



The Superintendent's Recommended Operating Budget in Brief FY 2010

Montgomery County Public Schools
Rockville, Maryland

**Recommended to the
Board of Education
December 2008**

Jerry D. Weast
*Superintendent
of Schools*

**Fiscal and School
Year Ending
June 30, 2010**

*MONTGOMERY
COUNTY PUBLIC
SCHOOLS*



VISION

A high-quality education is the fundamental right of every child. All children will receive the respect, encouragement, and opportunities they need to build the knowledge, skills, and attitudes to be successful, contributing members of a global society.



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Check out the MCPS website for more detailed information about the FY 2010 Recommended Operating Budget.

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December 11, 2008

Dear Members of the Board of Education:

Each year when we develop the budget plan for the upcoming fiscal year, we are guided by the fundamental belief that we must do what is in the best interest of the children. In good economic times, we have been able to accelerate successful programs and add new ones to enhance our students' achievement. In difficult times, we work to preserve successful programs and streamline our operations to minimize impact on the classroom and to avoid compromising our progress. Unfortunately, we are now in a period of great economic challenge that will require us to make many difficult choices. Given the severity of the economic crisis, next year will not allow for any new initiatives, but rather it will require much sacrifice. I believe my recommended Fiscal Year 2010 Operating Budget charts a fiscally prudent course in these uncertain times.

Anticipating the substantial challenge that we will be facing next year, I took early action last September to enact a current year budget-savings plan that included a freeze on hiring and severe restrictions on spending. By implementing these measures early in the year, I sought to generate as much savings as possible to help the County address its budget deficit. These stringent restrictions will be critical to our FY 2010 budget, particularly given the fact that the County's projected budget deficit appears to be approaching \$500 million. Our budget restrictions for this year will generate approximately \$20 million in savings that will be available to fund the FY 2010 budget.

I am proposing for FY 2010 an absolutely bare-bones budget that would increase next year, in actual dollars, by only \$40.2 million to \$2.1 billion—or less than 2 percent above that of the current \$2.07 billion budget. There will be no new County funds needed, other than those we will save from this year. The requested increase is approximately \$136 million below the \$176 million we would have needed if we had sought just to meet the same level of services for next year, including funding for the negotiated collective bargaining agreements, enrollment growth, and inflationary costs. Given the fiscal situation, it became absolutely clear that it would not be possible to go forward with that level of request.

In order to help close the budget gap, we worked with our employee associations to renegotiate the collective bargaining agreements and came to a tentative agreement on a plan to forego the cost-of-living wage adjustments that were slated for next year. The agreements will need to be ratified by the employee association memberships and that process will take place over the next month. I know how difficult it is for employees to forego their wage increases, especially in such uncertain times. But this is the reality we are facing. I must commend the associations and their outstanding leaders for stepping forward and helping us lead the system through this financial crisis, with shared sacrifice. We enjoy a strong collaborative relationship with the associations and much of the progress we have been able to enjoy over the last 10 years is the fruit of these excellent relationships. Together, we are working to preserve jobs and minimize, to the greatest extent possible, impacts on classroom instruction. I also want to commend the leadership of the Montgomery County Council of Parent Teacher Associations (MCCPTA) for their work with us during the budget process during this difficult year. The perspective of parents during the budget process is especially important and valuable when having to make tough decisions.

My FY 2010 recommended budget of \$2.1 billion is predicated largely on the following key factors:

Revenue Assumptions:

- No new County funds for FY 2010. The only additional local funding we would anticipate is that generated from the current year's savings efforts, which will yield \$20 million.

Office of the Superintendent of Schools

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- Additional State funding of approximately \$20 million, an estimated amount based on the current funding formula and the increased student enrollment. This assumes that the Geographic Cost of Education Index (GCEI) will be fully funded, as provided under state law.

Budget Reductions and Cost-Savings Efforts:

- The elimination of \$89 million of negotiated cost-of-living wage adjustments for MCPS employees.
- Deferral of \$11 million for pre-funding health costs for future retirees.
- \$35.5 million in savings that will be achieved in FY 2010 from program eliminations or reductions, and the abolishment of approximately 280 positions.

Despite the fiscal challenge we are facing next year, I am determined to ensure that any budget reductions that are made will have the least possible impact on students and classroom instruction. My goal in formulating this budget has been to preserve those initiatives and services that are helping to raise the academic achievement level for our students. The budget that I am recommending avoids any across-the-board increase in class size, although that may not be possible if we suffer any additional loss in expected funding.

Fixed cost increases in the budget include \$26.0 million more for employee health insurance, \$20.5 million for enrollment growth (to cover costs for about 2,800 additional students over this year and next); \$19.6 million for step increases for eligible employees, and \$9.4 million for inflationary costs. Despite these \$75.5 million in additional costs, the \$35.5 million in reductions I have made allow me to limit my recommendation to the \$40 million increase.

Other items of note about our formation of this budget include the following:

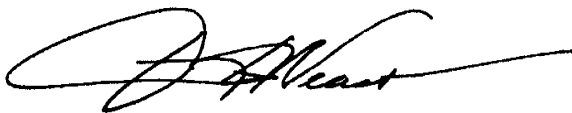
- Since FY 2001, our operating budget has included reductions totaling \$111.5 million from the base budget, making possible nearly all the funding for \$116.9 million of higher priority initiatives.
- MCPS has central administrative costs of 2 percent of the total budget, one of the lowest percentages in the state. Based on the most recent state data, if MCPS were at the state average, central administrative costs would be at least \$9 million higher.
- Approximately 30 percent of the FY 2010 reductions will come from central services functions (\$10.5 million).

This is my 10th year as superintendent, and without a doubt, this has been our most challenging budget year. I remain concerned that given the national economic downturn, we may have to make even tougher decisions in the years ahead.

What gives me the most encouragement is that our decisions are truly made in the interests of the children and the families that we are so privileged to serve. They are served by some of the finest educators and employees in America, and I appreciate the fact that our employees and their associations have worked together with us on this budget to make substantial sacrifices of their own, on behalf of the students that benefit from their excellence and dedication.

Montgomery County is a community that has always invested first in education and, in turn, in the future of our county, our state and our nation. The year ahead will challenge our resilience, but I know that with your leadership as a Board of Education and with the support of our County and State leaders, we will be able to ensure that MCPS will continue to be able to provide educational excellence for all of our students.

Respectfully,



Jerry D. Weast, Ed.D.
Superintendent of Schools

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Operating Budget in Brief**

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TABLE 1
SUMMARY OF RESOURCES
BY OBJECT OF EXPENDITURE

OBJECT OF EXPENDITURE	FY 2008 ACTUAL	FY 2009 BUDGET	FY 2009 CURRENT	FY 2010 BUDGET	FY 2010 CHANGE
POSITIONS					
Administrative	746,000	726,000	726,000	715,000	(11,000)
Business/Operations Admin.	87,500	85,500	90,000	90,000	
Professional	11,833,140	11,771,000	11,769,000	11,784,700	15,700
Supporting Services	8,212,937	8,186,986	8,182,911	8,179,903	(3,008)
TOTAL POSITIONS	20,879,577	20,769,486	20,767,911	20,769,603	1,692
01 SALARIES & WAGES					
Administrative	\$86,615,437	\$92,725,459	\$92,769,779	\$90,554,262	(\$2,215,517)
Business/Operations Admin.	2,729,598	8,007,534	8,292,586	8,546,300	253,714
Professional	853,475,595	904,915,618	904,278,836	915,037,355	10,758,519
Supporting Services	315,489,316	333,908,375	333,719,420	339,191,213	5,471,793
TOTAL POSITION DOLLARS	1,258,309,946	1,339,556,986	1,339,060,621	1,353,329,130	14,268,509
OTHER SALARIES					
Administrative	696,144	497,576	497,576	497,576	
Professional	55,072,530	58,460,340	59,016,873	56,996,253	(2,020,620)
Supporting Services	25,768,099	22,330,330	22,173,040	21,435,373	(737,667)
TOTAL OTHER SALARIES	81,536,773	81,288,246	81,687,489	78,929,202	(2,758,287)
TOTAL SALARIES AND WAGES	1,339,846,719	1,420,845,232	1,420,748,110	1,432,258,332	11,510,222
02 CONTRACTUAL SERVICES	25,643,428	28,941,062	28,918,724	25,515,318	(3,403,406)
03 SUPPLIES & MATERIALS	65,889,486	72,072,528	71,975,854	70,474,768	(1,501,086)
04 OTHER					
Staff Dev & Travel	2,793,891	3,216,741	3,797,424	3,465,427	(331,997)
Insur & Fixed Charges	414,456,159	424,741,388	424,915,086	453,447,265	28,532,179
Utilities	43,782,440	45,358,269	45,358,269	48,294,419	2,936,150
Grants & Other	57,319,348	56,161,097	55,664,224	58,263,513	2,599,289
TOTAL OTHER	518,351,838	529,477,495	529,735,003	563,470,624	33,735,621
05 EQUIPMENT	15,123,179	15,346,977	15,305,603	15,200,234	(105,369)
GRAND TOTAL AMOUNTS	\$1,964,854,650	\$2,066,683,294	\$2,066,683,294	\$2,106,919,276	\$40,235,982

TABLE 1a

**FY 2010 SUPERINTENDENT'S RECOMMENDED OPERATING BUDGET
SUMMARY OF BUDGET CHANGES**
(\$ in millions)

ITEM	AMOUNT	ITEM	AMOUNT
CURRENT FY 2009 OPERATING BUDGET (Nov. 2008)	\$ 2,066.7	INFLATION AND OTHER	
ENROLLMENT CHANGES		Utilities	3.7
Elementary/Secondary	9.5	Special Education Including Non-public Tuition	1.8
Special Education	4.3	Transportation	1.6
ESOL	1.0	Facilities/Plant Operations/Maintenance	0.3
Transportation/Food Service/Facilities/Plant Operations/C	0.9	Inflation	1.8
Benefits for Staff	3.2	Food Service	(0.1)
Subtotal	\$ 18.9	Other	0.3
		Subtotal	\$ 9.4
NEW SCHOOLS	\$ 1.6	REDUCTIONS	
		Central Services	(10.5)
EMPLOYEE SALARIES		Support Operations	(3.5)
Continuing Salary Costs	17.5	School-Based	(16.7)
Benefits for Continuing Salary Costs	2.1	Benefits	(4.8)
Subtotal	\$ 19.6	Enterprise Funds	0.2
		Subtotal	\$ (35.3)
EMPLOYEE BENEFITS AND INSURANCE		RECOMMENDED FY 2010 BUDGET	\$ 2,106.9
Employee Benefit Plan (active)	24.5	RECOMMENDED FY 2010 CHANGE	\$ 40.2
Employee Benefit Plan (retired)	(0.6)	Less Enterprise funds	(56.0)
Retirement	-	Less Grants	(75.4)
Tuition Reimbursement	0.4	SPENDING AFFORDABILITY BUDGET	\$ 1,975.5
FICA/Self-insurance/Workers' Compensation	1.7	REVENUE INCREASE BY SOURCE	
Subtotal	\$ 26.0	Local	17.7
		State	20.7
		Federal	0.4
		Enterprise	1.4
		TOTAL REVENUE INCREASE	\$ 40.2

**TABLE 2
BUDGET REVENUE BY SOURCE**

SOURCE	FY 2008 ACTUAL	FY 2009 BUDGET	FY 2009 CURRENT	FY 2010 ESTIMATED
CURRENT FUND				
From the County:	\$ 1,449,835,388	\$ 1,513,555,147	\$ 1,513,555,147	\$ 1,529,247,830
Fund Balance	7,298,453	17,927,455	17,927,455	20,000,000
Total from the County	1,457,133,841	1,531,482,602	1,531,482,602	1,549,247,830
From the State:				
Bridge to Excellence				
Foundation Grant	193,323,786	166,025,850	166,025,850	172,553,286
Supplemental Grant		10,395,191	10,395,191	
Limited English Proficient	38,023,510	42,673,715	42,673,715	45,070,400
Compensatory Education	82,533,545	85,772,752	85,772,752	89,962,263
Students with Disabilities - Formula	34,117,738	32,771,701	32,771,701	35,342,953
Students with Disabilities - Reimbursement	12,988,480	11,056,945	11,056,945	12,919,705
Transportation	30,678,135	31,481,949	31,481,949	32,796,596
Miscellaneous	467,550	750,000	750,000	750,000
Geographic Cost of Education Index		18,372,221	18,372,221	30,622,302
Programs financed through State Grants	4,314,890	1,023,000	1,023,000	1,023,000
Total from the State	396,447,634	400,323,324	400,323,324	421,040,505
From the Federal Government:				
Impact Aid	244,838	230,000	230,000	245,000
Programs financed through Federal Grants	77,083,010	64,885,337	64,885,337	65,261,799
Total from the Federal Government	77,327,848	65,115,337	65,115,337	65,506,799
From Other Sources:				
Tuition and Fees				
D.C. Welfare	294,621	200,000	200,000	250,000
Nonresident Pupils	612,068	1,000,000	1,000,000	925,000
Summer School	1,982,536	1,951,360	1,951,360	1,982,536
RICA	290,108			
Evening High School	149,717	271,724	271,724	
Outdoor Education	479,210	541,120	541,120	496,905
Student Activities Fee	795,354	955,000	955,000	795,000
Hospital Teaching	202,197	224,441	224,441	240,127
Miscellaneous	1,821,516	800,000	800,000	1,300,000
Programs financed through Private Grants	791,135	9,084,573	9,084,573	8,991,083
Total from Other Sources	7,418,462	15,028,218	15,028,218	14,980,651
Total Current Fund	1,938,327,785	2,011,949,481	2,011,949,481	2,050,775,785
ENTERPRISE & SPECIAL FUNDS				
School Food Service Fund:				
State	1,010,545	1,049,308	1,049,308	1,067,287
National School Lunch, Special Milk and Free Lunch Programs	16,424,050	17,533,426	17,533,426	18,746,883
Child Care Food Program		600,000	600,000	700,000
Sale of Meals and other	22,815,408	27,658,410	27,658,410	27,307,802
Total School Food Service Fund	40,250,003	46,841,144	46,841,144	47,821,972

**TABLE 2
BUDGET REVENUE BY SOURCE**

SOURCE	FY 2008 ACTUAL	FY 2009 BUDGET	FY 2009 CURRENT	FY 2010 ESTIMATED
Real Estate Management Fund:				
Rental fees	2,765,022	2,549,103	2,549,103	2,651,095
Total Real Estate Management Fund	2,765,022	2,549,103	2,549,103	2,651,095
Field Trip Fund:				
Fees	1,722,208	2,199,661	2,199,661	2,314,716
Total Field Trip Fund	1,722,208	2,199,661	2,199,661	2,314,716
Entrepreneurial Activities Fund:				
Fees	1,866,786	1,561,075	1,561,075	1,774,100
Total Entrepreneurial Activities Fund	1,866,786	1,561,075	1,561,075	1,774,100
Total Enterprise Funds	46,604,019	53,150,983	53,150,983	54,561,883
Instructional Television Special Revenue Fund:				
Cable Television Plan	1,521,000	1,582,830	1,582,830	1,581,608
Total Instructional Special Revenue Fund	1,521,000	1,582,830	1,582,830	1,581,608
GRAND TOTAL	\$1,986,452,804	\$2,066,683,294	\$2,066,683,294	\$2,106,919,276

Tax - Supported Budget	FY 2008 ACTUAL	FY 2009 BUDGET	FY 2009 CURRENT	FY 2010 ESTIMATED
Grand Total	\$1,986,452,804	\$2,066,683,294	\$2,066,683,294	\$2,106,919,276
Less:				
Grants	(82,189,035)	(74,992,910)	(74,992,910)	(75,275,882)
Enterprise Funds	(46,604,019)	(53,150,983)	(53,150,983)	(54,561,883)
Special Revenue Fund	(1,521,000)	(1,582,830)	(1,582,830)	(1,581,608)
Grand Total - Tax-Supported Budget	\$1,856,138,750	\$1,936,956,571	\$1,936,956,571	\$1,975,499,903

Notes:

The Adult Education Fund was created effective July 1, 1991, but was discontinued effective July 1, 2006, because the program was transferred to Montgomery College and the Montgomery County Department of Recreation. The Real Estate Management Fund was created effective 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 effective July 1, 2000.

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

Program Name and Source of Funding	FY 2008 ACTUAL	FY 2009 BUDGET	FY 2009 CURRENT	FY 2010 ESTIMATED
<u>Budgeted</u>				
FEDERAL AID: NO CHILD LEFT BEHIND (NCLB)				
Title I - A (941/949)	\$ 24,612,251	\$ 20,068,813	\$ 20,048,923	\$ 19,466,779
Title I - D				
Neglected and Delinquent Youth (937)	146,225	135,246	114,051	114,051
	24,758,476	20,204,059	20,162,974	19,580,830
Title II - A				
Skillful Teacher Program (915)	538,736	604,923	604,923	604,923
Consulting Teachers (961)	4,344,816	3,676,426	3,672,598	3,672,598
Reduced Class Size (998)	4,447			
Title II - D				
Enhancing Education through Technology (918)	395,674	182,238	183,272	183,272
	5,283,673	4,463,587	4,460,793	4,460,793
Title III				
Limited English Proficiency (927)	3,547,933	3,521,667	3,207,854	3,207,854
Title IV				
Safe & Drug Free Schools & Communities Act (926)	427,675	473,615	473,615	475,361
Title V				
Innovative Educational Programs (997)	205,147			
Title VII				
American Indian Education (903)	15,320	22,290	22,290	22,290
SUBTOTAL	34,238,224	28,685,218	28,327,526	27,747,128
OTHER FEDERAL, STATE, AND LOCAL AID				
Aging Schools (972)				
State	558,126	1,023,000	1,023,000	1,023,000
Head Start Child Development (932)				
Federal	3,268,873	3,268,873	3,268,873	3,268,873
Individuals with Disabilities Education (913/964/965/966/967)				
Federal	25,843,503	28,416,313	27,672,924	27,672,924
Infants and Toddlers (930)				
Federal	748,675	749,416	875,847	937,156
Medical Assistance Program (939)				
Federal	2,956,130	2,649,600	3,617,042	4,519,801
Provision for Future Supported Projects (999)				
Other	11,696,406	9,084,573	9,084,573	8,991,083
Carl D. Perkins Career & Technical Ed. Improvement (951)				
Federal	1,721,637	1,115,917	1,115,917	1,115,917
County	108,969	377,331	363,135	379,794
	1,830,606	1,493,248	1,479,052	1,495,711
SUBTOTAL	46,902,319	46,685,023	47,021,311	47,908,548
TOTAL	\$ 81,140,543	\$ 75,370,241	\$ 75,348,837	\$ 75,655,676

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

Program Name and Source of Funding	FY 2008 ACTUAL	FY 2009 BUDGET	FY 2009 CURRENT	FY 2010 ESTIMATED
<u>Summary of Funding Sources</u>				
Federal	\$ 68,777,042	\$ 64,885,337	\$ 64,878,129	\$ 65,261,799
State	558,126	1,023,000	1,023,000	1,023,000
County	108,969	377,331	363,135	379,794
Other	11,696,406	9,084,573	9,084,573	8,991,083
GRAND TOTAL	\$ 81,140,543	\$ 75,370,241	\$ 75,348,837	\$ 75,655,676

FOR INFORMATION ONLY				
Non-budgeted Grant Programs as of November 2008 (Continuation of programs dependent upon grantor funding)				
21st Century Community Learning Centers			\$ 268,706	
Laboratory to Classroom			286,899	
Perkins Reserve Fund Grant			48,926	
Learn and Serve			15,000	
Homeless Education Grant			75,000	
IDEA - Disproportionality PBIS			38,000	
IDEA - School-age Least Restrictive Environment (LRE)			36,000	
IDEA - Ait/MSA			15,000	
IDEA - Transition Drop-out Grad Gap			38,602	
IDEA - AYP			132,263	
Reading First			1,365,019	
Ambassadors Invested in Mentorship			154,259	
SUBTOTAL FEDERAL FUNDING			2,473,674	
Judith Hoyer Childcare & Education-Silver Spring Center			202,988	
Judith Hoyer Childcare & Education-Gaithersburg Center			322,000	
Maryland K12 Digital Library			293,075	
Chess Grants			28,839	
Tobacco Prevention			76,000	
Maryland Model for School Readiness (MMSR) Program			105,028	
Fine Arts Initiative			173,040	
SUBTOTAL STATE FUNDING			1,200,970	
Defined Contribution Website			29,911	
SUBTOTAL OTHER			29,911	
TOTAL			\$ 3,704,555	

