

**MCPS Operating Budget Presentation**  
**Larry A. Bowers, Interim Superintendent of Schools**  
**December 8, 2015**

- Good morning, we just heard the voices of a few of our 155,000 students. I wanted to begin today listening to student voices because that is what this budget is about—our students. This is my 38th budget and each year when we are working on the budget it is our students that I am thinking about. The students are why I am here, they are why you are here. Budgets aren't about numbers—they are about people—our students, their families, teachers, support staff, and administrators.
- As you know, I was ready to retire last winter after 37 years with MCPS when the Board asked me to stay on for another year as the interim superintendent, and I agreed.
- I will begin by sharing why I made the decision to stay for another year and why this budget, which will be my last budget, means so much to me.
- I have been privileged to serve this community and our young people for more than 37 years.
- Arla and I chose to live in Montgomery County and raise our two daughters here because of the diversity in our community, the county's belief in fairness and justice, and its strong support for public education.
- I want all of the families in Montgomery County to have the opportunities and experiences that my family has had. And, I want that for my grandchildren as well.
- I've overseen our budget in good times and bad times.
- I've seen what is possible for our students when we commit the resources to public education just as we have during better economic times.
- And, I've seen the effects that the economic downturn has had on our students and their families as we have had to scale back our services and supports for them.
- Quite honestly, I have been extremely frustrated with the difficult budget years we have been through and how we have had to scale back our investment in education and what this has meant for our students.
- We simply aren't spending on education like we used to, and this worries me a great deal.
- Many of you have heard me talk about our need to level the playing field for those students and their families who have been impacted by the opportunity gap. You have heard me share that we cannot level the playing field if we continue to scale back our commitment and resources for education.

- This budget is about the future for all of our children—the students whose voices you heard a few minutes ago. We need to ensure parents that we will serve and support their children and provide them with opportunities that will allow them to thrive in their future.
- This is what I wanted for my children. This is what every parent wants for their children. They deserve no less. We **MUST** find the resources to give them every opportunity to succeed.
- The budget I am recommending is intended to lay the foundation for the future. It will provide the resources that are required to serve our students well in Fiscal Year 2017 and is the foundation for what they will need in future years.
- This budget is based on my belief that we cannot continue to disinvest in public education in Montgomery County.
- I am not asking for all of the resources that many of you believe are needed to address student performance and close the achievement gap.
- That will have to wait for future years.
- But, I am asking for **full** funding of this budget. This is what is needed to ensure that we have a strong foundation for the future.
- Over the last several years, I have seen cracks in this foundation. We simply cannot cut any further or these cracks will widen.
- We cannot fool ourselves into believing that we can accomplish what we need to accomplish and close the gaps while continuing to disinvest in education.
- We must ensure that the foundation is strong and secure so that in future years we can build the structures that are needed to make sure all of our students are ready to graduate from high school and prepared to be successful in college and careers.
- In the recent debate about the reauthorization of the Elementary and Secondary Education Act, Senator Barbara Mikulski called the legislation a “down payment on our children’s future and our nation’s future.”
- Her words resonated with me as we were finishing this budget recommendation because I believe that this budget is a down payment on our children’s future in and on the county’s future. It means that much.
- Throughout the development of the budget and my work with the budget review committee that is made up of staff members, parents, community members, and union partners, I thought that when I presented the budget to you today I would provide a list of cuts that would have to be considered if we didn’t get the funding that is being requested, similar to what was done in Fairfax County.
- However, in thinking through this strategy, I felt that this was the wrong message to send. As you will hear in my comments, we simply cannot continue to cut positions and resources as we have had

to do for the past seven years. We have to begin the reinvestment in our children. Their future depends on us to do this. So I won't be sharing a list of additional reductions today.

