

**Chapter 5**  

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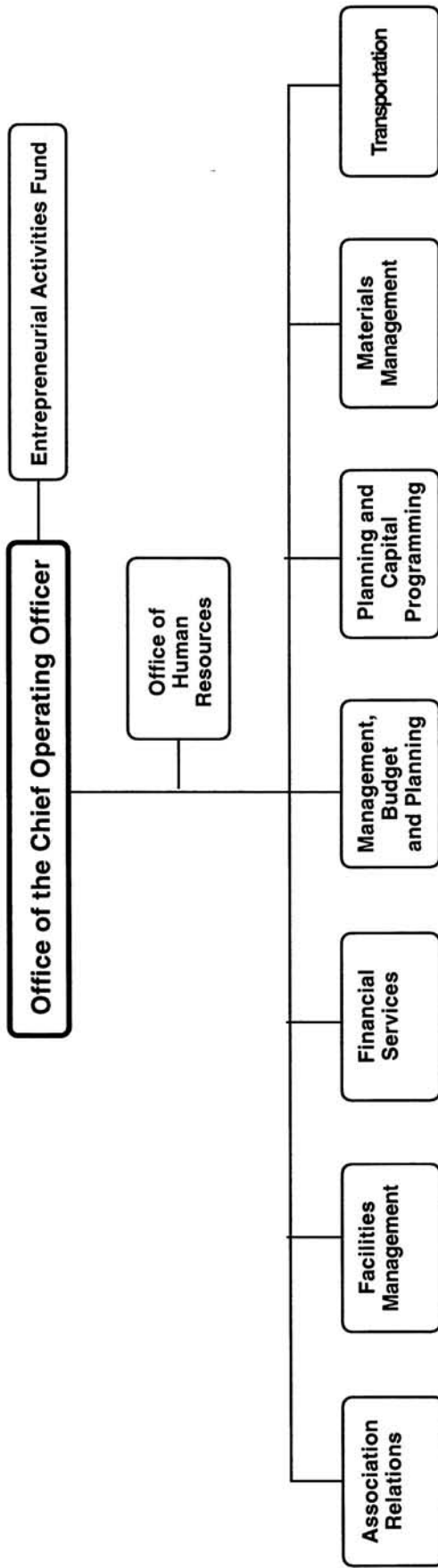
**Office of Chief Operating Officer**

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**Office of Chief Operating Officer  
Summary of Resources  
By Object of Expenditure**

<b>OBJECT OF EXPENDITURE</b>	<b>FY 2004 ACTUAL</b>	<b>FY 2005 BUDGET</b>	<b>FY 2005 CURRENT</b>	<b>FY 2006 BUDGET</b>	<b>FY 2006 CHANGE</b>
<b>POSITIONS</b>					
Administrative	29,000	29,000	29,000	30,000	1,000
Professional	2,000	2,000	2,000	2,000	
Supporting Services	3,907,900	3,998,030	4,002,192	4,096,722	94,530
<b>TOTAL POSITIONS</b>	<b>3,938,900</b>	<b>4,029,030</b>	<b>4,033,192</b>	<b>4,128,722</b>	<b>95,530</b>
<b>01 SALARIES &amp; WAGES</b>					
Administrative	3,062,474	\$3,278,277	3,278,277	3,471,096	192,819
Professional	192,901	185,442	185,442	186,456	1,014
Supporting Services	121,302,491	131,536,812	131,667,899	138,908,633	7,240,734
<b>TOTAL POSITION DOLLARS</b>	<b>124,557,866</b>	<b>135,000,531</b>	<b>135,131,618</b>	<b>142,566,185</b>	<b>7,434,567</b>
<b>OTHER SALARIES</b>					
Administrative					
Professional	17,127	59,199	39,199	39,199	
Supporting Services	16,224,347	11,382,933	9,895,854	9,926,421	30,567
<b>TOTAL OTHER SALARIES</b>	<b>16,241,474</b>	<b>11,442,132</b>	<b>9,935,053</b>	<b>9,965,620</b>	<b>30,567</b>
<b>TOTAL SALARIES AND WAGES</b>	<b>140,799,340</b>	<b>146,442,663</b>	<b>145,066,671</b>	<b>152,531,805</b>	<b>7,465,134</b>
<b>02 CONTRACTUAL SERVICES</b>	<b>7,916,713</b>	<b>5,687,790</b>	<b>5,833,018</b>	<b>6,230,733</b>	<b>397,715</b>
<b>03 SUPPLIES &amp; MATERIALS</b>	<b>24,663,301</b>	<b>26,776,770</b>	<b>26,885,983</b>	<b>28,937,983</b>	<b>2,052,000</b>
<b>04 OTHER</b>					
Staff Dev & Travel	318,242	425,539	425,539	420,251	(5,288)
Insur & Fixed Charges	261,641,886	294,969,280	294,688,280	322,460,272	27,771,992
Utilities	23,610,641	26,012,575	29,222,356	29,322,356	100,000
Grants & Other	9,484,727	8,381,833	8,816,021	9,002,597	186,576
<b>TOTAL OTHER</b>	<b>295,055,496</b>	<b>329,789,227</b>	<b>333,152,196</b>	<b>361,205,476</b>	<b>28,053,280</b>
<b>05 EQUIPMENT</b>	<b>9,038,895</b>	<b>9,568,934</b>	<b>9,708,934</b>	<b>10,784,482</b>	<b>1,075,548</b>
<b>GRAND TOTAL AMOUNTS</b>	<b>\$477,473,745</b>	<b>\$518,265,384</b>	<b>\$520,646,802</b>	<b>\$559,690,479</b>	<b>\$39,043,677</b>

# Chief Operating Officer — Overview



F.T.E. Positions 4,128.722  
 (In addition, there are 50.0 Capital Budget positions, 20.0 from ICB, 22.0 funded by Trust Funds. There are 1,619.0 school-based positions shown on K-12 charts. Positions in Human Resources (Chapter 7) are not included.)

## FY 2006 OPERATING BUDGET

## Office of the Chief Operating Officer

Chief Operating Officer	1.0
Executive Assistant (P)	3.0
Coordinator, Continuous Improvement (O)	1.0
Coordinator, Secondary Athletics (N)	1.0
Instructional Specialist (B-D)	1.0
Administrative Services Manager II (19)	1.0
Copy Editor/Administrative Secretary (17)	1.0
Allocations Assistant (16)	1.0
Administrative Secretary III (16)	1.0
Appeals/Transfer Control Assistant (15)	1.0
Secretary (12)	1.0

## Mission

The mission of the Office of the Chief Operating Officer (OCOO) is to provide the highest-quality products, resources, and services that are essential to the educational success of students through staff committed to excellence and continuous improvement.