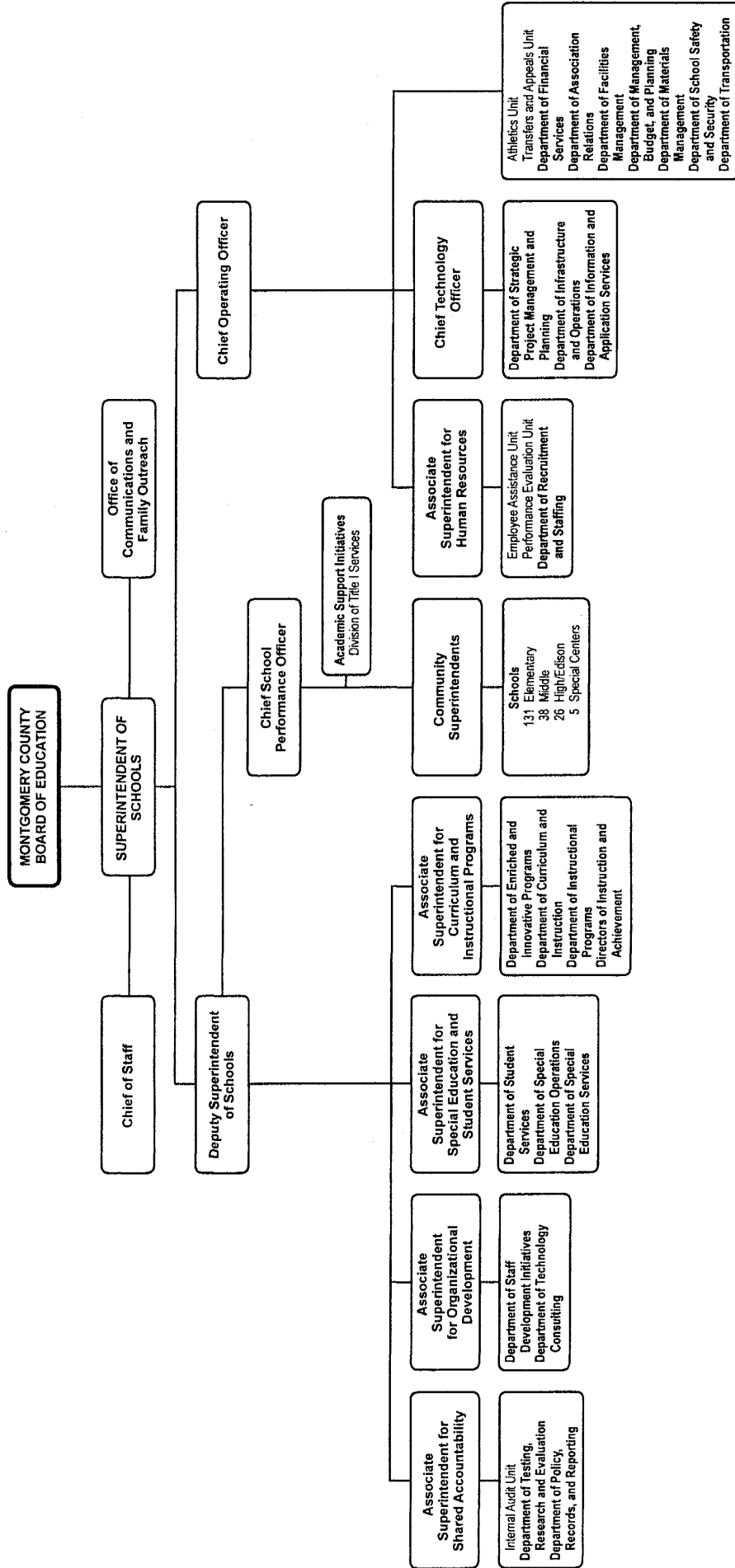
**TABLE 4
SUMMARY OF STUDENT ENROLLMENT - FY 2007 THROUGH FY 2010**

DESCRIPTION	(1)	(2)	(3)	(4)	(5)	CHANGE	
	FY 2007	FY 2008	FY 2009	FY 2009	FY 2010	COLUMN (5) LESS	
	ACTUAL	ACTUAL	ACTUAL	PROJECTED	PROJECTED	COLUMN (4)	
	9/30/2006	9/30/2007	9/30/2008	9/30/2008	9/30/2008	#	%
REGULAR INSTRUCTION							
PRE-KINDERGARTEN	1,828	1,833	1,878	1,885	1,905	20	1.1
HEAD START	584	599	618	599	618	19	3.2
KINDERGARTEN	8,951	9,524	10,030	9,766	10,025	259	2.7
GRADES 1-5	47,122	46,908	48,050	47,090	49,239	2,149	4.6
SUBTOTAL ELEMENTARY	58,485	58,864	60,576	59,340	61,787	2,447	4.2
GRADES 6-8	28,556	28,498	28,439	27,812	28,182	370	1.3
SUBTOTAL MIDDLE	28,556	28,498	28,439	27,812	28,182	370	1.3
GRADES 9-12	41,470	41,116	41,356	40,710	40,949	239	0.6
SUBTOTAL HIGH	41,470	41,116	41,356	40,710	40,949	239	0.6
SUBTOTAL REGULAR	128,511	128,478	130,371	127,862	130,918	3,056	2.4
SPECIAL EDUCATION							
SPECIAL CLASSES:							
ELEMENTARY SCHOOLS	2,742	2,750	2,712	2,862	2,822	(40)	(1.5)
MIDDLE SCHOOLS	2,493	2,413	2,432	2,026	1,953	(73)	(3.0)
HIGH SCHOOLS	3,069	3,179	2,928	3,713	3,653	(60)	(1.9)
SPECIAL SCHOOLS	584	511	462	705	679	(26)	(5.1)
SUBTOTAL SPECIAL EDUCATION	8,888	8,853	8,534	9,306	9,107	(199)	(2.2)
ALTERNATIVE PROGRAMS	203	195	175	300	225	(75)	(36.9)
GATEWAY TO COLLEGE (a)	196	219	196	295	250	(45)	(20.5)
GRAND TOTAL	137,798	137,745	139,276	137,763	140,500	2,737	2.0

SOURCE: Projected enrollment by the Department of Planning and Capital Programming.

(a) Gateway to College program began in school year 2005 - 06.

MONTGOMERY COUNTY PUBLIC SCHOOLS FY 2010 ORGANIZATION



SUMMARY OF NEGOTIATIONS

In March 2007, the Board of Education reached a three-year contract with the Montgomery County Education Association (MCEA) that expired on June 30, 2010. The parties agreed to reopen negotiations during the fall of 2008 because of the adverse economic conditions and projected budget shortfalls. Negotiations resulted in extension of the agreement for four years, expiring June 30, 2014. The extension of the Agreement is subject to ratification by the Board of Education and the Association membership during January 2009.

In March 2007, MCPS completed negotiations with SEIU Local 500, representing supporting services employees, on a three-year contract that was effective July 1, 2007, and expired on June 30, 2010. The parties agreed to reopen negotiations during the fall of 2008 because of the adverse economic conditions and projected budget shortfalls. Negotiations resulted in extension of the agreement for four years, expiring June 30, 2014. The extension of the Agreement is subject to ratification by the Board of Education and the Association membership during January 2009.

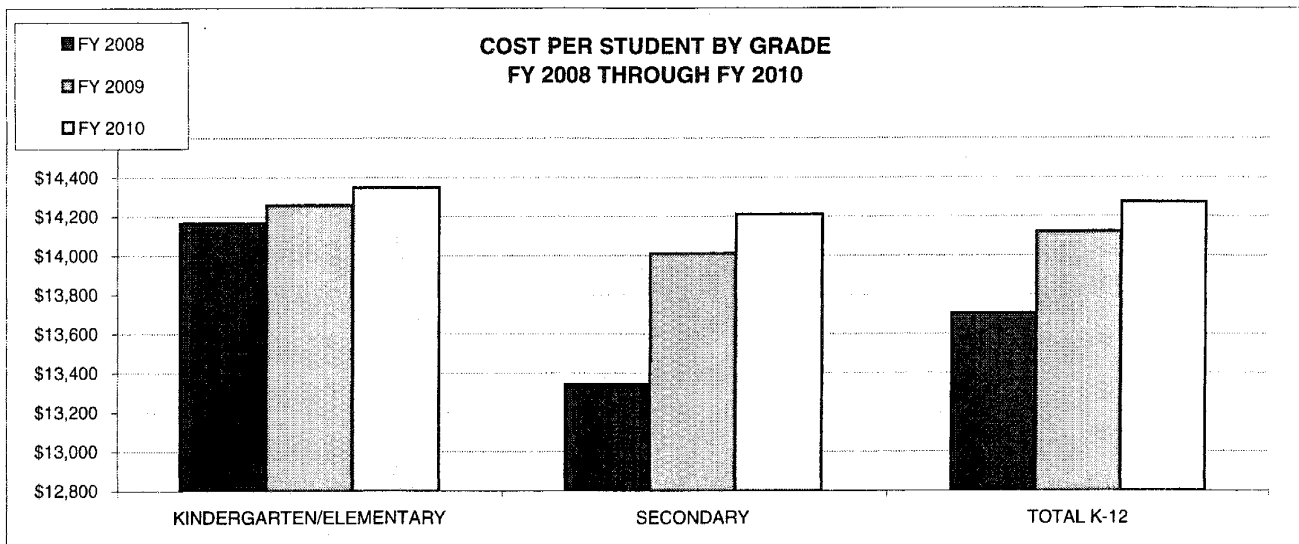
In June 2006, MCPS completed negotiations with the Montgomery County Association of Administrative and Supervisory Personnel (MCAASP) on a three-year contract that took effect July 1, 2006, and was scheduled to run through June 30, 2009. The agreement provided for reopened negotiations for salary and benefits for the second and third years of the agreement. As a result of those negotiations the Agreement was extended by one year, through June 30, 2010. The parties agreed to reopen negotiations during the fall of 2008 because of the adverse economic conditions and projected budget shortfalls. Negotiations resulted in extension of the agreement for four years, expiring June 30, 2014. The extension of the Agreement is subject to ratification by the Board of Education and the Association membership during January 2009.

In January 2007, MCPS completed negotiations with the Montgomery County Association of Administrative and Supervisory Personnel representing the Montgomery County Business and Operations Administrators (MCAASP/MCBOA) on a 2.5-year contract that took effect February 1, 2008, and was scheduled to run through June 30, 2010. The parties agreed to reopen negotiations during the fall of 2008 because of the adverse economic conditions and projected budget shortfalls. Negotiations resulted in extension of the agreement for four years, expiring June 30, 2014. The extension of the Agreement is subject to ratification by the Board of Education and the Association membership during January 2009.

During the fall of 2008, the three bargaining groups agreed to participate in joint negotiations regarding salaries and benefits for FY 2010. Agreement was reached with the three groups to defer the scheduled cost-of-living adjustments of 5.3 percent and additional salary-related improvements. The agreements result in a proposal to continue the 2008-2009 salary schedules through the 2009-2010 school years. The agreement is subject to ratification by the Board of Education and the unions during January 2009. The proposed budget does not contain funds for cost-of-living increases in anticipation of ratification of the tentative agreements.

COST PER STUDENT BY GRADE SPAN

	KINDERGARTEN/ ELEMENTARY	SECONDARY	TOTAL K-12	AMOUNT EXCLUDED*	TOTAL BUDGET**
FY 2008 ACTUAL					
EXPENDITURES	\$838,367,855	\$1,012,974,855	\$1,851,342,710	\$133,674,909	\$1,985,017,619
STUDENTS 9/30/07 (ACTUAL)	59,182	75,912	135,094		
COST PER STUDENT	\$14,166	\$13,344	\$13,704		
FY 2009 BUDGET					
EXPENDITURES	\$866,874,390	\$1,061,931,328	\$1,928,805,718	\$137,877,576	\$2,066,683,294
STUDENTS 9/30/08 (CURRENT)	60,792	75,792	136,584		
COST PER STUDENT	\$14,260	\$14,011	\$14,122		
FY 2010 BUDGET					
EXPENDITURES	\$890,880,028	\$1,074,925,715	\$1,965,805,743	\$141,113,533	\$2,106,919,276
STUDENTS 9/30/09 (PROJECTED)	62,086	75,641	137,727		
COST PER STUDENT	\$14,349	\$14,211	\$14,273		



Notes:

* SUMMER SCHOOL, COMMUNITY SERVICES, TUITION FOR STUDENTS WITH DISABILITIES IN PRIVATE PLACEMENT, AND ENTERPRISE FUND ACCOUNTS ARE EXCLUDED FROM COST OF REGULAR DAY SCHOOL OPERATIONS

** FY 2009 FIGURES REFLECT CURRENT APPROVED BUDGET.

EXPENDITURES BY STATE BUDGET CATEGORY

State Budget Category	Actual FY 2008	Budget FY 2009	Budget FY 2010	Percent Change	Percent of Total
Instruction:					
2 - Mid-Level Administration	\$ 127,865,428	\$ 135,954,968	\$ 135,191,093	-0.6%	6.4%
3 - Instructional Salaries	802,012,325	840,528,178	849,721,014	1.1%	40.3%
4 - Textbook and Instructional Supplies	28,979,580	31,636,789	31,416,597	-0.7%	1.5%
5 - Other Instructional Costs	17,871,287	17,985,510	15,306,478	-14.9%	0.7%
6 - Special Education	245,326,661	267,556,882	270,585,313	1.1%	12.8%
Subtotal	1,222,055,281	1,293,662,327	1,302,220,495	0.7%	61.8%
School and Student Services:					
7 - Student Personnel Services	11,049,383	11,645,960	11,153,748	-4.2%	0.5%
8 - Health Services	31,569	57,502	41,002	-28.7%	0.0%
9 - Student Transportation	88,019,432	91,979,938	92,752,198	0.8%	4.4%
10 - Operation of Plant and Equipment	111,509,414	114,803,881	118,534,406	3.2%	5.6%
11 - Maintenance of Plant	31,179,840	34,902,737	34,961,236	0.2%	1.7%
Subtotal	241,789,638	253,390,018	257,442,590	1.6%	12.2%
Other:					
12 - Fixed Charges	411,425,696	420,660,346	449,223,828	6.8%	21.3%
1 - Administration	40,617,322	44,028,295	41,680,377	-5.3%	2.0%
14 - Community Services	353,674	208,495	208,495	0.0%	0.0%
Subtotal	452,396,692	464,897,136	491,112,700	5.6%	23.3%
TOTAL GENERAL FUND	\$ 1,916,241,611	\$ 2,011,949,481	\$ 2,050,775,785	1.9%	97.3%
Special and Enterprise Funds:					
37 - Instructional Television Special Revenue Fund	1,526,730	1,582,830	1,581,608	-0.1%	0.1%
51 - Real Estate Fund	2,279,605	2,549,103	2,651,095	4.0%	0.1%
61 - Food Services Fund	41,456,404	46,841,144	47,821,972	2.1%	2.3%
71 - Field Trip Fund	1,788,471	2,199,661	2,314,716	5.2%	0.1%
81 - Entrepreneurial Fund	1,561,829	1,561,075	1,774,100	13.6%	0.1%
TOTAL SPECIAL AND ENTERPRISE FUNDS	\$ 48,613,039	\$ 54,733,813	\$ 56,143,491	2.6%	2.7%
TOTAL EXPENDITURES	\$ 1,964,854,650	\$ 2,066,683,294	\$ 2,106,919,276	1.9%	100.0%

Montgomery County Public Schools

FY 2010 OPERATING BUDGET

Operating Budget Summary

The superintendent's FY 2010 Recommended Operating Budget for the Montgomery County Public Schools (MCPS) totals \$2,106,919,276. This is an increase of \$40,235,982 (1.9 percent) more than the current FY 2009 Operating Budget of \$2,066,683,294. Excluding grants and enterprise funds, the superintendent's budget recommendation for the purpose of spending affordability is \$1,975,499,903. This is \$38,543,332 (2.0 percent) more than the current FY 2009 Operating Budget of \$1,936,956,571.

Below are details of major elements that will change the MCPS operating budget in FY 2010.

Expenditures

The FY 2010 Operating Budget includes increases of a net \$20.5 million in operating costs for growth in student enrollment and the effect of new schools, \$45.6 million in compensation changes in salaries and employee benefits, and \$9.4 million for inflationary increases and other required expenditures.

The budget includes \$35,534,066 in reductions. Because of fiscal constraints, the budget does not include any increase to advance improvement initiatives to improve student achievement. However, the reductions do not include an across-the-board increase in class size at any school level.

Following are the major factors responsible for an increase in expenditures:

Enrollment Growth and New Schools – The cost of enrollment growth of 2,737 additional students and the effect of new schools add a net of \$20.5 million to the FY 2010 Operating Budget.

Employee Salaries – Continuing salary costs for existing employees and related benefits increase the budget by \$19.6 million, but there is no general wage adjustment. After renegotiations, the employee unions and the Board of Education have tentatively agreed to forego a general wage adjustment.

Employee Benefits and Insurance – There is an increase of \$26.0 million for benefits for existing and retired employees, including health and life insurance for active employees and retirees, retirement, social security, self-insurance costs, and tuition reimbursement.

Inflation and Other Changes – The effects of inflation and other cost increases required to maintain current service levels add \$9.4 million to the budget.

Retiree Health Benefits – The operating budget does not include any increase to the \$18.2 million currently budgeted as part of pre-funding Other Post Employment Benefits

(OPEB) to safeguard future retiree health and life insurance benefits. The plan calls for pre-funding over an eight-year period.

Reductions and Realignments

There is a total of \$35.5 million in savings and efficiencies and program reductions in the base budget (1.7 percent of the total budget). Reductions include:

- \$10.5 million (30 percent of the total reductions) and 70.5 FTE positions in central services;
- \$3.5 million (10 percent) and 10.0 positions in support operations;
- \$16.7 million (47 percent), including 197.5 positions in school-based resources; and
- \$4.8 million (13 percent) in systemwide employee benefits.

Over two years 122.8 positions and \$18.3 million (13 percent of the total for central services) have been reduced from central services. Existing resources also are redirected to higher priorities through realignments, which include a total of \$4.5 million realigned between units and other resources realigned within units.

Initiatives

Due to fiscal constraints, the FY 2010 operating budget does not include any new or expanded initiatives based on the MCPS strategic plan. The Budget in Brief describes \$22.6 million of targeted multiyear improvement initiatives that will be added to the budget during FY 2011 through FY 2013 as resources permit. These multiyear initiatives, described in detail elsewhere in this document, include \$10.8 million for middle school programs, \$2.7 million for elementary schools, \$6.8 million for special education improvements, \$0.5 million for parent outreach, and \$1.8 million for other programs serving all school levels.

Revenue

The FY 2010 Recommended Operating Budget will require 74 percent from local county contribution, an increase of \$17.7 million (1.2 percent), all from identified MCPS FY 2009 savings. The budget also requires 20 percent from the state of Maryland (an increase of \$20.7 million), 3 percent from the federal government (an increase of \$0.4 million), and 3 percent from enterprise fund activities and all other sources (an increase of \$1.4 million).

- The recommended operating budget anticipates an increase of \$20.7 million in state aid, including \$12.2 million related to the full phase-in of the Geographic Cost of Education Index (GCEI) adjustment of basic state aid. The General Assembly enacted the GCEI beginning for FY 2009, but this aid is not mandated and depends on discretionary funding in the Governor's budget.
- Based on preliminary data, federal aid will increase by \$0.4 million. The United States Congress has not yet approved federal appropriations that will affect the MCPS budget for FY 2010.

- Enterprise fund and other revenue are expected to increase by \$1.4 million.
- A local contribution increase of \$17.7 million is required. Montgomery County provides 74 percent of MCPS total resources, higher than the percentage paid by any other county in Maryland. The increased local contribution will come entirely from savings identified by MCPS in FY 2009. A hiring freeze and comprehensive expenditure restrictions were implemented in September 2008 to identify resources to help fund the FY 2010 budget.

Montgomery County Public Schools

Operating Budget Alignment with the Strategic Plan and Fiscal Challenges

The operating budget is aligned with the Montgomery County Public Schools strategic plan: *Our Call to Action: Pursuit of Excellence*. Budget resources are prioritized to advance major strategic initiatives to improve student performance and close the achievement gap. MCPS uses the Malcolm Baldrige Education Criteria for Performance Excellence as a management system to ensure alignment with the strategic plan, including the involvement of major stakeholders to set priorities and monitor progress based on identified measures. The Board of Education makes budget decisions based on its established academic priorities.