- We know we have so much more work to do to ensure every student is successful. When I listen to our students and think about their future, I feel a tremendous sense of urgency because they are counting on us to give them the support they need to thrive. I want to introduce you to a few students whose voices you heard earlier.
- Marisela graduated from Montgomery Blair High School this year and is now on full scholarship at Trinity University studying to become a teacher. She credits much of her success to the ACES program—our partnership with Montgomery College and the Universities at Shady Grove to smooth the path to higher education for first time college goers. Let's meet Marisela.
- Next, let's go to Einstein High School to meet Ebonie. Ebonie is in our first cohort of the Student to Educator Pathway—a new program we created this year to support students who want to become future MCPS teachers. You can see her passion for helping students already.
- Finally, Andrew Brown is an International Baccalaureate student at Rockville High School. Andrew loves the challenge of IB and the preparation it has given him for college.
- These students represent 155,000 students that we need to hear and see as we work to restore investments in MCPS. We owe it to every student to do all we can to make sure they get the best possible education day in and day out.
- So how will we ensure the foundation is strong? How will we ensure that we serve all students well? We have aligned my Recommended Fiscal Year 2017 Operating Budget with the Strategic Planning Framework, the District Implementation Plan, and the Board's budget interests.
- The budget is grounded in our core values of Learning, Relationships, Respect, Excellence and Equity with an intense focus on closing the achievement gap.
- The strategic priorities for the 2015–2016 school year have helped us use a laser-like focus to address these core values and ensure that student outcomes are not predictable by race or ethnicity. The strategic priorities are the road map for how we are implementing the work.
- While our budget funds opportunities, experiences and successes like those you heard from Marisela, Ebonie and Andrew, we know not all of our students are having the same success. I have seen some troubling trends in our overall achievement results. Since June, I have shared student outcome data, and I have discussed how our overall results show that we have not met targets, and, in some cases, we have seen results decline. In many cases (but not all), we have not seen the improvement in closing the achievement gap that we expected and worked to accomplish.
- The PARCC results that came out last month and today are troublesome not only because of the overall performance of our students but also because of the significant gap between our Latino and African American students and their White and Asian American peers.

- In addition, the Community Foundation released a report in October about the significant number of young African Americans between the ages of 16 and 24 who are disengaged and are neither in school or working. This was similar to the findings in another Community Foundation report last year regarding Latino youth.
- These test results and reports emphasize the urgency to make changes immediately.
- These results don't mean there isn't good work going on in our district. You heard examples of this work in our student voices. We have teachers, schools, and programs throughout our district that are putting structures in place to address these challenges, and they are making progress and showing promise. I'm pleased that data from the first marking period and fall testing shows that many of our elementary students are already meeting the end of year targets in reading and mathematics based on our higher standards. And, we also are on track to meet or exceed our system target for 60 percent of our middle school students to complete Algebra I by 8th grade.
- As we discuss how we are moving ahead to make sure our budget aligns with our priorities, it's important to understand where we've come from and the challenges we've faced since 2009.
- As I have shared, we cannot continue to fund the budget at the levels that we have over the past seven years. This is not intended to make excuses for the results that we have had, and it is not intended to be critical of our funders. The county and the state have faced difficult economic and budgetary challenges since 2008. However, we cannot continue to fund the budget as we have in the past and expect the school system and our schools to meet our targets and close the achievement gaps.
- We cannot continue to fund the budget at the minimal funding level of Maintenance of Effort and continue to use one time sources, including hiring freezes and expenditure restrictions to build the fund balance to fund the next year's budget. THIS is a disinvestment in education and a disinvestment in the future of our children and our county.
- Funding at Maintenance of Effort is a misnomer— it simply means that the county is funding the same dollar amount per pupil. It does not mean maintaining service levels, because it does not provide resources to address inflation, increasing costs for benefits and utilities, or salary increases. So with rising costs, funding at Maintenance of Effort actually means reducing our level of support for our students.
- Consider this—if you assume a two percent inflationary factor, which is lower than economists have projected for the next decade, we would have to cut about \$50 million per year at the Maintenance of Effort level, or we could not provide any raises for our employees and still have to cut many positions. And there would be no funding for investments in strategic enhancements to address the achievement gap. Imagine the implications after 10 years. Well, that is what we are facing today.
- Let's look at the impact Maintenance of Effort and our funding challenges have had on our budget since 2009. Enrollment has increased by more than 17,000 students, or by 1.6 to 1.8 percent a year. However, budget funding has not kept pace with this growth. This has resulted in the elimination of more than 1,800 positions.

