



SOLVE
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The Superintendent's Recommended
Budget in Brief

FY 2021 Operating Budget

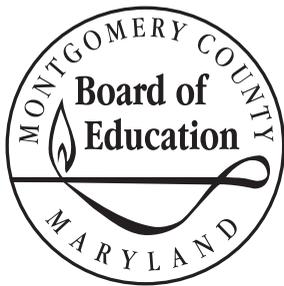
Montgomery County Public Schools, Rockville, Maryland

Recommended to the Board of Education
December 2019

Fiscal and School Year Ending June 30, 2021

Jack R. Smith, Ph.D.
Superintendent of Schools

www.montgomeryschoolsmd.org/budget



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*

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Check out the MCPS website for more detailed information about the FY 2021 Operating Budget.

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December 18, 2019



Dear Members of the Board of Education:

I am pleased to submit for your consideration my Fiscal Year (FY) 2021 Operating Budget recommendation for Montgomery County Public Schools (MCPS). The Recommended FY 2021 Operating Budget continues our focus on students, classrooms, and schools. This budget continues to be centered on our core purpose of preparing all students to thrive in their future. In order to thrive, students must graduate with a deep academic knowledge and preparation for the ideas in the complex world and workplace of tomorrow.

The Superintendent's Recommended FY 2021 Operating Budget totals \$2,801,694,031 for MCPS. This budget recommendation includes an increase of \$121,119,258 including 562.417 Full-time Equivalent (FTE) positions compared to the current FY 2020 Operating Budget. This will fund services for a growing number of students, the costs of operating the school system, and our strategic key bodies of work. Part of this increase is offset by savings of \$5,204,000 generated by efficiencies and reductions. The increase of \$121,119,258 represents a 4.5 percent increase in the operating budget compared to FY 2020. In addition, this budget assumes that the Montgomery County Council will continue to fund \$27,200,000 from the county's Consolidated Other Post-employment Benefits Trust Fund to cover a portion of our retiree health benefits costs.

MCPS is committed to an *All Means All* approach for our students' success. While many of our students achieve at the highest levels, not all have had the full access, opportunities, and resources needed to meet their potential. We are committed to addressing disparities in student outcomes by closing gaps in opportunity and achievement for all students.

During the past three years, MCPS has been building our Equity and Achievement Framework. The framework provides the purpose, path, and plan to ensure success of all students. The framework consists of three components including (1) Evidence of Learning; (2) Equitability Accountability Model; and (3) Equitable Access to Resources.

In [Evidence of Learning](#), we are asking the questions, are our students learning and are they learning enough? We are using multiple measures to monitor student progress through classroom, district, and external assessments so we know students are progressing with the goal of being college- and career-ready.

The [Equity Accountability Model](#) asks how do we know students are learning and if not, why not? This model uses Evidence of Learning data to determine the impact schools have on the opportunity to learn and opportunity to excel for five focus groups of students.

Office of the Superintendent of Schools

The [Equitable Access to Resources](#) component asks what we are going to do about it when students are not reaching their full potential? This component measures how well the school district is using staff, time, and funding that enable students to reach empowering, rigorous learning outcomes, no matter their race or income. We want to examine resource allocation and use that information so that we can reduce/eliminate the likelihood that student outcomes are predictable by race or income. We are taking those findings and engaging with internal and external stakeholders to examine what changes can be made to improve student outcomes across our district.

These three components of the strategic framework will continue to guide us in our work now and in the future. We have used the knowledge and understanding we have acquired to date about the needs of all students to assist in formulating this FY 2021 Operating Budget.

FY 2021 represents the fourth operating budget that I have submitted to the Board of Education as the superintendent of schools on behalf of the largest school district in Maryland. Since I began as superintendent of schools, our enrollment has increased by more than 8,800 students and the makeup of our student population continues to evolve. At the same time, through the collaboration of the Board, the county executive, and the Montgomery County Council, a total of \$46.7 million including 229.05 FTE positions have been added in the past three years for accelerators for key bodies of work to help intensify efforts to close the persistent opportunity gaps and improve equity and maintains excellence in the system.

This budget refocuses on students, classrooms, and schools in a number of ways. As part of our [Be Well 365](#) initiative, every school has a team of professionals that is available to students, parents, and guardians. The Be Well 365 initiative ensures students have the necessary skills to become positive members of the school and broader community. It is designed to help students manage their emotions, build academic and social resilience, identify and access support for themselves or a friend, peacefully resolve conflict, and make positive decisions. Our collective work of engaging students in rigorous classwork and pathways is key to their success and we must continue to examine our efforts to ensure all students can participate, make progress, and perform at the highest levels.

We recently announced the SAT scores for the Class of 2019. While the overall decline in scores was disappointing, I am encouraged that the initiative first funded in the FY 2018 budget to increase student participation is exhibiting the results we wanted. That initiative provided funding to ensure that every Grade 11 student that wanted to take the SAT or ACT exam or a career licensure exam would be able to do so at no cost. The results for the Class of 2019 reflect this new strategy. Overall SAT participation increased by 9.9 percent from 2018. The participation of African American students increased by 11.4 percent. At the same time, the participation of Hispanic/Latino students increased by 17.8 percent. Overall, MCPS students perform at high levels on the SAT compared to their peers in the state of Maryland and across the nation who also experienced decreases from the previous year. We are pleased to see the continued growth in the number of students participating in this important assessment.

The MCPS Operating Budget lays out the strategies we will use to achieve our goal and matches them with the investment needed to implement the strategy. In effect, our operating budget reflects our strategic plan in numbers. As in the past few years, the FY 2021 Recommended Operating Budget is centered on our four strategic priorities to improve teaching and learning and provide a strong academic program for all students. These four strategies are: (1) learning, accountability, and results; (2) community partnerships and engagement; (3) human capital management; and (4) operational excellence.

The following table reflects the revenue and expenditure details of my FY 2021 Recommended Operating Budget compared to the FY 2019 actual and current FY 2020 budgets.

Montgomery County Public Schools
Superintendent's Recommended FY 2021 Operating Budget
(including budgeted grants)

	FY 2019 <u>Actual Budget</u>	FY 2020 <u>Budget</u>	FY 2021 <u>Recmd. Budget</u>	FY 2021 Change from <u>FY 2020</u>
Total Expenditures	\$2,612,644,776	\$2,680,574,773	\$2,801,694,031	\$121,119,258
Revenue				
Local Revenue	1,708,645,645	1,726,807,241	1,799,008,651	72,201,410
State Revenue	711,122,359	759,838,149	792,233,458	32,395,309
Fund Balance (from prior years)	25,000,000	25,000,000	25,000,000	0
Fed/Other Revenue	<u>167,876,772</u>	<u>168,929,383</u>	<u>185,451,922</u>	<u>16,522,539</u>
Total Revenue	\$2,612,644,776	\$2,680,574,773	\$2,801,694,031	\$121,119,258

Managing Growth

The projected student enrollment for the 2020–2021 school year is 167,041, or 2,836 more students than budgeted for the 2019–2020 school year. The official enrollment as of September 30, 2019, was 165,267, an increase of 2,587 students (+1.6 percent) from the previous year. In fact, the enrollment as of September 30, 2019, is one of the largest increases we have experienced since FY 2001, and our projection for this year's budget is greater than that. Our official FY 2020 enrollment was the tenth time in the last 11 years that our enrollment had increased by at least 2,000 students and our FY 2021 projection will continue that trend.

In order to manage our anticipated student enrollment growth in FY 2021, my budget recommendation adds 377.229 FTE positions for enrollment changes, a new grade level, and additional space. This includes 135.257 general elementary/secondary FTE positions, 134.072 FTE positions for special education services, and 37.8 FTE positions to serve our growing

population of students who receive English for Speakers of Other Languages (ESOL) services. In addition, 1.0 FTE parent community coordinator, 3.0 psychologists (10-month), and 1.0 FTE pupil personnel worker are included. We also need 6.6 FTE positions to add Grade 5 at Snowden Farms Elementary School. Finally, we need 30.0 FTE positions in school support operations for transportation, 26.5 FTE positions for facilities and school plant operations, and 2.0 other FTE positions for materials management for the additional students and facilities expected next fiscal year.

Strategic Accelerators to Support Key Bodies of Work

The FY 2021 recommended budget includes \$23,668,538 in strategic accelerators, including 150.263 FTE positions. These resources are in addition to realignments of existing resources and will help intensify efforts to close the persistent opportunity gaps and improve academic excellence for all students.

Following is a summary of the strategic accelerators to support key bodies of work included in the Superintendent's Recommended FY 2021 Operating Budget grouped by our four strategies.

For the Learning, Accountability and Results Strategic Priority, an additional \$14,219,477 and 82.9 FTE positions are included.

We are adding \$290,713 for 2.0 assistant principal FTE positions for elementary schools. Funding of \$111,114 will be used to convert 3.0 assistant school administrators in middle schools and 2.0 assistant school administrators in high schools to assistant principals at our more highly impacted schools. An increase of \$3,200,000 is included for the elementary and middle school curriculum implementation. This new curriculum will continue to offer challenging coursework that will prepare our students to be college- and career-ready. Finally, \$220,000 is included to support testing and evaluation of student performance in the Office of Curriculum and Instructional Programs.

In order to allow high school athletic directors to fully focus on the responsibilities of the position, we are adding \$68,405 to convert 25 athletic director positions (10-month) to instructional specialist (12-month) positions for athletics. Along with this, we need to add \$707,339 for 10.0 teacher FTE positions to replace the classroom coverage formally provided by athletic directors. In addition, funding of \$285,273 is for high school after-school extra-curricular stipends.

In order to support our Restorative Justice Program in the Office of Student and Family Support and Engagement, this budget includes \$842,065 along with 3.5 FTE positions. This includes \$350,000 for College Tracks, \$30,000 for Naviance, and \$10,000 for training for Lauryn's Law. Further, to increase support for students receiving ESOL services, there are increases to the Bilingual Assessment Team budget that total \$358,635 and 3.0 FTE positions adding one psychologist (10-month), an instructional assessment specialist, a speech pathologist, along with temporary part-time salaries. There is an increase of \$283,515 for 3.0 psychologist FTE positions to support the work in the Office of Student and Family Support and Engagement.

We also are adding \$50,000 to support the Be Well 365 districtwide initiative to promote and inform schools, students, families, and the community about the work.

This budget includes accelerators that total \$1,932,274 for 26.2 ESOL teacher FTE positions to support the expanding needs of the ESOL student population in MCPS. For our students with disabilities, we are adding \$728,974 in accelerators along with a 5.95 FTE positions. Within this amount, \$239,687 for 5.25 paraeducator FTE positions are added to increase the 5-hour Preschool Education Program by 1 hour per day to align it with the general education full-day kindergarten program. Also, \$50,357 for a 0.5 FTE position will increase an existing 0.5 FTE psychologist in the Deaf and Hard of Hearing Program to a 1.0 FTE psychologist 12-month position. A portion of the funding is for Orton-Gillingham Methodology training through the Institute for Multi-Sensory Education. Also, \$1,261,221 for 11.5 teacher and 10.25 paraeducator FTE positions are added for expansion of our prekindergarten programs. Funding of \$181,896 is included for after-school activities related to the Excel Beyond the Bell program and \$339,922 is for student transportation costs related to Finance Park and other similar programs. Finally, \$200,000 is included for supporting services part-time salaries to support Science, Technology, Engineering, and Mathematics (STEM) Programs and the Fire Academy to support students as they prepare for college and careers and \$159,000 for STEM with a focus on computer coding in high schools.

We are adding \$1,950,000 for a focus on equity and innovation. This budget will fund an Equity and Innovation Fund. This will support creation of a planning committee focusing on Community Schools in MCPS. It also will support the establishment of an Innovation Fund to be distributed to more highly impacted schools and schools with identified needs. Staff in schools will be able to apply for and receive funds to implement innovative proposals. In addition, the fund will be used for implementing a plan to ensure turnover and retention of high quality staff is not predictable by school. This also will support seeding a process to ensure equitable opportunities for all students. Funds are also included to provide musical instruments to students who want to participate in programs and do not own an instrument.

An increase of \$338,022 for 4.0 FTE positions is included to add information technology systems specialists (ITSS) for our elementary schools. Additionally, \$169,011 for 2.0 ITSS FTE positions is included for middle schools.

For the Community Engagement and Partnerships strategic focus, \$554,000 is included.

Within these resources, \$400,000 is for contractual services in the Office of Communications for working with partners/non-profit organizations to leverage their expertise in strategic areas including community engagement. Also, \$100,000 in contractual services is included to support hands-on learning that incorporates STEM, art, and culture. Finally, \$54,000 is for contractual services for summer foreign language programs.

For the Human Capital strategic focus, \$813,456 and 2.0 FTE positions are included.

This includes \$372,419 for a 1.0 FTE staffing coordinator position, supporting services part-time salaries, and other program costs to support child abuse and neglect employment background checks that are required by Maryland State law. In addition, \$300,000 is added for pathways for supporting services staff to obtain career training for ITSSs, general maintenance workers, mechanical systems technicians, and automotive technicians. Finally, \$141,037 is for a 1.0 FTE consulting teacher position in the Office of Human Resources and Development.

For the Operational Excellence Strategic Priority, \$8,081,605 and 65.363 FTE positions are included.

One area of focus for the strategic accelerators in the FY 2021 Operating Budget is the use of technology to enhance student learning. Funding of \$271,785 is included to upgrade the HelpDesk software platform in support of the Technology Support Center and Student Systems Applications. An increase of \$942,014 is being added for the setup of the student information system and \$400,000 for stipends and summer employment for training staff to use a new portal. Also, \$313,343 for 2.0 technology implementation specialist FTE positions are added to support an online and hybrid professional development program to train staff at MCPS schools and offices. In the Department of Business Information Systems, \$300,000 is added to hire consultants for our Enterprise Resources Planning (ERP) and Human Resources Information System development of technology solutions to provide actionable information associated with fingerprinting and badging of volunteers and contractors. Also, \$443,741 is included for temporary part-time salaries to provide support for the hybrid cloud implementation for the ERP program management and support. A total of \$195,264 for 2.0 FTE positions will provide supporting services trainers to support the ERP activity.

We are adding \$244,706 for 5.0 security assistants including two for middle schools and three for high schools as part of our focus on safety in this year's budget. In addition, an increase of \$215,300 is added for security overtime at high school events. Moreover, an additional \$382,310 for 6.0 FTE security assistant rover positions along with \$40,000 for the lease/purchase of additional vehicles for these security assistant rovers. Security assistant rovers primarily will serve elementary schools, circulating to schools both proactively and as needed to address and respond to security situations and support schools. The security assistant rovers will function under the guidance and direction of cluster security coordinators.

To support the systemwide work and initiatives of the Office of the Deputy Superintendent, \$384,682 for 2.0 FTE executive director positions are part of this FY 2021 Operating Budget.