During the past eight years, major strategic initiatives included the following:

- Early childhood
- Staff development and training
- Class size reduction
- Curriculum and Assessment
- Technology
- Other School Organization and Improvement
- Other

In addition, zero-based budgeting procedures are used to evaluate all expenditures each year to be sure that they are used for the highest priority needs. Offices must justify all expenditures each year.

The operating budget includes major performance measurements for each unit. Performance measures identify outcomes resulting from the use of budgeted resources, concentrating on the impact on academic priorities and support functions.

The Program Budget issued at the same time as the traditional “management” budget also addresses alignment with the strategic plan by showing links between strategic initiatives and individual programs. This enables the public to identify the total resources used for each program regardless of what units in the school system manage resources dedicated to any program.

Fiscal Challenges

Unprecedented fiscal challenges may affect the pace of progress in implementing strategic initiatives. Fiscal constraints have necessitated slowing down the roll-out of new initiatives until sufficient resources are available.

Available revenues have increased more slowly than in previous years because:

State aid under the Bridge to Excellence in Public Schools Act (Thornton) was fully implemented in FY 2008 with only inflationary adjustments for future years. The state legislature suspended the inflationary adjustment until FY 2011.

The state has not fully implemented the Geographic Cost of Education Index (GCEI) which promised to adjust basic state aid for the higher cost in Montgomery County and other districts.

Federal grant revenue has begun to decline as the U. S. Congress failed to provide expected aid under the No Child Left Behind (NCLB) Act. Other priorities have limited the amount available for education aid.

The national economic downturn has reduced estimates of local tax revenue available from income taxes, property taxes, and other local tax sources. Expectations of limited revenue have compelled county agencies to freeze hiring and limit other expenditures.

Although revenue growth has slowed, MCPS costs have continued to increase:

Enrollment has increased by more than 1,500 students this year, with projections for another 1,200 students in FY 2010. The number of students eligible for Free and Reduced-price Meals (FARMS) has increased by more than 5,000 in the last two years, and the number of ESOL students has increased by more than 1,500.

There is a need to provide competitive salaries for teachers and other staff. A general wage adjustment and other negotiated changes would have added \$89 million to the FY 2010 budget if implemented.

Other costs have increased more rapidly than general inflation, including textbooks and other instructional materials, employee benefits, special education, bus fuel, and cafeteria food. These increases are described in detail elsewhere in this document.

Federal and state mandates require additional expenditures without additional revenue. The mandates include testing requirements, environmental regulations, and transportation facilities.

Montgomery County Public Schools

FY 2010 OPERATING BUDGET

Initiatives for Academic Achievement

The Montgomery County Public Schools (MCPS) strategic plan: *Our Call to Action: Pursuit of Excellence*, most recently approved by the Board of Education in July 2008, sets out the goals and strategies that guide the shaping of the operating budget. During the last nine years, MCPS has implemented \$116.9 million of new initiatives based on the strategic plan to provide direct support for school improvement. Fiscal constraints make it impossible to expand these initiatives or begin other programs that could advance strategic plan goals at this time. Nevertheless, the goals and strategies remain crucial to raising the bar and closing the achievement gap for all students. Progress in achieving these goals will continue using the resources already allocated to improvement strategies and redirecting existing resources to high priority strategies that have proven most effective. As resources become available, new initiatives will enable progress on the strategic plan to continue. Below are details of the future initiatives totaling \$21,820,614 expected to be implemented through FY 2013 as sufficient resources become available.

Improving Middle Schools

Middle School Reform

The FY 2009 budget continued the expansion of a comprehensive middle school reform strategy to improve teaching and learning in middle schools. Phase II added six schools in full implementation and four schools in partial implementation to the five schools begun in Phase I in FY 2008. The goal is to engage all students in challenging and exciting academic programs taught by teachers expert in content fields and knowledgeable about how to engage middle school children.

In FY 2008, five middle schools did not make Adequate Yearly progress (AYP) compared to 11 schools in FY 2007. Despite this progress, comprehensive reform efforts are needed to make a significant difference in raising the bar and reducing the achievement gap in middle schools. This initiative adds the 23 additional schools with 70.2 positions and a cost of \$10,436,236.

The initiative would expand the same model used in schools with full implementation. It includes a 1.0 middle school team leader position, 1.4 teacher positions for literacy coaches and math content specialists, and a 0.2 ELO coordinator at each school. The initiative includes strengthening of leadership and professional development by adding literacy coaches, math content specialists, and team leaders, both through new resources and redirecting existing resources. The model also includes professional part-time salaries for cohort collaborative work among staff, supporting services part-time salaries, staff training on cross-cultural communication strategies, study circles, instructional materials,

transportation for ELO events, and related employee benefits. Other existing resources will be allocated within the training plan in the Office of Organizational Development for staff training. Staff resources also will be used to evaluate progress in achieving goals of the reform effort.

The initiative includes training for leadership teams through the Professional Learning Communities Institute and additional time for training and collaboration among cohorts of teachers and support professionals during the initial years of the initiative in a school. The middle school initiative also adds targeted interventions to help students who need extra support, including Read 180, technology, extended-day and extended-year programs, and outreach to parents.

Expansion of MSMC to Other Middle Schools

The Middle School Magnet Consortium federal grant has provided an opportunity to develop new course offerings that are successfully engaging students in rigorous and creative learning. These successful programs, including 31 new courses, are being expanded to other middle schools beginning with schools in the middle school reform program. This initiative also includes expansion of the popular Lights, Camera, Literacy (LCL) program to integrate technology and literacy. The expanded courses will be offered in all middle schools over the next two or three years. The initiative includes \$761,996, including new textbooks, instructional supplies, computer equipment, and software.

Special Education

Middle school improvement also includes the expansion of hours-based staffing for special education, which is discussed below.

Elementary Schools

Elementary School Assistant Principals

In FY 2007 and FY 2008, 30 additional elementary schools received assistant principals as part of a multiyear commitment by the Board of Education to have an assistant principal at each elementary school. An additional 20 assistant principals are needed to complete the initiative. Assistant principals enable the principal to focus on instructional leadership, have increased time with teachers and students, build relationships with parents, and contribute to a safe and secure educational environment for student success. The cost of these 20 additional elementary assistant principals is \$2,333,614.

Addressing the Needs of Special Populations

Previous initiatives in the area of special education have totaled \$10,968,682, including hours-based staffing, promotion of the Least Restrictive Environment (LRE), intensive reading support, improved psychological services, and efforts to reduce disproportionate

identification of African American students for special education. The cost of these initiatives in this multiyear plan total \$6,817,592.

Hours-based Staffing in Special Education

Three years ago, MCPS began the hours-based staffing initiative to improve staffing at secondary schools, with a priority for schools that were not making Adequate Yearly Progress (AYP) for special education students. Under this program, additional staffing is allocated to schools based on the hours of service provided to students with disabilities. The existing 16 schools in the program included 64.6 positions at a cost of \$3,265,894.

The multiyear initiative envisions expanding the program by five middle schools annually in FY 2011-FY 2013, including a total of 15.0 teachers and 15.0 paraeducators at a cost of \$2,193,921. Each middle school's staffing allocation will be determined by reviewing the Encore student data report, which provides the total number of services hours required at each school. The model applies to students receiving learning and academic disabilities (LAD) or resource services. The goal is to increase the number of students participating in the general education environment. The additional resources support students in a wide range of general education classes. Meanwhile the Office of Special Education and Student Services, in conjunction with the Office of Shared Accountability, continues to evaluate the success of hours-based staffing in contributing to student success.

Home School Model

MCPS is mandated under federal and state law to provide special education students with program in the Least Restrictive Environment (LRE) appropriate for each student. The Home School Model is a collaborative approach that seeks to provide services in the home school rather than send students to self-contained programs in other schools. Between FY 2006 and FY 2008, the home school model was implemented at 60 elementary schools in the Gaithersburg, Bethesda-Chevy Chase, Clarksburg, Damascus, Northwest, Poolesville, Seneca Valley, and Sherwood high school clusters and in the schools of the Downcounty Consortium and the Northeast Consortium. The multiyear initiative will expand the Home School Model to thirty additional schools in six additional high school clusters by adding 46.9 positions at a cost of \$3,445,994.

Least Restrictive Environment

In previous years, initiatives to support special education students in the least restrictive environment added 46.4 positions at a cost of \$2,154,849, including 6.0 itinerant resource teachers. This has proved highly successful in providing schools with math and reading interventions and professional development. This multiyear initiative would support that effort by adding 6.0 special education itinerant resource teachers and 6.0 itinerant paraeducator positions at a cost of \$899,904. These positions will work directly with students and teachers to facilitate the inclusion of special education students to access the general education curriculum and enable more students to achieve proficient or advanced levels on state tests.

Psychologists

School psychologists have assignments of two to four schools each, with a caseload averaging 2,600 students. The demand for preventive services and interventions that support classroom education has increased annually. Current caseloads provide obstacles to effective early intervention and preventive direct services to students. This multiyear initiative would add 3.0 psychologists at a cost of \$277,773 to improve support to all schools by reducing caseloads.

Truancy and Dropout Prevention

The demand for preventive services and interventions to address truancy and dropout prevention is growing annually. Pupil personnel workers (PPWs) work with schools, families, students, and community organizations to address their problems. Currently, each PPW serves an average of 2,978 students. This average caseload prevents the most effective preventive and intervention strategies from being fully successful. Previous initiatives have added 6.0 pupil personnel workers at a cost of \$392,178. This multiyear initiative would add an additional 3.0 PPWs at a cost of \$277,773 to focus on preventing truancy and dropouts and to collaborate with schoolwide programs such as Positive Behavioral Interventions and Supports (PBIS) and the collaborative problem solving process.

Positive Behavior Interventions and Supports (PBIS)

PBIS is a framework for establishing a positive school climate through clearly taught and consistently implemented behavioral expectations that lead to a reduction in discipline referrals and suspensions. It addresses the problem of disproportionate suspension rates of African American and Hispanic students and the disproportionate referrals for special education services. Training of school staffs is conducted by the Maryland State Department of Education. This initiative previously cost \$173,862 to support training for staff at 48 schools. The future initiative will expand the program to an additional 30 schools at a cost of \$145,812.

Alternative Programs (Randolph Academy)

The Randolph Academy is an alternative school program that serves high school students in lieu of expulsion. The program has been only a half-day program, but a full-day program is necessary to enable students to complete additional credit courses and return to a comprehensive high school. This multiyear initiative would add 2.0 classroom teacher positions at a cost of \$125,987 to permit a full-day program.

Accelerated and Enriched Instruction

Previous initiatives to advance accelerated and enriched instruction have included programs to expand magnet, International Baccalaureate, and highly gifted programs at a cost of \$1,765,848. The multiyear initiative plan includes \$80,994.

Laboratory for Experiential Education and Design (LEED)

The Laboratory for Experiential Education and Design (LEED) is a student-directed engineering and design program focusing on transdisciplinary problem identification, analysis, and solution. Working in partnership with the University of Maryland Shady Grove (USG) and Montgomery College, Wootton High School has begun to locate LEED classes at USG. This program has been funded by a grant from the Maryland State Department of Education (MSDE) that expires this year. The multiyear initiative would continue this program by supporting a classroom teacher position and instructional materials at a cost of \$80,994.

Shared Accountability

Previous initiatives to strengthen shared accountability have added 7.0 evaluation positions and a total cost of \$548,387. Evaluation findings assist MCPS leadership to make data-driven decisions regarding the expansion, continuation, or elimination of various initiatives or programs. Evaluation is also a key component of federal and private grants that provide additional non-tax resources to the school system. Grantors require rigorous evaluations. Dissemination of evaluation findings helps all schools and programs to make better use of taxpayer resources. Recent evaluations have reviewed and changed the Middle School Reform program, reading initiatives, extended year programs, full-day Head Start, Study Circles, and the Collaborative Action process. Program evaluation pays for itself through the more effective use of available resources. This multiyear initiative would increase the capacity for program evaluation from 5.0 evaluation specialists, including one funded by Title I, to 7.0 specialist positions at a cost of \$185,183.

Strengthening Productive Partnerships for Education

Previous initiatives to strengthen productive partnerships for education have included translation services (\$1.1 million), ESOL parent outreach (\$0.5 million), and partnerships with Montgomery College (\$1.0 million) for a total cost of \$2,619,694.

Parent Community Outreach Coordinators

School success requires active parent involvement in their child's education. Parent community coordinators engage families in supporting their children's education at home, provide parents with specific knowledge about the school system, promote positive relationships between teachers and parents, and coordinate volunteer and community programs directly linked to student learning. Currently, there are only 13.9 parent community coordinators, so many schools have limited access to these services. This initiative would add 6.0 centrally allocated school-based parent community coordinators at a cost of \$470,244. Each coordinator will serve 3 to 4 schools and be available at each school at least one day per week to maintain ongoing contact with staff and parents. School assignments will be coordinated with other parent community coordinators to

reach schools with the greatest needs. Many of the new parent community coordinators are expected to be bilingual. The program will be carefully evaluated to identify strategies that have the greatest impact on student achievement results.

Creating a Postiive Work Environment

Previous initiatives to create a positive work environment by strengthening the capacity of staff include staff development teachers at all schools, the professional growth systems, consulting teachers, curriculum training, leadership development, supporting services training, diversity training, and the Professional Learning Communities Institute. The cost of these initiatives totals \$14,191,174. This multiyear initiatives will add 2.0 positions and a total cost of \$185,183.

Diversity Training

The Equity Training and Development Team in the office of organization Development provides support to schools and offices to ensure that education in MCPS is equitable and that student achievement is not predictable by race. The team currently is composed of a director and four instructional specialists. The demands for their services are far greater than the existing capacity. This initiative would address this urgent need by adding 2.0 instructional specialist positions at a cost of \$185,183. The success of this program is evaluated by a review of implementation of diversity strategies and beliefs and by progress in closing the achievement gap by race and ethnicity.

FY 2001-2013 Strategic Plan Initiatives

		FY 2001-08		FY 2009		FY 2011-13	
		FTE	Amount	FTE	Amount	FTE	Amount
<i>Our Call to Action: Pursuit of Excellence</i>							
Strategic Goals and Initiatives							
I	Ensure Success for Every Student						
A	Middle School Reform						
1	Middle School Reform	21.3	2,500,000	15.6	2,066,757	70.2	10,436,236
2	Middle School Magnet Consortium			9.0	831,135		
3	Expansion of MSMC courses			1.0	344,871		761,996
4	Other Middle School Reform		1,314,290				
5	Subtotal Middle School Reform	21.3	3,814,290	25.6	3,242,763	70.2	11,198,232
B	Subtotal High School Reform	59.7	5,793,804	2.6	163,711		
C	Elementary Schools						
1	Assistant Principals in Elementary Schools	52.0	4,989,599			20.0	2,333,614
2	Pre-kindergarten expansion	13.6	655,851				
3	Other Elementary School	12.0	822,742	4.0	103,037		
4	Subtotal Elementary Schools	77.6	6,468,192	4.0	103,037	20.0	2,333,614
D	Subtotal Early Success	312.8	20,088,410	6.3	573,789		
E	Subtotal Class Size Reduction	547.4	25,767,013				
F	Special Education						
1	Home School Model					46.9	3,445,994
2	Hours-based staffing at middle schools (5 per year)	46.8	2,342,792	17.8	923,102	30.0	2,193,921
3	LRE	46.4	2,154,849			12.0	899,904
4	Psychologists	12.0	797,930			3.0	277,773
5	Other Special Education	100.9	4,485,345				
6	Subtotal Special Education	206.1	9,780,916	17.8	923,102	91.9	6,817,592
G	Subtotal ESOL Services	18.5	1,202,397				
H	Counseling and Special Populations						
1	Truancy and dropout prevention (PPWs)	6.0	392,178			3.0	277,773
2	Positive Behavior and Intervention Support				173,862		145,812
3	Alternative programs (Randolph Academy)					2.0	125,987
4	Other Counseling and Special Populations	31.5	2,595,991				
5	Subtotal Counseling and Special populations	37.5	2,988,169		173,862	5.0	549,572

FY 2001-2013 Strategic Plan Initiatives

	FY 2001-08 Total		FY 2009 Approved		FY 2011-13 Plan	
	FTE	Amount	FTE	Amount	FTE	Amount
Our Call to Action: Pursuit of Excellence Strategic Goals and Initiatives						
I						
Subtotal Other School Improvements	63.1	3,426,178				
Subtotal - Goal 1	1343.9	79,329,368	56.2	5,180,264	187.1	20,899,010
II						
Provide an Effective Instructional Program						
Subtotal Curriculum and Instruction	94.1	7,686,149				
K						
Accelerated and Enriched Instruction						
1 GT services - IB programs (LEED)	1.0	484,829		79,310	1.0	80,994
2 Other Accelerated and Enriched Instruction	6.9	760,137		120,960		
Subtotal Acc and Enriched Instruction	7.9	1,244,966		200,270	1.0	80,994
L						
Shared Accountability						
1 Program evaluation	7.0	548,387			2.0	185,183
Subtotal Shared Accountability	7.0	548,387			2.0	185,183
M						
Subtotal Technology	47.5	5,593,049				
Subtotal - Goal 2	156.5	15,072,551		200,270	3.0	266,177
III						
Strengthen Productive Partnerships for Education						
1 Parent community coordinators						
2 Other Partnerships	33.2	2,619,694			6.0	470,244
Subtotal - Goal 3	33.2	2,619,694			6.0	470,244
IV						
Create a Positive Work Environment						
1 Diversity training						
2 Other Create a Positive Work Environment	205.0	14,191,174			2.0	185,183
Subtotal - Goal 4	205.0	14,191,174			2.0	185,183
V						
High Quality Business Services						
1 Transportation	7.5	323,644				
Subtotal - Goal 5	7.5	323,644				
TOTAL - STRATEGIC PLAN FY 2001-2013	1,746.2	\$111,536,431	56.2	\$5,380,534	198.1	21,820,614

Montgomery County Public Schools

FY 2010 OPERATING BUDGET

Program Reductions and Efficiencies

Each year, the Montgomery County Public Schools (MCPS) undertakes a comprehensive effort to identify potential program reductions and efficiencies. This is called the Program Efficiency, Abandonment, and Redirection (PEAR) process. For FY 2010, the Operating Budget includes \$35,534,066 of reductions and efficiencies, including a reduction of 275.5 positions that make resources available for new programs and higher priority uses. Below are details of the FY 2010 reductions.

- Every office receives a target of potential reductions and realignments at the beginning of the budget development process. These proposals are carefully assessed to minimize the impact on the classroom. This year, each office was asked to identify 5 percent of central office resources and 2 percent of school-based resources as potential reductions.
- Zero-based budgeting is used to review and justify all expenditures and identify opportunities for reductions. This year, every account was thoroughly reviewed and reductions were made broadly throughout the budget.
- Since FY 2001, the budget has included reductions of \$111.5 million from the base budget, making possible nearly all the funding for \$116.9 million of higher priority initiatives.
- MCPS has central administrative costs of 2.0 percent of the total budget, one of the lowest percentages in the state. Based on the most recent state data, if MCPS were at the state average, central administrative costs would be at least \$9 million higher.
- More than 45 percent of the FY 2010 reductions come from central services and support functions (\$15.9 million).
- A total of \$19.6 million is reduced from school-based resources.

Central Services

For FY 2010, central services reductions total \$12,174,187, including 70.5 positions and related employee benefits. These reductions comprise 34 percent of the total reductions. They are equal to 7.2 percent of central services resources. In FY 2009, MCPS reduced 52.3 central services positions and a total of \$7.8 million, for a two-year total of 122.8 positions and \$18.3 million. Following is a summary of the central services reductions:

Office of Curriculum and Instructional Programs

- Reduction of 2.0 instructional specialists and a 1.0 coordinator in the Department of Curriculum and Instruction at a savings of \$326,015, resulting from

streamlining curriculum products. Direct support to schools will remain a high priority.

- Reduction of a 2.0 instructional specialists in the Department of Enriched and Innovative Instruction at a savings of \$201,594 with responsibility for mathematics curriculum development and professional development support and for coordinating signature and academy programs respectively. This work will be absorbed by other specialists but school support will be reduced.
- Reduction of 8.0 instructional specialists at a savings of \$802,430, from units and programs yet to be identified.
- Transfer of a 1.0 instructional specialist and a 1.0 applications developer at a savings to the General Fund of \$208,362 in the Office of Curriculum and Instructional Programs to the Entrepreneurial Activities Fund eLearning Program for the development and support for online learning. This transfer is made possible by an increase in revenue from student course fees.
- Discontinuation of support for Grade 11 students to take the PSAT exam at a savings of \$93,000. High school students take this exam for diagnostic purposes in Grade 9 and/or Grade 10.
- Reduction of a total of \$566,754 in a variety of central office units, including professional part-time salaries, stipends, contractual and consultant services, instructional materials, travel, dues, registrations, and equipment.

