

APPROVED
5-2011

Rockville, Maryland
February 14, 2011

The Board of Education of Montgomery County held a business meeting at the Carver Educational Services Center, Rockville, Maryland, on February 14, 2011, at 12:30 p.m.

Present: Mr. Christopher Barclay, President
in the Chair
Ms. Laura Berthiaume
Ms. Shirley Brandman
Dr. Judy Docca
Mr. Michael Durso
Mr. Philip Kauffman
Mrs. Patricia O'Neill
Dr. Jerry Weast, Secretary/Treasurer

Absent: Mr. Alan Xie

or () indicates student vote does not count. Four votes needed for adoption

Re: **PLEDGE OF ALLEGIANCE**

"I pledge allegiance to the flag of the United States of America and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all."

RESOLUTION NO. 70-11 Re: **APPROVAL OF THE AGENDA**

On recommendation of the superintendent and on motion of Mrs. O'Neill seconded by Ms. Brandman, the following resolution was adopted unanimously by members present:

Resolved, That the Board of Education approve its agenda for February 14, 2011.

RESOLUTION NO. 71-11 Re: **FY 2012 SUMMER SCHOOL FEES**

On recommendation of the superintendent and on motion of Mrs. O'Neill seconded by Ms. Brandman, the following resolution was adopted unanimously by members present:#

WHEREAS, The Board of Education approves tuition fees each year for summer school;
and

WHEREAS, Summer School Revenue-based Program costs are projected to rise only slightly; now therefore be it

Resolved, That the Summer School Revenue-based Program full fees be maintained at the current FY 2011 rate (\$335 for elementary school courses; \$300 for high school courses; and \$310 for student online courses); and be it further

Resolved, That the Summer School Revenue-based Program reduced fees be maintained at the current FY 2011 rate (\$85 and \$120, respectively, depending upon family income); and be it further

Resolved, That the total annual family income guidelines for qualifying for reduced fees and waivers be maintained at \$0–\$29,812 for the lowest reduced fee; \$29,813–\$42,425 for the higher reduced fee; and below \$42,425 for waivers; and be it further

Resolved, That the Summer School Minimal Fee-based Program course fees be maintained.

Re: **FY 2012 OPERATING BUDGET ADOPTION**

On recommendation of the superintendent and on motion of Mr. Kauffman seconded by Ms. Brandman, the following resolution was placed on the table:

WHEREAS, The superintendent of schools presented the Recommended Fiscal Year 2012 Operating Budget of \$2,163,778,063 to the Board of Education on December 15, 2010; and

WHEREAS, The Recommended Fiscal Year 2012 Operating Budget includes the Fiscal Year 2012 Special Education Staffing Plan; and

WHEREAS, The recommended county contribution of \$1,497,190,404 is at the Maintenance of Effort amount; and

WHEREAS, If Montgomery County fails to appropriate the minimum Maintenance of Effort amount or obtain a waiver from the Maryland State Board of Education, Montgomery County Public Schools could receive a penalty of the loss of increased state aid; and

WHEREAS, A loss of increased local contribution of \$82.1 million as required by the Maryland State Maintenance of Effort law and the resulting penalty of the loss of additional state aid would require devastating budget reductions that would damage the quality of Montgomery County Public Schools; and

WHEREAS, Increases of state aid for Montgomery County Public Schools as recommended in the Governor's budget on January 21, 2011, total \$64,635,676; and

WHEREAS, Federal aid from the *American Recovery and Reinvestment Act of 2009* of \$53.7 million will terminate after FY 2011, \$32.3 million of which is included in the increased anticipated state aid; and

WHEREAS, An additional \$283,834 is required for three additional prekindergarten classes to accommodate an additional 60 projected income-eligible children; and

WHEREAS, Projected revenue in addition to the amount recommended for the Fiscal Year 2012 Operating Budget on December 15, 2010, should be placed in the Retiree Health Trust Fund for Other Post-Employment Benefits, to be available to offset reductions in the budget or in case there is a penalty of withheld state aid because of the county's noncompliance with the Maintenance of Effort requirement; now therefore be it

Resolved, That the Montgomery County Board of Education approves the Fiscal Year 2012 Special Education Staffing Plan as outlined in the Superintendent's Recommended Fiscal Year 2012 Operating Budget; and be it further

Resolved, That upon final approval of the Fiscal Year 2012 Operating Budget in June 2011, the Special Education Staffing Plan will be submitted to the Maryland State Department of Education; and be it further