In addition, \$134,880 for 1.0 FTE instructional specialist position is included for increased workload in International Admissions and Enrollment in the Office of Family and Student and Family Support and Engagement. Finally, \$97,632 for 1.0 position are included to support the increase in Portuguese document translation requests.

Another focus of our Operational Excellence strategy is on student transportation. An increase of \$3,216,723 and 44.063 FTE positions will support several areas. There is an increase of \$1,173,706 for 29.063 additional FTE bus operator I positions and \$519,810 for 15.0 additional FTE bus attendant positions. There also is an additional \$387,421 budgeted for substitute bus drivers, bus repairs, parts, and supplies. Primarily, these funds are budgeted to address Choice programs implemented in the budget. In addition, funding of \$385,786 will allow us to add 17 additional buses needed for the bus inventory. Funding of \$750,000 is for school bus mobile apps to provide real-time Global Positioning System information for parents and guardians to know the location of our buses.

Finally, funding of \$123,389 will provide the Office of Employee Engagement and Labor Relations with additional professional part-time and supporting services part-time salaries and training funding.

Program Efficiencies and Reductions

In addition to accelerating and realigning funding to improve teaching and learning for all students, we have regularly included program efficiencies and reductions in the Superintendent's Recommended Operating Budget. For FY 2021, a total reduction of \$5,204,000 is included. The substantial part of this is a \$5.0 million reduction for the Employee Benefits Plan (EBP). In the past three fiscal years, medical and prescription drug claims have continued to increase at a much lower rate than previously anticipated, therefore, generating more fund balance in the MCPS Employees Group Insurance Fund. In addition, Caremark rebates and Employer Group Waiver Plan subsidies for employees also have increased, resulting in additional revenue generated in the fund. Due to these occurrences, the budget includes a reduction of \$5.0 million for EBP in an effort to reduce the reserve balance in the MCPS Employees Group Insurance Fund to a more appropriate level by the end of FY 2021. In addition, there is a reduction of \$204,000 in employee benefits for executive compensation.

Contract Negotiations

The three-year contract agreements that the Board of Education approved April 25, 2017, will expire at the end of FY 2020. Negotiations on new contracts to be effective July 1, 2020, began in October 2019 with our three employee associations and are continuing as of this date. While final terms of these contracts have not yet been agreed upon, in order to plan for the requirements of the FY 2021 Operating Budget, funds are included in this budget to support the negotiated agreements once they are finalized. Depending on the outcome of negotiations, a budget amendment may be needed to either add funds or realign funds from other areas.

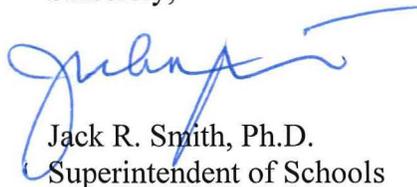
Collaborative Budget Development

As in the past, my recommended FY 2021 Operating Budget has been developed in partnership with our school district stakeholders. I want to thank the leadership of the Montgomery County Association of Administrators and Principals, the Montgomery County Education Association,

and the Service Employees International Union Local 500 for their participation in the development of this recommended FY 2021 Operating Budget. I am grateful to the leaders of the Montgomery County Council of Parent Teacher Associations, Inc. (MCCPTA), and representatives of the African American Student Achievement Action Group, the Latino Student Achievement Action Group, the Asian Pacific American Student Achievement Action Group, and the MCCPTA Gifted Child Committee who were involved in the development of this budget recommendation. We also added a representative from the National Association for the Advancement of Colored People's Montgomery County Education Committee/Parents' Council. We continue to have a student representative on the committee who advised us. I am grateful to have the input from groups representing a broad set of interests in our community. Lastly, I appreciate the input and work from our MCPS senior leadership team and staff in the development of this operating budget recommendation.

This, my fourth budget submitted to you, is an operating budget for our students, all our students. This FY 2021 Operating Budget has been formulated with the goal of maintaining the high levels of achievement that we have for many of our students while reducing and eliminating opportunity gaps that most heavily impact our African American students, our Latino students, those living in poverty, English language learners, and our students in the district who have Individualized Education Program services. Our Equity and Achievement Framework has guided us as we thoroughly and thoughtfully developed this request to the Board. I look forward to working with the Members of the Board of Education on this FY 2021 Operating Budget for MCPS to improve teaching and learning for each and every one of our students.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jack R. Smith", with a long horizontal flourish extending to the right.

Jack R. Smith, Ph.D.
Superintendent of Schools

JRS:ND:tpk

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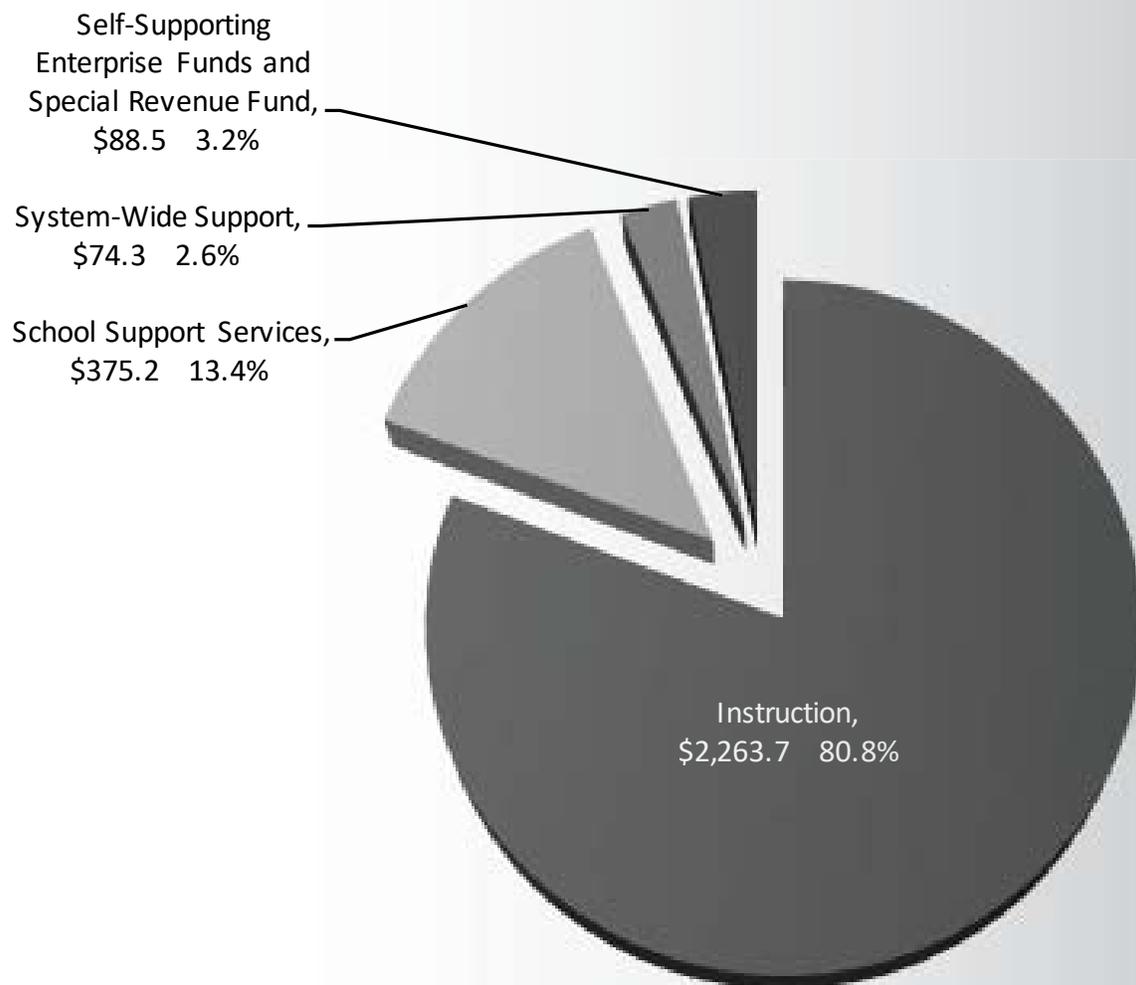
TABLE 1
SUMMARY OF RESOURCES
BY OBJECT OF EXPENDITURE

OBJECT OF EXPENDITURE	FY 2019 ACTUAL	FY 2020 BUDGET	FY 2020 CURRENT	FY 2021 BUDGET	FY 2021 CHANGE
POSITIONS					
Administrative	727.750	745.250	745.250	758.550	13.300
Business/Operations Admin.	95.750	96.750	96.750	97.750	1.000
Professional	13,260.711	13,498.086	13,499.086	13,814.886	315.800
Supporting Services	8,425.652	8,565.287	8,566.287	8,798.604	232.317
TOTAL POSITIONS	22,509.863	22,905.373	22,907.373	23,469.790	562.417
01 SALARIES & WAGES					
Administrative	\$100,280,262	\$105,861,094	\$105,759,931	\$107,539,083	\$1,779,152
Business/Operations Admin.	9,285,721	10,211,740	10,211,740	10,306,722	94,982
Professional	1,119,134,314	1,178,694,567	1,178,795,730	1,247,417,896	68,622,166
Supporting Services	376,199,520	398,828,589	398,742,608	407,994,371	9,251,763
TOTAL POSITION DOLLARS	1,604,899,817	1,693,595,990	1,693,510,009	1,773,258,072	79,748,063
OTHER SALARIES					
Administrative	298,101	262,112	262,112	260,112	(2,000)
Professional	66,164,432	69,003,846	69,089,827	70,332,506	1,242,679
Supporting Services	31,791,587	28,292,943	28,292,943	31,551,264	3,258,321
TOTAL OTHER SALARIES	98,254,120	97,558,901	97,644,882	102,143,882	4,499,000
TOTAL SALARIES AND WAGES	1,703,153,937	1,791,154,891	1,791,154,891	1,875,401,954	84,247,063
02 CONTRACTUAL SERVICES	56,283,308	56,012,488	56,012,488	70,054,812	14,042,324
03 SUPPLIES & MATERIALS	73,861,952	74,088,741	74,088,741	79,853,749	5,765,008
04 OTHER					
Local/Other Travel	2,499,899	2,323,372	2,323,372	2,536,863	213,491
Insur & Employee Benefits	611,054,506	620,918,200	620,918,200	629,901,611	8,983,411
Utilities	40,909,626	43,348,553	43,348,553	43,765,463	416,910
Miscellaneous	65,778,977	71,321,778	71,321,778	77,168,715	5,846,937
TOTAL OTHER	720,243,008	737,911,903	737,911,903	753,372,652	15,460,749
05 EQUIPMENT	22,335,307	21,406,750	21,406,750	23,010,864	1,604,114
GRAND TOTAL AMOUNTS	\$2,575,877,512	\$2,680,574,773	\$2,680,574,773	\$2,801,694,031	\$121,119,258

WHERE THE MONEY GOES

Total Expenditures = \$2,801,694,031

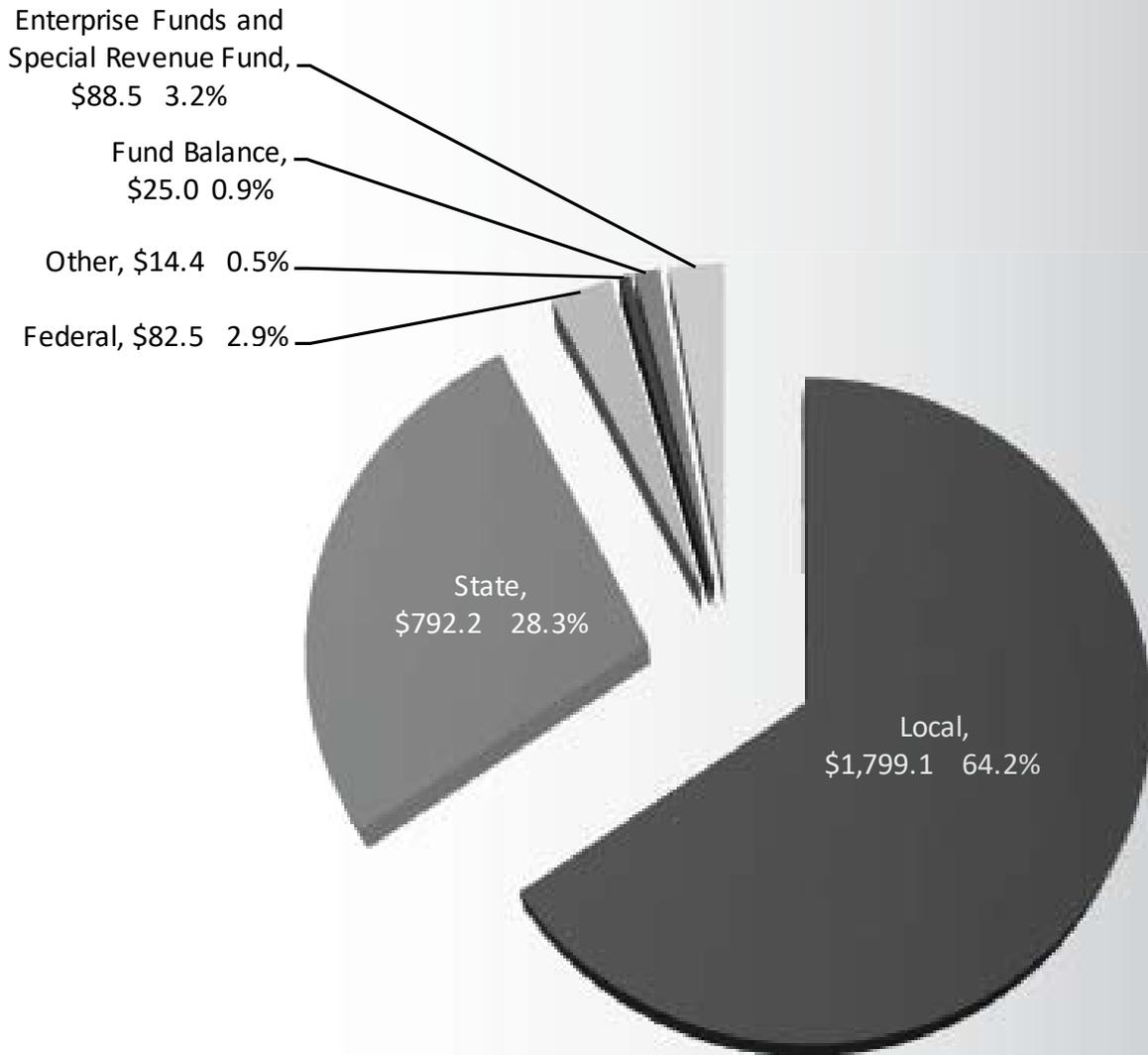
(Dollars in Millions on Chart)



WHERE THE MONEY COMES FROM

Total Revenue = \$2,801,694,031

(Dollars in Millions on Chart)