- If you look at the state and county funding on a per student basis, this actually means we are spending less per student today than in 2009.
- This table shows the impact of seven years of economic challenges. The impact on staffing has been significant. Enrollment has grown by 12.4% over this period but staffing has increased by only 3.3%, or 676 positions.
- Let's take a look at a few of these positions. The increase in the number of teachers is 693, or 6.8 percent, but still much lower than our enrollment increase. This is why we have had to raise class sizes twice.
- The number of counselors has remained the same, for 17,000 more students.
- Secretarial and clerical positions have been reduced by 10.9 percent, or 118 positions.
- And, we are serving 12 to 13,000 more students on our buses with 20 fewer transportation positions.
- These data show you why we cannot cut further.
- We simply have to find a way to invest more in public education in Montgomery County. We cannot cut our way out of this any longer. Although I will be recommending almost \$6 million of reductions and the loss of 38 more positions, more than half of which are from central services and support operations, I do not believe that we can cut further. It is not possible to address revenue shortfalls through the elimination of more positions. Class sizes are already too large. In the next few years, we must find the resources to begin to reduce class sizes.
- Any further disinvestment in education is a disinvestment in the future of our children and our county. This is not acceptable.
- And, soon in the future, we also must identify additional resources to address specific targeted priorities that will accelerate closing the achievement gap. This is not the year to do that, but we cannot wait too long.
- As I begin to outline the FY 2017 budget request, I want to share how our budget is organized around the Strategic Planning Framework and District Implementation Plan and highlight two resources that make it easier to understand exactly how we invest our resources to serve students. First, we launched our new Budget 101 tool last week. It is a simple way to understand what's in our budget and how we staff our schools.
- The other resource is the Program Budget which is one of the best ways to look at the budget. The program budget is our entire operating budget organized to identify how the dollars are used and how the budget is focused on allocating resources to improve student achievement and close the achievement gap.
- The first section of the Program Budget includes programs to provide additional supports for students including prekindergarten programs; differentiated staffing with focus and academic intervention teachers; Title 1; special program, reading support, math content, and alternative teachers; lower

class sizes in Focus Schools in Kindergarten, Grades 1 and 2; ESOL positions; extended-day and extended-year programs; intervention programs; Advancement Via Individual Determination (AVID); and high school minority achievement and intervention programs.

- The second section of the Program Budget includes collaborative partnerships such as the George B. Thomas Saturday School; ACES; Linkages to Learning; Excel Beyond the Bell; the Kennedy Cluster Project; and partnerships with community organizations such as Identity, the Mental Health Association, and Interages; and partnerships with Montgomery College, the Universities of Shady Grove and other colleges and universities.
- You can see that we have a lot of resources in our base budget that are targeted to serve our neediest students and provide supports and interventions to ensure outcomes are not predictable by race or ethnicity.
- I would like to be able to tell you that there are more resources in the budget to do this work or that I am recommending significant increases in these areas of the budget. But I cannot say this because the county is not in the financial position to do this, AT THIS TIME! But, down the road, it will be necessary.
- The budget I am presenting today will build on this foundation outlined in the Program Budget by realigning some of our current resources and by requesting some modest increases in very specific areas that are intended to enhance our efforts to improve student achievement.
- The increase to maintain the same level of services and to provide some modest enhancements for next year is \$103 million, or an increase of 4.5 percent.
- As you can see from this chart, an additional \$22.7 million is needed for the increase in enrollment and opening a new middle school in Clarksburg.
- An additional \$26.4 million is needed for the increase in the cost of benefits that include health benefits that are rising rapidly, and retirement costs.
- An additional \$55.3 million is needed for increases in salary that is the result of negotiated increases next year.
- Other cost increases are limited to \$1.5 million.
- Every year, we look for efficiencies and reductions we can make, and this year we have achieved savings of \$5.7 million.
- Finally, I am recommending we invest some of those savings—\$2.8 million—to address the Strategic Priorities, in addition to funds that have been realigned for these purposes.
- Overall, I am asking for an increase of about \$135 million. Of this amount, \$24 million is needed to replace the use of our Other Post Employment Benefit trust account to fund retiree health benefits for this year, and \$8 million is required to be sent to the state for our share of the state's pension costs.