Office of Special Education and Student Services

- Reduction of a 1.0 director I position and a 1.0 administrative secretary position in the Division of School Based Special Education Services at a savings of \$240,205. The duties of these positions will be assumed by the director of special education services in that department. The director will assume direct oversight of cluster supervisors, instructional specialists, and itinerant resource teachers, as well as supervising School-Community Based, Learning for Independence, Learning and Academic Disabilities, Learning Centers, Extensions, and the Longview School programs. The Division of Preschool Special Education and Related Services will supervise autism, transition, and emotional disabilities programs.
- Reduction of a 1.0 placement specialist position and a 1.0 office assistant II position in the Placement and Assessment Services Unit at a savings of \$197,577. The remaining 6.0 placement specialists will have slightly higher caseloads for monitoring students in private placement. Transfer of an estimated 36 students in private placement to the autism program, however, will reduce the requirement for placement services. The responsibilities of the office assistant will be distributed among remaining staff.
- Reduction of a 1.0 elementary program specialist position in the Division of Preschool Special Education and Related Services at a savings of \$94,351. This position provides support to the Preschool Special Education Program (PEP). The responsibilities of this position will be reassigned to the remaining 2.0 elementary program specialist positions serving 13 PEP sites.
- Reduction of a 1.0 instructional specialist position on the Bilingual Assessment Team at a savings of \$62,994. The remaining 4.0 instructional specialist positions

will be able complete in a timely manner required assessments for students being considered for special education services.

- Reduction of a 6.0 positions in the Department of Student Services at a savings of \$633,676. This reduction results from the reorganization of this department to serve schools more directly. The three existing field offices will be eliminated and the pupil personnel workers and school psychologists currently housed in these offices will be assigned to available school locations. This will improve the visibility and connection of this staff to the schools. Benchmarking has shown that most neighboring school districts assign PPWs and school psychologists to school locations rather than central offices away from schools.

The pupil personnel unit and the psychological services unit will assume the scheduling, supervision, and evaluation of PPWs and school psychologists. A student services appeals unit will be created and will be responsible for handling changes of school assignment requests and for hearing suspension and expulsion appeals hearings. This should result in an improvement in the efficiency of processing changes in student assignments.

The reorganization will reduce 3.0 field office director positions, 4.0 instructional specialist positions, 2.0 secretary positions, 1.0 administrative secretary, 1.0 psychological services supervisor, and 1.0 PPW services supervisor. New positions added because of the reorganization include 2.0 student services coordinator positions, a 1.0 student services specialist, a 1.0 student services appeals coordinator, a 1.0 psychological services director I position, and a 1.0 PPW services director position, for a net reduction of 6.0 positions. Additional savings due to the closure of the field offices will be realized in the future as office leases can be discontinued.

- Reduction of a 1.0 office assistant IV position in alternative programs at a savings of \$64,336.
- Reduction of 1.5 positions and \$132,507 by relocating the Emory Grove and McKenney Hills alternative programs to the Mark Twain site. Closing the Mark Twain School in FY 2009 made this space available for other school programs. Relocation of these existing programs permits the combination of administrative functions without any change in services available to students. This relocation will result in the reduction of a 1.0 coordinator (\$145,545), a 1.0 administrative secretary (\$77,399), and a 1.0 school counselor (\$107,594), partially offset by the addition of a 1.0 social worker position and \$125,884, a 0.5 IT systems specialist position and \$50,952, and other expenses of \$21,195.
- Reduction of \$150,000 in contractual services for anti-violence programs. Currently, there is a total of \$275,000 in contractual services for anti-violence programs through Identity, Metrocap, and the Mental Health Association. These programs provide valuable support to schools and students at all school levels to

alert students to the dangers of gangs and other violent activities and direct them to constructive pursuits. This reduction will permit the continuation of the most effective parts of this program, but will limit the capacity to advance violence prevention activities.

- There is a total of \$112,888 in savings due to a variety of reductions in this office in contractual services, consultants, professional part-time salaries, equipment, travel out, and registrations due to a variety of operational efficiencies.

Office of Organizational Development

- Reduction of 6.7 instructional specialist positions and a 1.0 specialist position at a savings of \$797,483. These positions include a 1.0 instructional specialist and a 1.0 technology consultant on the Technology Consulting Team, 3.2 instructional specialist positions on the Skillful Teaching and Leading Team, 2.0 instructional specialist positions on the Curriculum Training and Development team, and a 0.5 instructional specialist position on the university partnerships project. There will be a restructuring of work assignments to ensure that planned professional development projects are completed on schedule. Job-embedded training at schools and on-line resources will continue to replace summer and weekend training to reduce costs without significantly reducing the availability of professional development opportunities. Support for schools will continue but at a reduced level. The requirements of the Professional Growth Systems will not be compromised.
- Reduction of 4.0 instructional specialists at a savings of \$401,215 in projects to be identified as the FY 2010 training plan is developed. Delays in the introduction of previously planned program initiatives will enable remaining staff to assume the duties of these positions. However, the loss of experience and expertise in these positions will inevitably limit the ability of remaining staff to provide the same level of quality and variety of support as in the past.
- Reduction of 6.0 consulting teacher positions at a savings of \$529,200. The 28.0 consulting teachers budgeted for next year will each serve at least 16 novice or underperforming teachers and makes recommendations on teacher performance to the Peer Assistance Review (PAR) panel. Reduced hiring of novice teachers because of fiscal constraints will reduce the need for consulting teachers in FY 2010.
- Reductions of \$1,105,000 in training stipends and instructional materials for a variety of projects delayed because of reductions in other system programs, \$155,800 in professional and supporting part-time salaries and materials in the Supporting Services Training program, \$71,280 in professional leadership program savings, and \$442,370 in a variety of reductions throughout the office in stipends, program supplies, travel out, building rentals, equipment, and professional part-time salaries.

Office of the Chief Technology Officer

- Reduction of a 1.0 IT system specialist position in the Department of Strategic Project Management and Planning at a savings of \$101,905 that supports maintaining information systems security functions.
- Reduction of a 1.0 instructional specialist position in the Department of Information and Application Services at a savings of \$85,154. This will reduce end user support and communications.
- Reduction of a 1.0 help desk assistant position at a savings of \$68,022 in the Division of Technology Support. This reduction reduces back-up support for help desk staff and may delay response time in responding to user requests.
- There is a total of \$1,348,242 in savings and efficiencies due to a variety of reductions in contractual services, consultants, training costs, hardware, software, and supplies, including \$37,000 for technical training, \$62,604 in the Division of Technology Support, \$98,674 for supplies and equipment in the Department of Infrastructure and Operations, \$89,546 for contractual services in the Department of Strategic Project Management and Planning, \$47,892 for part-time salaries in the Division of technology Innovation, and \$1,012,526 for part-time salaries, consultant and contractual services, and maintenance in the Department of Information and Application Services.

Office of Human Resources

- Reduction of a 1.0 staffing assistant position and a .625 personnel assistant III position at a savings of \$115,855. The staffing assistant and the personnel assistant positions provide support to the Division of Recruitment and Staffing. The new Applicant Tracking System to be implemented will integrate several existing personnel data bases and facilitate preparation of needed reports. This will reduce the work currently assigned to the staffing assistant position.
- There is a savings of \$70,157 because of the completion of repayment of a loan from the Technology Investment Fund for the Human Resources Information System. There also are savings of \$26,095 in professional part-time salaries providing support for recruitment and interviews.

Office of School Performance

- Reduction of 1.0 school performance director position at a savings of \$171,988. School performance directors support the community superintendents in providing support to schools and principals. Remaining school performance directors in quad/quint cluster units with more than one director position will absorb the duties of this position.
- Reduction of a 1.0 coordinator position at a savings of \$149,594. This position is responsible for gathering and analyzing data related to sexual harassment, racial harassment, and hate violence acts throughout the school system. This position

assists in investigations and staff development activities related to these issues. The duties will be absorbed by other staff in the Office of School Performance.

- Reduction of a 1.0 instructional specialist position at a savings of \$89,392. This position supports regional summer school programs, including training, hiring, implementation of program, and outreach to parents and students. Individual site administrators will assume these duties. The phasing out of evening high school at the end of FY 2009 will reduce the need for this position.
- Reduction of a 0.8 office assistant IV position at a savings of \$35,383. The duties of this position will be assumed by the fiscal assistant and part-time support.
- There is a savings of \$29,600 in office supplies, professional part-time salaries, travel out, equipment maintenance, and equipment rental as a result of various operational efficiencies.

Office of Communications and Family Outreach

- Reduction of a 1.0 instructional specialist position in the Department of Family and Community Partnerships at a savings of \$86,304. This will reduce the number of positions available to develop and deliver parent outreach activities, including workshops, the Parent Academy, and special events for schools. Those schools identified as a lower priority based on demography and other factors will have reduced assistance.
- Reduction of 2.0 office assistant III positions in the Department of Family and Community Partnerships at a savings of \$86,786. This reduction will affect the responsiveness of ASK MCPS (call center) services and general office support for parent outreach. Other office staff will assume these duties as required.
- Reduction of a 1.0 production technician position in Instructional Television at a savings of \$73,410. This reduction will diminish the capacity of Instructional Television to produce and direct video products for staff development and student instructional programs.
- There are other savings of \$262,678 including \$43,649 for consultant services and equipment in the Department of Family and Community Partnerships, \$169,589 in Electronic Graphics and Publishing Services for contractual services and maintenance and supporting services part-time salaries, \$33,240 in the Department of Public Information for contractual services and training support, and \$16,200 in Instructional television for overtime salaries as a result of various operational efficiencies.

Office of Shared Accountability

- Reduction of a 1.0 accountability support specialist position in the Testing Unit at a savings of \$86,002. This position supports survey design and implementation. Elimination of this position will reduce support to schools and offices for data analysis of surveys.
- Reduction of 0.5 data systems operator position in the Department of Policy, Records, and Reporting at a savings of \$29,263. This position prepares diplomas

and other documents. This work cannot be eliminated and will be dispersed among remaining staff.

- There is a savings of \$119,690 throughout the office, including professional part-time salaries, program supplies, travel out and registrations, equipment, and other expenses as a result of various operational efficiencies.

Office of the Chief Operating Officer

- Transfer of 1.5 transactions assistant positions in the Department of Financial Services to the Employee Benefits Plan internal service fund as a tax-supported savings of \$88,991. These positions work primarily on employee health and life insurance transactions that are funded through the EBP plan.
- Reduction of a 1.0 management and budget specialist I position in the Department of Management, Budget and Planning at a savings of \$86,133. The responsibilities of this position for budget preparation and administration will be distributed among remaining staff. Improved automation has resulted in the distribution of some of the duties to financial analysis staff in various offices.
- Reduction of a 1.0 video services tech I position in the Department of Materials Management at a savings of \$71,251. This reduction will delay video services to schools and offices.
- Reduction of a 0.5 green schools program manager position in the Department of Facilities Management at a savings of \$63,245. Increased conservation efforts in the SERT program will partially offset the loss of this position and maintain strong energy conservation practices in schools and offices. Additionally, capital budget positions can absorb the certification monitoring duties of this position.
- Reduction of a 0.4 boundary information specialist position and other savings at a total of \$39,005. Availability of boundary information on the MCPS web site has reduced the need for this position, although its reduction may delay some responses to boundary questions.
- Other savings in central office units in the Office of the Chief Operating Officer total \$604,870, including \$135,176 in various accounts in the Department of Facilities Management, \$244,595 in the Department of Materials Management, \$50,000 in legal expenses, \$4,195 in the Office of the Chief Operating Officer, \$27,838 in the Department of Association Relations, \$125,720 resulting from the completion of repayment of a loan from the Technology Investment Fund for the Human Resources Information System, \$9,720 in the Department of Financial Services, and \$7,626 in the Department of Management, Budget, and Planning.

Office of the Deputy Superintendent of Schools

- Reduction of 5.0 positions in the Office of the Deputy Superintendent of Schools at a savings of \$716,657. The positions include the chief academic officer, a 1.0 executive assistant, a 1.0 coordinator, a 1.0 office manager, and a 1.0 administrative secretary II. The duties of these positions will be transferred to other units in the school system including the Office of the Deputy Superintendent of Schools, the Office of the Chief Operating Officer, the Office of School

Performance, and the Office of Shared Accountability. The director of continuous improvement in the Office of the Chief Operating Officer will assume responsibilities related to continuous improvement initiatives and projects. Additional support will be available with the use of professional part-time salary resources. There also is a reduction of \$1,450 in travel.

Office of the Superintendent of Schools

- Reduction of \$78,028 in a variety of salary and other accounts

Support Services Reductions

Efficiencies in the provision of support services, total \$3,722,379, including the following:

Office of the Chief Operating Officer

- Reduction of 7.0 and a total savings of \$565,778 in the Division of Maintenance, including 3.0 general maintenance worker II positions (\$244,223), 3.0 painter I positions (\$239,110), and 1.0 plasterer position (\$82,445). Long-term improvements in supervision and work processes have resulted in significant productivity improvements in the division, which will mitigate but not completely offset the loss of these positions. School building area has increased by 8 percent in the last five years. The reduction will require the redistribution of work to remaining employees, reduce the capacity to complete small-scale painting requirements, and require 5.0 remaining painters to complete plastering requirements for jobs.
- Transfer of a 0.5 security patroller position in the Department of School Safety and Security to the Community Use of Public Facilities (ICB) at a savings of \$37,806. Existing security services for ICB users will continue under the new arrangement with ICB. There also are reductions of \$45,308 in various other accounts.
- Reduction of a 1.0 transportation cluster manager and a 1.0 transportation safety trainer I, position in the Department of Transportation at a savings of \$176,111. The new bus route supervisory model has increased support for new bus operators and eliminated the need for these positions.
- Transfer of a .25 transportation specialist position and a .25 fiscal specialist position in the Department of Transportation to the Field Trip Fund at a savings of \$60,480 to reflect the distribution of other services to the Field Trip Fund.
- Savings of \$970,600 from not replacing 60 buses earlier than required by state law as part of the multiyear replacement plan. No state waivers will be necessary to continue using these buses. This delay will increase the cost of replacing buses in future years and add maintenance costs for older buses. This reduction also will delay the pace of introducing new “green technology” buses.
- Savings of \$83,184 through efficiencies resulting in reducing four buses from the spare fleet. Remaining spare fleet buses will be able to assure maintenance of bus availability standards.

- A reduction of \$783,112 in diesel fuel for school buses. Recent sharp reductions in fuel prices permit a projection of \$2.50 per gallon for FY 2010, a reduction of \$0.25 per gallon from the FY 2009 budgeted amount of \$2.75 per gallon. Staff will continue to review fluctuating fuel prices as the budget process unfolds.
- Savings in utility consumption due to restrictions on air conditioning usage during summer peak load periods and other efficiencies with a total savings of \$1,000,000.

School-based Reductions

School-based reductions are minimized to avoid any unnecessary impact on classroom instruction. The total of \$19,637,500 and 197.4 positions comprises 55 percent of the reductions but only 1.2 percent of school-based services. Since school-based services comprise 77 percent of the MCPS operating budget, it is impossible to shelter schools completely from the need to make reductions. The reductions listed below will have a serious impact on schools, but were considered only after a thorough review of all non-school based expenditures.

K-12 Instruction

- Reduction of 17 kindergarten teacher positions at a savings of \$1,070,898. Class size guidelines for kindergarten in focus schools will increase by two from 15 to 17 resulting in 17 fewer kindergarten positions. Kindergarten allocations in focus schools will now be the same as allocations for first and second grades. Non-focus school class size guidelines will not be impacted by this change.
- Reduction of 8.7 elementary special programs teachers for a savings of \$548,048. In addition to classroom teachers, a total of 27.3 teacher-level positions are allocated to elementary schools to support special programs. They support a variety of programs including immersion programs, magnets, and international baccalaureate programs. Many of these positions were allocated to help initiate a program. Over time central services has taken on the responsibility of some of the tasks including interpreting materials for the immersion programs. Also, once programs are established and implementation is underway, the amount of time needed for oversight and coordination decreases. As a result, the same level of support is not required. Work completed by these teachers will need to be completed by other staff members at the school or at central services.
- Reduction of 5.5 staff development teachers and 5.5 reading specialist positions for a savings of \$692,934. In the past, all elementary schools were allocated a 1.0 staff development teacher and a 1.0 reading specialist to provide support to teachers. Since the role of these teachers is to support other teachers, the amount of time needed to provide support to a smaller staff is less than what is needed for the larger schools. For FY 2010 the smallest schools will be allocated a .5 staff development teacher and a .5 reading specialist resulting in a cut of 1.0 position per school.
- A reduction of 33.8 academic intervention teachers at a savings of \$2,129,197. Currently, academic intervention teachers provide direct support to students including working with underperforming students, teaching sections to lower class sizes in both

reading and mathematics, supporting AP classes, and providing small group intervention support with students struggling in reading and mathematics. Additionally, these teachers provide supports to multiple schools with system initiatives such as SAT support, and support classroom teachers with professional development. The proposed reduction of 33.8 academic intervention teacher positions will reduce the number of teachers working directly with students at individual schools. The remaining 110.9 academic intervention teacher positions will provide direct support to students at assigned schools to minimize the adverse effect of the reduction of these positions. Principals will submit requests for academic intervention support to their community superintendents. These requests will include information describing how the position will be used and how the principal will evaluate the effectiveness of the position at the end of the school year. Community superintendents will review all requests and allocate positions based on the academic needs of the students and how the position will support Strategic Plan initiatives.

- A reduction of 16.0 alternative teachers at a savings of \$1,007,904. In the Placement Procedures for Alternative Programs regulation (IOI-RA), it is specifically stated that secondary schools will provide direct academic; social, emotional, and behavioral support; and instruction to students. With a reduction of 16 alternative teacher positions, there will be an impact on the amount and type of direct service provided to individual students, including those students who are returning to an Alternative Level 1 placement from an Alternative Level 2 or 3 placements. The remaining 47 positions will be allocated based on the enrollment of each secondary school. This may lead to reduced service available for students who need support.
- A reduction of 2.2 secondary school special program teacher positions for a savings of \$138,586. Schools allocated special program positions have used them for release periods and lowering class size for special programs. These positions were originally allocated to assist in the initial implementation of programs or offering of classes that are small in order to build programs. Now that programs are established, the amount of time needed for curriculum development has decreased, and there is no longer the need to offer smaller classes. As a result, the same level of support is not required to implement the programs effectively. Central services will continue to provide support with program development and, as needed, teachers will continue to be paid stipends over the summer and during the year for program development.
- An increase of 3.0 resource teacher positions coupled with a reduction of 1.0 supervisor, 3.0 coordinators, and 6.0 classroom teachers for net savings of \$637,567 in the Middle School Magnet Consortium schools. Originally these positions were funded by a grant that has ended. In FY 2009, MCPS agreed to take on the funding for a year while the system sought new grant funding. No additional grant funding has been received at the time these budget recommendations were finalized. These schools implement a 5 out of 8 schedule which will no longer be funded. A 5 out of 8 schedule means that students take 8 classes while teachers teach 5. For other schools with 8-period schedules, teachers teach 6 classes. When teachers teach five versus six classes, the schools need additional staffing. Although the benefit of the additional release period is that teachers have more time for planning and development, it is not feasible to continue. The three coordinators in the schools provide oversight for the implementation of the program. The 1.0 supervisor was created to support

dissemination of the courses developed in the consortium schools to other schools. Coordination of expanding the availability of the Middle School Magnet Consortium (MSMC) courses will now be completed by other central services staff. In addition, 3 resource teacher positions have been added to the budget to provide leadership for the middle school consortium programs. This is similar to the support provided to our other consortium programs in high schools.