**TABLE 2
BUDGET REVENUE BY SOURCE**

SOURCE	FY 2019 ACTUAL*	FY 2020 BUDGET	FY 2020 CURRENT	FY 2021 ESTIMATED
CURRENT FUND				
From the County:	\$1,708,627,645	\$1,726,807,241	\$1,726,807,241	\$1,799,008,651
Programs financed through local Grants	18,000			
Total from the County	1,708,645,645	1,726,807,241	1,726,807,241	1,799,008,651
From the State:				
Bridge to Excellence				
Foundation Grant	351,744,825	368,197,235	368,197,235	385,606,891
Geographic Cost of Education Index	37,711,769	38,902,207	38,902,207	40,036,809
Limited English Proficient	73,546,106	76,846,546	76,846,546	83,394,611
Compensatory Education	141,592,674	143,060,602	143,060,602	145,431,302
Students with Disabilities - Formula	40,397,516	42,511,232	42,511,232	44,464,952
Students with Disabilities - Reimbursement	18,178,358	18,445,511	18,445,511	19,202,127
Transportation	43,241,528	46,449,499	46,449,499	48,671,449
Miscellaneous	195,830	200,000	200,000	200,000
Blueprint for Maryland's Future State Aid		24,424,464	10,482,238	10,482,238
Blueprint for Maryland's Future Grant			13,942,226	13,942,226
Programs financed through State Grants	4,513,753	800,853	800,853	800,853
Total from the State	711,122,359	759,838,149	759,838,149	792,233,458
From the Federal Government:				
Impact Aid	185,340	100,000	100,000	150,000
Programs financed through Federal Grants	80,069,774	81,966,414	81,966,414	82,372,794
Total from the Federal Government	80,255,114	82,066,414	82,066,414	82,522,794
From Other Sources:				
Tuition and Fees				
D.C. Welfare	291,683	240,000	240,000	250,000
Nonresident Pupils	502,802	530,000	530,000	500,000
Summer School	1,703,433	1,600,000	1,600,000	1,650,000
Outdoor Education	693,661	700,000	700,000	700,000
Miscellaneous	2,165,909	300,000	300,000	1,300,000
Programs financed through Private Grants	576,965	6,731,204	6,731,204	10,031,204
Total from Other Sources	5,934,453	10,101,204	10,101,204	14,431,204
Fund Balance	25,000,000	25,000,000	25,000,000	25,000,000
Total Current Fund	2,530,957,571	2,603,813,008	2,603,813,008	2,713,196,107
ENTERPRISE & SPECIAL FUNDS				
School Food Service Fund:				
State	1,998,337	2,243,044	2,243,044	1,919,089
National School Lunch, Special Milk and Free Lunch Programs	41,622,040	38,276,538	38,276,538	39,971,426
Sale of Meals and other	17,917,300	17,588,383	17,588,383	17,206,750
Total School Food Service Fund	61,537,677	58,107,965	58,107,965	59,097,265

**TABLE 2
BUDGET REVENUE BY SOURCE**

SOURCE	FY 2019 ACTUAL*	FY 2020 BUDGET	FY 2020 CURRENT	FY 2021 ESTIMATED
Real Estate Management Fund:				
Rental fees	3,327,588	3,966,407	3,966,407	4,936,407
Total Real Estate Management Fund	3,327,588	3,966,407	3,966,407	4,936,407
Field Trip Fund:				
Fees	2,175,575	2,736,949	2,736,949	2,896,949
Total Field Trip Fund	2,175,575	2,736,949	2,736,949	2,896,949
Entrepreneurial Activities Fund:				
Fees	12,856,424	10,150,669	10,150,669	19,797,528
Total Entrepreneurial Activities Fund	12,856,424	10,150,669	10,150,669	19,797,528
Total Enterprise Funds	79,897,264	74,961,990	74,961,990	86,728,149
Instructional Television Special Revenue Fund:				
Cable Television Plan	1,789,941	1,799,775	1,799,775	1,769,775
Total Instructional Special Revenue Fund	1,789,941	1,799,775	1,799,775	1,769,775
GRAND TOTAL	\$2,612,644,776	\$2,680,574,773	\$2,680,574,773	\$2,801,694,031
Tax - Supported Budget	FY 2019 ACTUAL	FY 2020 BUDGET	FY 2020 CURRENT	FY 2021 ESTIMATE
Grand Total	\$2,612,644,776	\$2,680,574,773	\$2,680,574,773	\$2,801,694,031
Less:				
Grants	(85,160,492)	(89,498,471)	(103,440,697)	(107,147,077)
Enterprise Funds	(79,897,264)	(74,961,990)	(74,961,990)	(86,728,149)
Special Revenue Fund	(1,789,941)	(1,799,775)	(1,799,775)	(1,769,775)
Grand Total - Tax-Supported Budget	\$2,445,797,079	\$2,514,314,537	\$2,500,372,311	\$2,606,049,030

The Real Estate Management Fund was created July 1, 1992. The Field Trip Fund was created effective July 1, 1993. The Entrepreneurial Activities Fund was created effective July 1, 1998. The Instructional Television Special Revenue Fund was created July 1, 2000. *The actual column refers to revenue received during the fiscal year. In some cases, this may not include total amount of revenue awarded if the revenue spans over a multiyear funding period, which is the case for many MCPS budgeted grants.

**TABLE 3
REVENUE SUMMARY FOR GRANT PROGRAMS BY SOURCE OF FUNDS**

Program Name and Source of Funding (Budgeted)	FY 2019 ACTUAL*	FY 2020 BUDGET	FY 2020 CURRENT**	FY 2021 ESTIMATED
FEDERAL AID: EVERY STUDENT SUCCEEDS ACT (ESSA)				
Title I - A (941/942)	\$ 29,102,789	\$ 28,577,342	\$ 28,577,342	\$ 28,577,342
Subtotal	29,102,789	28,577,342	28,577,342	28,577,342
Title I - D				
Neglected and Delinquent Youth (937)	69,952	92,050	92,050	92,050
Total Title I	29,172,741	28,669,392	28,669,392	28,669,392
Title II - A				
Skillful Teaching and Leading Program (915)	559,354	631,080	631,080	3,955,757
Teacher Mentoring (917)	460,706	388,980	388,980	
Consulting Teachers (961)	2,692,347	2,525,017	2,525,017	
Total Title II	3,712,407	3,545,077	3,545,077	3,955,757
Title III				
English Language Acquisition (927)	3,080,270	3,080,270	3,080,270	3,080,270
Title IV - A				
Student Support and Academic Enrichment (925)		2,068,305	2,068,305	2,068,305
Title VII				
American Indian Education (903)	22,722	25,669	25,669	21,369
SUBTOTAL	35,988,140	37,388,713	37,388,713	37,795,093
OTHER FEDERAL, STATE, AND LOCAL AID				
Blueprint for Maryland's Future - State Concentration of Poverty (924)		-	1,990,664	1,990,664
Special Education (922)			9,132,868	9,132,868
Transitional Supplemental Instruction (920)			2,735,361	2,735,361
Mental Health Coordinator (928)			83,333	83,333
Head Start Child Development (931/932) Federal	3,970,577	3,870,476	3,870,476	3,870,476
Individuals with Disabilities Education (902/907/913) Federal	32,729,015	33,187,643	33,187,643	33,187,643
Infants and Toddlers - Passthrough from Montgomery County Department of Health and Human Services (930) Federal	638,105	622,884	622,884	622,884
State	385,632	400,853	400,853	400,853
Judith P. Hoyer Child Care Centers State (904/905)	660,000	400,000	400,000	400,000
Medical Assistance Program (939) Federal	5,117,501	5,117,501	5,117,501	5,117,501
National Institutes of Health (NIH) (908) Federal	292,691	298,512	298,512	298,512
Provision for Future Supported Projects (999) Other	6,096,803	6,731,204	6,731,204	10,031,204
Carl D. Perkins Career & Technical Ed. Improvement (950/951) Federal	1,299,018	1,480,685	1,480,685	1,480,685
SUBTOTAL	51,189,342	52,109,758	66,051,984	69,351,984
TOTAL	\$ 87,177,482	\$ 89,498,471	\$ 103,440,697	\$ 107,147,077
Summary of Funding Sources				
Federal	\$ 80,035,047	\$ 81,966,414	\$ 81,966,414	\$ 82,372,794
State	1,045,632	800,853	14,743,079	14,743,079
County				
Other	6,096,803	6,731,204	6,731,204	10,031,204
GRAND TOTAL	\$ 87,177,482	\$ 89,498,471	\$ 103,440,697	\$ 107,147,077

*The actual column refers to total revenue awarded in the fiscal year. In some cases, this includes revenue that spans over multiyear funding periods, which is the case for many MCPS budgeted grants.

**The current column reflects an increase of \$13,942,226 resulting from a portion of the Blueprint for Maryland's Future funded as grants

**TABLE 4
SUMMARY OF STUDENT ENROLLMENT - FY 2018 THROUGH FY 2021**

DESCRIPTION	(1) FY 2018 ACTUAL 9/30/2017	(2) FY 2019 ACTUAL 9/30/2018	(3) FY 2020 ACTUAL 9/30/2019	(4) FY 2020 BUDGET 9/30/2019	(5) FY 2021 PROJECTED* 9/30/2020	CHANGE COLUMN (5) LESS COLUMN (4)	
						#	%
ENROLLMENT							
PRE-KINDERGARTEN	2,244	2,338	2,326	2,395	2,395		
HEAD START	628	640	644	648	648		
KINDERGARTEN	11,240	11,316	11,495	11,180	11,564	384	3.4%
GRADES 1-5	60,831	60,421	60,437	59,929	60,605	676	1.1%
SUBTOTAL ELEMENTARY	74,943	74,715	74,902	74,152	75,212	1,060	1.4%
GRADES 6-8	36,006	36,489	37,637	37,391	38,030	639	1.7%
SUBTOTAL MIDDLE	36,006	36,489	37,637	37,391	38,030	639	1.7%
GRADES 9-12	48,498	49,315	50,432	50,303	51,402	1,099	2.2%
SUBTOTAL HIGH	48,498	49,315	50,432	50,303	51,402	1,099	2.2%
ALTERNATIVE PROGRAMS	115	116	126	180	140	(40)	-22.2%
SUBTOTAL ALTERNATIVE PROGRAMS	115	116	126	180	140	(40)	-22.2%
SUBTOTAL PRE-K - GRADE 12	159,562	160,635	163,097	162,026	164,784	2,758	1.7%
SPECIAL EDUCATION							
PEP ITINERANT	75	80	100	116	124	8	6.9%
PRE-KINDERGARTEN (PEP)	1,431	1,521	1,610	1,593	1,673	80	5.0%
SPECIAL CENTERS**	477	444	460	510	460	(50)	-9.8%
SUBTOTAL SPECIAL EDUCATION	1,983	2,045	2,170	2,219	2,257	38	1.7%
GRAND TOTAL	161,545	162,680	165,267	164,245	167,041	2,836	1.7%

NOTE: Grade enrollments include special education students.

*Based on final enrollment projections

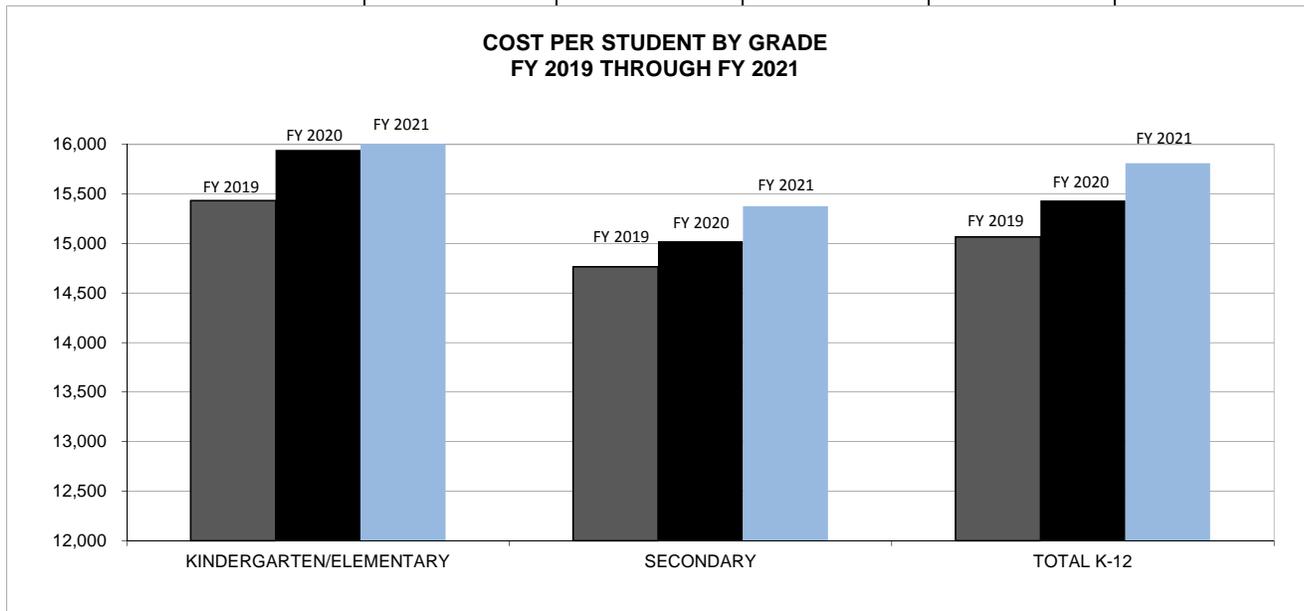
**Special centers enrollment numbers include Kindergarten through Grade 12.