- I also am recommending some additional organizational changes that are intended to better focus our work around the strategic priorities.
- There are three key parts to the reorganization:
  - First, reestablishing the chief of staff position in the Office of the Superintendent and assigning the Office of Communications, and the Department of Shared Accountability and the Department of Partnerships to the chief of staff. This will provide the new superintendent with the ability to direct the work we need to do around accountability and partnerships.
  - Second, establishing the Office of Student Services and Family Engagement reporting directly to the Chief Academic Officer by combining the Department of Student Services and the Department of Family and Community Engagement. This will allow us to align the work of all of our counselors, parent and community coordinators, and PPWs to be able to serve our families better in a more coordinated manner. I also am recommending increasing the number of PCCs and changing the way these staff are assigned to schools.
  - Finally, we will realign Study Circles to the Equity Team to support our focus on cultural proficiency in all of our schools. This is no longer an option, and to serve our schools better, we need to align and expand our resources.
- Now, let's look at how this budget is going to support the strategic priorities. There are six focus areas. They are: Equity & Cultural Proficiency, Literacy and Mathematics, Career Readiness, Partnerships and Engagement, Accountability and Results and Human Capital Management.
- First, as I just mentioned, this budget will focus on Equity and Cultural Proficiency. This is the first strategic priority because it is an essential component of the foundation for all the other work we do. None of the other areas of focus will make a difference if we don't create a culture that has high expectations for all of our students and a work force that is culturally proficient.
- As I already shared, we will realign the work of the Study Circles Team with the Equity Team. We also will increase the number of Equity specialists by four. So how do our equity specialists work with schools? Let's take a look at how the equity team is working with Rosa Parks Middle School staff and students to create a more equitable culture.
- As part of the equity and cultural proficiency focus, we also will provide additional training and support to schools on restorative practices; which has already begun this year.
- The second focus is literacy and mathematics. I want to commend our schools for the work that they have been doing this year in these areas. All schools have set goals for both literacy and math and have identified in their school improvement plans how they are going to close the achievement gaps and have established targets to do this. Our central services offices have organized themselves around the Instructional Core Teams to support and assist schools with this work. And we need to do more.

