

MONTGOMERY COUNTY PUBLIC SCHOOLS, ROCKVILLE MARYLAND

THE SUPERINTENDENT'S RECOMMENDED

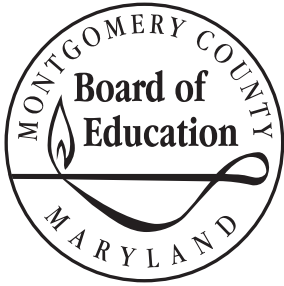
FY 2015 OPERATING BUDGET and Personnel Complement

Recommended to the Board of Education
December 2013

Fiscal and School Year Ending
June 30, 2015

Dr. Joshua P. Starr
Superintendent of Schools





VISION

We inspire learning by providing the greatest public education to each and every student.

MISSION

Every student will have the academic, creative problem solving, and social emotional skills to be successful in college and career.

CORE PURPOSE

Prepare all students to thrive in their future.

CORE VALUES

*Learning
Relationships
Respect
Excellence
Equity*



montgomeryschoolsmd.org

Check out the MCPS website for more detailed information about the FY 2015 Recommended Operating Budget.

Board of Education

Mr. Christopher S. Barclay

Ms. Shirley Brandman

Dr. Judith R. Docca

Mr. Michael A. Durso

Mr. Philip Kauffman

Mrs. Patricia B. O'Neill

Mrs. Rebecca Smondrowski

Mr. Justin C. Kim
Student Member

School Administration

Dr. Joshua P. Starr
Superintendent of Schools

Mr. Larry A. Bowers
Chief Operating Officer

Dr. Beth Schiavino-Narvaez
*Deputy Superintendent of
School Support and Improvement*

Dr. Kimberly A. Statham
*Deputy Superintendent of
Teaching, Learning, and Programs*

850 Hungerford Drive
Rockville, Maryland 20850
www.montgomeryschoolsmd.org



December 10, 2013



Dear Members of the Board of Education:

I am pleased to submit for your consideration my Fiscal Year (FY) 2015 Operating Budget recommendation for Montgomery County Public Schools (MCPS).

This budget is driven by our core values, and it reflects extensive external and internal feedback that we have received during the past year from a wide array of stakeholders. I continue to be grateful for the partnership of our employee associations—the Montgomery County Education Association, the Service Employees International Union Local 500, and the Montgomery County Association of Administrators and Principals—and the Montgomery County Council of Parent Teacher Associations. The way in which MCPS works with its employees and parents to develop a budget that is focused on our values and the needs of our students is a national model of collaboration.

We modified our budget development process this year to achieve broader stakeholder involvement. Beginning in the spring, our staff met with focus groups of teachers, support staff, administrators, parents, students, and community members to gather their input on the priorities that should guide the MCPS budget in the coming years. In addition, small teams were established to discuss the work of elementary, middle, and high schools to identify the structures, resources, and processes that should be in place for MCPS to continue to provide our students with a world-class education. Through this process, we received input from more than 210 individuals, many of whom may not otherwise have participated in the process.

An important part of the budget development process included working with the Board of Education to identify its operating budget interests. On July 16 and September 10, 2013, the Board discussed the areas for which its members would like to see MCPS focus its resources in the coming years. Understanding Board members' budget interests has been extremely valuable as our team has worked to develop a responsible recommendation. As we discussed last year, we will add a new element to our budget process by convening after the Board has reviewed my budget and heard from the public. The purpose of doing so is to discuss any changes to my recommendation that the Board may want to propose.

I am recommending an FY 2015 Operating Budget of \$2,281,809,121, which is an increase of 2.5 percent compared with FY 2014. Almost 85 percent of this recommended budget increase will simply allow us to keep up with our continued enrollment growth and the increased costs of doing business. This budget recommendation is 1.2 percent—approximately \$17.4 million—more than the minimum county funding level required by state law.