**TABLE 5
ALLOCATION OF STAFFING**

	POSITIONS	BUDGET FY 2016	BUDGET FY 2017	BUDGET FY 2018	BUDGET FY 2019	CURRENT FY 2020	REQUEST FY 2021	FY 20 - FY 21 CHANGE
1	Executive	16.000	17.000	17.000	17.000	19.000	19.000	-
2	Administrative - (directors, supervisors, program coordinators, executive assistants)	199.700	197.600	198.750	182.250	184.250	192.550	8.300
3	Business/Operations Administrator - (leadership positions supervised by directors and supervisors)	88.650	86.650	90.750	95.750	96.750	97.750	1.000
4	Other Professional - (12-month instructional/evaluation specialists)	187.400	185.400	169.500	163.100	164.500	199.400	34.900
5	Principal/Assistant Principal	491.500	503.500	514.500	528.500	542.000	547.000	5.000
6	Teacher	10,940.304	11,481.264	11,572.529	11,686.139	11,884.964	12,136.714	251.750
7	Special Education Specialist - (speech pathologists, physical/occupational therapists)	506.708	503.008	509.148	511.608	521.758	529.908	8.150
8	Media Specialist	195.500	196.500	198.200	198.200	199.200	198.700	(0.500)
9	Counselor	467.000	486.000	496.500	504.500	519.500	527.500	8.000
10	Psychologist	106.034	115.034	115.409	120.534	124.534	132.034	7.500
11	Social Worker	14.830	15.830	20.030	24.230	30.230	35.230	5.000
12	Pupil Personnel Worker	51.000	53.000	53.000	52.400	54.400	55.400	1.000
13	Instructional Aide and Assistant - (paraeducators, media assistants, lunch-hour aides, parent assistants, instructional data assistants)	2,652.222	2,764.814	2,704.947	2,762.101	2,852.111	2,954.265	102.154
14	Secretarial/Clerical/Data Support - (secretarial, clerical, personnel/transportation/fiscal/other lower grade program/data assistants)	963.225	967.850	977.500	973.750	982.550	986.300	3.750
15	IT Systems Specialist	109.000	108.000	108.000	121.500	119.500	125.000	5.500
16	Security - (includes all positions except those in lines 2,3,14 above)	232.000	232.000	240.000	242.000	244.000	255.000	11.000
17	Cafeteria - (Includes all positions except those in lines 2,3,14,15 above)	561.448	564.323	568.323	571.323	576.823	580.073	3.250
18	Building Services - (includes all positions except those in lines 2,3,14 above)	1,363.200	1,379.700	1,403.700	1,403.700	1,419.000	1,445.500	26.500
19	Facilities Management/Maintenance - (includes all positions except those in lines 2,3,14,15 above)	352.000	352.000	367.000	368.000	367.500	366.500	(1.000)
20	Supply/Property Management - (includes all positions except those in lines 2, 3,14,15 above)	51.500	51.500	53.500	53.500	53.500	56.500	3.000
21	Transportation - (includes all positions except those in lines 2,3 14,15 above)	1,673.153	1,693.153	1,690.153	1,700.153	1,713.278	1,787.341	74.063
22	Other Support Personnel - (business, technology human resources,communications, printing, and other support staff)	224.875	226.375	231.125	230.625	238.025	242.125	4.100
	TOTAL	21,447.249	22,180.501	22,299.564	22,510.863	22,907.373	23,469.790	562.417

**TABLE 6
COST PER STUDENT BY GRADE SPAN**

	KINDERGARTEN/ ELEMENTARY	SECONDARY	TOTAL K-12*	AMOUNT EXCLUDED*	TOTAL BUDGET**
FY 2019 BUDGET					
EXPENDITURES	1,105,344,129	1,287,032,214	2,392,376,343	204,065,376	2,596,441,719
STUDENTS 9/30/18	71,618	87,160	158,778		
COST PER STUDENT	15,434	14,766	15,067		
FY 2020 BUDGET					
EXPENDITURES	1,133,846,178	1,328,005,560	2,461,851,738	218,723,035	2,680,574,773
STUDENTS 9/30/19	71,109	88,384	159,493		
COST PER STUDENT	15,945	15,025	15,435		
FY 2021 BUDGET					
EXPENDITURES	1,179,979,722	1,384,299,475	2,564,279,197	237,414,834	2,801,694,031
STUDENTS 9/30/20	72,169	90,032	162,201		
COST PER STUDENT	16,350	15,376	15,809		



Notes:

Enrollment figures used to calculate cost per student excludes students in Prekindergarten/Head Start.

**Operating budget funds used in the calculation excludes amounts for Summer School, Community Services, Tuition for Students with Disabilities in Private Placement, Prekindergarten, Infants and Toddlers, and Enterprise Funds.

**TABLE 7
STATE CATEGORY SUMMARY**

STATE CATEGORY	FY 2019 ACTUAL*	FY 2020 BUDGET	FY 2020 CURRENT	FY 2021 ESTIMATED	FY 2021 CHANGE
FTE					
Category 1, Administration	354.625	362.875	364.875	372.375	7.500
Category 2, Mid-level Administration	1,680.250	1,700.200	1,700.200	1,720.450	20.250
Category 3, Instructional Salaries	11,789.514	12,005.889	12,005.889	12,265.996	260.107
Category 4, Textbooks and Instructional Supplies	-	-	-	-	-
Category 5, Other Instructional Costs	-	-	-	-	-
Category 6, Special Education	4,165.808	4,284.418	4,284.418	4,413.190	128.772
Category 7, Student Personnel Services	122.740	118.140	118.140	147.115	28.975
Category 8, Health Services	-	-	-	-	-
Category 9, Student Transportation	1,746.653	1,759.778	1,759.778	1,833.841	74.063
Category 10, Operation of Plant and Equipment	1,635.700	1,653.000	1,653.000	1,693.500	40.500
Category 11, Maintenance of Plant	369.000	369.000	369.000	369.000	-
Category 12, Fixed Charges	-	-	-	-	-
Category 14, Community Service	5.250	5.750	5.750	5.750	-
Category 37, MCPS TV Special Revenue Fund	13.500	13.500	13.500	13.500	-
Category 51, Real Estate Fund	12.000	12.000	12.000	11.000	(1.000)
Category 61, Food Service Fund	598.323	604.323	604.323	607.573	3.250
Category 71, Field Trip Fund	4.500	4.500	4.500	4.500	-
Category 81, Entrepreneurial Activities	12.000	12.000	12.000	12.000	-
GRAND TOTAL, FTE	22,509.863	22,905.373	22,907.373	23,469.790	562.417
AMOUNT					
Category 1, Administration	\$51,249,103	\$56,084,530	\$56,084,530	\$59,940,194	\$3,855,664
Category 2, Mid-level Administration	148,125,900	155,129,371	155,129,371	157,093,721	1,964,350
Category 3, Instructional Salaries	1,003,426,237	1,056,492,456	1,056,492,456	1,121,307,513	64,815,057
Category 4, Textbooks and Instructional Supplies	27,218,820	30,635,413	30,635,413	35,269,146	4,633,733
Category 5, Other Instructional Costs	16,263,487	19,632,889	19,632,889	22,219,380	2,586,491
Category 6, Special Education	342,604,008	362,094,167	362,094,167	372,735,471	10,641,304
Category 7, Student Personnel Services	12,374,569	12,286,317	12,286,317	14,842,871	2,556,554
Category 8, Health Services	1,590	1,198,504	1,198,504	1,192,328	(6,176)
Category 9, Student Transportation	111,025,650	113,256,108	113,256,108	118,550,582	5,294,474
Category 10, Operation of Plant and Equipment	141,515,410	143,934,553	143,934,553	147,180,285	3,245,732
Category 11, Maintenance of Plant	40,419,956	42,192,177	42,192,177	42,407,177	215,000
Category 12, Fixed Charges	600,417,906	609,963,794	609,963,794	619,474,710	9,510,916
Category 14, Community Service	704,306	912,729	912,729	982,729	70,000
Category 37, MCPS TV Special Revenue Fund	1,723,205	1,799,775	1,799,775	1,769,775	(30,000)
Category 51, Real Estate Fund	3,640,705	3,966,407	3,966,407	4,936,407	970,000
Category 61, Food Service Fund	59,572,246	58,107,965	58,107,965	59,097,265	989,300
Category 71, Field Trip Fund	2,303,800	2,736,949	2,736,949	2,896,949	160,000
Category 81, Entrepreneurial Activities	13,290,614	10,150,669	10,150,669	19,797,528	9,646,859
GRAND TOTAL, AMOUNT	\$2,575,877,512	\$2,680,574,773	\$2,680,574,773	\$2,801,694,031	\$121,119,258

*The actual column refers to total revenue awarded in the fiscal year. In some cases, this includes revenue that spans over multiyear funding periods, which is the case for many MCPS budgeted grants.

Montgomery County Public Schools

FY 2021 Operating Budget

Summary of Negotiations

The bargaining units for MCPS are the Montgomery County Education Association (MCEA), representing certificated non-administrative employees; Service Employees International Union (SEIU) Local 500, representing supporting services employees; and the Montgomery County Association of Administrators and Principals/Montgomery County Business and Operations Administrators (MCAAP/MCBOA), representing certificated and non-certificated administrators and non-certificated supervisory employees in separate units. The two MCAAP units are covered in a single contract for both units. For FY 2021 lapse and turnover, the amount of unused budgeted salary that remains when an employee terminates service and is not immediately replaced or an employee terminates service and the backfill is hired at a lower salary, was calculated at \$33,575,500. In addition, the three year contract agreements that the Board of Education approved will expire at the end of FY 2020. Negotiations began in October 2019 with our three employee associations on new contracts to be effective July 1, 2020, and are continuing as of this publication. While final terms of these contracts have not yet been agreed on, in order to plan for the requirements of the FY 2021 Operating Budget, funds are included in this budget to support the negotiated agreements once they are finalized. Depending on the outcome of negotiations, a budget amendment may be needed to either add funds or realign funds from other areas.

Montgomery County Public Schools FY 2021 Operating Budget

Operating Budget Summary

An increase of \$121,119,258 and 562.417 positions are required for the Fiscal Year (FY) 2021 Operating Budget for Montgomery County Public Schools (MCPS) to fund the same level of services for an additional 2,836 students overall including 2,758 additional Kindergarten through Grade 12 (K-12) students when comparing the FY 2021 budget to the FY 2020 budget, as well as rising costs in operations, and key bodies of work, which are offset in part by savings from efficiencies and reductions. This is a 4.5 percent increase in the FY 2021 Operating Budget. In addition, the FY 2021 Operating Budget assumes that Montgomery County will continue to provide \$27,200,000 from the county's Consolidated Other Post-employment Benefits (OPEB) Trust Fund to pay for a portion of retiree health benefits in FY 2020 as it has in recent years.

As a result, the Superintendent's Recommended FY 2020 Operating Budget totals \$2,801,694,031 including 23,469.79 positions.

The Superintendent's Recommended FY 2021 Operating Budget includes \$1,799,008,651 in local funding. This is an increase of \$72,201,410 in local funding compared to the amount received in FY 2020. The increase in local funding includes \$26,545,056 based on the Maintenance of Effort (MOE) law less \$1,567,033 for non-recurring decreases from FY 2020 and \$47,223,387 which is an amount greater than the minimum required by the MOE law.

There are several key components of the expenditure increase for FY 2021. The major elements of the changes in the Superintendent's Recommended FY 2021 Operating Budget are detailed below.

Expenditures to Fund the Same Level of Services

For each of the years from FY 2010 through FY 2018, MCPS total student enrollment increased by at least 2,000 students. In FY 2019, the total student enrollment increase slowed but still increased by 1,135 students. The official enrollment on September 30, 2019, for the current (2019-2020) school year reflects an increase of 2,587 students, one of the largest increases that MCPS has experienced since FY 2001. As a result, in 10 of the last 11 years, the total student enrollment has increased by at least 2,000 students. Since FY 2010, the MCPS enrollment has increased by 23,490 students (16.3 percent).

For the FY 2021 Recommended Operating Budget, total enrollment is projected to increase by 2,836 students (+2,758 students in K-12) compared to the number budgeted for FY 2020. Along with this continued enrollment growth is an increasing number of students needing special services. The increased costs related to enrollment, including employee benefits, are as follows:

- K-12 — A total of 135.257 additional positions (\$11,248,071) are needed for the Kindergarten through Grade 12 student enrollment. Specifically, the K-5 enrollment increase of 1,060 students requires 55.275 positions (\$4,763,829) including 34.2 FTE

classroom teacher positions. In secondary schools, an enrollment increase of 1,738 students including 639 additional students in middle schools and 1,099 students in high schools requires 79.982 positions (\$6,484,243). This includes 68.0 FTE classroom teacher positions (\$4,809,906).

- Special Education — An additional 131.872 positions (\$7,976,719) are needed for changes in special education enrollment and services. This includes 30.6 K-12 special education teacher positions (\$2,236,628), 44.0 special education itinerant paraeducators (\$2,008,808), 12.849 paraeducators (\$586,618), 31.110 prekindergarten special education positions (\$1,868,939) including 10.4 special education teacher positions (\$760,161) and 17.410 paraeducator positions (\$794,826), 11.163 positions (\$786,505) for Child Find/Preschool Education Programs including 3.813 paraeducator positions, 3.45 occupational therapist positions, and a 0.9 physical therapist position. In addition, \$247,453 is included for substitute teachers and paraeducators and for critical staffing.
- English for Speakers of Other Languages (ESOL) — An increase to the budget of 37.8 teacher positions (\$2,845,229) are required for an increase of 835 ESOL students, and for the total of 26,658 ESOL students anticipated for FY 2021. While these students receive supplementary services, they are included in the overall enrollment numbers.
- New Grade Level — An increase of 6.6 positions (\$460,477) is required to add Grade 5 to Snowden Farms Elementary School for the 2020-2021 school year.
- Student Transportation — An additional 15.0 bus operator and 15.0 attendant positions (\$1,461,554) are required to support additional buses for routes related to the increased enrollment projected for FY 2021.
- School Plant Operations/Materials Management/Utilities — An increase of 26.5 positions (\$1,234,468) is necessary for school plant operations due to the increased square footage of space across MCPS facilities in FY 2021. Also, 2.0 positions and \$96,068 is required for the Supply and Property Management Unit in the Department of Materials Management. In addition, \$492,656 is needed for increased utility expenses and \$486,000 for relocatables for FY 2021.

Continuing and Negotiated Salaries—For FY 2021 lapse and turnover, the amount of unused budgeted salary that remains when an employee terminates service and is not immediately replaced or an employee terminates service and the backfill is hired at a lower salary, was calculated at \$33,575,500. The three-year contract agreements that the Board of Education approved April 25, 2017, will expire at the end of FY 2020. Negotiations on new contracts to be effective July 1, 2020, began in October 2019 with our three employee associations and are continuing as of this date. While final terms of these contracts have not yet been agreed upon, in order to plan for the requirements of the FY 2021 Operating Budget, funds are included in this budget to support the negotiated agreements once they are finalized. Depending on the outcome of negotiations, a budget amendment may be needed to either add funds or realign funds from other areas.

Employee Benefits and Insurance—The cost of employee benefits and insurance for current and retired employees result in a net decrease of \$150,764 to the FY 2021 Operating Budget related to the cost of health care, retirement, and insurance. This includes a decrease of \$716,916 in retirement administration fees, a reduction of \$250,000 for Federal Insurance Contributions Act, a decrease of \$45,702 for local pension expenditures, and an increase of \$861,854 for self-insurance, workers' compensation, and other insurance. The total employee benefits and insurance amount for the FY 2021 Operating Budget of \$629,901,611 represents 22.5 percent of the total operating budget.