## Major Functions

The OCOO works at the direction of the superintendent and in collaboration with the deputy superintendents and chief of staff to ensure the implementation of the Board of Education's goals and academic priorities. The OCOO, working closely with the deputy superintendents and chief of staff, monitors the implementation of Our Call to Action: Pursuit of Excellence—The Strategic Plan for Montgomery County Public Schools (MCPS) 2003–2008 and developed the Maryland State Department of Education's mandated five-year master plan for MCPS.

The OCOO has overall responsibility for the Office of Human Resources; the Department of School Safety and Security; the Department of Facilities Management; the Department of Planning and Capital Programming; the Department of Financial Services; the Department of Management, Budget, and Planning; the Department of Transportation; the Department of Materials Management; the Department of Association Relations; the Appeals/Transfer Team; and High School Athletics. The OCOO monitors each of its office, department, and division strategic plans to ensure that they are aligned to the MCPS strategic plan. The office works with each of its offices and departments to develop, monitor, and assess goals and performance measures. Additionally, this office has primary responsibility for legal services, staffing of schools, and the Entrepreneurial Activities Fund. The office prepares items for the Board of Education action, discussion, and information relating to schools, procurement, facilities management, budget, materials management, transportation, association relations, and all financial matters.

The OCOO is responsible for coordinating the development of the superintendent's operating and capital budgets and acts as a liaison with the County Council and county government staff on budget and fiscal matters. Through its Department of Management, Budget, and Planning, the OCOO helps each MCPS unit plan effectively; budget accurately; spend as planned; provide budget-related information; develop budget data and forecasts; assist units with applying for, acquisition of, monitoring, and reporting activities for federal, state, and privately funded projects; and manage efficiently to maximize resources devoted to the achievement of Our Call to Action: Pursuit of Excellence.

The OCOO, through the Office of Human Resources and under the leadership of the associate superintendent, recruits, selects, and works to retain the most qualified and productive employees to serve the diverse needs and quality expectations of the school system to achieve workforce excellence. In addition, efforts are in place to ensure compliance with

the No Child Left Behind Act of 2001 to have teachers and paraeducators designated "highly qualified."

The OCOO, through the Department of School Safety and Security, works with all schools and facilities to up individual emergency crisis plans. In addition, Code Red and Code Blue drills occur throughout the year. The EFO program has expanded to 17 officers working with our schools.

Through its Department of Financial Services and its Division of Controller, the office manages employee benefit programs, including health care, life insurance, retirement, workers' compensation, disability, and tax-sheltered annuity programs and continually seeks ways to contain costs. Payroll, leave accounting, and unemployment benefit functions are provided. Staff assists employees in dealing with financial matters and retirement planning, monitors benefit and retirement trust investments, and ensures that all financial transactions comply with applicable laws and regulations.

With the Department of Facilities Management, the OCOO coordinates the construction of new schools and the modernization of aging facilities, provides comfortable and clean school facilities, and oversees the maintenance of existing facilities and performance of minor renovations to accommodate changing program needs. Staff manages utility costs at all schools and oversees an energy conservation program to ensure efficient use of utilities, ensures that building space is used efficiently to support instructional programs, acquires potential future school sites, and manages an inventory of existing sites.

Through the Department of Planning and Capital Programming, the OCOO oversees and monitors changes in enrollment and instructional programs through development of quality data analysis, planning strategies, and long-range plans.

In concert with the Department of Transportation, the OCOO ensures the safe and cost-effective operation of regular and special education bus service for eligible students. Included in this function is the monitoring of route planning and driver/aide assignments, training, general personnel services, accounting, and fleet maintenance services.

Through its procurement, supply and property management, and the Division of Food and Nutrition Services, the Department of Materials Management coordinates the purchase of goods and services, manages the school system's warehouse and distribution network, processes school library media purchases centrally to ensure uniformity, facilitates systematic cataloging of records, and provides nutritious, cost effective meals to students and staff.

Working with its Department of Association Relations, the OCOO oversees the enforcement and interpretation of employee contracts. This department works with employee associations to ensure compliance with negotiated agreements. In addition, this department hears employees' grievances and administrative complaints and represents the interests of the Board of Education in negotiations.

**Trends and Accomplishments**

By the end of 2000, economic activity at the national level had slowed to its lowest level since the record long expansion began in 1991. During 2001, the national economy officially entered a recession. Three factors contributed to this sluggishness—the stock market, the employment situation, and consumer sentiment. Although high levels of federal government employment and procurement spending shielded Montgomery County from the worst effects of the recession, the county was slow to recover from its effects. In 2004, the economy began to recover, with resident employment rising by an average of 12,000 per month. The expectation is that payroll employment in the county will continue to grow during 2004. The recession contributed to a dramatic decline in construction activity in 2004. However, a high demand for housing, in conjunction with limited supply, has led to housing value appreciation.

Enrollment projected for the 2004–2005 school year is 139,337 students. MCPS enrollment has grown by 53 percent since 1983. This dramatic increase has been fueled by a strong local economy that has attracted residents to Montgomery County, a “baby boom” that has resulted in a record number of county births in recent years of more than 13,000 annually, and unprecedented levels of immigration from other countries. During the last four years, the number of births in the county has topped 13,000. This level of births results in a forecast of higher elementary school enrollment beginning in FY 2006. The latest MCPS enrollment forecast indicated continued growth, with total enrollment topping 145,000 by 2010.

In addition to contributing to growth, immigration has resulted in a school system that is much more diverse. In 1972, for example, 90 percent of the school population was white, compared with 43 percent in 2004.

Socioeconomic diversity in the student population also has increased. Movement in the county of economically impacted households has resulted in high levels of participation in the federal Free and Reduced-price Meals System (FARMS). Since 1985, the proportion of MCPS students participating in FARMS has risen from 12 percent to 23 percent.

This growth and expansion of the school system will affect all aspects of work in the Office of the Chief Operating Officer. This office will continue to implement continuous improvement strategies that are effective and cost-efficient in pursuit of excellence through Our Call to Action: Pursuit of Excellence.