- A reduction of 9.0 teacher assistant positions in middle and high school for a savings of \$325,106. These positions support school offices and departments with copying, materials preparation, and other related tasks. The decrease of 9.0 FTE positions will result in teachers, paraeducators, and office staff taking on these tasks.
- A reduction of 6.5 composition assistants for a savings of \$329,944. English composition assistants provide support to high school English teachers with reviewing of student writing and providing feedback to students. This reduction will result in each high school receiving approximately 2 hours less composition assistant time.
- A reduction of 1.0 media services technician (MST) and 1.0 IT systems specialist (ITSS) for a savings of \$182,486. When the Northeast Consortium (NEC) was created an additional MST was allocated to one school and an additional ITSS was allocated to another school. These schools each already had one of each position. Given the nature of the programs, it was determined that these positions were needed to help with the initial implementation of the schoolwide signatures. Each of these schools will now have 1.0 MST and 1.0 ITSS. Work will need to be absorbed into the workloads of current staff at the school.
- A reduction of 15 literacy positions for a savings of \$944,910. The literacy positions have been used in the high school to support literacy instruction throughout the content areas. This released position provides support to teachers and is not directly related to class size. With the removal of this position, schools will be given the option of using the staff development teacher position to provide this literacy support.
- A reduction of the signature coordinator positions by 2.6 FTEs for a savings of \$163,784. Signature teachers are teacher leaders who coordinate school signature programs. Currently they are allocated so that they teach two classes and are released for the remainder of the day to serve as the program coordinator. This cut will change the allocation so that the person teaches three classes rather than two.
- A savings of \$220,150 from decreasing the school improvement and professional learning community institute funds allocated to schools for consultants, stipends and materials. Schools will receive materials allocations and will submit requests for stipend or consultant funds. In addition, PLCI schools will each be allocated \$3,500 to spend on their improvement efforts.
- A savings of \$124,000 from decreasing the amount of money spent for the rental of graduation venues. Currently, MCPS pays \$5,700 for most schools to use DAR Constitution Hall. However, MCPS also pays \$29,000 each for three schools to use Comcast Center. In FY 2010 MCPS will pay only \$5,000 per school. This amount will cover all but approximately \$700 of the DAR Constitution Hall graduation. Schools that opt to hold graduations at other sites will have to pay any expenses in excess of the \$5,000 funded by MCPS.
- A savings of \$196,728 by decreasing the class 1 stipend allocation to middle and high schools by approximately 30 percent. In addition to stipends for clubs and teams,

schools are allocated hours for other clubs or activities that schools want to offer. This allocation will decrease for each school.

- A savings of \$2,744,623 from decreasing the textbook and materials budget. As new curriculum was implemented, it was necessary to increase the textbook and materials budgets in order to provide schools the resources needed to implement the new curricula. Although implementation of new curricula will continue, the number of new implementations each year has decreased since the effort began. As a result, the amount of money needed to centrally purchase resources for schools has decreased.
- A reduction of 11 teacher support positions in the middle school reform schools for a savings of \$687,431. Currently, each of the 11 middle school reform schools is allocated 3.0 fully released positions to provide direct professional development support to teachers. These positions, staff development teacher, literacy coach, and math content specialist, provide job-embedded staff development to teachers including support with planning, grading, diversity, literacy and differentiation. For FY 2010 each of the 11 schools will be allocated 2.0 FTE to provide this support.
- A reduction of 3.0 middle school counselors for a savings of \$341,508. This decrease in the total number of counselors allocated to middle schools will increase the student to counselor ratio. Currently, our goal is a 250:1 ratio. However, our projected ratio is 210 to 1. The decrease will result in a projected ratio of approximately 215 to 1.
- A reduction of 4.0 high school media specialists at a savings of \$456,392. Currently high schools with a projected enrollment greater than 2000 are allocated a second media specialist. For FY 2010, 8 high schools are projected to have an enrollment greater than 2000. The reduction of 4 media specialists will result in a new guideline for the allocation of media specialists. Only the four largest schools will be allocated a second media specialist.
- A reduction of 6.0 elementary and 3.0 high school media assistants for a savings of \$485,858. As a result of this reduction the allocation guidelines for media assistants will change. For elementary schools the allocation for a 1.0 media assistant will increase from 450 to 480. Schools with projected enrollment greater than 480 will receive a 1.0 allocation while those with projected enrollment less than 480 will be allocated a .5 media assistant. For high schools the guidelines will be adjusted so that the ratio of students to assistant will increase but no school that loses a media specialist will also have a decrease in media assistant hours.
- Net savings of \$868,633 in a variety of units related to copier replacement and maintenance. Instead of replacing existing copiers with new machines, copiers will be replaced as needed with refurbished machines and will be maintained using in-house personnel. This is expected to reduce long-term costs for copier replacement and maintenance and provide more responsive service to schools and offices. Although the bulk of copiers are located at schools, part of the savings relates to copiers in other units.
- Other reductions totaling \$1,017,729 in K-12 expenditures, including summer employment (\$75,600), professional part-time salaries (\$284,091), consultant services (\$107,542), travel (\$81,194), furniture and equipment (\$25,000), and other expenses (\$444,302).

Office of Curriculum and Instructional Programs

- Reduction of 10.0 high school ESOL teacher positions at a savings of \$961,627. This reduction is the result of a technical adjustment of the .8 FTE that a 1.0 resource teacher devotes to classroom instruction. It accounts for the teaching time provided by the ESOL resource teacher and does not change the 86.8 FTEs required to meet the high school enrollment projection for FY 2010. All high school ESOL resource teachers will continue to teach four periods per day. This change maintains current budgeted staffing ratios for all ESOL classes. There is also a savings in the ESOL program of \$31,983 by reducing the assumption for inflation in instructional materials from 6 percent to 3 percent in common with other instructional materials purchases.
- Reduction of 2.0 social services assistant positions and a 1.0 psychologist position in the Division of Early Childhood Programs for the pre-kindergarten program at a savings of \$254,135. There are currently 13.0 social services assistants and 2.6 psychologists in this program. Existing workloads can be completed by remaining staff without the need to reduce the number of students in the program. This reduction will reduce some support for recruitment and registration functions and reduce the number of classroom psychological observations.
- Reduction of a 0.6 social worker position and a 0.5 psychologist position in the required local Head Start match at a savings of \$141,358. The terms of the federal Head Start grant require a 20 percent local match. Presently, MCPS contributes more than the required match. Increasing costs in the Head Start program exceed available grant revenue. These reductions are needed to avoid limiting the number of children served in the Head Start program. The reductions maintain federal matching requirements. Remaining staff will provide required psychological and social work services.

Office of Special Education and Student Services

- Reduction of 20.5 special education teachers and the addition of 24.9 paraeducators in the Elementary Home School Model at a savings of \$444,338. The Home School Model is a service delivery model used in 60 elementary schools to provide more inclusive opportunities for elementary students to be educated in a general education setting as mandated by state and federal regulations. The proposed staffing model updates the home school model with the expectation that students with disabilities are included with their general education peers throughout the school day, as appropriate. The resulting student-teacher ratio is similar to the model used for students with learning and academic disabilities (LAD) but allows for the addition of paraeducator support for the resource teacher. It provides more flexibility in the allocation of staff to meet specific student's needs rather than using a census model that provides the same level of staffing to a school based on overall student enrollment. While some schools may thus experience a smaller teacher allocation, the paraeducator allocation will increase to support students in a variety of settings.

- Reduction of 5.0 secondary intensive reading program teachers at a savings of \$336,911. There are currently 17.0 secondary intensive reading teachers assigned to improve reading performance outcomes of students with disabilities. The expansion of hours-based staffing to 16 schools and the establishment of middle school reform in 11 schools has enabled secondary schools to implement a broad range of reading interventions originally provided by the intensive reading teachers. The five middle schools included in this reduction have both hours-based staffing and middle school reform and no longer need these extra services. Middle schools now have the trained staff and materials needed to successfully address the reading needs of students with disabilities.
- Reduction of 8.5 special education teacher positions and 3.0 secretary positions assigned to the five middle school learning center sites at a savings of \$787,499. This recommendation is aligned with the plan to phase out all secondary learning centers. The middle school learning centers will be completely phased out after the 2008-2009 school year. Evaluation indicates that the support provided for the 70 students who transitioned to home/consortia schools in FY 2008 enabled them to adjust successfully. The 7.4 paraeducator positions allocated to these centers will be realigned to provide additional support to students transitioning to their home/consortia high schools.
- Reduction of a 1.0 parent educator position in the Deaf and Hard of Hearing (DHOH) program at a savings of \$66,848. This position provides services to the families of deaf students. The instructional specialist assigned to this program will assume these duties without any impact on current services to DHOH families, fostering improved communication on instructional issues between the school and family.
- A reduction of \$194,028 in the Extended School Year (ESY) program for students with disabilities. Reductions are based on the complete implementation of a pilot model introduced in 2008 that reduced expenditures and maintained quality program implementation. It includes \$153,313 in savings in professional part-time salaries for teachers, \$18,771 in part-time paraeducator salaries, and \$21,944 in savings in administrative costs.
- Other reductions totaling \$156,545 in reduced assumption for instructional materials acquisitions (\$151,545) and part-time salary costs (\$5,000).

Office of the Chief Operating Officer

- Reduction of 17.5 positions and a total savings of \$902,265 in the Division of School Plant Operations, including 5.0 elementary building service worker positions (\$242,162), 7.0 secondary school building service worker positions (\$339,027), 4.5 central office building service worker positions (\$217,946), and 1.0 special schools building service worker position (\$48,432). The implementation of systematic team cleaning and the use of high speed burnishing positions will mitigate the impact of the loss of these positions, but will not completely offset it. Remaining staff will have to clean more building space, less time will be available for special non-custodial services, and the use of substitutes

and overtime may increase to cover staff shortages. There also is a reduction of \$54,698 in building services supplies.

Office of School Performance

Reduction of \$45,547 in instructional materials for the High School Plus and Bridge programs

Realignments

In addition to these reductions, millions of dollars have been realigned to higher priorities. These realignments are discussed in detail in each relevant unit in the Operating Budget.

**FY 2010 OPERATING BUDGET
PROGRAM REDUCTIONS AND EFFICIENCIES**

Unit/Item	Positions	Amount
K-12 Instruction - Elementary Schools:		
Increase Class Size from 15 to 17 in Kindergarten	(17.00)	(1,070,898)
Special Program Teachers	(3.70)	(233,078)
Media Assistant Positions	(6.000)	(323,905)
Immersion and Other Special Program Release Teachers	(5.00)	(314,970)
Staff Development & Reading Teachers at .5 for Schools With Less 350 Students	(11.00)	(692,934)
Academic Intervention Teachers	(18.80)	(1,184,287)
Summer Employment		(43,200)
Part-time Salaries		(44,327)
Consultants		(65,000)
Elem. Curriculum Support, Reading Intervention - Consultants		(7,542)
School Improvement and Professional Learning Communities Institute Funds		(125,000)
Reduce Textbooks and Materials		(1,081,541)
School Furniture and Equipment		(25,000)
Travel Funds		(19,298)
Subtotal	(61.500)	(5,230,980)
K-12 Instruction - Middle Schools:		
Release Periods in Magnet Schools	(0.600)	(37,796)
Immersion Program Teachers	(0.600)	(37,796)
Middle School Magnet Consortium - Reduce 1.0 Supervisor, 3.0 Coordinator, 6.0 Teacher Positions, Add 3.0 Resource Teacher Positions	(7.000)	(637,567)
Middle School Counselor Positions	(3.000)	(341,508)
Teacher Assistant Positions	(4.000)	(144,492)
Academic Intervention Teacher Positions	(10.000)	(629,940)
Alternative Teachers - Change Allocation from 1.0 per School to Enrollment-Based	(10.000)	(629,940)
Middle School Reform Staff Development Teacher Positions	(11.000)	(687,431)
Middle School Reform - Part-time Salaries		(239,764)
Summer Employment		(32,400)
School Improvement and Professional Learning Communities Institute Funds		(65,000)
Class I Extracurricular Stipends		(74,385)
Reduce Textbooks and Materials		(881,541)
Consultants		(30,000)
Travel Funds		(15,844)
Subtotal	(46.200)	(4,485,404)
K-12 Instruction - High Schools:		
High School Media Specialist Positions	(4.00)	(456,392)
Media Services Technician Position	(1.000)	(83,508)
Teacher Assistant Positions	(5.000)	(180,614)
English Composition Assistant Positions	(6.500)	(329,944)
Media Assistant Positions	(3.000)	(161,953)
IT Systems Specialist Position	(1.000)	(98,978)
Additional Staffing for Countywide Programs	(1.000)	(62,994)
Academic Intervention Teacher Positions	(5.000)	(314,970)
Literacy Coach Positions	(15.000)	(944,910)
Signature Program Teacher Positions - Release Periods from 3 to 2	(2.600)	(163,784)
Alternative Teacher Positions - From 1.0 per School to Enrollment-Based	(6.000)	(377,964)
Supervisors for Student Teachers - Part-time Salaries		(43,200)
Signature Programs- Travel Out/Dues, Consultants, Furniture and Equipment		(38,551)
Downcounty Consortia - Various Accounts		(75,340)
Northeast Consortia - Part-time Salaries		(6,480)
Accelerated and Enriched Programs - Various Accounts		(280,731)
Career & Technical Education - Dues and Registrations		(6,755)
School Improvement and Professional Learning Communities Institute Funds		(30,150)
Graduation Costs		(124,000)
Class I Extracurricular Stipends		(122,343)

**FY 2010 OPERATING BUDGET
PROGRAM REDUCTIONS AND EFFICIENCIES**

Unit/Item	Positions	Amount
Reduce Textbooks and Materials		(781,541)
Consultant Funds		(5,000)
Travel Funds, Dues and Registrations		(39,297)
Subtotal	(50.100)	(4,729,399)
Other K-12 Instruction:		
Copier Initiative	5.000	(868,633)
Office of School Performance:		
School Performance Director Position	(1.000)	(171,988)
Coordinator Position	(1.000)	(149,594)
Instructional Specialist Position	(1.000)	(89,392)
Office Assistant IV Position	(0.800)	(35,383)
Various Accounts		(29,600)
High School Plus Program Materials		(28,401)
Bridge Plan for Academic Validation - Part-time Salaries, Materials		(17,146)
Subtotal K-12 Instruction/Office of School Performance	(156.600)	(15,835,920)
Office of the Deputy Superintendent of Schools:		
Travel Funds		(1,450)
Eliminate Office of the Chief Academic Officer	(5.000)	(716,657)
Subtotal Office of the Deputy Superintendent of Schools	(5.000)	(718,107)
Office of Curriculum and Instructional Programs:		
Instructional Specialist Positions (Department/Unit to be Determined)	(8.000)	(802,430)
Office of the Associate Superintendent, Instruction & Achievement Unit		
Various Accounts		(117,064)
Instructional Technologies and Partnerships Unit		
Part-time Salaries, Contractual Services, Travel Funds		(22,043)
Instructional Specialist Position to Entrepreneurial Fund	(1.000)	(87,052)
Applications Developer Position to Entrepreneurial Fund	(1.000)	(121,310)
Department of Curriculum and Instruction		
Instructional Specialists	(2.000)	(174,733)
Coordinator	(1.000)	(151,282)
Professional Part-time and Stipend Salaries, Consultants, Equipment		(342,790)
Department of Enriched and Innovative Programs		
Instructional Specialist Position	(1.000)	(62,994)
Part-time Salaries		(1,080)
Division of Accelerated and Enriched Instruction		
Instructional Specialist	(1.000)	(138,600)
Consultants, Dues and Registrations		(10,700)
Department of Instructional Programs		
Contractual Services - PSAT for 11th Grade Students		(93,000)
School Library Media Programs - Contractual Services		(1,500)
Division of Early Childhood Programs and Services		
Psychologist Position	(1.500)	(198,658)
Social Worker Position	(0.600)	(75,530)
Social Services Assistant Position	(2.000)	(121,305)
Materials, Part-time Salaries, Furniture and Equipment		(57,745)

**FY 2010 OPERATING BUDGET
PROGRAM REDUCTIONS AND EFFICIENCIES**

Unit/Item	Positions	Amount
<i>Division of ESOL/Bilingual Programs</i>		
High School ESOL Teacher Positions	(10.000)	(961,627)
Part-time Salaries, Dues and Registrations, Equipment		(13,832)
Eliminate 6 Percent Inflation Factor for Textbooks and Materials		(31,983)
Subtotal Office of Curriculum and Instruction	(29.100)	(3,587,258)
Office of Special Education and Student Services:		
<i>Office of the Associate Superintendent</i>		
Contractual Services, Travel Funds		(19,642)
<i>Department of Special Education Operations</i>		
Consultants, Part-time Salaries		(23,705)
<i>Placement & Assessment Services</i>		
Instructional Specialist	(1.00)	(137,060)
Office Assistant	(1.00)	(60,517)
Part-time Salaries		(30,000)
<i>Department of Special Education Services</i>		
Furniture and Equipment		(24,615)
<i>Division of School-based Special Education Services</i>		
Director I and Administrative Secretary Positions	(2.00)	(240,205)
Elem. Home School Model Revision - Reduce 20.5 Teacher, Add 24.948 Aide Positions	4.45	(444,338)
Secondary Intensive Reading Teachers	(5.00)	(336,911)
Middle School Learning Centers - 8.5 Teacher, 3.0 Secretary Positions	(11.50)	(787,499)
Extended School Year (ESY) Services - Part-time Salaries		(194,028)
RICA - Summer Employment Salaries		(5,000)
Eliminate 6 Percent Inflation Factor for Textbooks and Materials		(151,545)
<i>Division of Preschool Special Education & Related Services</i>		
Preschool Special Education - Elementary Program Specialist Position	(1.00)	(94,351)
Contractual Services		(10,000)
Programs for the Deaf/Hard of Hearing - Teacher Position	(1.00)	(66,848)
<i>Department of Student Services</i>		
Reorganization - Various Positions	(6.00)	(633,676)
Alternative Programs - Office Assistant IV Position	(1.00)	(64,336)
Bilingual Assessment Team - Instructional Specialist Position	(1.00)	(62,994)
Contractual Services for Positive Youth Development Programs		(150,000)
Co-Locate Emory Grove/McKenney Hills Centers at Mark Twain Site	(1.50)	(132,507)
Travel Funds, Dues and Registrations		(4,926)
Subtotal Office of Special Education and Student Services	(27.552)	(3,674,703)
Office of Organizational Development:		
<i>Office of the Associate Superintendent</i>		
Travel Funds, Furniture and Equipment		(83,638)
Instructional Specialist Positions (Department/Unit to be Determined)	(4.000)	(401,215)
Equity Training and Development - Substitutes, Building Rental Costs		(47,200)
<i>Department of Technology Consulting</i>		
Specialist Position	(1.000)	(142,074)
Instructional Specialist Position	(1.000)	(86,824)
Contractual Maintenance, Materials, Travel Funds, Furniture and Equipment		(97,538)
<i>Department of Staff Development Initiatives</i>		
Substitutes, Part-time Salaries		(24,054)
Staff Development Teacher Project - Stipends		(52,325)
Curriculum Training and Development - Instructional Specialist Positions	(2.000)	(235,410)
Other Projects - Stipends, Materials		(1,105,000)

**FY 2010 OPERATING BUDGET
PROGRAM REDUCTIONS AND EFFICIENCIES**

Unit/Item	Positions	Amount
Professional Growth System (PGS)		
Administrative and Supervisory PGS - Various Accounts		(105,600)
Elementary and Secondary Leadership Development - Part-time Salaries		(71,280)
Skillful Teaching and Leading Team - Instructional Specialist Positions	(3.200)	(285,368)
Consulting Teacher Positions	(6.000)	(529,200)
Supporting Services Training - Various Accounts		(155,800)
Higher Education Partnerships Project - Instructional Specialist Position, Travel	(0.500)	(47,807)
New Teacher Induction Project - Various Accounts		(31,615)
Continuing Professional Development Project - Building Rental Costs		(400)
Subtotal Office of Organizational Development	(17.700)	(3,502,348)
Office of Shared Accountability:		
Various Accounts		(119,690)
Testing Unit - Accountability Support Specialist III Position	(1.000)	(86,002)
Department of Policy Records & Reporting - Data Systems Operator I Position	(0.500)	(29,263)
Subtotal Office of Shared Accountability	(1.500)	(234,955)
Office of Chief Operating Officer:		
Legal Expenses, Travel Out, Dues and Registration		(54,195)
Department of Facilities Management		
Green Schools Program Manager Position	(0.500)	(63,245)
Utilities		(1,000,000)
Various Accounts		(135,176)
Division of Long-range Planning		
Boundary Information Specialist Position, Other Various Accounts	(0.400)	(30,959)
Various Accounts		(8,046)
Division of School Plant Operations		
Supplies		(54,698)
Building Service Worker Positions - Elementary Schools	(5.000)	(242,162)
Building Service Worker Positions - Secondary Schools	(7.000)	(339,027)
Building Service Worker Positions - Special Schools/Centers	(1.000)	(48,432)
Building Service Worker Positions - Central Services	(4.500)	(217,946)
Division of Maintenance		
General maintenance Worker III Position	(3.000)	(244,223)
Maintenance Painter I Position	(3.000)	(239,110)
Plasterer Position	(1.000)	(82,445)
Department of Association Relations - Various Accounts		(27,838)
Department of Financial Services & Controller's Office		
Move 1.5 Transactions Assistant Positions to Trust Fund	(1.500)	(88,991)
Technology Innovation Fund Repayment		(125,720)
Various Accounts		(9,720)
Department of Management, Budget, and Planning		
Management and Budget Specialist I Position,	(1.000)	(86,133)
Various Accounts		(7,626)
Department of School Safety and Security		
Transfer Security Patroller Position to ICB	(0.500)	(37,806)
Nextel Phone Service, Other Various Accounts		(45,308)
Department of Materials Management & Procurement		
Video Services Technician Position	(1.000)	(71,251)
Part-time Salaries, Equipment Lease/Purchase, Postage, Other Various Items		(244,595)
Department of Transportation		
Transportation Specialist and Fiscal Specialist Positions to Field Trip Fund	(0.500)	(60,480)
Transportation Cluster Manager and Trainer I Positions	(2.000)	(176,111)