Inflation, Grants, Realignment, and Other Expenses—The effects of inflation, rate changes, realignments, grants, and other expenditures changes require an increase of \$18,587,208 and 34.925 positions. Included in these adjustments is an increase of \$483,735 for a 2.0 percent inflation adjustment for supplies and materials. An increase of \$2,928,740 and 3.0 positions are included for rate changes across the offices. An increase of 2.500 positions are the result of realignments. For grant activities, an increase of \$1,609,733 and 10.875 is included. Finally, for enterprise fund activities, an increase of \$13,565,000 and 18.5 positions are budgeted for FY 2021. This enterprise fund change is mostly due to an \$8.0 million increase in fines collected from bus cameras, \$1.0 million for food services and \$3.3 million for the Provision for Future Supported Projects. There is a \$1.0 million increase in the Real Estate Management Fund related to artificial turf. There is also a decrease of \$701,000 as a result of funding to be received for Instructional Television Special Revenue Fund.

Strategic Accelerators to Fund Key Bodies of Work

The FY 2021 recommended budget includes \$23,668,538 in strategic accelerators, including 150.263 FTE positions. These resources are in addition to realignments of existing resources and will help intensify efforts to close the persistent opportunity gaps and improve academic excellence for all students.

Following is a summary of the strategic accelerators to support key bodies of work included in the Superintendent's Recommended FY 2021 Operating Budget grouped by our four strategies.

For the Learning, Accountability and Results Strategic Priority, an additional \$14,219,477 and 82.9 FTE positions are included.

We are adding \$290,713 for 2.0 assistant principal FTE positions for elementary schools. Funding of \$111,114 will be used to convert 3.0 assistant school administrators in middle schools and 2.0 assistant school administrators in high schools to assistant principals at our more highly impacted schools. An increase of \$3,200,000 is included for the elementary and middle school curriculum implementation. This new curriculum will continue to offer challenging coursework that will prepare our students to be college- and career-ready. Finally, \$220,000 is included to support testing and evaluation of student performance in the Office of Curriculum and Instructional Programs.

In order to allow high school athletic directors to fully focus on the responsibilities of the position, we are adding \$68,405 to convert 25 athletic director positions (10-month) to instructional specialist (12-month) positions for athletics. Along with this, we need to add \$707,339

for 10.0 teacher FTE positions to replace the classroom coverage formally provided by athletic directors. In addition, funding of \$285,273 is for high school after-school extra-curricular stipends.

In order to support our Restorative Justice Program in the Office of Student and Family Support and Engagement, this budget includes \$842,065 along with 3.5 FTE positions. This includes \$350,000 for College Tracks, \$30,000 for Naviance, and \$10,000 for training for Lauryn's Law. Further, to increase support for students receiving ESOL services, there are increases to the Bilingual Assessment Team budget that total \$358,635 and 3.0 FTE positions adding one psychologist (10-month), an instructional assessment specialist, a speech pathologist, along with temporary part-time salaries. There is an increase of \$283,515 for 3.0 psychologist FTE positions to support the work in the Office of Student and Family Support and Engagement. We also are adding \$50,000 to support the Be Well 365 districtwide initiative to promote and inform schools, students, families, and the community about the work.

This budget includes accelerators that total \$1,932,274 for 26.2 ESOL teacher FTE positions to support the expanding needs of the ESOL student population in MCPS. For our students with disabilities, we are adding \$728,974 in accelerators along with a 5.95 FTE positions. Within this amount, \$239,687 for 5.25 paraeducator FTE positions are added to increase the 5-hour Preschool Education Program by 1 hour per day to align it with the general education full-day kindergarten program. Also, \$50,357 for a 0.5 FTE position will increase an existing 0.5 FTE psychologist in the Deaf and Hard of Hearing Program to a 1.0 FTE psychologist 12-month position. A portion of the funding is for Orton-Gillingham Methodology training through the Institute for Multi-Sensory Education. Also, \$1,261,221 for 11.5 teacher and 10.25 paraeducator FTE positions are added for expansion of our prekindergarten programs. Funding of \$181,896 is included for after-school activities related to the Excel Beyond the Bell program and \$339,922 is for student transportation costs related to Finance Park and other similar programs. Finally, \$200,000 is included for supporting services part-time salaries to support Science, Technology, Engineering, and Mathematics (STEM) Programs and the Fire Academy to support students as they prepare for college and careers and \$159,000 for STEM with a focus on computer coding in high schools.

We are adding \$1,950,000 for a focus on equity and innovation. This budget will fund an Equity and Innovation Fund. This will support creation of a planning committee focusing on Community Schools in MCPS. It also will support the establishment of an Innovation Fund to be distributed to more highly impacted schools and schools with identified needs. Staff in schools will be able to apply for and receive funds to implement innovative proposals. In addition, the fund will be used for implementing a plan to ensure turnover and retention of high quality staff is not predictable by school. This also will support seeding a process to ensure equitable opportunities for all students. Funds are also included to provide musical instruments to students who want to participate in programs and do not own an instrument.

An increase of \$338,022 for 4.0 FTE positions is included to add information technology systems specialists (ITSS) for our elementary schools. Additionally, \$169,011 for 2.0 ITSS FTE positions is included for middle schools.

For the Community Engagement and Partnerships strategic focus, \$554,000 is included.

Within these resources, \$400,000 is for contractual services in the Office of Communications for working with partners/non-profit organizations to leverage their expertise in strategic areas including community engagement. Also, \$100,000 in contractual services is included to support hands-on learning that incorporates STEM, art, and culture. Finally, \$54,000 is for contractual services for summer foreign language programs.

For the Human Capital strategic focus, \$813,456 and 2.0 FTE positions are included.

This includes \$372,419 for a 1.0 FTE staffing coordinator position, supporting services part-time salaries, and other program costs to support child abuse and neglect employment background checks that are required by Maryland State law. In addition, \$300,000 is added for pathways for supporting services staff to obtain career training for ITSSs, general maintenance workers, mechanical systems technicians, and automotive technicians. Finally, \$141,037 is for a 1.0 FTE consulting teacher position in the Office of Human Resources and Development.

For the Operational Excellence Strategic Priority, \$8,081,605 and 65.363 FTE positions are included.

One area of focus for the strategic accelerators in the FY 2021 Operating Budget is the use of technology to enhance student learning. Funding of \$271,785 is included to upgrade the HelpDesk software platform in support of the Technology Support Center and Student Systems Applications. An increase of \$942,014 is being added for the setup of the student information system and \$400,000 for stipends and summer employment for training staff to use a new portal. Also, \$313,343 for 2.0 technology implementation specialist FTE positions are added to support an online and hybrid professional development program to train staff at MCPS schools and offices. In the Department of Business Information Systems, \$300,000 is added to hire consultants for our Enterprise Resources Planning (ERP) and Human Resources Information System development of technology solutions to provide actionable information associated with fingerprinting and badging of volunteers and contractors. Also, \$443,741 is included for temporary part-time salaries to provide support for the hybrid cloud implementation for the ERP program management and support. A total of \$195,264 for 2.0 FTE positions will provide supporting services trainers to support the ERP activity.

We are adding \$244,706 for 5.0 security assistants including two for middle schools and three for high schools as part of our focus on safety in this year's budget. In addition, an increase of \$215,300 is added for security overtime at high school events. Moreover, an additional \$382,310 for 6.0 FTE security assistant rover positions along with \$40,000 for the lease/purchase of additional vehicles for these security assistant rovers. Security assistant rovers primarily will serve elementary schools, circulating to schools both proactively and as needed to address and respond to security situations and support schools. The security assistant rovers will function under the guidance and direction of cluster security coordinators.

To support the systemwide work and initiatives of the Office of the Deputy Superintendent, \$384,682 for 2.0 FTE executive director positions are part of this FY 2021 Operating Budget.

In addition, \$134,880 for 1.0 FTE instructional specialist position is included for increased workload in International Admissions and Enrollment in the Office of Family and Student and Family Support and Engagement. Finally, \$97,632 for 1.0 position are included to support the increase in Portuguese document translation requests.

Another focus of our Operational Excellence strategy is on student transportation. An increase of \$3,216,723 and 44.063 FTE positions will support several areas. There is an increase of \$1,173,706 for 29.063 additional FTE bus operator I positions and \$519,810 for 15.0 additional FTE bus attendant positions. There also is an additional \$387,421 budgeted for substitute bus drivers, bus repairs, parts, and supplies. Primarily, these funds are budgeted to address Choice programs implemented in the budget. In addition, funding of \$385,786 will allow us to add 17 additional buses needed for the bus inventory. Funding of \$750,000 is for school bus mobile apps to provide real-time Global Positioning System information for parents and guardians to know the location of our buses.

Finally, funding of \$123,389 will provide the Office of Employee Engagement and Labor Relations with additional professional part-time and supporting services part-time salaries and training funding.

Efficiencies and Reductions

- In addition to accelerating and realigning funding to improve teaching and learning for all students, we have regularly included program efficiencies and reductions in the Superintendent's Recommended Operating Budget. For FY 2021, a total reduction of \$5,204,000 is included. The substantial part of this is a \$5.0 million reduction for the Employee Benefits Plan (EBP). Over the past three fiscal years, medical and prescription drug claims have continued to increase at a much lower rate than previously anticipated, therefore, generating more fund balance in the MCPS Employees Group Insurance Fund. In addition, Caremark rebates and Employer Group Waiver Plan subsidies for employees also have increased, resulting in more revenue generated in the fund. Due to these occurrences, the budget includes a reduction of \$5.0 million for EBP in an effort to reduce the reserve balance in the MCPS Employees Group Insurance Fund to a more appropriate level by the end of FY 2021. In addition, there is a reduction of \$204,000 in employee benefits for executive compensation.

Revenues

- **Local**—The Superintendent's Recommended FY 2021 Operating Budget includes an increase of \$72,201,410 in the local contribution to MCPS. This amount includes the current estimate for Maintenance of Effort (MOE) which adds \$26,545,056 offset by FY 2020 nonrecurring decreases of \$1,567,033 based on the official enrollment submitted to the Maryland Department of Education as of September 30, 2019. The FY 2021 budget recommendation is \$47,223,387 greater than the minimum level required by the MOE law.
- **State**—Total revenue from the state is estimated to increase by an estimated \$32,395,309 in the recommended FY 2021 Operating Budget. This is a decrease from the additional

\$48,715,790 that MCPS received from the state in FY 2020. The Foundation grant, part of the aid from the *Bridge to Excellence in Public Schools Act*, is the largest component of state aid and the amount reflects changes in enrollment. The foundation aid formula is also driven by property and income wealth in the county relative to the rest of the state. We will receive preliminary state aid estimates from the Maryland State Department of Education in late January 2020 following the release of the Governor's FY 2021 budget. No revenue increase is included for FY 2021 based on the recommendations of the Kirwan Commission until we have more detail of the funding that will be included in the Governor's FY 2021 budget.

- **Federal**—Revenue is estimated to be \$82,522,794 for Federal grants and Impact aid in FY 2021, an increase of \$456,380 compared to FY 2020. The majority of the change from the prior year is related to an increase of \$410,680 for Title II Part A of the *Every Student Succeeds Act*. An increase of \$50,000 is estimated in Impact Aid from the Federal Government. There is a small reduction of \$4,300 projected for Title VII, American Indian Education.
- **Enterprise/Other Changes**—For FY 2021, revenue from Enterprise and Special Revenue Funds and other sources increases by \$11,736,159 compared to the current FY 2020 Operating Budget. This includes \$8.0 million of additional revenue from the payment of citation fines by school bus camera tickets. These funds are a pass-through to Montgomery County with no impact on the tax-supported budget. It also includes \$1.0 million from interest earned from banks due to new negotiated rates. It includes \$1.5 million for continuing salary costs from Enterprise Fund activities. An additional \$3.3 million is included for the Provision for Future Supported projects for an increase of small unbudgeted grants that MCPS receives during the fiscal year. Finally, there is a decrease of \$30,000 in funding received from the Instructional Television Special Revenue Fund.
- **Fund Balance**—The County Council used \$25,000,000 of MCPS fund balance to fund the current FY 2020 Operating Budget. This left \$5,443,689 remaining in MCPS fund balance at the start of FY 2020. Factors impacting the amount of carryforward into FY 2020 included higher than anticipated savings from lapse and turnover of positions in FY 2019 as we paid careful attention to when and how vacant positions were filled to ensure efficiency. In addition, MCPS achieved approximately \$1.0 million in increased revenue during FY 2019 from negotiating better interest rates with banks. The Superintendent's Recommended FY 2021 Operating Budget assumes \$25,000,000 of MCPS fund balance will be available at the end of FY 2020 to fund the FY 2021 Operating Budget, or the same amount of fund balance used to fund the FY 2019 and FY 2020 Operating Budgets.

**Montgomery County Public Schools
FY 2021 Operating Budget**

Strategic Accelerators to Fund Key Bodies of Work - Detailed

Resources totaling \$23,668,538 and 150.263 FTE positions are added to the budget for strategic accelerators to fund key bodies of work for FY 2021. A summary of the strategic accelerators by budget chapter is provided below.

Strategic Accelerators to Fund Key Bodies of Work by Chapter - Detailed

Chapter	Name	FTE	Amount
1	Schools	76.400	\$8,841,735
4	Curriculum and Instructional Programs	1.500	952,226
5	Special Education	0.500	39,645
6	Student Services and Engagement	10.500	1,445,768
7	Operations	51.063	3,769,969
8	Technology Support and Infrastructure	4.000	2,856,971
9	Human Capital Management	2.000	736,222
10	Finance	1.000	2,581,842
11	Administration and Oversight	3.300	2,444,160
Total		150.263	\$23,668,538

These resources are in addition to realignments of existing resources and will help intensify efforts to close the persistent opportunity gaps and improve academic excellence for all students.

Schools—\$8,841,735

Elementary Schools—\$3,714,586

- For FY 2021, this budget includes a strategic accelerator to provide 2.0 assistant principal positions. To fund this accelerator, an additional \$240,916 is added to the budget. Also, \$49,797 for employee benefits is added to chapter 10, Department of Employee and Retiree Services budget.
- This budget includes an additional \$250,000 for a focus on equity and innovation. The funds will support creation of a planning committee focusing on community schools and establishment of an innovation fund to be distributed to more highly impacted schools and schools with identified needs.
- For FY 2021, this budget includes a strategic accelerator to provide \$100,000 for instrumental music support to students who want to participate in programs and do not own an instrument.

- This budget includes an additional \$1,920,000 for the new curriculum implementation. This new curriculum will continue to offer challenging coursework that will prepare our students to be college and career ready.

- For FY 2021, this budget includes a strategic accelerator for the expansion of prekindergarten programs. To support this effort, \$624,784 is added for 11.5 prekindergarten teacher positions, and \$336,002 for 10.25 prekindergarten paraeducator positions. In addition, \$300,435 for employee benefits is added to chapter 10, Department of Employee and Retiree Services budget.

- For FY 2021, this budget includes a strategic accelerator to provide 4.0 additional information technology systems specialist positions. To fund this accelerator, an additional \$242,884 is added to the budget. In addition, \$95,138 for employee benefits is added to chapter 10, Department of Employee and Retiree Services budget.