Major accomplishments of this office include the successful completion and approval of the operating and capital budgets and the implementation of efficient cost saving measures. It effectively managed all expenditures for the operating and capital budgets. The FY 2006 Operating Budget is built on the Board of Education goals and academic priorities and provides money to support program initiatives from Our Call to Action: Pursuit of Excellence. The FY 2005 operating budget was funded for \$1,609,382,533, or a 7.1 percent

increase over the FY 2004 operating budget. The Capital Improvements Program is \$165.5 million for FY 2005 and \$912.8 million for Fiscal Years 2005–2010. The OCOO has worked directly with community superintendents to successfully open schools on August 31, 2004.

The OCOO, in collaboration with the deputy superintendents and the chief of staff, monitors and assigns school system assets to align both human and material resources with Our Call to Action: Pursuit of Excellence and the master plan for MCPS. The OCOO, through the Department of Financial Services, developed and opened the Employee and Retiree Service Center to better serve the financial and benefit needs of active and retired employees.

A major accomplishment in the area of school facilities included renovations of Rockville High School and Glen Haven Elementary School and the return of staff and students to those facilities. In addition, Rocky Hill Middle School had a replacement facility constructed and staff and students began the school year in their new building.

Under the direction of the chief operating officer, MCPS submitted an application for the 2004 Malcolm Baldrige National Quality Award. In addition, the OCOO received the Bronze Medal for the 2003 Maryland Quality Award.

**Major Mandate**

Each department has a set of major mandates that are described in its section of the budget document. The Office of the Chief Operating Officer assumes the responsibility of ensuring the quality of each department's efforts to meet these mandates.

**Performance Measurements**

The OCOO has developed a family of measures to monitor the performance of its offices, departments, and divisions. Additionally, the OCOO is working in collaboration with the Office of the Deputy Superintendent of Schools and the Deputy Superintendent of Strategic Technologies and Accountability on monitoring and managing Our Call to Action: Pursuit of Excellence.

The Family of Measures includes the following categories: Customer Focus, Financial Results, Human Resources Results, and Organizational Results.

**Budget Explanation**

The current FY 2005 budget for this office is changed from the budget adopted by the Board of Education on June 8, 2004. The change is a result of a transfer of a grants specialist position to the Department of Management, Budget and Planning and an administrative secretary II position to the Office of School Performance. This reduces the budget for this office by \$130,297.

The FY 2006 request for this office is \$1,763,271, an increase of \$20,736 from the current FY 2005 budget of \$1,742,535. An explanation of this change follows.

# Office of the Chief Operating Officer—331

Larry A. Bowers, Chief Operating Officer

301-279-3626

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## *Continuing and Negotiated Salary Costs—\$20,736*

The negotiated agreements with employee organizations increase the salary costs of employees in this office by

\$31,886. There is a decrease of \$11,150 in continuing salary costs. Step or longevity increases for current employees are offset by reductions for staff turnover.

# Office of the Chief Operating Officer - 331

Larry A. Bowers, Chief Operating Officer

Description	FY 2004 Actual	FY 2005 Budget	FY 2005 Current	FY 2006 Request	FY 2006 Change
<b>01 Salaries &amp; Wages</b>					
Total Positions (FTE)	14,000	15,000	13,000	<b>13,000</b>	
Position Salaries	\$1,124,709	\$1,292,139	\$1,161,842	<b>\$1,182,341</b>	\$20,499
<b>Other Salaries</b>					
Supplemental Summer Employment					
Professional Substitutes					
Stipends					
Professional Part Time					
Supporting Services Part Time		7,175	7,175	<b>7,372</b>	197
Other		1,448	1,448	<b>1,488</b>	40
Subtotal Other Salaries	12,135	8,623	8,623	<b>8,860</b>	237
<b>Total Salaries &amp; Wages</b>	<b>1,136,844</b>	<b>1,300,762</b>	<b>1,170,465</b>	<b>1,191,201</b>	<b>20,736</b>
<b>02 Contractual Services</b>					
Consultants		2,500	2,500	<b>2,500</b>	
Other Contractual		559,926	559,926	<b>559,926</b>	
<b>Total Contractual Services</b>	<b>696,730</b>	<b>562,426</b>	<b>562,426</b>	<b>562,426</b>	
<b>03 Supplies &amp; Materials</b>					
Textbooks					
Media					
Instructional Supplies & Materials					
Office		3,586	3,586	<b>3,586</b>	
Other Supplies & Materials		404	404	<b>404</b>	
<b>Total Supplies &amp; Materials</b>	<b>3,298</b>	<b>3,990</b>	<b>3,990</b>	<b>3,990</b>	
<b>04 Other</b>					
Local Travel		1,459	1,459	<b>1,459</b>	
Staff Development		4,195	4,195	<b>4,195</b>	
Insurance & Employee Benefits					
Utilities					
Miscellaneous					
<b>Total Other</b>	<b>7,582</b>	<b>5,654</b>	<b>5,654</b>	<b>5,654</b>	
<b>05 Equipment</b>					
Leased Equipment					
Other Equipment					
<b>Total Equipment</b>					
<b>Grand Total</b>	<b>\$1,844,454</b>	<b>\$1,872,832</b>	<b>\$1,742,535</b>	<b>\$1,763,271</b>	<b>\$20,736</b>



# Entrepreneurial Activities Fund

Coordinator, Special Initiatives (N)	1.0
Instructional Specialist (B-D)	1.0
Printing Equipment Operator III (17)	1.0
Fiscal Assistant I (13)	1.0
Bindery Equipment Operator I (11)	0.8
Supply Worker II (10)	2.0

## Mission

The mission of the Entrepreneurial Activities Fund (EAF) is to provide supplemental funding to enable the school system to enhance its services and support the instructional program through the sale of MCPS expertise, services, and products.

## Major Functions

The purpose of this activity is to serve as the main focal point to organize marketing efforts, to identify and mobilize staff resources and expertise, to plan and implement revenue-generating activities, and to identify and secure the start-up capital necessary to expand the program with additional revenue-generating activities. Activities that have been moved into this fund include the Taylor Science Materials Center, Supply Warehouse, Printing and Graphic Services, and entrepreneurial activity development.

The Taylor Science Materials Center provides complete sets of science materials for MCPS teachers and students. Through bulk purchasing practices, the cost of providing an effective inquiry-based, hands-on, minds-on science program is significantly reduced. The center sells customized science kit materials and tools and manipulatives for assessment activity to school districts that are implementing similar science programs.

The Supply Warehouse Services operates a general supply warehouse that provides, through bulk purchases, quality school supplies to schools and offices in order to efficiently operate our instructional programs. Through technological advancements, the operating capacity of the supply warehouse activity increased allowing this service to expand to other local governments and nonprofit organizations.