- For Fiscal Year 2017, we will build a more strategic delivery system for professional development and a more deliberate allocation of resources and supports to schools. This system will be based on an understanding of the individual needs and context of each school. This will allow us to target resources based on demonstrated needs and provide differentiated professional development that is designed to meet the needs of the individual schools. This approach to professional development will create the opportunity to provide significant, deep, and ongoing support to the schools with the greatest needs and to effectively use our resources. To accomplish this, an additional \$1 million will be added to the budget to support professional development for literacy and mathematics. It is not nearly enough, but it is a start and will be part of our foundation.
- This year, I asked our elementary school staff development teachers to focus on mathematics to make certain our elementary teachers teaching mathematics, particularly fourth and fifth grade teachers, are supported in their development of mathematics content knowledge and pedagogy. Part of the funds for professional development will be used to support this work.
- And, I am recommending that we change how we provide accelerated mathematics instruction for fourth and fifth grade students and provide more opportunities for students to be accelerated. We will phase out serving elementary students in middle schools and will provide math for all Grade 4 student in their home school next year. This will be accomplished through classroom instruction that is differentiated to meet the needs of each student through more departmentalization so that our strongest mathematics teachers are teaching this subject and through more flexible instructional student groups. I know we have more students who are highly able and can access our most rigorous curriculum. Although we will not accelerate students beyond their ability to succeed, it is incumbent upon us to meet the needs of students where they are and challenge them to excel.
- I have thought more about this decision than anything else that I am recommending.
- My decision was reaffirmed two weeks ago when I listened to the guest speaker at the African American Student Achievement Action Group's forum that this is the right decision to make. As a district, we have created too many structural and systemic barriers that have prevented some of our students from full participation in an instructional program that meets their needs and pushes them to excel. We have created additional opportunity gaps for our students of color. We must address these barriers and the unintended consequences of the impact these program decisions have had on our achievement gap. Access is opportunity. We will meet the needs of our students in mathematics with personalized learning approaches, similar to our approach to literacy. Instead of creating barriers for students, we need to increase access to enriched and accelerated learning for more of our students.
- Part of the funds for professional learning will be dedicated to mathematics content and instructional strategies for our Grade 4 teachers. This investment in teacher professional learning will pay significant dividends in the growth of achievement of our students as mathematics learners and help us reach our vision for closing the opportunity gap.
- Every student deserves a rigorous mathematics program and I know every student can be successful. Each child deserves to be taught by a teacher who understands math, understands how to teach math, and understands how to differentiate to meet each child's individual needs and ensure each child's success.

- In literacy, we are partnering with the Norman R. and Ruth Rales Foundation and the Montgomery County Council and county government to initiate a summer literacy program for rising third graders who are not proficient in reading and need this additional support to catch up with their peers. This program will serve 1,000 of our neediest students this summer in a five week, five and one-half hours per day program. This truly is the type of partnership that I have been talking about when I have said that we cannot do this work alone, and to provide the extended learning opportunities for our students, we need to work with other county agencies and non-profit and community organizations to provide extended day, extended week, and extended year programs.
- I have included in my recommended budget funding to enhance and perhaps expand our dual language programs. I believe that these programs offer an opportunity to meet the literacy needs of some of our students by providing strong academic programs in English and Spanish that will both challenge our students and help them to excel.
- Finally, the Sheltered Instruction Observation Protocol (SIOP) model that we expanded two years ago will provide resources and supports to schools to help them address the literacy needs of English for Speakers of Other Languages (ESOL) students. The SIOP model not only supports language and literacy development for ESOL students, it also supports emergent readers because the SIOP strategies help students learn to read and develop academic language.
- The next area of focus is career readiness. We began this work in earnest this year. There is interest among our business and community partners to work together to find ways to prepare our students for the career opportunities that await them. In order to ensure that every student has a pathway to thrive in their future, we must focus on strengthening our Career and Technology Education programs, supporting many more of our students to enroll in the complete pathways, and making these opportunities available to more of our students. Currently, most students are limited to those courses available to them in their home school, unless they are in a consortia or attend the Thomas Edison High School of Technology. Our Change of School Assignment policy does not allow for students to apply for a transfer for program purposes. I don't think that when the policy was adopted, the Board was thinking about career pathway opportunities. We simply cannot offer each of these programs at all of our schools and we cannot and should not build separate schools to provide these course opportunities to students. We need to find ways to provide additional choices for our students in our comprehensive high schools.
- Let's meet two students who have taken advantage of our career pathways programs to get a jumpstart on their futures. It's not only preparing them for college but giving them good jobs and internships now – Let's meet Paul from Damascus High School and Luis who graduated from Paint Branch High School and is now enrolled at Montgomery College and working at Holy Cross Hospital.
- Part of our work this year will be to help our secondary counselors become much more knowledgeable about the career pathway opportunities that are available, understand the connections between these pathways and college and career readiness, and understand how important it is to make these connections for students so they can thrive in their futures. We need more students to see what Paul and Luis saw and avail themselves of these excellent opportunities.