Middle Schools—\$1,521,809

- For FY 2021, this budget includes a strategic accelerator to convert 3.0 assistant school administrator positions to assistant principal positions to occur at our more highly impacted schools. To fund this accelerator, a net increase of \$50,034 is added to the budget. In addition, \$6,374 for employee benefits is added to chapter 10, Department of Employee and Retiree Services budget.

- This budget includes an additional \$1,280,000 for the new curriculum implementation. This new curriculum will continue to offer challenging coursework that will prepare our students to be college and career ready.

- For FY 2021, this budget includes a strategic accelerator to provide 2.0 additional information technology systems specialist positions. To fund this accelerator, an additional \$121,442 is added to the budget. In addition, \$47,569 for employee benefits is added to chapter 10, Department of Employee and Retiree Services budget.

- This budget includes a strategic accelerator to provide 2.0 additional security assistant positions. To fund this accelerator, \$70,333 is added to the budget. In addition, \$27,549 for employee benefits is added to chapter 10, Department of Employee and Retiree Services budget.

High Schools—\$1,495,571

- For FY 2021, this budget includes a strategic accelerator to convert 2.0 assistant school administrator positions to assistant principal positions for our more highly impacted schools. To fund this accelerator, a net increase of \$48,524 is added to the budget. In addition, \$6,182 for employee benefits is added to chapter 10, Department of Employee and Retiree Services budget.

- This budget includes an additional \$265,000 for extracurricular activities stipends. In addition, \$20,273 for employee benefits is added to chapter 10, Department of Employee and Retiree Services budget.

- This budget includes an accelerator to convert athletic directors from a 10-month position to an instructional specialist 12-month position. To fund this accelerator, a net increase of \$60,675 is added to the budget. In addition, \$7,730 for employee benefits is added to chapter 10, Department of Employee and Retiree Services budget. This accelerator also includes \$556,872 for 10.0 classroom teacher positions and \$150,467 for employee benefits.
- This budget includes a strategic accelerator to provide high school event security. To fund this accelerator, \$200,000 is added to the budget. In addition, \$15,300 for employee benefits is added to chapter 10, Department of Employee and Retiree Services budget.
- For FY 2021, this budget includes a strategic accelerator to provide 3.0 additional security assistant positions. To fund this accelerator, an additional \$105,500 is added to the budget. In addition, \$41,234 for employee benefits is added to chapter 10, Department of Employee and Retiree Services budget.
- For FY 2021, this budget includes a strategic accelerator to provide \$100,000 for contractual services to support hands-on learning that incorporates STEM, art, and culture.
- This budget includes an accelerator to support STEM curriculum. In collaboration with Montgomery College, students will learn code programming skills to prepare for future careers in technology. To fund this accelerator, an additional \$159,000 is added to the budget, which includes \$110,000 for instructional materials, \$40,000 for transportation, and \$9,000 for meals.

ESOL—\$1,524,916

- The FY 2021 budget includes a strategic accelerator of \$1,524,916 for 26.2 ESOL teacher positions to support the expanding student needs. In addition, \$412,022 for employee benefits is added to chapter 10, Employee and Retiree Services budget.

Special Education—\$584,853

- For FY 2021, \$172,226 for 5.25 special education paraeducator positions have been added to the budget to increase the current 5-hour PEP program by one hour per day to align it with the general education full-day prekindergarten program allowing students with disabilities to have a longer instructional day. Added to this budget, there also is \$7,515 for substitute teacher salaries for an additional substitute day for teachers to attend Individualized Education Program Annual Review meetings which are currently held after the student instructional day. In addition, \$68,035 is added to chapter 10, Department of Employee and Retiree Services budget.
- For FY 2021, the budget includes \$211,071 for substitute teacher salaries to support Orton-Gillingham Methodology training through the Institute for Multi-Sensory Education. Orton-Gillingham Methodology is a highly structured approach that breaks reading and spelling down into smaller skills involving letters and sounds, then building on these skills over time. In addition, \$16,147 for employee benefits is added to chapter 10, Department of Employee and Retiree Services budget.

- For FY 2021, the budget includes \$181,174 for First Aid and Cardiopulmonary Resuscitation (CPR) training required for school staff who are authorized to perform restraint and/or seclusion. To fund this effort, \$77,350 for contractual services, \$35,437 for paraeducator substitute salaries, and \$68,387 for teacher substitute salaries is added to the budget. In addition, \$7,943 for employee benefits is added to chapter 10, Department of Employee and Retiree Services budget.

- For FY 2021, \$12,867 for a 0.2 staff development teacher position at Longview School has been added to the budget. This will increase this position at Longview School to a 0.5 staff development teacher position, which will increase the opportunities at the school for professional development and improve teaching and learning. In addition, \$1,639 for employee benefits is added to chapter 10, Department of Employee and Retiree Services budget.

Curriculum and Instructional Programs—\$952,226

- This budget includes a strategic accelerator totaling \$7,030 for a technical salary adjustment for the fiscal specialist position that will assist the Associate Superintendent in managing and supervising all Office of Curriculum and Instructional Programs' fiscal activities, including operating budgets development, grants, account and financial monitoring, summer supplemental employment, part-time employment, stipend, substitute payroll accounting, and supervision of other fiscal staff. In addition, \$2,753 is realigned to chapter 10, Department of Employee and Retiree Services budget for employee benefits.

- The budget for the Division of ESOL Programs increased by \$182,019; \$40,000 for instructional materials, \$40,000 for professional part-time salaries, and \$102,019 for contractual services to provide student opportunities for language exposure.

- There is an increase to the budget of \$54,000 for contractual services for summer foreign language programming.

- This budget includes a strategic accelerator totaling \$128,660 in contractual services for the Elementary Integrated Curriculum Team. The additional funds will provide for improved oral reading accuracy, fluency, and expression for students.

- In FY 2021, there is a strategic accelerator of \$220,000 that increases the Program Assessment budget to support testing and evaluation of student performance.

- There is an increase of \$54,329 for a 0.5 teacher position to support activities associated with health internships in Career, Postsecondary Partnerships and Perkins. In addition, \$14,680 for employee benefits is added to chapter 10, Department of Employee and Retiree Services budget.

- The budget is increased by \$106,188 for a 1.0 instructional specialist position and \$200,000 for supporting service part-time salaries for STEM and Fire Academy programs to support students as they prepare for college and/or career. In addition, \$28,692 for employee benefits is added to chapter 10, Department of Employee and Retiree Services budget.

- To fund this accelerator, an additional \$159,000 is added to the budget, which includes \$110,000 for instructional materials, \$40,000 for transportation, and \$9,000 for meals.

Special Education—\$39,645

- For FY 2021, the budget includes \$39,645 to increase a 0.5 psychologist 12-month position in the Deaf and Hard of Hearing Program to a 1.0 psychologist 12-month position. This increase will provide students access to critical and on-going support in the area of social-emotional learning and mental health.

Student Services and Engagement—\$1,445,768

- Program supplies in the amount of \$50,000 to support the Be Well 365 district-wide initiative to promote and inform schools, students, families, and the community about the initiative.
- To increase support for students receiving ESOL services, there are increases to the Bilingual Assessment Team budget. The focus will be on reducing the number of students who receive ESOL services from inappropriately being found eligible for special education services and to better distinguish between the need for special education services and language needs. The increases are \$74,402 for a 1.0 psychologist—10 month position, \$106,199 for a 1.0 instructional assessment specialist position, \$81,407 for a 1.0 speech pathologist position, and \$24,000 for professional part-time salaries. Additionally, \$72,627 for employee benefits is added to chapter 10, Department of Employee and Retiree Services budget.
- Funds for Restorative Justice programming are added to this budget. To fund this strategic accelerator, the budget is increased by \$212,376 for 2.0 instructional specialist positions and \$50,000 for instructional materials. These positions were previously budgeted in a grant.
- Funds for implementation of the Diversion Program are added to this budget. This includes \$79,290 for a 1.0 social worker—12 month position.
- An increase of \$223,206 for 3.0 psychologist positions in Psychological Services to support the work of the division. In addition, there is an increase of \$20,000 for professional part-time salaries to support enrollment of international students during peak periods, and \$6,000 for other program expenditures to support the expansion of the Kennedy and Watkins Mills projects to include the Paint Branch and Springbrook clusters.
- An addition of \$390,000 for contractual services to support the college support programming, professional learning for counselors to spot warning signs of mental illness, trauma, violence or substance abuse, and the Naviance program. Additionally, \$140,647 for employee benefits is added to chapter 10, Department of Employee and Retiree Services budget.
- To support programs in this office, \$22,700 for a 0.5 fiscal assistant I position is added to the Department of Restorative Justice, Student Leadership, and School Counseling.

- An increase of \$106,188 for a 1.0 instructional specialist position to support the work of international admissions and enrollment. Additionally, \$28,692 for employee benefits is added to chapter 10, Department of Employee and Retiree Services budget.

Operations—\$3,769,969

- The budget includes \$72,392 for professional part-time salaries, \$29,997 for supporting services part-time salaries, and \$21,000 for staff development training. This strategic accelerator enables the office to more rapidly investigate and bring MCPS grievance related and other cases to closure and reduce the time employees remain on administrative leave. In addition, these funds also will support work associated with CPS background checks.

- The budget includes 17 additional buses at an annual lease/purchase cost of \$385,786. In addition, there is an increase of \$843,361 for 29.063 bus operator I positions, and \$373,507 for 15.0 bus attendant positions. There also is an additional \$387,421 budgeted for substitute bus drivers, bus repairs, parts, and supplies. Primarily, these funds are budgeted to address Choice programs implemented in the budget. Furthermore, the budget includes \$181,896 for after school activities related to the Excel Beyond the Bell program, \$750,000 for school bus mobile apps for real-time GPS, and \$339,922 for student transportation costs related to Finance Park and other transportation programs directed under the leadership of the Chief Academic Officer. Additionally, \$476,648 for employee benefits is added to chapter 10, Department of Employee and Retiree Services budget.

- The budget includes \$73,331 for a 1.0 buyer II position. The position will assist current staff with active bids as well as handling purchase orders in the Procurement Unit. Additionally, \$28,724 for employee benefits is added to chapter 10, Department of Employee and Retiree Services budget.

- The budget includes \$271,356 for 6.0 office security monitor positions, and \$40,000 for lease/purchase of vehicles. The primary purpose for the additional positions is to have security measures in place for elementary schools as the office security monitor positions will act as school rovers. The additional funds requested in the budget for lease/purchase will be used to purchase vehicles for the office security monitor positions. Additionally, \$110,954 for employee benefits is added to chapter 10, Department of Employee and Retiree Services budget.

Technology Support and Infrastructure—\$2,856,971

- For FY 2021, \$246,688 for 2.0 technology implementation specialist positions in the Department of Technology Integration and Learning Management Systems is added to support an online and hybrid professional development program to train staff at schools and offices. In addition, \$66,655 is added to chapter 10, Department of Employee and Retiree Services, for employee benefits.

- There is an increase of \$942,014 for equipment maintenance for a student information system and \$400,000 for stipends/summer pay for training staff to use the new portal. In addition, \$30,600 is added to chapter 10, Department of Employee and Retiree Services, for employee benefits.

- The budget for Systems Management and Operations is increased by \$57,244 for a web planning tool annual maintenance support, which helps students to explore and develop their postsecondary plans.
- For FY 2021, \$271,785 is added to equipment maintenance to upgrade the HelpDesk software platform.
- There is an increase of \$15,000 to support annual maintenance, software upgrades, and other critical fixes to the phone systems installed in schools and offices.
- For FY 2021, there is an increase of \$140,306 for 2.0 supporting services trainer positions for ERP Program Management and Support. In addition, \$54,958 is added to chapter 10, Department of Employee and Retiree Services, for employee benefits.
- An increase of \$300,000 in contractual services for the ERP and HRIS to provide access to actionable information associated with fingerprinting and badging of volunteers and contractors.
- An increase of \$40,193 in contractual maintenance for tax table software and Application Tracking and Recruiting Systems.
- An increase of \$443,741 to supplement supporting services part-time salaries to provide support for the hybrid cloud implementation. In addition, \$28,997 is added to chapter 10, Department of Employee and Retiree Services, for employee benefits.

Human Capital Management—\$736,222

- There is an increase of \$74,880 for supporting services part-time salaries to support child abuse and neglect employment background checks as required by Maryland State law. Additionally, \$5,728 for employee benefits is added to chapter 10, Department of Employee and Retiree Services budget.
- There is an increase of \$117,520 for a 1.0 coordinator and \$150,000 for other program costs to support recruitment. Additionally, \$24,291 for employee benefits is added to chapter 10, Department of Employee and Retiree Services budget.
- There is an increase of \$225,000 for staff development stipends to support career pathways for supporting services staff. This will support 3-4 well-defined pathways for support professionals interested in working in operations. There is also an increase of \$30,000 for contractual services and \$27,787 for instructional materials to support the supporting services employees' pathways program. Additionally, \$17,213 for employee benefits is added to chapter 10, Department of Employee and Retiree Services budget.
- There is an increase for \$111,035 for a 1.0 consulting teacher position. Additionally, \$30,002 for employee benefits is added to chapter 10, Department of Employee and Retiree Services budget.

Finance—\$2,581,842

- Within the Department of Employee and Retiree Services, there is an increase of \$63,253 for a 1.0 specialist, payroll position.
- Employee Benefits on all Accelerators—\$2,518,589 Details on increases in strategic accelerators are included in various chapters of the budget. As a result of these strategic accelerators, there is an increase of \$661,203 for social security contributions, \$1,416,801 for employee health benefits, and \$440,585 for retirement contributions.

Administration and Oversight—\$2,444,160

- For a focus on equity and innovation, an Equity Innovation Fund is established. This will support creating of a planning committee focusing on community schools in MCPS. The Equity Innovation Fund will be distributed to more highly impacted schools and schools with identified needs. Staff in schools will be able to apply for and receive funds to implement innovative proposals. In addition, the fund will be used for implementing a plan to ensure turnover and retention of high quality staff is not predictable by school. This also will support seeding a process to ensure equitable opportunities for students.
- The proposed budget includes \$550,000 for stipends, \$350,000 for contractual services, \$300,000 for program supplies, \$200,000 for student transportation, \$100,000 for travel for professional development, and \$100,000 for equipment.
- This budget includes a strategic accelerator totaling \$318,788 for 2.0 executive director positions to support the system-wide work and initiatives taking place in this office. In addition, \$65,894 is added to chapter 10, Department of Employee and Retiree Services, for employee benefits.
- An increase of \$70,153 for a 1.0 Portuguese translation specialist to support the increase in Portuguese document translation requests. In addition, \$27,479 is added to chapter 10, Department of Employee and Retiree Services, for employee benefits.
- An increase of \$400,000 for contractual services to work with partner and non-profit organizations to leverage their expertise in the MCPS strategic priority areas with a focus on community partnerships and engagement.
- An increase of \$40,219 for a 0.3 assistant general counsel position to support increased workload of the in-house legal counsel team. In addition, \$8,313 is added to chapter 10, Department of Employee and Retiree Services, for employee benefits.
- An increase of \$15,000 for contractual services to support the implementation of a document management system to be able track the work of the office, support case/project management, and identify areas of systemic risk and opportunities for improvement.