The Printing and Graphic Services serves schools and offices by creating and developing printed publications through full-service publishing, including photography and printing. Through efficient design and electronic publishing, this unit is increasing productivity and reducing the volume of printed materials. Expansion of its external customer base, Printing and Graphic Services produces work for other local governments and nonprofit organizations.

The development of additional entrepreneurial activities continues to be identified in areas of instructional and business services. Examples of possible products and services developed in support of the educational process include instructional curriculum guides, business and instructional software, video productions, and educational training services.

## Trends and Accomplishments

With increasing competition for limited tax dollars for direct support to the educational program of the school system, it is important that MCPS explore creative ways to generate alternative sources of revenue while maintaining and improving the high-quality level of the instructional program. It also is anticipated that the activities in this fund will allow MCPS to

move some expenditures out of the general fund so that they are not competing with limited tax dollars.

## Major Mandate

- This program must operate within the confines of appropriate federal, state, and county laws regarding taxing, funding, and expenditures for public sector activities of this nature.

## Strategies

- Establish activities that, when fully implemented, will generate enough revenue that the activity will contribute to the enhancement of the instructional program.
- Market and sell only goods and services that are exemplary and reflect positively on the school system.

## Performance Measurements

**Performance Measure:** Taylor Science Materials Center—Profit and loss activity.

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
50.2%	53.8%	57.2%

**Explanation:** This measure reflects the percentage of elementary science expenditures funded by the Entrepreneurial Fund (shifting from Operating Budget).

**Performance Measure:** Supply Warehouse Services revenue activity.

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
\$55,900	\$100,750	\$129,710

**Explanation:** This measure reflects the growth of supply warehouse sales through entrepreneurial activities and represents the funding shift of 2.0 supply worker positions from the Operating Budget.

## Budget Explanation

The current FY 2005 budget for this fund is changed from the budget adopted by the Board of Education on June 8, 2004. The change is a result of a supplemental appropriation of \$273,000 for the Electronic Graphic Publishing Services program that increases the appropriations for staff, supplies and materials, equipment, and employee benefit costs.

The FY 2006 request for this fund is \$1,264,852, a decrease of \$110,212 from the current FY 2005 budget of \$1,375,064. An explanation of this change follows.

*Continuing and Negotiated Salary Costs—\$11,182*

The negotiated agreements with employee organizations increase the salary costs of employees in this fund by \$16,449. There is a decrease of \$5,267 in continuing salary costs. Step or longevity increases for current employees are offset by reductions for staff turnover.

# Entrepreneurial Activities Fund—820/821/822

Larry A. Bowers, Program Manager

301-279-3626

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## *Realignment—\$121,394*

Due to a projected reduction in revenue in the Taylor Science Center, a Supply Worker III and Supply Worker II position totaling \$87,967 are realigned to local funding accounts

contained in the Department of Materials Management. In addition, benefits for these positions totaling \$33,427 are realigned to the accounts within the Department of Financial Services.

## Entrepreneurial Activities Fund - 820/821/822

Larry A. Bowers, Program Manager

Description	FY 2004 Actual	FY 2005 Budget	FY 2005 Current	FY 2006 Request	FY 2006 Change
<b>01 Salaries &amp; Wages</b>					
Total Positions (FTE)	7.250	8.000	8.800	<b>6.800</b>	(2.000)
Position Salaries	\$441,035	\$468,011	\$488,011	<b>\$408,592</b>	(\$79,419)
<b>Other Salaries</b>					
Supplemental Summer Employment					
Professional Substitutes					
Stipends					
Professional Part Time					
Supporting Services Part Time		18,226	93,226	<b>95,790</b>	2,564
Other		21,442	21,442	<b>22,032</b>	590
Subtotal Other Salaries	123,142	39,668	114,668	<b>117,822</b>	3,154
<b>Total Salaries &amp; Wages</b>	<b>564,177</b>	<b>507,679</b>	<b>602,679</b>	<b>526,414</b>	<b>(76,265)</b>
<b>02 Contractual Services</b>					
Consultants					
Other Contractual		30,000	30,000	<b>30,000</b>	
<b>Total Contractual Services</b>	<b>13,398</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>	
<b>03 Supplies &amp; Materials</b>					
Textbooks					
Media					
Instructional Supplies & Materials		200,000	200,000	<b>200,000</b>	
Office					
Other Supplies & Materials		235,381	354,381	<b>354,381</b>	
<b>Total Supplies &amp; Materials</b>	<b>537,792</b>	<b>435,381</b>	<b>554,381</b>	<b>554,381</b>	
<b>04 Other</b>					
Local Travel		6,000	6,000	<b>6,000</b>	
Staff Development		6,000	6,000	<b>6,000</b>	
Insurance & Employee Benefits		117,004	136,004	<b>102,057</b>	(33,947)
Utilities					
Miscellaneous					
<b>Total Other</b>	<b>114,423</b>	<b>129,004</b>	<b>148,004</b>	<b>114,057</b>	<b>(33,947)</b>
<b>05 Equipment</b>					
Leased Equipment			17,600	<b>17,600</b>	
Other Equipment			22,400	<b>22,400</b>	
<b>Total Equipment</b>	<b>1,313</b>		<b>40,000</b>	<b>40,000</b>	
<b>Grand Total</b>	<b>\$1,231,103</b>	<b>\$1,102,064</b>	<b>\$1,375,064</b>	<b>\$1,264,852</b>	<b>(\$110,212)</b>

# Department of Financial Services

**Chief Financial Officer (Q) 1.0**  
**Administrative Secretary II (15) 1.0**

**Division of Controller**

**Employee and Retiree Call Center and Transactions Unit**

- Supervisor, Call Center and Transactions Unit (27) 1.0
- Assistant Supervisor, Call Center and Transactions Unit (21) 1.0
- Payroll Supervisor (20) 1.0
- Payroll Assistant (14) 4.0
- Transactions Assistant I (14) 5.0
- Transactions Assistant I (14) 6.5\*

**Employee Services Administration**

- Director, Employee Services Administration (P) 1.0
- Senior Specialist, Insurance and Retirement (27) 1.0\*
- Senior Specialist, Position and Salary Administration (25) 1.0
- Senior Specialist, Leave and Workers Compensation (24) 1.0
- Specialist, Leave and Workers Compensation (19) 1.0\*
- Specialist, Insurance and Retirement (19) 4.0\*
- Specialist, Payroll (19) 1.0
- Specialist, Position and Salary Administration (19) 1.0
- Specialist, Garnishments Assistant (17) 1.0
- Assistant, Leave and Workers Compensation (15) 1.0