**FY 2010 OPERATING BUDGET
PROGRAM REDUCTIONS AND EFFICIENCIES**

Unit/Item	Positions	Amount
Reduce Number of Bus Purchases to 42		(970,600)
Reduce 3 Transit Buses & 1 Conventional Bus from Spare Fleet		(83,184)
Reduce Rate for Bus Fuel from \$2.75 to \$2.50		(783,112)
Subtotal Office of the Chief Operating Officer	(31.900)	(5,578,139)
Office of the Chief Technology Officer:		
Technical Training, Travel Funds		(37,000)
Division of Technology Support		
Help Desk Assistant Position	(1.000)	(68,022)
Contractual Services, Supplies/Software, Travel, Equipment		(62,604)
Department of Infrastructure and Operations - Supplies, Equipment		(98,674)
Department of Strategic Project Management and Planning		
IT System Specialist Position	(1.000)	(101,905)
Contractual Services, Supplies		(89,546)
Division of Technology Innovation - Part-time Salaries		(47,892)
Department of Information and Application Services		
Instructional Specialist Position	(1.000)	(85,154)
Part-time Salaries, Contractual Services/Maintenance		(1,012,526)
Subtotal Office of the Chief Technology Officer	(3.000)	(1,603,323)
Office of Human Resources:		
Office of the Associate Superintendent		
Travel Funds		(1,177)
Personnel Assistant III Position	(0.625)	(46,158)
Technology Innovation Fund Repayment		(70,157)
Department of Recruitment and Staffing		
Staffing Assistant Position, Part-time Salaries	(1.000)	(94,615)
Subtotal Office of Human Resources	(1.625)	(212,107)
Office of Communications and Family Outreach:		
Department of Family and Community Partnerships		
Instructional Specialist Position	(1.000)	(86,304)
Office Assistant III Position	(2.000)	(86,786)
Consultants, Furniture and Equipment		(43,649)
Electronic Graphics and Publishing Services		
Part-time Salaries, Contractual Services/Maintenance, Other Various Accounts		(169,589)
Public Information Office		
Various Accounts		(33,240)
Instructional Television		
Production Technician Position, Overtime Salaries	(1.000)	(89,610)
Subtotal Office of Communications and Family Outreach	(4.000)	(509,178)
Office of the Superintendent of Schools:		
Funding for Office Assistant Position, Other Various Items		(78,028)
GRAND TOTAL ALL REDUCTIONS	(277.977)	(35,534,066)
Positions/Resources to the Field Trip Fund	0.5000	60,480
Positions/Resources to the Entrepreneurial Fund	2.000	208,362
GRAND TOTAL NET REDUCTIONS	(275.48)	(35,265,224)

Montgomery County Public Schools

FY 2010 OPERATING BUDGET

Program Realignments

Each year, the Montgomery County Public Schools (MCPS) realigns millions of dollars of positions and other resources within and between units to implement the strategic plan by aligning resources with the most important priorities. Each unit reviews all expenditures through a zero-based budgeting process to identify expenditures that can be realigned to more important priorities. For FY 2010, \$4.5 million has been realigned between major units and other resources have been realigned within units. Some of the major realignments are described below:

Office of the Chief Operating Officer

- Realignment of 7.5 bus operator I positions and 7.5 bus operator I permanent substitute positions to create 15.0 bus route supervisor positions (\$223,635).
- Realignment of 3.0 bus operator II positions to create 3.0 radio bus operator positions (\$125,846) and 5.0 transportation dispatcher supervisors to create a 1.0 transportation dispatcher positions and 4.0 transportation cluster manager positions (\$340,401).
- Realignment of a 1.0 process improvement analyst in the Division of Food and Nutrition Services to create a 1.0 wellness coordinator position to focus on employee wellness issues (\$95,611).
- Realignment of \$60,889 in professional part-time salaries related to the Kennedy Cluster project from the Office of Shared Accountability to this office.
- Realignment of \$1,900 in advertising expense in the Division of Procurement to support office supplies and local travel.
- Realignment of \$10,000 of custodial supplies in the Division of School Plant Operations to provide for the increased cost of boiler licenses.

Office of the Chief Technology Officer

- Realignment of contractual maintenance from the Office of the Chief Technology Officer to the Department of Information and Application Services (\$366,587).
- Realignment of contractual maintenance from the Office of the Chief Technology Officer to the Department of Infrastructure and Operations (\$97,606).

Office of Organizational Development

- Realignment of 1.7 instructional specialist positions from the Office of the Associate Superintendent to the Innovative Professional Development Team (\$208,544).
- Realignment of 3.0 instructional specialist positions from the Department of Staff Development Initiatives to other units in the Office of Organizational Development, including the Equity Training and Development Team and the Innovative Professional Development Team (\$331,545).
- Realignment of a 1.0 supervisor position from the Department of Staff Development Initiatives to the Innovative professional Development Team (\$127,027).
- Realignment of 4.0 consulting principal positions from the Professional Learning Communities Institute to the Administrative and Supervisory Professional Growth System project to reflect the nature of their duties (\$584,992).

Office of Curriculum and Instructional Programs

- Realignment of consultants to contractual maintenance of equipment (\$22,600).
- Realignment within the Department of Curriculum and Instruction from assessment scoring, instructional materials, program supplies, and stipends to assessment development, consultants, and travel (\$231,280).
- Realignment of a 0.6 Head Start teacher, 3.0 Head Start paraeducators, and \$108,282 from the Head Start grant to the Head Start local match. Projected federal revenue from the Head Start grant is no longer sufficient to cover the costs of the program.

Office of Communications and Family Outreach

- Realignment of 2.0 office assistant positions from the Public Information Office to the Department of Family and Community Partnerships (\$86,786) to support the Ask MCPS (Call Center) service.

Montgomery County Public Schools

FY 2010 OPERATING BUDGET

Productivity

The Montgomery County Public Schools (MCPS) FY 2010 Operating Budget reflects continued efforts to improve productivity by reducing costs and realigning existing resources to higher priorities. Below are details of some recent productivity improvements.

Strategic Plan

- The MCPS strategic plan: *Our Call to Action: Pursuit of Excellence* maximizes productivity by setting consistent goals, strategies, measures, and targets for the entire school system. Consistency and constancy of purpose avoids the danger of wasting resources on priorities not aligned with system goals.
- The plan is reviewed annually through extensive public outreach and participation to make steady course corrections to keep the plan a living document, guiding the use of resources.
- The *Annual Report on Our Call to Action* summarizes the effectiveness of strategies and holds the school system accountable for measurable results. Aligned with the goals of the strategic plan, the report comprehensively reviews student achievement data, disaggregated by sub-groups and linked to state and federal requirements.

Baldrige Education Criteria for Performance Excellence

- Adoption of the Baldrige Quality Criteria provides a model for continuous improvement at all schools and offices. Every school has received Baldrige quality training. School improvement plans reflect a more focused approach using Baldrige principles.
- In 2005, MCPS won the U. S. Senate Productivity and Maryland Quality Award, the first large school system in the United States to win this award.
- In 2006, MCPS was a finalist for the Malcolm Baldrige National Quality Award, one of only 15 organizations in the nation—corporations, non-profits, or government agencies—to reach this stage of the competition.

Maryland Tax Education Foundation Study

- In 2005, the Maryland Tax Education Foundation, an independent think tank, concluded that MCPS provides taxpayers “a relative bargain” compared with similar school districts throughout the northeast, delivering better SAT scores at a lower per student cost.

- Compared with other school districts studied, MTEF concluded that “Montgomery County spends less and performs better.”

Process Improvement

- MCPS has used innovative approaches to process improvement, such as Six Sigma and Value Stream Mapping (VSM), tools used in industry to simplify work processes and eliminate waste.
- VSM projects include improving the maintenance work order system, routing special education buses, and ordering instructional materials.
- The Process Design and Improvement Process (PDIP) model for the design of improved business processes eliminates rework and errors. PDIP has been used to implement a 60 percent reduction in health violations in the food service area.
- MCPS has adopted the Six Sigma approach for process improvement. Six Sigma is a rigorous methodology that uses statistical analysis to improve operational performance by identifying and removing process defects. Many leading corporations have made significant savings through this approach. MCPS is applying it to business processes for facilities management, food services, and transportation systems, as well as instructional program processes.

Productivity Improvements

- Many MCPS units have applied productivity tools to achieve significant improvements. MCPS has reduced its base budget by \$111.5 million over the past eight years, redirecting those resources to improvement initiatives in the classroom. Savings also enabled MCPS to return nearly \$40 million to the county over the past 4 years.
- Centralized management of computers reduces technician service visits to schools.
- Increased publishing of accountability reports and evaluations on the MCPS Web site
- Electronic formative assessments using Technology for Curriculum Mastery (TCM) save teacher time.
- ConnectED provides parents with up-to-date information and supports a variety of languages.
- The MCPS Call Center handles calls from the community in both English and Spanish, increases convenience for parents, and reduces staff time spent answering general questions.
- Copy-Plus centralizes copying of up to 52 million copies annually, saving teachers time and reducing system costs.
- Call tracking of over 50,000 issues annually in the Employee and Retiree Services Center improves customer service while saving staff time.
- On-line ordering has saved paper and postage while reducing the time to fill staff orders.

- Systematic Team Cleaning has improved efficiency of building cleaning, improving security and saving energy. This approach substantially reduces substitute costs in building services.
- Energy conservation through computerized controls reduces electricity costs.
- Cooperative inter-agency bidding of employee health care services has saved \$4 million in administrative costs in FY 2009 as part of an estimated \$20 million over three years for all county agencies. These savings are keeping health care affordable for county employees.
- New bids for electricity services have locked in favorable prices for the next year, reducing the risk that high energy prices will result in sudden increases in utility costs.

Montgomery County Public Schools

FY 2010 OPERATING BUDGET

Enrollment

The Montgomery County Public Schools (MCPS) FY 2010 Operating Budget will increase by \$18,900,902 because of enrollment changes. Below are details of the reasons for the increase.

- Enrollment growth impacts most aspects of the Operating Budget, such as requirements for instructional staffing, student transportation (operators, attendants, and buses), instructional materials (textbooks and supplies), other school-based supporting services, and new and expanded school facilities.

Enrollment Projections

- Official enrollment for the 2008-2009 school year is 139,276 students. This is an increase of 1,531 students from FY 2008, and 1,513 more than what was projected and budgeted for in the FY 2009 Operating Budget.
- Enrollment is projected to be 140,500 students in FY 2010, which is 1,224 more than this year, and 2,737 more than what was budgeted for in the FY 2009 Operating Budget.
- The main reasons for higher enrollment in FY 2009 include:
 - Higher numbers of resident births since 2000, now arriving in elementary schools
 - A reduction in out migration of households from Montgomery County
 - Increased enrollment into MCPS from county private schools
- Elementary school enrollment is projected to increase next year. The projection for Grades K-5 enrollment in FY 2010 is 59,264, up 1,184 from this year's actual enrollment of 58,080. Kindergarten enrollment is projected to be 10,025 next year, the second year this enrollment has topped 10,000.
- Secondary school enrollment is projected to decline in FY 2010. Total middle and high school enrollment is projected at 69,131, a decline of 664 from this year's actual enrollment of 69,795.
- Increases in elementary school enrollment will be somewhat offset by decreases in secondary enrollment for the next couple of years. However, significant total enrollment increases will occur over the six-year forecast period. By FY 2015,

Montgomery County Public Schools is projected to have 144,932 students enrolled, 5,656 more than this year.

Costs Related to Enrollment Changes

Budget calculations are based on changes in projected enrollment. Since actual enrollment was 1,513 students above projection in FY 2009, additional resources will need to be requested in the FY 2010 budget for these students. In addition to these students, another increase of 1,224 students is projected for FY 2010, for a total 2,737 students above the budgeted level for FY 2009.

- Total costs related to enrollment growth will increase by \$18,900,902.
- This fall there are 1,224 more students in elementary schools than were projected and budgeted for. The projection of 1,184 additional elementary students in FY 2010, results in a cumulative increase of 2,408 students from what is budgeted for in FY 2009 to what is projected for FY 2010. This number of additional students requires an additional 128.1 classroom teacher positions, 6.0 consulting teacher positions, 2.5 media assistant positions, and 4.375 lunch hour aide positions at a total cost of \$6,987,911.
- This fall there are 627 more students in middle school than were projected and budgeted for. The projection of 257 fewer middle school students in FY 2010 results in a net increase of 370 students from what was budgeted for in FY 2009 to what is projected for FY 2010. This number of additional students requires 22.3 additional classroom teacher positions and a .5 media assistant at a total cost of \$1,129,178.
- This fall there are 646 more students in high schools than were projected and budgeted for. The projection of 407 fewer high school students in FY 2010 results in a net increase of 239 students from what was budgeted for the FY 2009 to what is projected for FY 2010. This number of additional students requires an additional 21.2 classroom teacher positions, and a 1.0 media specialist at a total cost of \$1,127,621.
- This fall there are projected increases of 1,000 ESOL students. This number of projected additional students requires 19.2 additional classroom teacher positions and \$959,904.
- A projected increase of 573 special education students enrolled in special classes from 8,534 students enrolled in FY 2009 to a projection of 9,107 students in FY 2010 requires the addition of 8.0 classroom teacher positions, 11.4 speech pathologists, 6.0 occupational and physical therapist positions, and 2.478 paraeducator positions at a total cost of \$1,539,908. An increase in the number of students expected to require non-public placement, including the implementation of new federal regulations regarding the completion of education services for such

students, increases the budget for tuition payments by \$2,688,878. MCPS will receive increased state reimbursement for part of these additional costs.

- There are other costs related to enrollment changes such as \$258,976 for substitutes, \$179,471 for textbooks, \$52,962 for media centers, and \$287,598 for instructional materials. In addition, there are related changes such as additional square footage added to schools to accommodate enrollment growth. Costs for building services (\$327,521), utilities (\$141,865), and additional relocatable classrooms (\$32,268) will add \$501,654 to the budget.
- Employee benefits costs related to enrollment changes result in a net increase of \$3,186,841.

Montgomery County Public Schools

FY 2010 OPERATING BUDGET

Special Education

The Montgomery County Public Schools (MCPS) FY 2010 Operating Budget includes \$401.4 for services for students with disabilities. This includes \$270.6 million in special education instruction (Category 6), \$61.9 million for special education transportation, and \$68.9 million for employee benefits. This is an increase of \$8.1 million, partly for continuing salary and benefits increases for existing employees. Below are details of the major reasons for the increase and other changes.

- Enrollment is expected to increase by 184 students, primarily in pre-school special education services. This results in the need for 27.9 additional special education teacher, speech pathologist, occupational and physical therapist, and paraeducator positions at a cost of \$2.0 million.
- Enrollment in preschool Autism classes is projected to increase. Classes will be opened to offer appropriate public school options to an additional 26 students.
- In order to increase the percentage of special education students receiving services in the Least Restrictive Environment (LRE), as required by federal and state regulations, MCPS will continue to realign resources to serve special education students in general education classrooms, in their home schools when appropriate. As a result, some students currently assigned to separate programs outside of their home schools will be able to attend their home schools and receive additional support with resources realigned from other programs with reduced enrollment.
- To move elementary special education staffing allocations closer to that of an hours-based staffing model, Home School Model schools will receive special education staff that addresses the instructional needs of all students with disabilities in the home schools.
- There is an increase for tuition for special education students in non-public placement totaling \$3.7 million, partially because of an increase in the number of students, but primarily because of tuition rate increases approved by the state of Maryland for FY 2009 and projected for FY 2010 for non-public programs.
- There are other cost increases for special education for contractual services and itinerant paraeducators totaling \$0.8 million.

Montgomery County Public Schools

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ESOL/Bilingual Programs

Mission

The mission of the Division of English for Speakers of Other Languages (ESOL)/Bilingual Programs is to provide high-quality instruction, assessment, counseling, and parent outreach activities that enable English language learners (ELL) to demonstrate successful academic performance across all curricular areas.

ESOL Enrollment Trends

The number of students enrolled in ESOL programs continues to increase. The official ESOL student enrollment figure for FY 2009 is 16,646 students, an increase of 715 students over the previous year. In FY 2008, enrollment exceeded the projected figure of 14,850 by 1,081 students, for a total of 15,931 students. The distribution by grade level continues to follow the pattern established over the past few years, with the highest concentration of ESOL students at the prekindergarten and lower elementary grades. Students in Grades pre-K–2 make up 70 percent of the elementary ESOL enrollment and 50 percent of the total ESOL enrollment. It is for this reason that elementary ESOL staff is allocated at a ratio of 44 to 1. This strategy ensures that reserve positions are available to resolve enrollment issues.

Major Functions

The Division of ESOL/Bilingual Programs develops, coordinates, and supports efforts to enhance the academic opportunities and the academic performance of ELL students by focusing all division functions on curriculum and instruction, counseling, parent outreach, and language assistance services.

Curriculum and Instruction

- The development and implementation of a rigorous pre-K–12 ESOL curriculum aligned to the ESOL voluntary state curriculum ensures that ESOL students develop the academic English needed to achieve Adequate Yearly Progress on the Maryland School Assessments (MSA) and to meet Annual Measureable Achievement Objectives (AMAO) in English language proficiency. Training sessions have been developed and delivered in collaboration with the Office of Organizational Development for ESOL teachers and administrators on the effective implementation of the ESOL curriculum and all components of the ESOL instructional program. (\$40,389,034)

Counseling

- Bilingual and cross-cultural counseling provides additional support to enable ESOL students to succeed academically by assisting students with the process of acculturation. Regular individual counseling and group guidance sessions with ESOL students, as well as crisis intervention for ESOL students who are in the process of adjusting to a new

school and community environment, assist them in bolstering their academic performance by easing socio-cultural challenges. (\$1,615,926)

Parent Outreach

- Efforts to the support the academic success of ESOL students are enhanced by the division’s multilingual parent outreach team. The ESOL parent outreach team works to provide direct services to ELL families at schools with significant ESOL populations. The team collaborates with the Department of Family and Community Partnerships to ensure a consistent and collaborative approach to parent and family issues. The parent outreach team minimizes linguistic and cultural barriers by using their multilingual skills to support ELL parents in navigating the school system in support of their children’s education. (\$1,852,437)

Language Assistance Services

- The Language Assistance Services Unit (LASU) provides professional translation and interpretation services in multiple languages using various media to address the need to communicate essential information to our rapidly growing linguistically diverse community. The LASU also offers interpretation services for large-scale events in schools and central offices, as well as school system-sponsored activities and community forums. (\$1,143,567)

Recent Accomplishments

- Continued the revision of elementary and secondary ESOL curricula to ensure alignment to the voluntary ESOL curriculum.

School Level	Curriculum	Projected Date of Completion
Elementary	Kindergarten ESOL Instructional Guide and English language proficiency assessments	FY 2009
Middle	ESOL Level 3 Standards-based Instructional Guide	FY 2009
	County examinations for ESOL 2 and 3	FY 2009
	Curriculum blueprints for ESOL Level 2	FY 2009
High	ESOL Level 5 Standards-based Instructional Guide	FY 2009
	Curriculum blueprints for ESOL 3 and 4	FY 2009
	Semester and final exams	FY 2009

- Developed additional ESOL curriculum documents in FY 2008 to support ESOL students in the academic content areas. First, curriculum blueprints for the academic language class were developed and piloted to assist beginning level ESOL students with learning language and academic content in mathematics, social studies, and science. Curriculum blueprints also were developed and piloted for older ESOL students with limited or interrupted formal education, to assist them with developing the language and content skills needed to access mathematics and social studies content.
- Developed and implemented the Students Engaged in Pathways to Achievement (SEPA) program for older high school ESOL students with interrupted formal education at Wheaton High School in FY 2008 and Albert Einstein High School in FY 2009. SEPA is a career-focused English language development program that provides entry level career,

English, literacy, and numeracy skills to Spanish-speaking ESOL students. Specialized curriculum for this program also was developed.