Resolved, That the Montgomery County Board of Education adopts the Superintendent's Recommended Fiscal Year 2012 Operating Budget totaling \$2,205,722,618 as follows:

<u>Category</u>		<u>Superintendent's Recommended Operating Budget</u>
1	Administration	\$39,496,294
2	Mid-level Administration	139,404,916
3	Instructional Salaries	847,046,612
4	Textbooks and Instructional Supplies	25,284,894
5	Other Instructional Costs	14,120,980
6	Special Education	280,336,383
7	Student Personnel Services	11,351,034
8	Health Services	54,670
9	Student Transportation	93,644,620
10	Operation of Plant and Equipment	116,587,792
11	Maintenance of Plant	33,666,617
12	Fixed Charges	547,859,895
14	Community Services	208,495
37	Instructional Television Fund	1,550,674
51	Real Estate Management Fund	3,266,430
61	Food Services Fund	47,025,335
71	Field Trip Fund	2,122,819
81	Entrepreneurial Activities Fund	2,694,158
	<u>Total</u>	<u>\$2,205,722,618</u>

Re: **SUBSTITUTE RESOLUTION—FY 2012
OPERATING BUDGET ADOPTION**

On motion of Ms. Brandman and seconded by Mr. Kauffman, the following substitute resolution was placed on the table:

WHEREAS, The superintendent of schools presented the Recommended Fiscal Year 2012 Operating Budget of \$2,163,778,063 to the Board of Education on December 15, 2010; and

WHEREAS, The Recommended Fiscal Year 2012 Operating Budget includes the Fiscal Year 2012 Special Education Staffing Plan; and

WHEREAS, The recommended county contribution of \$1,497,190,404 is at the Maintenance of Effort amount; and

WHEREAS, The county executive and members of the County Council have indicated they are not likely to comply with the Maintenance of Effort requirement, which will require a waiver request, and the Board of Education will need to determine whether to support such a request; and

WHEREAS, If Montgomery County fails to appropriate the minimum Maintenance of Effort amount or obtain a waiver from the Maryland State Board of Education, Montgomery County Public Schools could receive a penalty of the loss of increased state aid; and

WHEREAS, A loss of increased local contribution of \$82.1 million, as required by the Maryland State Maintenance of Effort law, and the resulting penalty of the loss of additional state aid would require devastating budget reductions that would damage the quality of Montgomery County Public Schools; and

WHEREAS, After the county executive proposes his recommended budget, the Board of Education may consider non-recommended reductions to this operating budget to address Spending Affordability Guidelines adopted by the County Council; and

WHEREAS, Increases of state aid for Montgomery County Public Schools, as recommended in the Governor's budget on January 21, 2011, total \$64,635,676; and

WHEREAS, Adoption of the state budget by the legislature could change the state aid actually received; and

WHEREAS, Federal aid from the American Recovery and Reinvestment Act of 2009 of \$53.7 million will terminate after Fiscal Year 2011, \$32.3 million of which is included in the increased anticipated state aid; and

WHEREAS, The Board of Education is currently engaged in negotiations with its three bargaining units regarding economic provisions in their contracts, which might require revisions to this operating budget request, and

WHEREAS, An additional \$283,834 is required for three additional prekindergarten classes to accommodate an additional 60 projected income-eligible children; and

WHEREAS, Projected revenue in addition to the amount recommended for the Fiscal Year 2012 Operating Budget on December 15, 2010, should be placed in the Retiree Health Trust Fund for Other Post-Employment Benefits, to be available to offset reductions in the budget or in case there is a penalty of withheld state aid because of the county's noncompliance with the Maintenance of Effort requirement; now therefore be it

Resolved, That the Montgomery County Board of Education approves the Fiscal Year 2012 Special Education Staffing Plan as outlined in the Superintendent's Recommended Fiscal Year 2012 Operating Budget; and be it further

Resolved, That upon final approval of the Fiscal Year 2012 Operating Budget in June 2011, the Special Education Staffing Plan will be submitted to the Maryland State Department of Education; and be it further

Resolved, That, subject to further changes that might be necessary, the Montgomery County Board of Education adopts the Superintendent's Recommended Fiscal Year 2012 Operating Budget totaling \$2,205,722,618 as follows:

<u>Category</u>		<u>Superintendent's Recommended Operating Budget</u>
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10	Operation of Plant and Equipment	116,587,792
11	Maintenance of Plant	33,666,617
12	Fixed Charges	547,859,895
14	Community Services	208,495
37	Instructional Television Fund	1,550,674
51	Real Estate Management Fund	3,266,430
61	Food Services Fund	47,025,335
71	Field Trip Fund	2,122,819
81	Entrepreneurial Activities Fund	2,694,158

Total

\$2,205,722,618

Re: **DISCUSSION**

Mrs. O'Neill stated that the Board has asked a lot of questions prior to this day and adoption of the budget; therefore, there will not be a great deal of debate and amendments. Furthermore, the Board does not know what the funding recommended by the Council and executive will be. Everyone is very concerned about reductions in June. At this point, the wise thing to do is adopt the Maintenance of Effort budget.