**Technology, Reporting, and Systems Support**

- Supervisor, Systems Support (O) 1.0
- Systems Support Specialist (27) 1.0
- Development Project Manager (27) 0.5\*
- Data Integration Specialist (23) 1.0\*
- Data Support Specialist I (21) 1.0\*
- Communication Specialist (21) 1.0
- Administrative Secretary (14) 1.0\*

**Benefits Strategy and Vendor Relations**

- Director (P) 1.0\*
- Investment Specialist (27) 1.0\*
- Risk Management Specialist (24) 1.0\*
- Benefits Assistant (15) 1.0\*
- Administrative Secretary (14) 1.0\*

**Mission**

The mission of the Department of Financial Services is to ensure broad access to accurate and timely financial information using a fully integrated suite of business applications that include the Human Resources Information System (HRIS), the Financial Information System (FIS), and the Materials Management System (MMS); to provide high quality services to schools and employees; and to provide a comprehensive employee compensation and benefits, loss prevention, and risk management program that supports success for every student through the role of employee compensation and benefits in attracting and retaining highly qualified staff.

**Major Functions**

The Department of Financial Services coordinates the functions and operations of the Employee and Retiree Service Center (ERSC) and the Division of the Controller, while maximizing the efficiency of departments that use the HRIS system and creating cross-functional opportunities for process improvement. The integration of financial services improves productivity in data entry, reporting, and access to information that ultimately will result in increased effectiveness and expanded management information. The Division of the Controller prepares the financial statements, provides for the internal controls of all accounting activities, processes accounting transactions, collects amounts owed to MCPS, makes all payments on behalf of MCPS, and coordinates system bank accounts.

The ERSC is a single point of contact for employees and retirees for information about compensation and benefits. It operates a call center and transactions unit, as well as specialized functional support, a communications program, additional support for policy implementation, and continued expansion of the use of technology to improve service and efficiency.

The staff of the ERSC continues to improve the processing of employee transactions to ensure effective use of the HRIS system. The ERSC coordinates the activities of maintaining employee files, processing all employee transactions, collection of time and attendance information, production of paychecks, and the administration of leave and collection of related data. Changes in compensation methods and benefit offerings due to new or amended laws and regulations or changes in negotiated agreements are implemented by ERSC staff.

Both the Controllers Office and the ERSC provide information to schools and departments regarding the business operations of MCPS through workshops, communications, and direct assistance. By providing assistance and support to schools and departments, staff members in the Department of Financial Services contribute to the smooth functioning of MCPS in support of the goals in Our Call to Action: Pursuit of Excellence.

**Employee and Retiree Benefits**

MCPS employees and retirees may choose to participate in a managed care health plan, managed dental plan, prescription drug card plan, vision plan, and life insurance plan. Health plan options include two point-of-service (POS) plans and several health maintenance organization (HMO) options. Dental coverage includes a choice between a preferred dental option (PDO) plan with both in- and out-of-network benefit features and a dental maintenance organization (DMO). Several life, dependent life, and optional life insurance programs are offered, and employees have the opportunity to participate in pretax flexible spending plans for medical expenses and dependent care. In FY 2005, the first \$100 of salary deferred for medical expenses was matched by MCPS to encourage participation by employees.

The Benefits Strategy and Vendor Relations unit is responsible for the design and deployment of employee and retiree benefit programs, and manages all aspects of contract and vendor relations associated with the employee benefit plans. The unit collaborates with the staff of the ERSC to ensure that all aspects of the benefit plan are administered according to contract, and that all stakeholders are operating from a common framework of understanding about the benefit plans. Staff is responsible for evaluating vendor performance; conducting on-going financial monitoring, budget, and rate development; managing the competitive bid process; and measuring performance on an on-going basis.

This unit prepares and disseminates information about plan provisions, maintains and analyzes statistical and demographic data, tracks plan utilization and expense data, remits monthly premiums to plan providers, and oversees all benefit plan related contracts. In addition, the unit manages periodic filings with the Internal Revenue Service to maintain qualified plan status and oversees banking and cash management arrangements for the employee benefit program.

The retirement function of this unit administers contracts related to the MCPS Employees Retirement and Pension Systems, oversees vendor relations with tax deferred annuity and deferred compensation carriers, serves as liaison to the Board of Investment Trustees, and monitors plan investment performance. The Risk Management function of this unit acts as the liaison with the Montgomery County self-insurance fund and oversees the pilot MCPS loss prevention program.

**Trends and Accomplishments**

In FY 2005, a joint effort with County Government Finance staff was awarded a Technology Investment Fund (TIF) grant to begin the work required to prepare for the replacement of the aged financial system currently in use by MCPS. This successful partnership continues to identify opportunities to work together and gain efficiencies in the planning and definition of the requirements for the new system. It is anticipated that an RFP for a new financial system will be issued late in FY 2005 with project work to begin in FY 2006.

Financial Services staff members have taken a leadership role in this multiyear project.

The number of MCPS employees and retirees continues to increase each year. The complexity of benefit programs and the compliance related to compensation and benefits also increase each year. It is anticipated that additional changes and mandates affecting accounting, human resource transactions, payroll processing, and employee and retiree benefit plans will occur.

A priority of the centralized call center is the improvement of customer service provided to employees, retirees, and their families. Performance measurements include wait time, abandoned call volume, and duration of answered calls.

Containment of the rising cost of employee medical, dental, and prescription costs are an important focus of Financial Services. During FY 2004, negotiations of employee benefits were successfully concluded with all three employee associations, resulting in standardization of plan design and changes that will have long term cost containment impact. This was the first time that negotiations were conducted jointly with all three associations. These changes were implemented during the open enrollment period held in the fall of 2005 with an effective date of January 1, 2005. Staff conducted the open season communication and education program required for 18,000 employees and their families to make the elections required by the plan design changes.

During FY 2004, a comprehensive employee and retiree communications program was implemented, using a variety of print media, an expanded Web site, and increased employee presentations. This program educates employees about their compensation, benefits, and other related issues such as leave and workers compensation. Employees are encouraged through the ERSC communication program to expand their knowledge of the retirement program and to increase retirement savings to supplement state and MCPS pension plans.