Office of the Superintendent of Schools

Similar to last year, it is important that this recommendation be considered preliminary for several reasons. At this time, we do not know the level of state aid we will receive next year. I have included an estimated increase of \$14 million in state aid, which is a projection based on past trends in state funding. Additionally, negotiations on a new contract with the three employee associations are progressing, but have not been completed. My recommendation does not include any funding for compensation increases in FY 2015. We should have more complete information before the Board approves its budget request in February 2014 and will make the appropriate adjustments at that time.

Building Our Future Together

Montgomery County takes great pride in its public schools and, historically, has made a significant investment in the students and staff of MCPS. Over the years, the county has earned a strong return on that investment that clearly was seen in recently released data on the participation and performance of MCPS students on Advanced Placement (AP) exams. In 2013, MCPS students took 33,642 AP exams, which is an all-time record for the district and a 30 percent increase in just 5 years. Of the AP exams our students took, 73 percent earned a college-ready score of 3 or higher, which is significantly higher than students in Maryland (60.4 percent) and the nation (57 percent). Our students and staff are to be congratulated for the outstanding work they have done to achieve these remarkable results in AP and many other areas.

However, I also believe our AP data demonstrates the challenge that MCPS faces as it becomes a more diverse district racially, ethnically, and socioeconomically. We should be proud that the number of AP exams taken by African American and Hispanic students continues to increase and their performance far outpaces their peers across the state and the nation. For instance, 47 percent of the exams taken by African American students earned a score of 3 or higher. That is significantly higher than for African American students across the state (31.1 percent) and the nation (28.2 percent). However, that is significantly lower than the percentage for MCPS students who are White (79.6 percent) and Asian (78.2 percent).

Over the years, MCPS has put considerable effort toward narrowing the achievement gap and has had success in many areas, including reading in the early grades and graduation rates. However, in other areas, the gaps have been persistent and have even grown. In order for MCPS to continue to serve all students at a high level, we must continue to reenergize our efforts to narrow the achievement gap and recognize that the strategies we have used to achieve this success may need to be changed or modified in the future.

Even as we deal with this long-standing challenge, we also must prepare our students and staff for significant changes in education and workplace expectations. MCPS is in the process of implementing the Common Core State Standards (CCSS) by aligning curriculum and instruction with these new, internationally benchmarked expectations in reading and mathematics. We also are preparing to administer new assessments to our students. This includes new state assessments developed by the Partnership for Assessment of Readiness for College and Careers (PARCC) that will be more rigorous and will require us to purchase new technology as they are computer-based assessments, as well as changes to national assessments, such as AP exams and the SAT. Perhaps most importantly, we must prepare our students to succeed in a new global economy that demands a very different set of skills and knowledge.

Addressing our longstanding challenge of closing the achievement gap while preparing our students and staff to thrive in their future will require us to think differently about how we deliver and budget

for education. This is at the heart of our new Strategic Planning Framework, *Building our Future Together: Students, Staff, and Community*, which the Board adopted in June 2013. The Framework codifies the core purpose of MCPS—to prepare our students to thrive in their future—and is built on five core values: Learning, Relationships, Respect, Excellence, and Equity. The Framework identifies our mission around the three core competencies students need so they are prepared to thrive in their future—Academic Excellence, Creative Problem Solving, and Social Emotional Learning. The Framework also affirms our longstanding commitment to Organizational Effectiveness.

A Multiyear Budget

The Strategic Planning Framework will guide the work of MCPS in the years to come and this requires us to think in the long term about our priorities and our budget. Each year's budget cannot stand alone; it must be strategic and build upon the work we have done in previous years. In December 2012, I stated that my FY 2014 Operating Budget was the first year of a multiyear budgeting strategy that will allow us to keep up with our growth and strategically invest in areas that are aligned with our core purpose, values and mission. Despite receiving a budget at the minimum required funding level in FY 2014, we reprioritized some funds and applied funds from our budget surplus to make strategic investments, including:

- improving middle schools by hiring 30 additional English and mathematics teachers to allow for more individualized instruction, and restoring middle school staff development teachers to full-time status;
- improving student success in mathematics by adding teachers who provide accelerated instruction for students who are ready, as well as staff to help with CCSS implementation in mathematics;
- investing in our staff by increasing professional development, especially around the CCSS and Curriculum 2.0; and
- supporting community partnerships that benefit students, including the Achieving Collegiate Excellence and Success program, a partnership with Montgomery College and The Universities at Shady Grove aimed at improving college completion.