Mr. Berthiaume stated that she would support the substitute resolution. This is the beginning of a process, and everyone will be on a roller coaster until June. The non-recommended reductions are suggestions, and there could be deeper reductions based on local/state funding.

Ms. Brandman noted there were still a lot of it matters to be resolved, such as federal and state funding, local funding, and negotiations with unions. Leading up to June, the Board will have more information. At this point, the Board must follow its legal obligation and comply with the state's maintenance of effort law. Reductions are all painful choices, but the Board must make choices to meet goals and competing priorities. In approving this budget, the Board is taking the first step.

Dr. Docca stated that she will vote for the budget since the Board is legally and morally bound to comply with state law. It is essential to fund the budget to meet the needs of students that are coming to MCPS, such as those in poverty. It is the responsibility of the Board to educate the children in Montgomery County.

Mr. Kauffman stated that he was supporting the budget. He associated his remarks with those of his colleagues. The proposed budget is legally required and the right thing to do for the students. The formula dictates more funding since enrollment is growing, which requires more teachers, bus drivers, space, and textbooks, among other things. The Board should not apologize or be defensive. The Board recognizes the fiscal reality, and it will work with the Council.

Mr. Durso agreed with his colleagues. The process is going to be challenging since there are many variables.

Mr. Barclay commented that the final vote will be in June. Montgomery County is not the wealthy enclave it once was, and it is in a dire situation. Enrollment is exploding, with more needs; NCLB has increasing standards; over the last two years \$250 million has been eliminated; non-recommended reduction equal \$50 million. Every student in the county will be affected by any reduction. The issues facing the Board are negotiations; general assembly actions; Council not funding Maintenance of Effort; etc. The Board must adopt a Maintenance of Effort budget because it is the law and the right thing to do. The budget is a moral document and a commitment to our children. The budget is not a "what I want" but

“what I need.” The suggestion that the Board ignores the law and asks for less sends the message to kids is that we do not care.

RESOLUTION NO. 72-11 Re: **FY 2012 OPERATING BUDGET ADOPTION**

On motion of Ms. Brandman and seconded by Mr. Kauffman, the following substitute resolution was adopted unanimously by members present: #

WHEREAS, The superintendent of schools presented the Recommended Fiscal Year 2012 Operating Budget of \$2,163,778,063 to the Board of Education on December 15, 2010; and

WHEREAS, The Recommended Fiscal Year 2012 Operating Budget includes the Fiscal Year 2012 Special Education Staffing Plan; and

WHEREAS, The recommended county contribution of \$1,497,190,404 is at the Maintenance of Effort amount; and

WHEREAS, The county executive and members of the County Council have indicated they are not likely to comply with the Maintenance of Effort requirement, which will require a waiver request, and the Board of Education will need to determine whether to support such a request; and

WHEREAS, If Montgomery County fails to appropriate the minimum Maintenance of Effort amount or obtain a waiver from the Maryland State Board of Education, Montgomery County Public Schools could receive a penalty of the loss of increased state aid; and

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WHEREAS, Federal aid from the American Recovery and Reinvestment Act of 2009 of \$53.7 million will terminate after Fiscal Year 2011, \$32.3 million of which is included in the increased anticipated state aid; and

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bargaining units regarding economic provisions in their contracts, which might require revisions to this operating budget request, and

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71	Field Trip Fund	2,122,819
81	Entrepreneurial Activities Fund	2,694,158
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Total		<u>\$2,205,722,618</u>

RESOLUTION NO. 73-11 Re: **ADJOURNMENT**

On recommendation of the superintendent and on motion of Mrs. O'Neill seconded by Ms. Brandman, the following resolution was adopted unanimously by members present:

Resolved, That on recommendation of the Superintendent and on motion of the following resolution was adopted unanimously:

Resolved, That the Board of Education adjourn its meeting of February 14, 2011, at 1:05 p.m.

PRESIDENT

SECRETARY

JDW:gr

MONTGOMERY COUNTY BOARD OF EDUCATION
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