During FY 2005, MCPS completed development of a comprehensive, defined benefit retirement computer system for members of the MCPS local plan. This tool improved pension tracking capabilities, automated benefit calculation processes, gave employees electronic access to their own data, and enabled plan participants to project future benefits. This system made possible the production of annual local benefit statements for employees for the first time during FY 2005. The HRIS system is continually adapted and refined to address business needs and regulatory requirements. The department continues to reduce manual processing and improve services through the expanded use of technology. Cross training of staff continues, providing better service and greater efficiency.

## Benefits Strategy and Vendor Relations

The cost of health insurance including prescription plans is a significant part of the MCPS budget, and this unit has initiated many efforts to contain costs, educate employees and retirees to become smarter health care consumers, and provide high-quality health care at competitive prices. MCPS

has taken the lead in working with other county agencies in joint procurement efforts that combine the purchasing power of the agencies that resulted in several million dollars of savings for each. In FY 2005, several county agencies joined together to competitively bid their pharmacy benefit management and in FY 2004, the health maintenance and medical point-of-service plans were bid to ensure competitive pricing to the agencies. Future joint efforts will focus on pooling stop-loss coverage and providing a single disease management program for all agency health plans.

## Major Mandates

- The overriding mandate is to comply with all federal and state laws, and Board of Education policies regarding accounting, insurance, payroll, benefit plans, and investments including generally accepted accounting standards, reporting requirements, income and other taxes, social security, fair labor standards, and supported projects procedures and requirements.
- Maryland law requires MCPS to have comprehensive liability insurance and workers compensation coverage. This is provided through the Montgomery County Self-insurance Program.
- Maryland law requires insurers to provide prescription drug plans to cover contraceptives under the same terms as other drugs.
- Maryland law requires a fidelity bond for the superintendent and any employees who handle system funds.
- The Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) requires the continuation of group health insurance for active employees (and their dependents) who terminate or become disabled and are not eligible for retirement, as well as for dependents who no longer qualify under the Employee Benefit Plan.
- The Health Insurance Portability and Accountability Act of 1996 (HIPAA) imposes many administrative obligations on employer-sponsored health plans, requiring certificates of coverage as well as termination of coverage under various circumstances. In FY 2003, HIPAA mandated significant administration requirements on employers relative to the privacy of employee health benefits.
- Maryland law requires MCPS to provide parity in mental health benefits among various health plans. Historically, mental health benefits were limited or capped, but this requires all Maryland employer health plans to treat mental health expenses the same as any other medical expenses covered under the plan.

## Strategies

- Provide leadership on financial issues and requirements.
- Involve all levels of department staff in operation and process improvement in the ERSC.
- Expand communications to employees and retirees to help them become effective users of health insurance and prescription programs. Wellness and disease management programs are examples of services offered to encourage employees and retirees to be active partners in the use

of health benefits and to select programs that meet their particular needs. Ongoing communications educate participants about available options and help them in making educated choices as consumers of health care.

- Continue cross-functional process review and improvements to increase coordination, accuracy, and efficiency of financial transactions.
- Expand training offerings to units and offices to facilitate adherence to procedures and use of management data
- Use performance measure data to identify opportunities for process and training improvements.
- Expand a comprehensive communication plan to provide information and receive critical input concerning goals, functions, and issues.
- Rotate staff across tasks and ensure that these tasks are continually reassessed for effectiveness and efficiencies
- Support management decision making through the use of reporting and analysis tools.
- Develop a comprehensive calendar for the integrated processes handled in the ERSC.
- Expand technical training for HRIS ongoing enhancements, software operations, and emerging methodologies.
- Explore additional technology solutions for improved information, efficiency, and service.

**Performance Measurements**

The first full year of operation of the ERSC was spent gathering baseline data for the new performance measures.

Call Center Efficiency:

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
• Average wait time	42.8 sec.	40 sec.	38 sec.
• Average duration	2 min., 54 sec.	2 min., 50 sec.	2 min., 46 sec.
• Average volume/ business day	358 calls	350 calls	340 calls
• Average wait/ abandoned call	2 min., 6 sec.	2 min	2 min
• Percent of abandoned calls	9.01%	8%	7%
• Percent of calls answered within 1 min	80.6%	82%	84%

- Year to year trend in growth rates of benefit costs below national averages
 

	1%	1%	1%
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- Transaction Processing Deadlines
 

	n/a	85%	90%
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- Trend In growth rate of benefit Costs compared to regional peers
 

	-1.0%	-1.0%	-1.0%
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**Budget Explanation**

**Department of Financial Services—334**

The FY 2006 request for this department is \$1,820,187, an increase of \$25,159 from the current FY 2005 budget of \$1,795,028. An explanation of this change follows.

*Continuing and Negotiated Salary Costs—\$25,159*

The negotiated agreements with employee organizations increase the salary costs of employees in this department by \$43,597. There is a decrease of \$18,438 in continuing salary costs. Step or longevity increases for current employees are offset by reductions for staff turnover.

**Budget Explanation**

**Insurance and Employee Benefits—333**

The current FY 2005 budget for Insurance and Employee Benefits is changed from the budget adopted by the Board of Education on June 8, 2004. The change is a result of a realignment of \$300,000 from the health benefit account in Insurance and Employee Benefits to the tuition reimbursement account in the Office of Organizational Development.

The FY 2006 request is \$312,772,335, an increase of \$27,178,203 from the current FY 2005 budget of \$285,594,132. An explanation of this change follows.

*Continuing and Negotiated Salary Costs—\$4,204,842*

The negotiated agreements with employee organizations increase retirement costs by \$920,781 and social security costs by \$2,198,367. There is an increase of \$327,196 in retirement costs and \$758,498 in social security costs for benefits related to continuing salary costs that reflect step or longevity increases for current employees.

*Enrollment/Growth—\$1,897,247*

The budgeted salaries for additional staff for enrollment growth and new schools result in increases in social security contributions of \$522,935 and retirement contributions of \$215,296. In addition, the budget request includes increases for employee health benefits totaling \$1,159,016.



*Employee Benefits—\$16,260,144*

During FY 2004 and FY 2005, health care costs for MCPS have been trending upward, but at a rate below national trends. For FY 2006, the trend continues upward, but at a much slower rate than the ones experienced by MCPS during the prior two fiscal years. The budget for health care programs for active and retiree programs results in a \$10,272,668 increase. The primary cause of the increase is the continuation of inflation and rate adjustments for health services and prescription drugs. In addition to health care costs, retirement contribution increases total \$5,664,148 due to actuarial values and projected rates of returns on the assets in the trust fund. In addition, there is a \$45,218 adjustment in the FY 2006 base to accurately reflect social security contributions.