- Provided ESOL counseling services on a regularly-scheduled basis to 60 priority schools, resulting in 7,616 contacts to, and on behalf of, ESOL students from centrally-based ESOL counselors in FY 2008.
- Provided ESOL parent outreach services on a regularly-scheduled basis to 85 priority schools, resulting in 8,407 contacts to, and on behalf of, ESOL families in FY 2008.
- Rolled out the translation request system to MCPS offices and schools and translated more than 796 documents consisting of 2,452 pages into 14 different languages to communicate essential systemwide information relating to curriculum, instruction, health, and safety in FY 2008.
- Provided interpretation assistance at 7,771 meetings in FY 2008 in 48 languages.

Evidence of Student Achievement

- Overall reading and mathematics MSA scores for the limited English proficiency (LEP) subgroup have shown consistent improvement in the percentage of students performing at proficient and advanced levels across all grades for the past five years (2004–2008), with the gap between LEP and non-LEP students continuing to narrow.
- High School Assessment (HSA) scores for the LEP subgroup in Algebra, Biology, and Government have shown consistent improvement in the percentage of students passing for five consecutive years (2004–2008). Additionally, the gap between LEP and non-LEP students has continued to narrow for HSA scores in Algebra, Biology, Government, and English.
- For two consecutive years (2007–2008), ESOL students have exceeded AMAO in both progress toward and attainment of proficiency in English (AMA0 I and II, respectively) by nearly 30 percentage points, as evidenced in the table below. This indicates that ESOL students are learning the academic English needed for success in all curricular areas.

Year	AMA0 I MSDE Target	AMA0 I MCPS	Difference	AMA0 II MSDE Target	AMA0 II MCPS	Difference
2007	40	69.2	29.2	20	55.1	35.1
2008	48	77.2	29.2	30	69.1	39.1
2009	56			40		
2010	64			50		
2011	72			60		

Montgomery County Public Schools

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Organizational Development

The Montgomery County Public Schools (MCPS) Strategic Plan, *Our Call to Action: Pursuit of Excellence*, confirms the importance of professional development for all staff. Goal 4 of the Strategic Plan is to “Create a Positive Work Environment in a Self-Renewing Organization.” The first milestone under this goal states “All employees will be provided with high-quality professional development opportunities to promote individual and organizational effectiveness.” The Office of Organizational Development (OOD) is charged with the primary responsibility in this critical work. The mission of OOD is to “develop all staff and improve the effectiveness of the organization to ensure high achievement for every student.” This mission is also captured in the OOD guiding statement: *Student Learning Drives Our Work*.

Major Functions

The work of the Office of Organizational Development can be divided into five critical areas that are all essential in the pursuit of student achievement:

- Building the capacity of teachers
- Building the capacity of administrators
- Building the capacity of support professionals
- Building the capacity of teams, schools, and offices
- Promoting individual growth and advancement

Building the Capacity of Teachers

The foundational element in the success of our school system is a highly effective teacher in every classroom. OOD works to realize this foundation by providing high-quality, job-embedded professional development for the 11,000 teachers who work directly with our students. This effort begins with New Educator Induction, a structured program that provides supports and training for approximately 800 new teachers every year. The Consulting Teachers (CT) Team based in OOD then provides one-on-one coaching and support to all new teachers. During the past four years, consulting teachers have served 2,683 teachers, of which 272 were identified as underperforming teachers and 2,411 were novice teachers. In the past four years, 31 teachers have been recommended for dismissal, 170 teachers have resigned, and 59 teachers have been recommended for non-renewal by the PAR Panel.

One of the most important MCPS efforts to build teacher capacity is the presence of a full-time staff development teacher (SDT) in every school. SDTs work with teams and individual teachers to support instruction and provide professional development. SDTs meet with teams, teach demonstration lessons, work with school administrators to build professional learning communities, support the school improvement process, coach struggling teachers, and other efforts that support professional development and student learning.

The Curriculum Training and Development Team in OOD provides thousands of hours of training and support to thousands of teachers every year, both in structured sessions at training sites and through follow-up support in school buildings and classrooms. All new curriculum rollout is supported by intensive professional development.

Studying Skillful Teaching classes that are taught by the members of the Skillful Teaching and Leading Team provide teachers with research-based strategies and instruction. Through successful completion of these 36-hour courses, teachers greatly enhance their instructional quality, motivation of students, and intervention for struggling children.

Building the Capacity of Administrators

Research has shown that highly skilled administrators have a positive effect on student achievement. MCPS has constructed a nationally-recognized model for developing school leaders. During the 2007-2008 school year, 25 novice principals, including two principals new to MCPS, and two principals new to a level were supported by consulting principals. Of these principals, 23 of the 25 met standard in their performance appraisals (92 percent).

Building the Capacity of Support Professionals

MCPS has over 8,000 support professional employees who make a positive difference in student learning through a variety of roles. Professional Growth Consultants (PGCs) in OOD provide coaching and guidance to support professionals who have been identified as not meeting the competencies outlined in the Supporting Services Professional Growth System.

Building the Capacity of Schools, Offices, and Teams

In order to reach strategic plan goals, it is very important for MCPS to support school and office staff as they work in teams. Staff Development Specialists (SDS) in OOD provide several critical functions, beginning with direct support of staff development teachers in the schools.

The Professional Learning Communities Institute (PLCI) provides ongoing training and support for school leadership teams including administrators, teachers, support professionals, and parents.

The Equity Training and Development Team works directly with schools and offices to promote equity and close the achievement gap. The Equity Training and Development Team continues to focus on: 1) building leadership staff capacity to lead for equity, 2) deepening capacity of OOD staff to explicitly infuse equity content and processes into all professional development programs and projects, and 3) providing direct services, consultation, and resources to support school-based and central services study and dialogue about the impact of race and ethnicity on teaching and learning.

The Technology Consulting Team works directly with principals, supervisors, teachers, and support professionals to help staff maximize the use of technology resources to support system goals. Critical work this year has included providing staff development for the Financial Management System (FMS) and training to support Middle School Reform (21st century classroom, Promethean boards, Performance Matters).

The Staff Development Substitute Program provides schools with substitute days that allow time for teachers and teams to engage in professional development, examine student work, analyze data, and plan instruction.

Support for Individual Growth and Advancement

MCPS supports individuals in their professional growth through providing tuition reimbursement for advanced coursework, Continuing Professional Development (CPD) courses to help staff build skills and certification, and multiple higher education partnerships that help staff members to pursue advanced degrees and certification in areas that are critical to the system, including special education, ESOL, mathematics, and science.

Focus on Organizational Changes

In order to meet the needs of MCPS staff and achieve strategic plan goals, OOD is realigning resources in order to be more targeted, efficient, and innovative in providing support to clients. OOD plans to focus on job-embedded professional development to increase effectiveness and reduce costs associated with tier 1 training.

Focus on Budget Changes

For FY 2010, OOD is reducing its budget and working to realign assignments and caseloads to ensure that high quality professional development continues to be provided to all clients. In addition, adjustments to the delivery systems for some professional development will create savings in the areas of training stipends and other costs. OOD is actively exploring how to use technology and online learning environments as a strategic tool in building the capacity of staff.

Recent Accomplishments

Middle School Reform – When implementing a major initiative like middle school reform, professional development is a key component. OOD worked closely with other offices to plan, design, and deliver training to the Phase I and Phase II Middle Schools. This included intensive training for the schools’ leadership teams, curriculum content training in mathematics, reading, ESOL, and special education strategies, technology training, and professional development for teacher leaders, including math specialists and literacy coaches.

National Board Certified Teachers (NBCT) – With 363 National Board Certified teachers overall, Montgomery County far surpasses all other counties in Maryland and ranks among the top 20 school districts in the nation in the number of new and cumulative total of National Board Certified educators.

APQC Award – In 2008, MCPS was recognized by the American Productivity and Quality Council for exemplary work in supporting professional learning communities. The award names MCPS a benchmark district and applauds our systematic approach to building the capacity of staff.

Montgomery County Public Schools

FY 2010 OPERATING BUDGET

Technology

Under the leadership of the chief technology officer, the office is responsible for all aspects of Montgomery County Public Schools (MCPS) information technology systems and provides the leadership for developing and implementing information technology initiatives that support the Board of Education's strategic plan, with emphasis on integrating technology-based teaching and learning in the classroom.

The office's mission focuses on rigorously and consistently providing the highest quality technology systems and services to support excellence in teaching and learning, facilitating collaborative learning communities, and supporting operational effectiveness that enhances the management of the business of education. The office continuously cultivates strategic partnerships with vendors that focus on improving product and service pricing, quality, and on-time delivery. Moreover, the office is committed to creating an organizational culture of respect, based on the awareness and understanding of the impact of the office's work on the behavior and decisions of others.

Major Functions

The Office of the Chief Technology Officer (OCTO) is comprised of three departments and two divisions—the Department of Strategic Project Management and Planning leads the strategic visioning and planning for the use of technology in MCPS based on quality and secure standards, coordinates statewide educational technology efforts, and manages technology-related federal programs; the Department of Information and Application Services provides expert recommendations for the integration of state-of-the-art technology into student and administrative practices and support services; the Department of Infrastructure and Operations manages the technical enterprise configurations for information systems and provides the operational support for administrative data and reports; and the two divisions provide technology support and innovative project management, research and development, strategic planning for technology refreshment, coordination of statewide educational technology efforts, and management of technology related federal programs.

OCTO supports instruction and student achievement by designing and developing innovative approaches and strategic technologies in support of *Our Call To Action: Pursuit of Excellence*, the strategic plan for MCPS, the *Maryland Educational Technology Plan for the New Millennium: 2007–2012*, and *No Child Left Behind Act of 2001* (NCLB). These technology systems are developed with an explicit commitment to customer satisfaction, the delivery of high-quality products and services, and support that is responsive to the needs of the MCPS user community.

The Department of Strategic Project Management and Planning oversees the use of effective project management and quality assurance processes and tools for OCTO providing leadership, collaboration, and coordination to ensure that information technology projects and systems are developed and implemented based on MCPS end user and reporting requirements and are consistent with industry-standard project management, quality assurance, and information technology security processes and practices. Staff in this department works with project managers in each OCTO department and division to share and implement project management practices that lead to successful results.

Staff in the Department of Information and Application Services works to support student and business technologies by providing leadership, collaboration, and coordination to ensure that information technology systems are developed and implemented, based on MCPS end user and reporting requirements consistent with quality assurance, information security, and systems engineering best practices.

The Department of Infrastructure and Operations manages the enterprise-wide technical systems and facilitates the implementation of effective, secure, and reliable hardware and software solutions for the entire school system. Staff in the department works to provide operational support for administrative data and reports.

The OCTO divisions providing technology support and modernization facilitate the effective use of technology as an everyday tool within MCPS for the benefit of all users including students, teachers, parents, staff, and the local and worldwide learning community. The responsibilities of these divisions are closely aligned with the Technology Modernization (Tech Mod) project funded through the Capital Improvement Program that refreshes technology in schools and offices. The Division of Technology Support provides on-site technical support to staff in schools and offices, Help Desk services, and customer relationship management. The Division of Technology Innovation oversees field installation and project management, research and development, strategic and tactical planning of the capital project for technology refreshment, coordination of statewide educational technology efforts, and management of technology related federal programs. This division also manages the Title II-D Educational Technology grant, which supports the innovative use of technology in classroom instruction and student learning, such as Middle School Reform technology, technology magnet programs, and professional development for information technology system support employees. This division continuously cultivates strategic partnerships with vendors that focus on improving product and service prices, quality, and on-time delivery.

Focus on Organizational Changes

The OCTO has continued to reform and realign structures and resources to effectively support the school system's priorities and efficiently address the needs of customers. Furthermore, the organizational changes reduce management reporting layers and are supported by the ongoing efforts to:

- Transform the organizational culture
- Redefine and adopt a customer engagement and relationship model and process
- Provide strategic leadership for all technology initiatives being implemented throughout the school system

- Develop a next generation information technology workforce by building staff capacity.
- Strengthen operational coherence and risk management through active stakeholder governance
- Provide technology solutions that facilitate the development of collaborative teaching and learning communities (Web 2.0 framework)

Recent Accomplishments

- Focused on continued support of improved project management practices through improving collaboration and listening and learning from stakeholders.
- Focused on expanding the ability to meet increasing customer requests accurately and in a timely manner to continuously increase the quality of services provided to all MCPS technology users.
- Initiated new processes to manage the increasing number of vendors offering technology products and services and to ensure timely and cost effective delivery of services. Office staff supported the procurement of technology equipment, software, and services funded through the \$18.8 million Tech Mod program and completed the federal application processes for E-Rate telecommunication rebates totaling approximately \$1.8 million for FY 2008. Additionally, another major accomplishment of the office was negotiating a settlement of \$204,554 in credits for over-billed telecommunication services.
- Migrated several major systems from the legacy mainframe equipment onto newly designed systems (student systems, financial management, budget, accounting, and procurement) to eliminate the costs of maintaining the legacy equipment and software. Migration of the remaining printing and other batch programs from the mainframe to more up-to-date platforms allowed us to remove the aging and out-of-date mainframe system.
- Continued MCPS wide-area network (WAN) to carry additional Internet provider (IP) services throughout MCPS with the addition of IP-based building-wide security cameras in 12 secondary schools, 39 visitor-management systems in elementary and middle schools, and building access control in 26 elementary schools in FY 2009. The information provided by these systems traverses the MCPS local-area network (LAN)/WAN providing critical information to both MCPS safety and security staff and the Montgomery County Police.
- Upgraded databases for student systems applications, the *myMCPS* portal and the human resources system to the latest and most efficient versions that allow for faster access to data for students and staff. The implementation of the first phase and prototype of the enterprise portal, *myMCPS*, provided access to reports and instructional applications, including the High School Assessment Bridge Plan for Academic Validation, Curriculum Archive, Professional Development Online (PDO), MCPS news and emergency notifications. Within *myMCPS*, the Next Generation Data Warehouse provides dashboards for the strategic target data points for school administrators and staff.

- Expanded the Elementary School Online Achievement and Reporting System (ES OARS) to include 24 selected schools for Grades 1 through 3. ES OARS has been updated allowing teachers to use newly established measurement topics for grading and reporting. Grading and reporting data collected in ES OARS are interfaced with the Online Administrative Student Information System (OASIS) to produce new standards-based report cards based on measurement topics. As part of the Secondary OARS project, a pilot has been conducted with the Edison Center to accommodate grade collection and reporting for students with dual enrollment.
- Implemented the Applicant Tracking System (ATS) to enable the electronic handling of MCPS recruitment needs from posting positions to hiring. ATS serves both internal and external applicants. This system provides for efficiency and is fully compliant with the Office of Federal Contract Compliance Programs, Uniform Guidelines on Employee Selection Procedures, and Equal Employment Opportunity guidelines. ATS integrates with the HRIS) and Fortis Document Management System.
- Opened 102,760 requests for services and support in the Unicenter Service Desk issue tracking system by MCPS staff in schools and offices as compared to 101,426 FY 2008.
- Provided for the refreshment of technology in 45 schools, installing 9,341 computers and related systems in 10 high schools, 12 middle schools, 20 elementary schools, and 3 special schools through the Technology Modernization project. Supported the installation of technology for ten schools with additions. Because of the demand for a lower student to computer ratio and funding that remains at a 5:1 student to computer refreshment ratio, a program for upgrading older computers was initiated for Tech Mod schools with specific program needs. Under this upgrade program, 2,007 computers were removed from schools and offices, sent to the Tech Mod Recycle Center to be upgraded and re-imaged, then reinstalled in schools for student programs such as Fastt Math and Read 180. To address the digital divide, 5,763 computers were donated to local community centers and programs. All remaining old computers taken out of schools and offices are sold to an asset recovery firm to avoid disposal fees of \$10 per unit.
- Applied for and received funding to lead a competitive grant under *Title II-D—Enhancing Education Through Technology* under NCLB. This grant funds a state-wide consortium for developing lessons and professional development to support student and teacher technology literacy. Office staff funded through the Title II-D Educational Technology participated in the implementation of the critical-thinking framework in seven schools participating in a partnership program with Promethean.

Montgomery County Public Schools

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New Schools

The Montgomery County Public Schools (MCPS) FY 2010 Operating Budget will increase by a net of \$1,580,398, reflecting the effects of opening new schools. Below are details of the reasons for the decrease.

- The budgetary impact of new schools is a result of the combination of positions added to a school because of the school building itself and one-time start-up costs.
- Costs associated with the opening of new schools rather than enrollment growth include building administrators, reading teachers, staff development teachers, building service workers, secretaries, and other positions. New school costs also include utilities, media and instructional materials, custodial supplies, equipment, food services, and other non-personnel costs.
- One-time costs come out of the budget in the year after the building opens or a grade is added. As a result, the incremental impact of new schools in any single year may be either an increase or decrease.
- In FY 2010, one new school will open, Clarksburg Elementary School #8. The final one-time costs relative to the opening of Arcola Elementary School will cease after FY 2009, resulting in a partial decrease in new schools costs.
- The increase of costs related to the opening of Clarksburg Elementary School #8 totals 15.575 positions and \$1,733,019. The decrease in one-time costs related to Arcola Elementary School is \$152,621.

Montgomery County Public Schools

FY 2010 OPERATING BUDGET

Continuing Salaries

Continuing salaries and related employee benefits will increase the FY 2010 Operating Budget by \$19,581,812. Continuing salary costs are tied to the negotiated agreements. They include annual salary increments for eligible employees, adjusted by savings for expected employee lapse and turnover. Employee pay is based on salary schedules, published as part of the operating budget, for each pay grade and step. As employees increase their experience, they reach higher steps on the salary schedule. In addition, teacher salaries depend on educational levels. Salaries for supporting services employees depend on the number of hours worked in addition to their years of service.

Continuing Salaries

Changes in employee salaries are determined by negotiated agreements with four employee organizations:

- Montgomery County Education Association (MCEA) representing teachers and other professional employees
- SEIU Local 500 representing supporting services employees
- Montgomery County Association of Administrative and Supervisory Personnel (MCAASP) representing administrators and supervisory employees
- Montgomery County Business and Operations Administrators (MCBOA) representing non-certificated supervisory employees

Employees receive continuing salary increases related to seniority (steps and longevity). Increases include scheduled annual increments for employees with satisfactory service who are still progressing along salary schedules and for teachers who accumulate sufficient graduate credits to move to a higher salary schedule lane.

Included in net continuing salary costs is lapse (savings resulting from short-term vacancies) and turnover (savings from replacing a senior employee with a lower-paid junior employee) savings based on historical experience.

The total budget increase for continuing salary costs and related benefits of \$19.6 million includes \$12.6 million for MCEA, \$7.6 million for SEIU Local 500, \$0.2 million for MCBOA, offset by a reduction of \$0.8 million for MCAASP.

Continuing salaries increase the total budget by 0.9 percent and the budget for salaries and wages by 1.2 percent.

Budgeted salary costs for FY 2010 assume that all new employees will be hired at the budgeted new-hire rate for their position, including BA4 for regular education teachers and BA6 for special education teachers.

Montgomery County Public Schools

FY 2010 OPERATING BUDGET

Employee Benefits

The Montgomery County Public Schools (MCPS) FY 2010 Operating Budget includes \$456.6 million to provide employee benefits (21 percent of the total operating budget). This is an increase of \$28.2 million (6.6 percent). Health and life insurance coverage for current active and retired employees and their families are provided through the Employee Benefit Plan (EBP). Other employee benefits include retirement, social security (FICA), worker's compensation and other self-insurance, and tuition reimbursement. The budget does not include any increase of the \$18.2 million to pre-fund retiree health benefits (OPEB). See a separate section on OPEB.