In our effort to address the individual needs of our students and our schools, we began two initiatives last year that did not have a direct budgetary impact, but required the redirection of resources to where they are needed most. First, we began working with 10 Innovation Network Schools that are receiving intense support in designing and implementing innovative school improvement strategies and professional learning plans. These schools are working with the chief school improvement officer and each other to develop and implement customized plans to address specific areas that need improvement in each building.

Our 10 Intervention Network Schools also are working with central office and one another to gain knowledge, practice, and expertise in providing direct, individualized support to students. These schools are serving as models as MCPS designs and phases in its systemic approach to interventions throughout the district. The schools are focusing on four areas—identifying early warning signs that indicate additional support or enrichment is needed; creating personalized learning plans for each student; implementing and monitoring student progress; and developing and cultivating a culture of high expectations and equity.

My FY 2015 Recommended Operating Budget builds upon the work we began with the FY 2014 budget. It continues our commitment to a multiyear budgeting strategy that will allow us to manage our growth as we innovate in ways to address our longstanding challenge—closing the achievement gap—while embracing future opportunities for our staff and students.

Managing Growth

Enrollment in MCPS for this school year is 151,289, an increase of 2,510 students compared with last school year and nearly 11,000 more students than just five years ago. This growth is expected to continue in the years to come, with enrollment projected to increase by approximately 2,800 students in FY 2015. At the same time, more of these students are coming to us needing specific supports and services to ensure success. More than one-third of MCPS students now receive Free and Reduced-price Meals System services, a number that has grown by 37.5 percent in the past five years. We also are seeing dramatic increases in the number of students receiving English for Speakers of Other Languages (ESOL) services. Currently, 13.3 percent of our students receive ESOL services, but in our elementary schools, that number nearly doubles. In addition, 2,294 students are eligible to receive ESOL services; however, their parents/guardians have decided not to have them participate in the program, and another 10,222 students exited the ESOL program within the past two years.

My recommendation includes \$19 million to hire additional staff to serve our growing student population. This includes the addition of 156.5 elementary and secondary teaching positions and 7.7 ESOL positions, as well as nearly 75 positions to provide additional services and support to students with special needs, in accordance with their Individualized Education Programs. We also are adding 15.25 positions for staff at the new Clarksburg Cluster Elementary School that will open in August 2014. My budget recommendation also includes an additional \$6.8 million for continuing salaries and \$17.3 million for increased benefit costs for current and retired employees. This includes \$3.3 million for the shift of the teacher pension costs from the state of Maryland to MCPS.

Fostering Innovation and Collaboration

Building upon the work we began with this year's budget, my FY 2015 recommendation invests in strategic areas that will allow us to be innovative in how we deal with our longstanding challenges and embrace future opportunities. These investments include \$11.77 million in new funds and the redirection of other funds into these areas. This amount is offset by a reduction of \$3.3 million due to efficiencies and other base budget reductions.

I am recommending additional funding aimed at fostering innovation and improved instruction and support across all grade levels. This includes \$800,000 to begin an effort that will encourage high-performing teachers to move to or stay in high-needs schools. This budget includes \$500,000 in salary supplements for 250 teachers who will work in high-needs schools to provide instruction and leadership. In addition, \$300,000 is budgeted to provide grants to these schools that they can use to design school improvement projects that will support student learning. This Career Lattice is the result of our continued collaboration with our employee associations. My budget also includes approximately \$300,000 to provide additional support and coaching to our Innovation and Intervention Network Schools.

I also am recommending we invest \$947,109 to begin a multiyear effort to improve our student support model. The funds in FY 2015 will allow for the hiring of additional positions, including

5.5 elementary school counselors, 4 school psychologists, and 3 pupil personnel workers. As I shared in my December 5 memorandum on Positions without Staffing Ratios, additional positions will be added in future years to help reduce caseloads and provide more focused support to students, especially those in schools that are demonstrating a need through multiple data points, including poverty, attendance, mobility, and suspension rates.