Increases for benefits associated with other net staff additions required for current services total \$278,110. This includes increases to social security of \$54,939, health insurance of \$188,726, and \$34,445 for retirement benefits.

*Self Insurance—\$312,144*

The budget includes additional funding of \$312,144 for the county's self-insurance program. The increases, which are very low compared to the prior two fiscal years due to lower reserve requirements, cover Worker's Compensation Insurance of \$112,916 and fire insurance of \$112,916. There is a reduction in other insurance totaling \$77,029.

*University Partnership Programs—(\$122,259)*

MCPS is engaged in partnership programs with Johns Hopkins University (the Teacher Preparation Program) and George Washington University (the Teachers 2000/Millennium and Teaching Corps Programs) that are designed to assist in meeting the need for qualified teachers especially in the most challenging school settings and/or in critical shortage areas. The partnerships provide a master's degree scholarship program for students who while in school, fill teacher positions but are paid as long-term substitutes. The partnerships involve no net cost to MCPS and are budget neutral. There is a net decrease in this budget of \$122,259. Offsetting increases and decreases are found in the budgets for K-12 Instruction, the Division of Special Education Programs and Services and the Office of the Associate Superintendent for Human Resources.

*Realignments—\$365,660*

The budget contains additional funding of \$365,660 for employee benefits resulting from a shift of programs that were previously funded from either grant funds or enterprise funds. This includes increases for social security of \$95,072, health insurance of \$229,634, and retirement benefits of \$40,954.

*Improving Programs and Services—\$4,260,425*

The employee benefit costs associated with FY 2006 budget initiatives total \$4,260,425. This amount includes \$2,425,685 for health insurance, \$1,325,655 for social security costs, and \$509,085 for retirement contributions.

**Selected Expenditure Information**

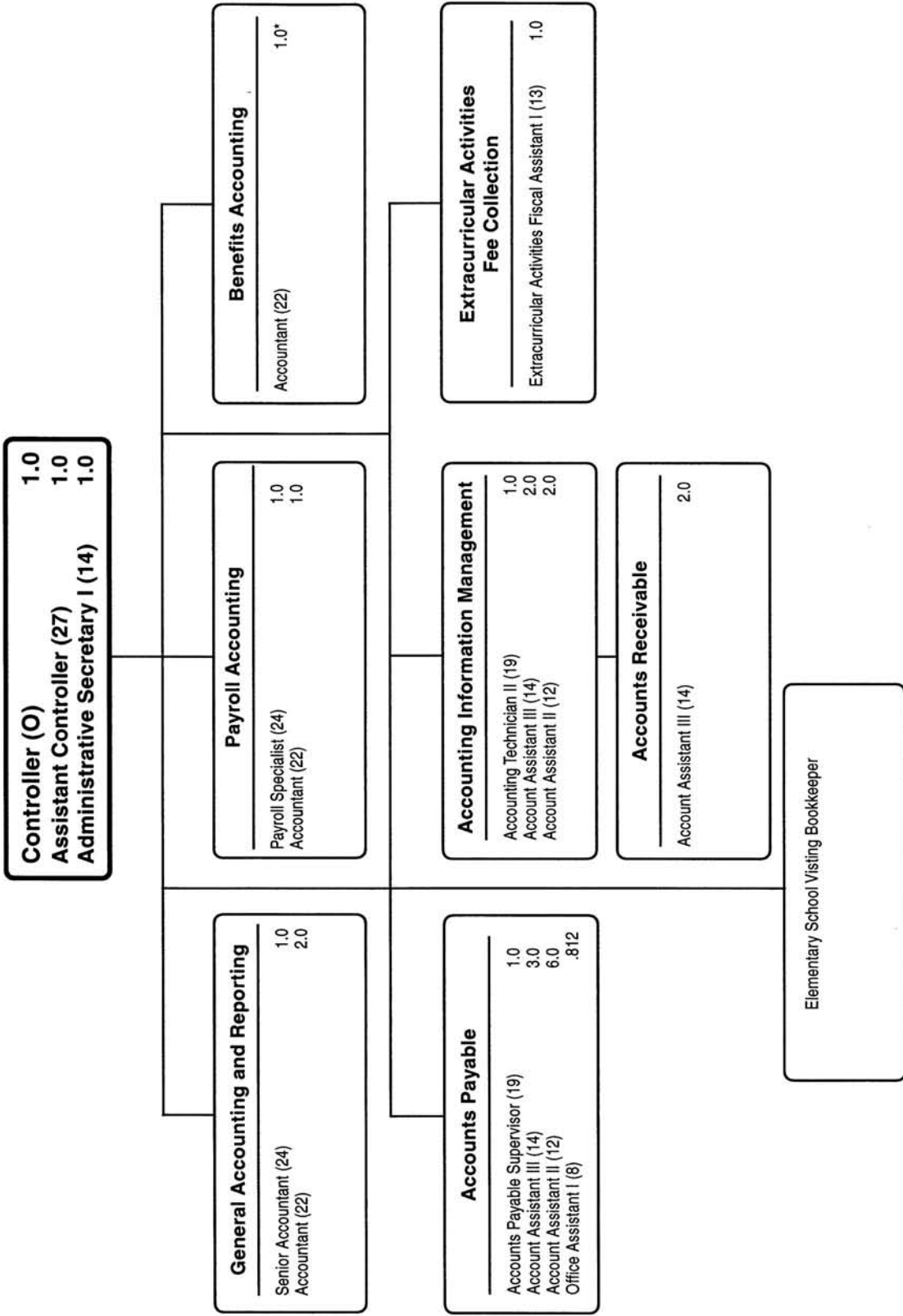
Description	FY 2005 Budget	FY 2006 Budget	Change
Worker's Compensation	\$9,697,119	\$9,810,035	\$112,916
Social Security	79,004,188	83,967,461	4,963,273
Employee Benefit—Active	134,172,850	144,718,429	10,545,579
Employee Benefit—Retirees	32,237,142	35,898,582	3,661,440
Retirement	27,688,617	35,384,384	7,695,767
Unemployment Compensation	300,000	300,000	0
Other	<u>2,494,216</u>	<u>2,693,444</u>	<u>199,228</u>
<b>Total</b>	<u><u>\$285,594,132</u></u>	<u><u>\$312,772,335</u></u>	<u><u>\$27,178,203</u></u>