Health and Life Insurance

- MCPS works with a consultant firm, Aon Consulting, one of the leading firms in the nation with expertise in employee benefit plan administration. Aon studies both national trends and actual MCPS experience to develop projections of future costs. These projections have been very close to actual results for the last several years.
- Joint negotiations with employee unions have resulted in a series of health care plan design changes, including higher co-pays for some plans, changes in pharmaceutical access, and new plan administration. Changes in plan administration resulting from rebidding EBP contracts in FY 2008 have saved \$4.8 million in FY 2009.
- The projected budget increase assumes a 7.1 percent cost increase trend in FY 2010. This rate is higher than the expected rate of inflation, and significantly higher than in previous years. The projection reflects the net of inflationary cost increases and the positive effects of cost containment initiatives and cooperation with other county agencies, including rebidding contracts with third party administrators. It is anticipated that the projected cost increase generated by the 7.1 percent trend will be partially offset by cost reductions related to the serious economic conditions. In addition to implementing additional efficiencies, the MCPS budget has included the impact of a reduction in the number of new retirees in FY 2010 and the overall impact an economic contraction has on the ability to pass on higher costs for employee health benefits.
- The budget for health and life insurance for active employees will rise by \$24,803,080. Active employees pay an average of 10 percent of plan expenses, although this varies by plan.

- The budget for retiree health care costs will decrease by \$586,024. Reductions in the FY 2010 number of new retirees due to the economic situation and the expected reimbursement increases for Medicare Part D prescription drug costs by \$180,000 are responsible for this decrease. The retirees now pay 36 percent of plan costs.

Other Employee Benefits

The cost of other employee benefits is expected to increase by a net of \$4.0 million in FY 2010.

- The cost for current retirement programs will increase by \$1.2 million based on 4.53 percent of salary. Lower investment returns in the retirement fund have not yet been fully realized, but it was deemed prudent not to lower the 4.53 percent rate because of expected actuarial losses in future years based on poorer investment returns. A policy of five-year smoothing of investment gains and losses will result in the gradual recognition of significant losses and a consequent increase in the percentage of salary used to calculate retirement contributions. As a result of these anticipated actuarial losses, long-term concerns remain about the funded status of the retirement plan.
- Due to increases in salary costs, contributions to social security are projected to increase by \$1.2 million. Other budget changes related to employee benefits include an increase of \$1.8 million in self-insurance costs for worker's compensation. Partially offsetting these increases is a decrease of \$100,579 for tuition reimbursement as more employees take courses to maintain certification and increase job skills and a net decrease of \$56,000 for other benefits.
- The operating budget does not include an increase in the \$18.2 million for the third year of an eight-year phase-in of payments required for the Retiree Health Trust Fund for Other Post-Employment Benefits (OPEB). The current economic situation precludes any increase in OPEB contributions at this time.

Montgomery County Public Schools

FY 2010 OPERATING BUDGET

Funding Retiree Benefits - OPEB

The Montgomery County Public Schools (MCPS) FY 2010 Operating Budget includes \$18.2 million to continue pre-funding of Other Post-Employment health and life insurance Benefits (OPEB) for retired employees made necessary by the rulings of the Government Accounting Standards Board (GASB). This pre-funding is necessary to assure retired and active employees that future retiree health insurance costs will be fully funded, and to protect the County's AAA bond rating.

- GASB defines what are considered to be Generally Accepted Accounting Principles (GAAP) for governmental entities, including public school districts. GASB statements 43 and 45 related to disclosure of liabilities for Other Post-Employment Benefits (OPEB).
- OPEB include retiree medical, dental, life insurance, and other benefits not covered by a pension plan.
- MCPS has taken action to limit its liabilities under the new rulings. With the cooperation of retiree representatives, the Board of Education adjusted the share of health and life insurance benefit payments made by retirees to 36 percent of total costs with MCPS responsible for 64 percent.
- Plan sponsors such as MCPS, began to comply with the new rulings beginning in FY 2008. They must determine through an actuarial study and disclose in financial reports OPEB liabilities as they are incurred. MCPS commissioned its pension actuary, Mercer, to conduct the required actuarial analysis.
- The new approach differs from current practice that permits employers to pay for such benefits on a "pay as you go" basis. Until 1978, MCPS pre-funded retiree insurance benefits. This fund was finally exhausted in FY 2003. Since then, the Operating Budget has paid the full cost of retiree benefits.
- Although GASB does not require government bodies to pre-fund OPEB obligations, bond rating agencies expect large governmental entities with favorable bond ratings to phase-in OPEB funding over a period of years, with a plan to achieve full funding of the liabilities. As a result, all County funded agencies have decided to phase-in required pre-funding over eight years. FY 2010 is the third year of the phase-in period. MCPS has established a trust fund to hold and invest employer contributions. Investment earnings of the trust fund will reduce the ultimate cost to the operating budget.

- The FY 2010 budget includes continued funding of \$18.2 million in contributions for the third year of the eight-year phase-in period. The adverse economic situation and budget shortfalls make it necessary to defer an increase in OPEB funding. As economic conditions improve, MCPS will make additional contributions to achieve the complete phase-in of required payments within eight years based on actuarial recommendations. This will enable MCPS to achieve full funding of anticipated OPEB obligations.

Montgomery County Public Schools

FY 2010 OPERATING BUDGET

Inflation and Other Cost Changes

Miscellaneous changes and cost increases resulting from inflation to maintain the same level of services increase the Montgomery County Public Schools (MCPS) FY 2010 Operating Budget by \$9.4 million (0.5 percent of the budget). Below are details of the reasons for the increase.

- Cost increases resulting from inflation and miscellaneous factors total \$9,440,262.
- After a period of price stability, inflation in the Washington metropolitan area is at 5.5 percent. Inflationary increases are calculated for most budgeted items other than salaries, and increases for major items that have specific rates different from general inflation rates are calculated separately. These include such items as utilities, diesel fuel, bus parts, tuition costs for students with disabilities who are in private placements, textbooks, and instructional materials.
- Inflation for instructional and other supplies and materials is \$1,809,571, based on the 6 percent inflation rate for textbooks and other instructional materials. However, the budget includes a reduction of the entire increase. A total of \$8.5 million is budgeted for textbooks.
- Utilities increases resulting from higher costs of electricity and water and sewer charges total a net of \$3,680,533. Estimated savings from rebidding electricity contracts and energy conservation measures of \$1 million limit the increase in utilities costs.
- Higher costs resulting from expected rate increases and catching up for past increases for non-public placement for special education students are \$1,048,623. Other inflationary and miscellaneous increases in special education are a net total of \$781,000, including \$250,000 for critical paraeducator support, \$215,000 to pay for increased costs for nursing services, \$185,000 for substitute costs, \$90,000 for contractual services, \$59,000 for local travel costs, and \$45,000 for other expenditure needs. These increases are offset by a net decrease of \$63,000 resulting from the expected transfer of 36 pre-school students with autism from non-public to public school programs.
- Higher costs for bus replacement and other transportation costs totaling \$1,570,424.
- Costs for plant operations, maintenance, will increase by \$200,000 for contractual maintenance vehicle operations and maintenance supplies.

Montgomery County Public Schools

FY 2010 Operating Budget

Operating Budget Process

The operating budget process provides the Board of Education and the superintendent of schools with the opportunity to align the operating budget with the Montgomery County Public Schools' strategic plan, communicate its goals to the public, and secure approval of the operating budget by the county executive and the County Council. Below is a brief summary of the operating budget process.

- *Community Forums* – The Board of Education convenes community forums annually in September and October to review implementation of the MCPS strategic plan, assess progress on detailed multi-year strategies and initiatives implemented through the operating budget, and gather public input at the forums or through the MCPS web site. Recently, community forums have been “open mike” sessions that have included testimony from parents, students, and community leaders. Individual offices and departments also gather community input, for example, the Special Education Staffing Plan Committee.
- *Same Services Budget Development* – Most of the budget is developed through a “zero-based” process that applies staffing and other funding formulas approved by the Board of Education using updated enrollment forecasts and other school-based data. Departments have an opportunity to realign existing resources to higher priority needs based on the system and unit strategic plans. The budget development process also accounts for inflationary increases in the cost of goods and services required by the school system.
- *Program Initiatives and Reductions* – Improvements in new or expanded programs are proposed by individual offices or by other stakeholders. These changes are tied to the goals of the strategic plan. In November, with the advice and counsel of other decision makers, formally and informally, the superintendent of schools determines which programs he will recommend and how much he will request for each new or expanded program initiative. In FY 2010, fiscal constraints prevent implementation of new or expanded program initiatives, but most existing improvement initiatives will remain in place. Based on targets provided to individual offices, the superintendent also recommends reductions in base budget programs.
- *Budget Presentation and Publication*—In December, the superintendent of schools presents his recommendations to the Board of Education. The *Superintendent's Recommended Operating Budget*, often called the management budget, shows budget resources by office, department and other units. The *Program Budget* includes references to the units that carry out each program. The management

budget describes in detail the work of each unit, shows all budget changes, and includes performance measures for each operating unit. The management budget also includes a glossary of budget terms, an index of all items, and a section describing how to understand the budget. The *Budget in Brief* describes highlights of the recommended operating budget for the general public. Budget publications are all posted to the MCPS Web site.

- *Board of Education Public Hearings and Worksessions* – In January, the Board of Education holds two public hearings. Testimony is received from PTA cluster representatives and other interested citizens regarding the superintendent's recommendations. Following the hearings, the Board holds two worksessions to ask specific questions about the budget and explore potential amendments. Recently, the Board has reviewed the budget programmatically. The Board has identified budget issues related to its seven academic priorities and reviewed the budget according to those priorities rather than chapter by chapter. The Board may increasingly use the Program Budget to organize its work sessions on the operating budget.
- *Budget Amendment and Adoption*– At the all-day meeting in February, the Board formally considers the superintendent's operating budget, often as amended to take into account updated enrollment and other information. Board members propose and dispose of suggested amendments and adopt the Operating Budget Request as amended. On March 1, the budget is formally transmitted to the county executive and the County Council. The county executive issues his recommended budget on March 15.
- *Spending Affordability process*– In February, the County Council adopts spending affordability guidelines (SAG) for the county, including possible property tax rates and allocations of resources to each agency. The SAG guidelines take into account actions by the state legislature that may affect available revenue.
- *County Council review*– In April, the County Council holds a series of public hearings that include considerable testimony on the MCPS budget. The County Council Education Committee reviews the MCPS request and the county executive's recommendation during worksessions in April and May. The full Council approves a budget for MCPS including totals for each state category by the end of May. The Board of Education determines the final approved budget using state category totals approved by the Council at its June day meeting. The budget takes effect on July 1.

Montgomery County Public Schools

FY 2010 OPERATING BUDGET

Public Engagement and the Operating Budget

The Montgomery County Board of Education has strengthened public engagement in the development of the MCPS Operating Budget. MCPS has implemented new methods to expand public participation. Feedback received from this process has influenced the proposals included in the FY 2010 Operating Budget. Below are details of the public engagement process.

- For the past five years, the Board of Education has held public community forums in the fall to provide feedback on the progress of the MCPS strategic plan and how the budget can be better aligned with the strategic goals of the school system.
- On September 18 and October 16, 2008, the Board held “open mike” public community forums at Watkins Mill High School and Albert Einstein High School respectively at which a total of 56 individuals testified.
- Of the 56 individuals who testified, 27 were parents, 15 were community members, 12 were students, and 2 were staff members.
- In addition to the forums, the Board of Education and MCPS staff continue to receive feedback via letters, e-mails, on-line survey, and phone calls. Also, postage-paid feedback cards in six languages were distributed at the forums and to all schools, MCPS offices, and parent and community organizations. Ninety respondents commented on more than 200 different topics using the on-line survey and feedback cards.
- Following are the main themes that were addressed by individuals providing testimony and responding to the on-line survey and feedback cards:
 - small class sizes;
 - curriculum and instruction;
 - special education and ESOL;
 - facilities improvement;
 - academic interventions.
- The Recommended FY 2010 Operating Budget reflects community feedback by retaining valuable initiatives strongly supported through the public engagement process, including:
 - Reduced class size at all school levels
 - Minimizing reductions in the areas of maintenance and building operations
 - Maintaining hours-based staffing for special education at 16 middle schools
 - Continuing accelerated programs, including the Poolesville High School magnet program

Montgomery County Public Schools

FY 2010 OPERATING BUDGET

Budget Transparency

The Montgomery County Public Schools publishes and posts on its Web site a variety of publications that involve different ways of looking at the operating budget. Together, these documents enable citizens 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. Below are details of the information available on the MCPS Operating Budget.

- *Call to Action: Pursuit of Excellence* – The MCPS strategic plan, approved by the Board of Education, includes detailed multi-year strategies and initiatives implemented through the operating budget.
- *Program Budget* – The Program Budget summarizes the operating budget in more than 100 major programs across departments and offices. This year, the Program Budget references strategies and initiatives in the strategic plan and ensures that all strategies and initiatives are identified by program. The Program Budget should increasingly become a principal vehicle for making resource allocation decisions.
- *Recommended Operating Budget* – The *Superintendent's Recommended Operating Budget*, often called the management budget, shows budget resources by office, department and other units. The *Program Budget* includes references to the units that carry out each program. The management budget describes in detail the work of each unit, shows all budget changes, and includes performance measures for each operating unit. The management budget also includes a glossary of budget terms, an index of all items, and a section describing how to understand the budget.
- *Budget in Brief*—The Budget in Brief describes major budget issues in brief as an introduction to the operating budget. It includes details of proposals included in the recommended budget. It also includes important summary statistical information about the operating budget.
- *Personnel Complement* – The Personnel Complement includes a detailed listing of all positions requested in the budget. Both the *Program Budget* and the *Recommended Operating Budget* include personnel complements organized by program and unit respectively.

- *Budgeted Staffing Guidelines* – The *Program Budget* and the *Recommended Operating Budget* include budgeted staffing guidelines for regular education and special education. These guidelines govern the allocation of personnel resources by school and special education disability.
- *Schools at a Glance* – The *Schools at a Glance* annual publication shows a variety of information for each school, including programs from the Program Budget that are implemented at each school and personnel allocated to each school. A separate document, *Special Education at a Glance*, is published to show special education resources at each school.

All these publications are available on the MCPS Web site.

Montgomery County Public Schools

FY 2010 OPERATING BUDGET

Audits

The Montgomery County Public Schools (MCPS) receives many regular financial and operational audits. These audits ensure financial and operational accountability to the public. Below are details of some of the regular audits.

- 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 Clifton and Gunderson (CG). Neither CG nor its predecessors have identified any material weaknesses or noncompliance with internal controls.
- MCPS issues an annual financial report, the Comprehensive Annual Financial Report (CAFR). This report has received an Excellence in Financial Reporting Award from the Government Financial Officers Association (GFOA) and from the state of Maryland.
- Board of Education Policy DAA, Fiscal Responsibility and Control, requires the superintendent of schools to maintain strict financial controls consistent with state law and the county charter.
- The Board of Education Fiscal Management Committee meets regularly with staff to review audit findings and provide financial oversight. The Fiscal Management Committee reviews the reports of the system's actuary and external auditor.
- The Maryland State Department of Education (MSDE) and the state Office of Legislative Audit (OLA) review MCPS activities and financial reports. MSDE audits a variety of issues, including enrollment, program administration, special education, teacher certification, criminal background checks of teachers, and grants monitoring.
- Under Senate Bill 894, OLA is conducting a comprehensive financial and operational audit of all state school systems according to a six-year schedule. The MCPS audit has been completed and the findings are expected to be issued shortly.
- The federal government regularly provides mandated A-133 single audits of federal grant programs. The frequency of these audits has greatly increased in recent years. Federal audit results of MCPS grants have not included any material adverse findings.
- The State Interagency Committee on School Construction (IAC) audits the use of state construction funds. None of their audit notes contained any material findings.

- The county Office of Legislative Oversight (OLO) has conducted comprehensive budget reviews of MCPS programs, including student transportation, special education, school plant operations, compliance with environmental regulations, organizational development programs, recycling, and high school consortia. In FY 2007, OLO added an analyst dedicated to MCPS issues and conducted a review of fiscal performance indicators. These indicators serve as the basis for review of the MCPS budget by the County Council.
- The MCPS Internal Audit Unit conducts financial and program audits of MCPS program as well as school independent activity funds (IAF). This unit also monitors the external audit contract and is responsible for ensuring implementation of external audit recommendations.

Montgomery County Public Schools

FY 2010 OPERATING BUDGET

Revenue

Montgomery County Public Schools (MCPS) currently receives 74 percent of its Operating Budget revenue from local county contribution, 20 percent from the state of Maryland, 3 percent from the federal government, and 3 percent from enterprise fund activities and all other sources. Below are details of major revenue issues facing MCPS in FY 2010.

State Revenue

- In FY 2009, MCPS received \$400.3 million in state revenue, an increase of \$10.0 million.
- FY 2008 was the final year of implementation of the six-year Bridge to Excellence in Public Schools Act (BTE). The BTE recognized that the state has an obligation to provide adequate support to all students, to improve the equity of the distribution of state aid to districts with fewer local resources, and to assure accountability for the use of state funds through improved student achievement. After FY 2008, districts were scheduled to receive formula increases only for inflation and higher enrollment.
- Through FY 2009, state aid has increased by \$188 million above the amount before the BTE Act.
- The special session of the General Assembly held in November 2007 changed education aid formulas to delay the inflationary adjustment required by the BTE for two years, until FY 2011. This cost MCPS approximately \$19 million in state aid for FY 2009.
- The General Assembly also decided to phase-in funding of the Geographic Cost of Education Index (GCEI), which recognizes the higher cost of education in some districts. The 60 percent phase-in for FY 2009 increased state aid to MCPS by \$18.4 million. In FY 2010, the complete phase-in provided for by law would increase state aid by \$12.2 million.
- The GCEI is an integral part of the Bridge to Excellence law. The GCEI adjusts the amount of foundation state aid to local school districts to reflect the higher cost of education in some districts. The Thornton Commission report recommended that the GCEI was a fundamental aspect of achieving funding equity. The General Assembly expected that the GCEI funding would be included in the additional state aid provided in the Bridge to Excellence law. Had the state funded the GCEI in FY 2004, MCPS would have received approximately \$100 million in additional

state aid by FY 2009. For FY 2010, full funding of the GCEI would add \$12.2 million in state aid for MCPS.

- Based on preliminary information, MCPS expects to receive an increase of \$20.7 million (5.2 percent) in state aid in FY 2010, including full funding of the GCEI formula.

County Revenue

- In FY 2009, Montgomery County provides 74.1 percent of MCPS total resources, higher than the percentage paid by any other county in Maryland. This percentage has dropped for several years because state aid has increased.
- In FY 2010, the expectation is that the county contribution will come entirely from FY 2009 savings.
- In FY 2009, the County Council approved a local contribution to the MCPS budget that was \$79.0 million higher than the minimum required by the state requirement for Local Maintenance of Effort (MOE).
- Under this state law, each county must provide at least the same amount per student as in the previous year. Because the formula covers only enrollment changes, the MOE amount is not sufficient to meet even basic inflationary cost increases, much less any improvements in services.
- The Maintenance of Effort requirement for FY 2010 is \$1.547 billion in local tax contribution, an increase over FY 2009 of \$16.2 million. This reflects the renewed growth in enrollment since last year.
- For FY 2010, an increase of \$17.7 million (1.2 percent) in local funding will be needed to fund the superintendent's recommended budget. This increase is expected to come entirely from FY 2009 savings. The increase is \$54.6 million less than the FY 2009 increase in local contribution.

Fiscal Year 2010 Operating Budget Timeline

Board of Education Community Forums	September 18, 2008 October 16, 2008
Superintendent's Operating Budget	December 11, 2008
Sign-up begins for Board of Education public hearings	December 26, 2008
Board of Education public hearings	January 14 & 21, 2009
Board of Education budget work sessions	January 28 & 29, 2009
Board of Education action	February 10, 2009
Board of Education budget transmittal to County Executive/County Council	March 1, 2009
County Executive recommendations presented to County Council	March 15, 2009
County Council budget hearings	April 2009
County Council budget action	May 21, 2009
Final Board of Education action to approve FY 2010 Operating Budget	June 9, 2009

Operating Budget Documents

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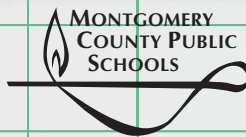
Budget in Brief – Provides detailed summary information on budget totals and changes proposed in the Operating Budget.

Personnel Complement – Provides a detailed listing of all positions requested in the budget. Both the Program Budget and the Recommended Operating Budget include personnel complements organized by program and unit, respectively.

Budgeted Staffing Guidelines – The Program Budget and the Recommended Operating Budget include budgeted staffing guidelines for regular 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 from the Program Budget that are implemented at each school and personnel and 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/



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