Montgomery County Public Schools FY 2021 Operating Budget

Program Efficiencies and Reductions - Detailed

Every year, MCPS undertakes a comprehensive process to identify potential program reductions and efficiencies in the operating budget. This zero-based budgeting methodology is used to review and justify all expenditures in the base budget and identify opportunities for efficiencies, realignments, and reductions. From FY 2017 through FY 2020, we have included \$36.5 million and 254.550 positions of program efficiencies in the last three recommended operating budgets for MCPS.

For FY 2021, the recommended operating budget includes \$5,204,000 of program efficiencies and reductions. The substantial part of this is a \$5.0 million reduction for the Employee Benefits Plan (EBP). In the past three fiscal years, medical and prescription drug claims have continued to increase at a much lower rate than previously anticipated, therefore, generating more fund balance in the MCPS Employees Group Insurance Fund. In addition, Caremark rebates and Employer Group Waiver Plan subsidies for employees also have increased, resulting in additional revenue generated in the fund. Due to these occurrences, the budget includes a reduction of \$5.0 million for EBP in an effort to reduce the reserve balance in the MCPS Employees Group Insurance Fund to a more appropriate level by the end of FY 2021. In addition, there is a reduction of \$204,000 in employee benefits for executive compensation.

Montgomery County Public Schools FY 2021 Operating Budget

Budget Publications and Engagement

Montgomery County Public Schools (MCPS) publishes and posts on its website a variety of publications that provide different ways of looking at its operating budget. Together, these documents enable the community to understand how MCPS resources are used and what is recommended in the operating budget. MCPS is continually trying to improve the transparency of these budget documents. To save printing and postage costs, the publication of paper documents has been considerably reduced, and all budget documents are available on the MCPS website at www.montgomeryschoolsmd.org/departments/budget/.

Publications

- *MCPS Strategic Plan* – During the 2016-2017 school year, MCPS stated its renewed purpose to improve teaching and learning to provide a strong academic program and introduced strategic priorities aligned to the vision and mission of the school district. The four strategic priorities operationalize the work required to achieve our goal of academic excellence for all. These are (1) Focus on Learning, Accountability, and Results; (2) Focus on Human Capital; (3) Focus on Community Partnerships and Engagement; and (4) Focus on Operational Excellence.

This strategic plan found at <https://www.montgomeryschoolsmd.org/campaigns/Strategic-Planning-2017/index.html> outlines expectations for students and staff and lays out a clear path to meet our objectives and goals. It also requires MCPS staff to assess student performance by addressing key essential questions:

- Are our children learning?
- Are they learning enough?
- How do we know?
- If not, why not?
- What are we going to do about it?

The MCPS Strategic Plan represents our continued commitment to the five core values that define what it means to be an exceptional school system: Learning, Relationships, Respect, Excellence and Equity. MCPS is committed to educating our students so that academic success is not predictable by race, ethnicity, gender, socioeconomic status, language proficiency or disability. We will continue to strive until all gaps have been eliminated for all groups. Our students will graduate with deep academic knowledge and become prepared for tomorrow's complex world and workplace.

On February 25, 2019, the Board was updated on the work since the original plan was introduced. The Board's Strategic Planning Committee met monthly, beginning in January 2017, to discuss and outline its work and to develop a plan to initiate programs for all students:

students who achieve at high levels and those with academic challenges. The work of the committee included outlining objectives and specific plans, as well as highlighting data trends and measures that guide the work of our staff and schools in the creation of strong instructional programs that prepare students for college and career. The draft FY 2019-2022 strategic plan presented to the Board is centered on six outcomes for MCPS that include:

- Students Ready to Learn;
- Reducing and Eliminating Disparities in Student Learning;
- Students Prepared for College and Career;
- A Safe and Healthy Learning Environment;
- Efficient Operations; and
- Highly Effective Employees.

MCPS will continue to organize and optimize resources that address the essential questions and support the Board's core values to ensure that every student is well prepared for success. It is this focus that has made MCPS an example across the country and will allow us to continue to serve our students at the highest level for generations to come.

- *Recommended Operating Budget* – The *Superintendent's Recommended Operating Budget* published in December each year shows budget resources in summary and by office, department, and other units. Various charts and displays provide staffing and other detailed information such as program mission summaries for offices and departments.
- *Budget in Brief* – Also published in December each year, The *Budget in Brief* highlights major budget changes and other issues as an introduction to the operating budget. It includes high level information on proposals included in the Superintendent's Recommended Operating Budget. It also includes important summary information about the operating budget.
- *Personnel Complement* – The *Personnel Complement* includes a detailed listing of all actual and budgeted positions. The *Recommended Operating Budget* (December) and the *Summary Budget* (June) include personnel complements.
- *OpenDataMCPS* – MCPS launched an open data portal, OpenDataMCPS on January 5, 2015, that allows the public to search, sort, and download a variety of information about the district's operating budget. The portal, which is available at <https://data.montgomeryschoolsmd.org/> currently contains detailed budget data for the Board of Education's Adopted FY 2020 Operating Budget. The Superintendent's Recommended FY 2021 Operating Budget will be available on the OpenDataMCPS portal a few weeks after the operating budget is presented to the Board and the community on December 18, 2019.
- *Budget 101 Website* – An enhanced *Budget 101* website is available at <http://www.montgomeryschoolsmd.org/budget-101/index.html>. This website provides a substantial array of information about the MCPS Operating Budget. It includes major drivers of the budget and details of where the funding comes from and how it is used. It explains in a short video the Maintenance of Effort law and why the minimum funding level is not sufficient to cover increased costs from year to year. The website has been updated with new modules

to provide more details on health benefits and retirement costs for current and retired MCPS employees. Finally, the *Budget 101* website explains how resources are allocated to schools and gives a “real world” example of three actual elementary schools with similar enrollment but with a different number of students who receive English for Speakers of Other Languages services and/or free and reduced-price meals, which is an indicator of poverty.

- *Schools at a Glance* – The *Schools at a Glance* annual publication provides a variety of information for each MCPS school, including demographic and staff personnel allocated to each school. *Schools at a Glance* can be found at the following website: <https://www.montgomeryschoolsmd.org/departments/sharedaccountability/glance/>. A separate document, *Special Education at a Glance*, is published to show special education resources at each school.

Engagement

- Each year, the Board of Education holds public hearings on the operating budget. Hearings for the FY 2021 Operating Budget are scheduled for January 13 and 15, 2020, when the Board will receive testimony from Montgomery County Council of Parent Teacher Associations cluster representatives and other interested citizens regarding the Superintendent’s budget recommendations. The public will have an opportunity to sign up starting in December 2019 to testify at one of the public hearings.
- The Board of Education convenes each month over the course of the year. Near the beginning of these meetings, the public is allotted time to make comments to the Board. This provides the Board and the superintendent an opportunity to hear the views and advice from the community about MCPS and its programs and policies.
- MCPS hosts a website where the public may ask questions about the MCPS Operating Budget. The address for the website is the following:
<http://www.montgomeryschoolsmd.org/departments/budget/question.aspx>

**Montgomery County Public Schools
FY 2021 Operating Budget**

Continuing Salaries

For FY 2021 lapse and turnover, the amount of unused budgeted salary that remains when an employee terminates service and is not immediately replaced or an employee terminates service and the backfill is hired at a lower salary, was calculated at \$33,575,500. In addition, the three year contract agreements that the Board of Education approved will expire at the end of FY 2020. Negotiations began in October 2019 with our three employee associations on new contracts to be effective July 1, 2020, and are continuing as of this publication. While final terms of these contracts have not yet been agreed on, in order to plan for the requirements of the FY 2021 Operating Budget, funds are included in this budget to support the negotiated agreements once they are finalized. Depending on the outcome of negotiations, a budget amendment may be needed to either add funds or realign funds from other areas.

Montgomery County Public Schools FY 2021 Operating Budget

Employee Benefits and Insurance

With respect to continuing salaries for employees, the three year contract agreements that the Board of Education approved will expire at the end of FY 2020. Negotiations began in October 2019 with our three employee associations on new contracts to be effective July 1, 2020, and are continuing as of this publication. While final terms of these contracts have not yet been agreed on, in order to plan for the requirements of the FY 2021 Operating Budget, funds are included in this budget to support the negotiated agreements once they are finalized. Depending on the outcome of negotiations, a budget amendment may be needed to either add funds or realign funds from other areas.

The Superintendent's Recommended FY 2021 Operating Budget includes a net increase of \$9,373,174 for employee benefits and insurance. There is an increase of \$3,101,297 for employee local retirement benefits and a decrease of \$45,702 for employee state retirement benefits. There is a decrease of \$240,267 for health and life insurance benefits for new and existing employees and retirees. There is an increase of \$861,854 for the self-insurance program benefits, and \$5,899,992 for social security benefits as related to employee salaries. In addition, there is a decrease of \$204,000 for other related employee benefits. The total tax-supported budget for FY 2021 of \$589.8 million (including the amount required to maintain insurance coverage, primarily through the county's Self-Insurance Program) represents 21.1 percent of the total operating budget. An explanation of these changes follows.

Retirement Benefits (State and Local) – \$3,055,595

The state and local retirement budget for FY 2021 is increased by \$3,055,595. The change in budget is due to the following items:

- The budget for retirement costs owed to the state for the teacher pension shift to local school districts is changed from the prior fiscal year. At this time, the decrease in the amount estimated at \$45,702 is based on salary changes from the prior year, as well as changes in the contribution rate provided by the state. The total obligation amount will be provided by the state in late December 2019, and the budget will be adjusted accordingly.
- There is an increase to the budget of \$3,101,297 in local retirement benefits for existing and new employees. The normal pension cost for current retirement programs is based on a percentage of salary, as provided by the annual actuarial study. The rate applied in FY 2021 has remained unchanged at 5.09 percent. The contribution rate assumes an investment return of 7.0 percent annually. Although the rate has remained unchanged, the budget is increased by \$3,818,213 for retirement contributions due to changes in enrollment growth, new schools, strategic accelerators, and employee salaries. There also is a decrease of \$716,916 for administrative retirement fees.

Health and Life Insurances – (\$240,267)

Health and life insurance coverage for current active and retired employees and their families are provided through the Employee Benefit Plan (EBP). Over the past three fiscal years, medical and prescription drug claims have continued to increase at a much lower rate than previously anticipated, therefore, generating more fund balance in the MCPS Employees Group Insurance Fund. In addition, Caremark rebates and Employer Group Waiver Plan subsidies for employees also have increased, resulting in more revenue generated in the fund. Due to these occurrences, the budget includes a reduction of \$5,000,000 for EBP in an effort to reduce the reserve balance in the MCPS Employees Group Insurance Fund to a more appropriate level by the end of FY 2021. With the support of MCPS health consultants, MCPS has a two-year plan to bring the fund balance to a target reserve balance of between \$15 and \$25 million.

In addition, the budget includes an increase of \$4,759,733 for employee health care contributions due to changes in enrollment growth, new schools, and strategic accelerators.

Other Post-Employment Benefits – \$0

In FY 2012, Montgomery County established a combined Retiree Health Trust Fund for Other Post-employment Benefits (OPEB) to pre-fund retiree health benefits. In FY 2012, the Montgomery County Council made \$20 million in contributions on behalf of MCPS as part of an eight-year phase-in period on behalf of MCPS. Consequently, OPEB contributions are no longer included in the MCPS Operating Budget. However, the MCPS Operating Budget will continue to include “Paygo” contributions for current retiree health obligations.

Last fiscal year, the County Council contributed \$27.2 million to MCPS by transferring funds from the county’s OPEB Trust Fund to fund current retiree health benefits costs within the Group Insurance Fund for retirees. The MCPS FY 2021 Operating Budget assumes that the county will continue to transfer \$27.2 million for retirees’ health benefit costs to the Group Insurance Fund.

Self-Insurance Program Benefits – \$861,854

MCPS participates in an inter-agency risk management fund that covers worker’s compensation and other types of insurance. Due to recent claims experience and higher reserve targets, the cost share allocated to MCPS is increased by \$861,854 for FY 2021. Worker’s compensation is increased by \$699,040, and fire and other insurance is increased by \$162,814.

Social Security Benefits – \$5,899,992

Social security contributions for existing and new employees is increased by \$5,899,992 as a result of changes in enrollment growth, new schools, and strategic accelerators.

Other Employee Benefits – (\$204,000)

There is a reduction of \$204,000 for other employee benefits related to executive compensation.

Montgomery County Public Schools FY 2021 Operating Budget

Local, State, and Federal Revenue

Local Revenue

The local contribution that Montgomery County Public Schools (MCPS) received in FY 2020 was \$1,726,807,241. This included \$1,567,033 in nonrecurring costs for one-time expenditures to occur in FY 2020. By law, nonrecurring costs are excluded when determining the FY 2021 minimum contribution under the state's Maintenance of Effort (MOE) law. Based on the MOE law for the eligible student enrollment as of September 30, 2019, MCPS is to receive a minimum increase of \$26,545,056, less \$1,567,033 in non-recurring costs for a revised total of \$24,978,023 in the local contribution for FY 2021.

The Superintendent's Recommended FY 2021 Operating Budget requests \$1,799,008,651 in local revenue for MCPS. This local contribution is \$47,223,387 greater than the minimum level required by the MOE law. This local contribution amount represents 64.2 percent of MCPS' total revenue.

State Revenue

To fund MCPS' FY 2021 Operating Budget, \$792,233,458 is budgeted for state revenue. This is an increase of \$32,395,309 compared to the amount in the current FY 2020 Operating Budget. For FY 2021, 28.3 percent of the recommended operating budget is funded by the state of Maryland. It is necessary to estimate state aid for the superintendent's recommended budget for FY 2021 since the Maryland State Department of Education will not provide preliminary allocations until late January 2020.

- State aid is distributed using a variety of formulas that provide relative comparisons of student enrollment and wealth with other Maryland school districts. MCPS has experienced enrollment growth which factors into the amount of state aid that is received. While we experienced less than 2,000 additional students in the 2018-2019 school year, our enrollment for 2019-2020 has increased by 2,587 students. This is the tenth in the last eleven years that our enrollment increase has exceeded 2,000 students. In addition, there continues to be uncertainty as to whether MCPS will continue to benefit as much from the wealth-based components of the formula relative to other counties as it has over the past several years.
- The recommendations of the Kirwan Commission include new programs and funding for FY 2021 in addition to that funded by *the Blueprint for Maryland's Future* for both FY 2020 and FY 2021. No revenue increase is included for FY 2021 based on the recommendations of the Kirwan Commission until we have more detail of the funding that will be included in the Governor's FY 2021 budget.