- A part of this work also will be to expand career exposure activities for many more of our students and engage employers in working with us to provide work-based learning activities for students.
- And the budget addresses the need for us to offer extended educational opportunities to 12<sup>th</sup> graders who are deemed this year to not be ready to complete college level work, as required by SB740 in 2012.
- Another recommendation is to address the needs of a growing number of students who have limited or no formal education by reimagining both the Students Engaged in Pathways to Achievement and Multidisciplinary Educational Training and Support programs. For this group of older students, we need to design programs that will help them earn a high school diploma or a General Equivalency Diploma and a marketable skill. We need to strengthen the academic programs for these students, and we must also offer them training in Career and Technology Education areas for industry certifications. Although many of the resources to do this will be realigned, we need to add four teachers to support this work.
- As I have indicated, we are realigning shared accountability to the superintendent's office to provide greater focus on accountability and results, another strategic priority for 2015-2016.
- In addition, we will continue to work on enhancing our assessment strategy to ensure that we are using formative assessment data throughout the school year to inform instruction, allowing students to receive timely supports and interventions and providing students with more frequent and varied ways to demonstrate learning. The budget includes funds this summer to finish the development of the assessments that will be implemented next year to replace the end-of-semester two hour final examinations.
- The next strategic priority is the focus on Human Capital Management. This is a critical part of our work and is aligned with our efforts to enhance our culture and increase the cultural proficiency of our staff. This year we have reorganized the Office of Human Resources and Development to support our Teacher Diversity Hiring initiative. We have realigned some of the additional resources we budgeted for this initiative, and in the FY 2017 budget, I am recommending a modest increase to expand the Student to Educator Pathway (STEP) program by providing some financial support for students like Ebonie whom you met a few minutes ago who are interested in pursuing a degree in education when they graduate from MCPS this spring. We also will have another group of students we will work with next year so that we can build this pipeline.
- The final strategic priority is the focus on partnerships and engagement. I already have shared the realignments and reorganizations that are included in my recommended budget. I believe that these changes are critical if we are going to be able to accomplish the work that needs to get done to not only engage our parents who have not traditionally been involved in their children's education and schools, but to engage other county agencies, businesses, and community and non-profit organizations to a much greater extent than they have been involved in the past to close the opportunity gaps for many of our students and their families. This also includes adding more parent community coordinators in the budget.
- I also am recommending that we expand the ACES program to two more schools. Last year's budget included funds to serve six more schools, but we had to cut these funds at the end of the budget

process. There are many more students who would benefit from this program, both within the 10 schools that currently have the ACES program as well as in our other high schools. The recommendation being made next year is modest, and we need to make serving more students and more schools in ACES a priority in future years. ACES has already helped hundreds of students like Marisela prepare for college success. We need to provide these opportunities to many more students.

- We also need to find ways to partner with other organizations to provide quality extended day opportunities for elementary and middle school students and summer learning opportunities such as the one that will be funded with the support of the Rales Foundation.
- My budget also includes modest resources to expand partnerships. This includes partnerships with local universities and other agencies to support students who have traditionally been underrepresented in the STEM and other fields. I would like to see us work more with Historically Black Colleges and Universities and other local colleges to develop some of these programs.
- What I am recommending in this budget is not nearly enough. This should be seen as a down payment on the investment that we need to make on the future of our students.
- As said in my opening remarks, this is the 38<sup>th</sup> and final MCPS operating budget that I will be involved in. These past seven years have been very difficult for me. Knowing that the cuts we had to accept would directly affect students is what has kept me up at night.
- I know our students of need more than I am recommending, but I recognize the current financial situation.
- However, this budget must be the foundation for future budgets. We cannot afford to eliminate anything more out of this budget, and in future years, we are going to have to work with the County Executive and the County Council to fund much needed enhancements.
- Our children's future and our county's future depends on us doing the right thing. We must Fund our Future.
- Thank you for giving me the opportunity to serve this community for so many years and to be able to make a difference in our community's future. I also want to thank all of you for what you do for our children each and every day.
- As we go forward to work together to fund our future, I want to give our students the final word.