

Superintendent's Fiscal Year 2014 Operating Budget Recommendation

December 11, 2012

Superintendent Joshua P. Starr released his Fiscal Year (FY) 2014 Operating Budget recommendation after receiving significant internal and external input, including the Board of Education's budget interests and feedback received during public forums and meetings over the past year. Input was also received from the new "Neighbor to Neighbor" initiative, which resulted in more than 20 self-guided discussions about what our community values in the budget. The budget was developed in full partnership with the unions that represent MCPS employees—MCEA, MCAAP/MCBOA and SEIU Local 500—and the Montgomery County Council of Parent Teacher Associations (MCCPTA).

Dr. Starr's recommendation focuses on three major areas:

- Managing the district's continued growth
- Re-energizing efforts to narrow achievement gaps
- Investing in our future

Dr. Starr's budget begins to restore some of the more than 1,300 positions that were lost during the economic downturn, when MCPS redirected limited resources to keep up with its growth.

FY 2014 Operating Budget Overview

The superintendent's FY 2014 Operating Budget recommendations are part of a multiyear strategy aimed at keeping up with growth and moving MCPS forward. Dr. Starr is recommending a \$2.217 billion operating budget for FY 2014, which is an increase of \$48.9 million, or 2.3 percent, over FY 2013 (the current fiscal year).

- The budget is less than half of 1 percent (0.4 percent), or \$10 million, above the funding floor required by state law (Maintenance of Effort, or MOE).
- This recommendation should be considered preliminary for a number of reasons:
 - Uncertainty about state funding level
 - Debate over the "fiscal cliff," which could impact federal, state, and local budgets
 - Uncertainty about the county's economic situation
 - Negotiations with our employee associations (compensation increases for FY 2014 are not included in Dr. Starr's budget)

Managing Growth

More than 82 percent of Dr. Starr's recommended budget increase is dedicated to managing growth and continuing costs. Enrollment this school year is nearly 149,000 students, an increase of more than 11,000

students in just five years. That growth is expected to continue and enrollment is expected to top 159,000 students by FY 2019. A greater number of our students require specific services and support to ensure success. More than 49,300 students (33.2% of total enrollment) now receive free and reduced-price meals, an increase of more than 12,000 students in five years. Nearly 20,000 students (13.1% of enrollment) receive English for Speakers of Other Languages (ESOL) services. This number has practically doubled since 2000.

- Dr. Starr's recommendation includes \$21.2 million to address enrollment changes, including—
 - 127 elementary and secondary positions to serve an additional 2,336 students
 - 22 positions to serve an additional 900 ESOL students
 - 101 positions to increase individualized services for special education students
- This budget also includes \$7.1 million for continuing salary costs and \$15.4 million to pay for benefits for current and retired employees. The money for benefits includes \$7.3 million for state teacher pension costs.
- \$4.3 million in efficiencies and reductions are included, including further cuts to central services, which have been reduced by more than 20 percent in the past five years.

Re-energizing Efforts to Narrow the Achievement Gap

MCPS has had tremendous success narrowing the achievement gap in some areas, including AP access and success and early grades reading. In other areas, the gaps have been persistent and harder to narrow. Dr. Starr's budget invests money in strategic areas to deepen the district's efforts to narrow the gaps and serve all students in key areas.

- **Middle Schools:** Some of the largest gaps in MCPS are seen in middle school, and Dr. Starr is proposing the following investments:
 - The hiring of 30 middle school focus teachers who will work with students struggling in mathematics and reading (\$1.968 million)
 - Restoring middle school staff development teachers to full-time positions. These positions had been cut in half and are vital to providing middle school teachers with the training and support they need (\$1.496 million)
 - Increased professional development and support

- **Mathematics:** To continue improvements to the MCPS mathematics instructional program and address concerns expressed by parents and staff, Dr. Starr is proposing—
 - A Mathematics Implementation Team that will work in schools to improve the capacity of teachers to provide mathematics instruction to students of all abilities (\$1.1 million in realigned funds)
 - The hiring of 10 elementary school teacher positions that will provide accelerated math instruction to students who are ready for advanced work (\$665,934)
- **Achieving Collegiate Excellence and Success:** This collaborative effort among MCPS, Montgomery College and the Universities at Shady Grove seeks to increase college enrollment and completion for students, especially those who have been traditionally underrepresented in higher education.
 - Dr. Starr is proposing \$94,000 to create a summer program that will help support a college-going mindset for our students.

Investing in the Future

The landscape of education is changing and we must make sure our students are prepared for today's global economy and that our staff can help our students meet these high demands. Among the changes are the implementation of the Common Core State Standards in math and literacy; the continued implementation of Curriculum 2.0; and preparing our students for new state assessments (PARCC) and coming changes in Advanced Placement exams.

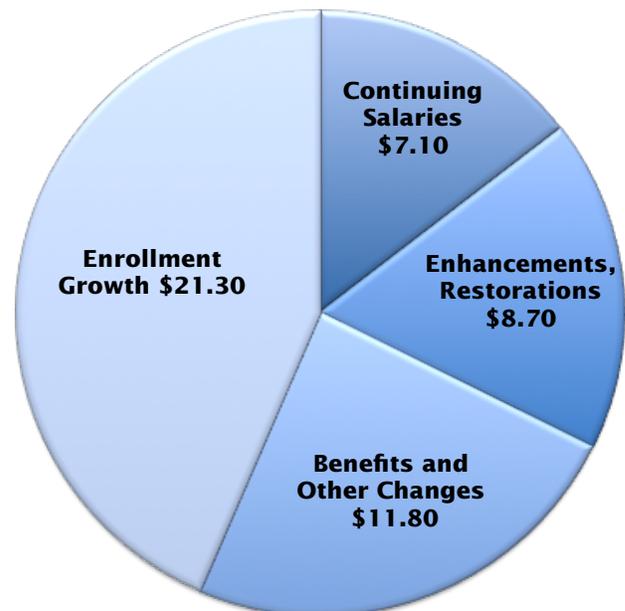
- **Professional Development:** Adult learning will be a key to the district's continued success, and Dr. Starr is proposing the following additions to the budget:
 - An increase for professional development around the implementation of Curriculum 2.0 and the Common Core State Standards in elementary and secondary schools (\$1.549 million)
 - An increase in funds for substitutes in secondary schools that will allow MCPS teachers to fully participate in professional development activities (\$800,000)
 - Adding four consulting teachers who will work with new educators and those who are struggling. This is an important part of the school system's highly successful Professional Growth System (\$314,854)

- **Other Strategic Areas:** Dr. Starr is also proposing the following additions and restorations:
 - The addition of five elementary instrumental music teachers (\$327,967)
 - The restoration of 11 school support positions at small elementary schools, including media specialists, staff development teachers, reading specialists, and counselors (\$721,528)
 - The addition of an assistant school administrator and .5 school secretary position at the district's three largest elementary schools (\$436,161)
 - Funds for a districtwide baseline testing program to address concussions (\$75,000)

**Sources of Revenue for
FY 2014 Budget Increase**
(\$ in millions)

		Total
Local Required Funding:		
Maintenance of Effort	\$21.5	
Pension Shift from State	7.3	\$28.8
Local Above Maintenance of Effort		9.9
State Aid		10.0
Federal Aid		0.9
Other		(0.7)
Total Revenue Increase		\$48.9

**FY 2014 Operating Budget Increase
How the Money Will be Spent**



Total: \$48.9 (millions)