Federal Revenue

The FY 2021 Operating Budget includes federal revenue of \$82,522,794, which is 2.9 percent of total revenue. This is \$456,380 greater than the amount in the current FY 2020 Operating Budget. Details about federal revenue are provided below.

- MCPS receives federal aid mainly through categorical grants that must be used for specifically designated purposes. The only exception is Impact Aid received as a reimbursement for the extra expenditures resulting from the attendance of children of certain federal employees. In FY 2021, MCPS expects to receive \$150,000 in federal Impact Aid, an increase of \$50,000 from the amount in the current FY 2020 Operating Budget.
- Major federal categorical grants include Title I to provide support for children living in poverty, Title II Part A to improve teacher quality, Title III (English Language Acquisition) for English language learners, all three of these titles are from the *Every Student Succeeds Act*. We project to receive an additional \$410,680 for Title II Part A in FY 2021. A decrease of \$4,300 is projected for Title VII, American Indian Education.

Enterprise and Special Revenue Fund Revenue

Revenue for the MCPS Enterprise and Special Revenue Fund is projected to increase by \$11,736,159 in FY 2021. This reflects an increase of \$11,766,159 in revenue for such items as bus camera fines (\$8,000,000), School Food Service Fund (\$989,300), Real Estate Management Fund (\$970,000), Field Trip Fund (\$160,000), and \$1,646,859 for other Enterprise Fund activities offset by a reduction of \$30,000 for the Instructional Television Special Revenue fund.

Other Sources Revenues

The FY 2021 Operating Budget includes an increase of \$4,300,000 in the amount budgeted for FY 2021. This includes an increase of \$3,300,000 for small unbudgeted grants under the Provision for Future Supported Projects. In addition, an increase of \$1,000,000 in interest earned is included based on negotiations with banks.

Montgomery County Public Schools FY 2021 Operating Budget

MCPS Record of Success

Achievement Highlights

- Four MCPS high schools made the top 500 in the 2019 *U.S. News & World Report* list of best High Schools. MCPS had three of the top five high schools in the state of Maryland.
- MCPS students took more than 40,000 Advanced Placement exams in 2018. Students earned a college-ready score (3 or higher) on 70.8 percent of those exams.
- In 2018, the percentage of AP exams taken by MCPS' African American students (47.1 percent) that earned college-ready scores of 3 or higher is significantly higher than the percentage of exams for African American students in the nation (29.9 percent).
- In 2018, the percentage of AP exams taken by Hispanic students that earned college-ready scores of 3 or higher (55.2 percent) was greater than the percentage of exams for Hispanic students in the nation (42.5 percent).
- More than two-thirds (67.5 percent) of graduates from the Class of 2018 took at least one AP exam, compared with 49.1 percent in Maryland.
- More than half (53.1) of the Class of 2018 scored a 3 or higher on at least one AP exam while in high school—significantly higher than the state average of 31.6 percent.
- In 2018, the percentage of MCPS African American and Hispanic graduates earning a 3 or higher on at least one AP exam surpassed the state average.
- The Class of 2018 earned an 1119 average combined SAT score, surpassing both national and state averages. More than 75 percent of graduates took the SAT and MCPS' Hispanic and African American students outperformed their peers across the nation.
- More than \$393 million in scholarships was awarded to students in the Class of 2019.
- 41 National Blue Ribbon Schools.
- 9 National Green Ribbon Schools.

Montgomery County Public Schools FY 2021 Operating Budget

School Resource Allocations

Operating budget resources, including staffing, materials, and equipment, are allocated to all schools using formulas and guidelines. Budget staffing formulas and guidelines are published in the annual operating budget documents. The equitable allocation of resources is crucial to ensure that each school has the staffing and material resources that are essential to high quality educational programs and academic excellence for all students.

- *Allocation Formulas* – Staffing and non-position resources including textbooks, media materials, and instructional materials funds are allocated based on formulas and guidelines. These formulas and guidelines are applied to enrollment projections provided by the staff in Division of Capital Planning. For example, in elementary schools, teacher positions are allocated based on a class size guideline of 25 students in grades 1-2, 26 students in grade 3, and 28 students in grades 4-5. The goal is to minimize the number of classes over guideline each year. The allocation ratio is sometimes higher than the budgeted ratio to permit the creation of a staff reserve to handle allocation adjustments when the school year begins. In middle and high schools, staffing formulas consider the number of student class periods per day divided by the number of periods taught by each teacher. Other enrollment-based formulas are listed for each allocated position in the Budget Staffing Guidelines (Appendix D of the operating budget). Formulas for building service workers are based on a school's square footage. For some staffing, schools receive a single position (principal, for example), or a fraction of a position, regardless of enrollment.
- *Special Program and Needs-based Support* – All schools at each school level receive similar standard allocations based on established ratios as described above. In addition, schools receive positions above the base allocation for special programs or to address needs. Special and needs-based programs include Title I for high poverty schools, reading initiative, English for Speakers of Other Languages, signature programs, and high school consortia. In addition, elementary schools impacted by poverty, Focus and Title I schools, are allocated additional classroom teacher positions to lower class size in all grades. Additionally, higher poverty schools may be allocated academic intervention teachers to support students and programs. These positions are often used for intervention programs to help students. The special program support accounts for much of the difference in per pupil costs from one school to another.
- *Special Education* – Special education resources are allocated differently than general education K-12 resources. Special education positions, including teachers, paraeducators, and other staff, are allocated based on formulas tailored to provide the delivery of a continuum of services for students with disabilities according to the level of support documented in the Individualized Education Program (IEP). Special education allocations may be based on enrollment, on the hours of service required to meet a student's needs, or on the number of teaching stations required to serve students across the entire county. Staffing for special education is another factor that explains why some schools have higher per pupil costs than other schools. Special education allocations also are published in the

Superintendent's Recommended Operating Budget (Appendix E). Once approved by the Board of Education, special education staffing guidelines must be submitted to the Maryland State Department of Education, annually, as part of the Special Education Staffing Plan. The staffing plan is developed with significant community input. Non-position allocations for special education instructional supplies are communicated in June prior to the start of the school year.

- *Initial Allocation Process* – Schools receive initial staffing allocations for the upcoming school year early in March. Although the operating budget has not yet been approved, initial allocations are necessary to enable principals to plan schedules, make hiring decisions, and communicate with staff members who will not have positions, to allow them the opportunity to transfer to other schools. Preliminary non-position allocations, including funding for textbooks, media materials, and instructional materials, are made in May prior to the start of the school year to allow sufficient time for the procurement of essential instructional supplies.
- *Allocation Adjustments* – A limited number of reserve positions are available to support schools that experience significant enrollment increases during the spring and summer. Depending on needs, staffing may be allocated as a full-time position or in smaller increments. Schools also may have a reduction of positions if actual enrollment does not support the need for the positions. Data are reviewed weekly, beginning in March, to identify staffing needs at schools. Allocations for instructional supplies are adjusted when final enrollment numbers are confirmed in the fall.
- *Scheduling Classes* – Schools prepare master schedules based on the allocated staffing. In secondary schools, principals must balance the breadth of course offerings with class size as they develop schedules. The goal is to decide how to use allocated staffing most effectively to support student learning. Once school's schedule is developed and staffing needs are identified, the principal can begin the hiring process to ensure that all required staff is on board for the start of school.

Montgomery County Public Schools Fiscal Year 2021 Operating Budget

Audits

Audits of financial operations and programs of Montgomery County Public Schools ensure financial and operational accountability to the public. Below are details of some of the audits.

Board of Education Oversight

- According to State of Maryland law, Section 5-109 of the Education Article requires all school districts to commission an annual external audit of financial transactions by an independent certified public accountant. MCPS uses the firm of CliftonLarsonAllen (CLA). Neither CLA nor its predecessors have identified any material weaknesses or noncompliance with internal controls.
- MCPS issues an annual financial report, the Comprehensive Annual Financial Report, for the previous fiscal year. This report has repeatedly received an Excellence in Financial Reporting Award from the Government Financial Officers Association of the United States and Canada, and from the Association of School Business Officials International.
- Board of Education Policy DAA, *Fiscal Responsibility and Control*, requires the superintendent of schools to ensure that adequate fiscal responsibility and control are maintained for funds entrusted to MCPS that conform to the laws and regulations of the State of Maryland and to applicable provisions of the charter and laws of Montgomery County. In accordance with MCPS Regulation DAA-RB, *External Audits Requiring Board of Education Approval*, the Board of Education authorizes external agency performance audits that focus on processes and their inherent efficiencies.
- The Board of Education's Fiscal Management Committee meets regularly with staff to review audit findings and provide financial oversight of MCPS. The Fiscal Management Committee reviews the reports of the system's actuary and external auditor.

County Audits

- The county's Office of Legislative Oversight has conducted comprehensive reviews of MCPS programs and procedures, including food services, student transportation, special education, school plant operations, compliance with environmental regulations, organizational development programs, recycling, Northeast and Downcounty high school consortia, demographic and performance changes of 25 MCPS high schools, employee benefits administration, resources and staffing among MCPS schools, the MCPS revitalization and expansion program, the local pension plan and supplement, safe routes to school program, new school construction costs, pre-K, and strategies to address public school capacity constraints.

- The county Office of Inspector General has conducted analyses of MCPS capital improvement program projects, the MCPS budget and related financial information, acquisition of promethean interactive classroom technology systems, and purchase card policies and procedures.

State of Maryland Audits

- The Maryland State Department of Education (MSDE) reviews MCPS activities and financial reports every two years. MSDE audits a variety of issues, including enrollment, program administration, special education, teacher certification, criminal background checks of teachers, and grant programs. MSDE conducted an audit of MCPS in FY 2019, for the 2016-2107 and 2017-2018 school years, to determine compliance with the financial and other requirements that are applicable to each of its State Aid to Education Programs. Noted were discrepancies in the September 30, 2016 student enrollment count. Also the special education enrollment count for school year 2016–2107 was overstated by two students and the enrollment count for school year 2017–2018 by three students. Also noted was the lack of proper documentation of compliance with the *Code of Maryland Regulations* (COMAR) for training and safety requirements for fiscal years 2017 and 2016.
- MSDE conducts an audit of the MCPS meal benefit process (Free and Reduced-price Meal System applications) every three years. It is an audit of the verification and financial processes, as well as site reviews in 18 schools. If one of the schools were to fail to demonstrate compliance with U.S. Department of Agriculture and the MSDE regulations, then the auditors return and audit 18 more schools. In its May 25, 2018 audit report, MSDE commended MCPS for exceeding standards in several areas.
- In accordance with the requirements of the State Government Article, Section 2-1220 (e) of the Annotated Code of Maryland, the state’s Office of Legislative Audit shall conduct an audit of each local school system at least once every six years to evaluate the effectiveness and efficiency of the financial management practices of the local school system. The first audit report published January 15, 2009, found that MCPS has “procedures and controls in place to ensure the safeguarding of assets and the efficient use of financial resources.” The report made useful recommendations for process improvements in business operations, including accounting, internal controls, technology, and facilities operations. The second audit report published May 19, 2016, consisted of 16 recommendations for improvement. The OLA auditors are projected to return in FY 2021 to begin fieldwork for their next audit of MCPS.
- The Public School Construction Program’s (PSCP) Office of the Interagency Committee on School Construction audits the use of state construction funds provided to all Maryland school systems every two to three years. The examination is made in accordance with the public school laws of Maryland and the regulations for the administration of the PSCP, and includes tests of accounting and construction procedures. PSCP conducted its most recent audit of MCPS in FY 2015 to evaluate its regulatory compliance. No material findings were identified in the report published on August 21, 2015, as well as in the two prior audit reports. PSCP personnel turnover has delayed the next audit of MCPS.

Federal Audits

- The federal government regularly provides mandated federal Office of Management and Budget Compliance Supplement audits of federal grant programs that have greatly increased in recent years. MCPS also receives a triennial review of its special education early childhood services programs for compliance with *Individuals with Disabilities Education Act* (IDEA) and Medicaid requirements. Federal audit results of MCPS grants have not identified any material adverse findings.

Internal Audit

- The MCPS Internal Audit Unit (IAU) conducts financial and program audits of MCPS programs and school independent activity funds. In addition, IAU conducts payroll audits of MCPS schools and offices. The IAU also monitors the external audit contract and is responsible for ensuring implementation of external audit recommendations.

FISCAL YEAR 2021 OPERATING BUDGET TIMELINE

Superintendent Presents Recommended Fiscal Year 2021 Operating Budget	December 18, 2019
Sign-up for Board of Education Public Hearings	December 2019 through January 2020
Board of Education Public Hearings	January 13 & 15, 2020
Board of Education Work Sessions	January 22 & 28, 2020
Board of Education Action	February 10, 2020
Board of Education Budget Transmittal to County Executive/Council (Required by March 1, 2020)	March 1, 2020
County Executive Submits Proposed FY 2021 Operating Budget to County Council	March 16, 2020
County Council Budget Public Hearings	April 2020
County Council Work Sessions	April–May 2020
County Council Budget Action	May 21, 2020
Final Board of Education Action to Adopt FY 2021 Operating Budget	June 11, 2020

OPERATING BUDGET DOCUMENTS

The documents listed below enable the reader to understand the MCPS budget and how resources are used.

Budget in Brief—Provides detailed summary information on the operating budget and changes proposed in the Superintendent’s Recommended Operating Budget.

Superintendent’s Recommended Operating Budget—Shows budget resources by office, department, and other units. It includes references to the units that carry out each program, describes in detail the work of each unit, shows all budget changes, and includes an overview of major functions, a glossary of budget terms, and a section describing how to understand the budget.

The Operating Budget Preliminarily Adopted by the Board of Education—Shows summary budget information, including changes to the Superintendent’s Recommended Operating Budget made by the Board of Education.

The Operating Budget Summary—Includes information based on the final budget appropriated by the County Council and adopted by the Board of Education.

Personnel Complement—Provides a detailed listing of all positions requested in the budget. The Superintendent’s Recommended Operating Budget and the Operating Budget Summary include personnel complements organized by unit, respectively.

Budgeted Staffing Guidelines—The Superintendent’s Recommended Operating Budget, and the Operating Budget Summary includes budgeted staffing guidelines for general education and special education. These guidelines govern the allocation of personnel resources by school and special education disability.

Schools at a Glance—Provides a variety of information for each school, including programs that are implemented at each school and personnel expenditures budgeted for each school. A separate document, Special Education at a Glance, is published to show special education resources at each school.

All of these publications are available on the MCPS website at www.montgomeryschoolsmd.org/departments/budget/



Maryland's Largest School District

MONTGOMERY COUNTY PUBLIC SCHOOLS

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