The innovative use of technology is an important part of providing our students with a 21st century education and administering the PARCC online assessments. I am recommending \$3 million for the purchase of mobile devices that will be used to engage students in learning and that will allow us to be ready for the rollout of the new assessments.

My budget recommendation includes funds to continue to improve our middle schools, where we are seeing some of the largest and most persistent gaps. For instance, while 62 percent of students successfully complete Algebra 1 by Grade 8 districtwide, just 22.3 percent of ESOL students meet this important benchmark. We must address these gaps quickly and comprehensively. Therefore, my budget includes \$1.45 million to fund 10.5 positions that will provide focused support to ESOL students at 21 middle schools, as well as professional development for classroom teachers. In addition, the budget includes \$704,167 and 8.2 positions that will provide teacher leaders more opportunities to engage and support middle school staff.

I am recommending substantial investment to support the improvement and redesign of our high schools. The gaps in performance data—including AP, SAT, and graduation rates—make it clear that our high schools are serving some students at a very high level, but are not serving others as well. My budget includes \$977,145 for 15 high school focus teachers that, in combination with 23.5 existing positions, will reduce English and mathematics class sizes in the most impacted schools. These positions will be allocated based on enrollment and poverty factors. My recommendation also includes \$996,918 for additional positions that will allow high school resource and staff development teachers to increase opportunities for planning, coaching, and professional learning in our schools.

I also am recommending \$49,500 to further project-based learning at Wheaton High School. As we prepare for a new Wheaton High School building to open in August 2015, we are working with staff, students, business leaders, and community members to design a curriculum built around project-based learning. This small investment will continue those efforts in the coming year. My budget also recommends \$136,534 to redesign our Alternative Programs, which serve students who have not been successful in traditional secondary school settings. These funds, combined with approximately \$300,000 in reallocated funds, will provide for more individualized instruction and support to these students and help them stay on track for graduation and future success.

My budget also recommends \$251,832 to create additional team leader positions in some elementary schools that will help serve special education and ESOL students, as well as expand the arts programs. I also am recommending \$456,000 for mathematics teachers who will offer accelerated instruction to Grade 5 students who are ready for such rigor and \$541,677 for various positions in elementary schools that have been reduced during the past five years, including staff development teachers, reading specialists, media specialists, and counselors.

Lastly, our Strategic Planning Framework is called *Building Our Future Together: Students, Staff, and Community* because we know we alone cannot provide our students with all the opportunities and support they need. We already have many successful partnerships with county agencies, as well as

nonprofit and community organizations. My budget recommends investing approximately \$800,000 to support and grow some of these important partnerships. This includes funds to expand the Kennedy Cluster Project, a multiagency effort aimed at providing students and their families with access to health care, housing, financial assistance, and other social services. These funds would allow for similar services for students and families in the Watkins Mill Cluster and support future expansion in FY 2016 and FY 2017. I also am recommending funds designated to provide transportation for students participating in Excel Beyond the Bell, a collaborative effort that provides high-quality after-school programs. These funds would extend transportation until 5:15 p.m. for students participating in the program. My recommendation also adds positions to the Office of Community Engagement and Partnerships for a multiyear effort that will build our district's ability to develop business and community connections and provide support to parents in our schools.

To provide a growing number of students with the skills and knowledge they need to be successful in their future, we must invest today. While MCPS enjoys strong support from our community, the reality is that our budget has been funded at or below the minimum required funding level for the past five years. In that time, the county's per-pupil investment has dropped by approximately \$1,500. I urge the Board of Education to carefully consider my recommendation and work with the County Council to fund the strategic investments that will allow our students to thrive in their future and maintain Montgomery County's reputation as a great place to live, work, and raise a family.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Starr", with a stylized flourish at the end.

Joshua P. Starr, Ed.D.
Superintendent of Schools

JPS:LAB:dmt