALL Present: Mrs. Carol F. Wallace, President in
the Chair

Mr. Joseph R. Barse
Mr. Blair G. Ewing
Dr. Marian L. Greenblatt
Mrs. Suzanne K. Peyser
Mrs. Elizabeth W. Spencer
Miss Traci Williams
Mrs. Eleanor D. Zappone

Absent: None

Others Present: Dr. Edward Andrews, Superintendent of
Schools

Dr. Harry Pitt, Deputy Superintendent
Dr. Robert S. Shaffner, Executive
Assistant

Re: Presentation of Superintendent's
FY 1982 Operating Budget

The superintendent stated that his one guiding principle in developing the budget was that there be no reduction in the quality of education in spite of an inflation rate in excess of 12 percent. He noted that what cost \$1 in 1967 cost \$2.33 this past January, and now what had cost \$1 cost \$2.54. A year ago the school system paid 89 cents a gallon for gasoline; this year they paid \$1.10. He said that a second factor was the result of the collective bargaining agreements for the employees. They had two-year agreements with both groups, three-quarters of the Consumer Price Index. Because the time frame was this calendar year, they could not tell what the actual salary increase would be until mid-January. If things stayed as they were, it would be 12.6 percent which translated into 9.5 percent or \$22.8 million. If there were a jump, they might end up at the 10 percent mark, or \$24 million.

The superintendent explained that a third factor was student enrollment. They had projected 96,926 for this year and the actual was 1,917 over. The budget they were operating under was built on the projected enrollment. The Board of Education provided additional teaching positions; therefore, if the budget had been built to fund the actual enrollment, it would be \$3 million higher. Next year they were projecting 95,378 or a decrease of 3,500. In terms of a budget-to-budget decrease it was only 1,500 students. The County Council had approved \$309 million last year. If they

had received money for the additional students, the budget would have been \$311.9 million. Since last May they had received grants of over \$1 million which would have put the budget at the \$313.2 million mark. The budget now was \$309 million plus \$1.3 million of additional grants, or \$310.3 million which was the jumping off point for next year. Staff had been given guidance to keep the budget at a minimum, but when it came to him it was \$320.6 without the cost of living. The County Council had given guidelines of \$329 million and \$335 million, and the county executive had given a target of \$332 million.

The superintendent explained that historically the fiscal experts had projected revenues at much less than they had turned out to be. He had reduced the budget to \$316.8 million. He said that to do the same things they were doing this year they needed \$2.7 million for fringe benefits, \$2.1 million for continued salary costs, and \$1.6 million for utilities. Tuition for handicapped students was going up \$1.4 million. They needed almost \$1 million additional for transportation. He pointed out that only one of these items, the one for handicapped students, had anything to do with student instruction. The second factor was program changes. He had included \$300,000 for improvements for gifted and talented students; improving teacher-student ratios in elementary art, music, and physical education; and improvements in counselors and career preparation. In Continuum Education they had included almost \$300,000 for RICA, ESOL, and Kingsley Wilderness. He reported that the computer was overloaded, and as a result new equipment was required.

In regard to reductions, the superintendent said declining enrollment amounted to \$2.3 million and administrative and noninstructional position cuts amounted to \$1.9 million for a total of \$3.5 million. He explained that the budget increase was \$6.5 million and if the cost of living held at 9.5 percent this would equal \$22.8 million. Without the cost of living the increase would be only 2.1 percent. If the 9.5 percent cost of living held, the total budget would be \$339 million.

The superintendent indicated that they were eliminating some 200 positions in the school system, but he believed that this would not result in employee layoffs. He said that personnel would be reassigned and some career changes would occur. He wanted to assure everyone that the school system would make every effort to find comparable assignments for all personnel involved. He commented that they knew they had high inflation and must be as fair as they could regarding the provision of salary increases. He said they could cut programs, but no one wanted to do that. It was his feeling that it was their responsibility to ask for what they thought they really needed and could argue for. He pointed out that the request he had submitted exceeded the budget targets, but he felt it was their job to ask for what they needed. He believed that they may have cut too much in administrative positions, and he felt that the program improvements for students were too limited. It was his hope that as the Board of Education reviewed the budget

it would get every consideration it deserved. He felt they had tried to be responsive in planning for salary increases. He noted that the budget was built on present class sizes and textbook allocations, but the improvements really were not there. He said that the Board would begin its review on January 5 and adopt the budget by mid-February. He remarked that the bottom line was that they thought this budget would maintain what they had; however, they would not be disappointed if it was more than they had recommended.

Mrs. Wallace thanked the superintendent and the staff for all of their work on the budget. She felt that the budget showed a deep understanding of the fiscal restraints, and she understood how the staff must have agonized over the cuts that had been made.

Re: Adjournment

The president adjourned the meeting at 8:45 p. m.

President

Secretary

EA: ml