# Department of Financial Services - 334/333

Susanne G. DeGraba, Chief Financial Officer

Description	FY 2004 Actual	FY 2005 Budget	FY 2005 Current	FY 2006 Request	FY 2006 Change
<b>01 Salaries &amp; Wages</b>					
Total Positions (FTE)	24,000	24,000	24,000	<b>24,000</b>	
Position Salaries	\$1,430,651	\$1,551,815	\$1,551,815	<b>\$1,575,555</b>	\$23,740
<b>Other Salaries</b>					
Supplemental Summer Employment					
Professional Substitutes					
Stipends					
Professional Part Time					
Supporting Services Part Time		29,171	29,171	<b>29,973</b>	802
Other		22,440	22,440	<b>23,057</b>	617
Subtotal Other Salaries	49,595	51,611	51,611	<b>53,030</b>	1,419
<b>Total Salaries &amp; Wages</b>	<b>1,480,246</b>	<b>1,603,426</b>	<b>1,603,426</b>	<b>1,628,585</b>	<b>25,159</b>
<b>02 Contractual Services</b>					
Consultants					
Other Contractual		19,560	19,560	<b>19,560</b>	
<b>Total Contractual Services</b>	<b>11,627</b>	<b>19,560</b>	<b>19,560</b>	<b>19,560</b>	
<b>03 Supplies &amp; Materials</b>					
Textbooks					
Media					
Instructional Supplies & Materials					
Office		46,322	46,322	<b>46,322</b>	
Other Supplies & Materials					
<b>Total Supplies &amp; Materials</b>	<b>40,941</b>	<b>46,322</b>	<b>46,322</b>	<b>46,322</b>	
<b>04 Other</b>					
Local Travel					
Staff Development					
Insurance & Employee Benefits		285,876,132	285,576,132	<b>312,754,335</b>	27,178,203
Utilities					
Miscellaneous		143,720	143,720	<b>143,720</b>	
<b>Total Other</b>	<b>253,773,075</b>	<b>286,019,852</b>	<b>285,719,852</b>	<b>312,898,055</b>	<b>27,178,203</b>
<b>05 Equipment</b>					
Leased Equipment					
Other Equipment					
<b>Total Equipment</b>					
<b>Grand Total</b>	<b>\$255,305,889</b>	<b>\$287,689,160</b>	<b>\$287,389,160</b>	<b>\$314,592,522</b>	<b>\$27,203,362</b>

# Division of Controller



F.T.E. Positions 26.812  
 (\*In addition the chart includes a 1.0 position funded by Trust Funds)

## FY 2006 OPERATING BUDGET

**Mission**

The mission of the Division of Controller is to fulfill the accounting requirements of a diverse school system community with the highest quality performance through staff that is service-oriented, courteous, professional, committed to excellence, and committed to continuous improvement in support of Our Call to Action.

**Major Functions**

The division is organized into seven units to support its major activities: general accounting and reporting, payroll accounting, benefits accounting, accounts receivable, accounts payable, accounting information systems, and an extracurricular activities fee collection unit. Major activities include preparing financial statements and statistical reports; reacting to changing trends in accounting principles and regulatory standards; providing timely financial data that assist managers in monitoring and controlling expenditures; and providing accounting support for the Employee Benefit Plan and the Retirement and Pension System.

Other division activities include controlling all financial transactions entered in the automated accounting system; encumbering funds for purchase orders and paying vendors; verifying authorizations and account classifications for all payments; preparing comprehensive annual federal and state reports; preparing audited financial statements for the MCPS Educational Foundation, a 501(c)(3) corporation; preparing the income tax and personal property tax statements for the foundation; providing effective management of the General Fund and Food Services Fund cash balances; collecting and monitoring payments of extracurricular activities fees; billing customers for services rendered by MCPS units; processing payroll tax withholdings and other deduction payments and related reports; monitoring the recording of salary encumbrances and expenditures, and providing wage-related information to customers and stakeholders.

The division accepted management of the Visiting Bookkeepers (VB) program in FY 2004. The VB program provides general bookkeeping, reporting and/or bank reconciliation services for all 125 elementary schools. The VB program enhances fiscal management of elementary school independent activities funds by providing bookkeeping services and offering training assistance. The program also provides assurance of consistent application of accounting procedures across all elementary schools and assists the Internal Audit Unit in performing its oversight responsibility.

**Trends and Accomplishments**

Systemwide growth continues to affect the division workload. The division continues to assume a greater share of transaction responsibility for the Financial Information System (FIS) and its feeder systems, and the volume of activity continues to increase. The division, through process review continuous improvement techniques, has made improvements to the workflow in the accounts payable unit. These

workflow improvements allow the unit to handle the ever-increasing workload without increasing staff. The division also implemented the following improvements during FY 2004:

- Implemented new capital asset management system. (savings—\$40,000)
- Automated payment of pension refunds to terminated employees. (savings—\$100,000)
- Automated payment of District of Columbia income tax payment remittances
- Reduced daily and biweekly payroll bank electronic file transmissions from four hours to one minute. (opportunity savings—250 hours)
- Converted IRS Form 1099 data to electronic transfer one year early. (mandatory compliance)

The division collaborates with the Department of Materials Management in the administration of the purchasing card program. This program enhances the efficiency for procurement of small purchases throughout the school system. Authorized staff make small, routine purchases effectively and expeditiously using purchasing cards. This program decreases processing time for small procurements and eliminates undue complexity for vendors. Also, the division, in collaboration with the Department of Materials Management and the Office of Strategic Technologies and Accountability, implemented an electronic billing and payment process with MCPS' largest office supply vendor. Under this new process, normal office supply orders are transacted in a paperless environment. The Division continues to investigate the potential of e-procurement systems to provide further efficiencies and service improvements.

The information needs of program managers; county, state, and federal government entities; and the general public are becoming more varied and complex. These changing needs have exceeded the capabilities of the Financial Information System (FIS). It is structurally rigid and technically lacks necessary reporting tools. The division, through the Department of Financial Services, is collaborating with the Office of Strategic Technologies and Accountability and the departments of Materials Management and Management, Budget, and Planning to plan for the future replacement of the FIS. The Montgomery County Council approved funds for the Montgomery County Government and MCPS to jointly engage a professional firm to conduct a requirements analysis and to prepare a Request for Proposal for replacement of MCPS accounting, budget and procurement systems. The division will devote considerable time with the consultant during FY 2005 to develop a requirements definition and a plan for replacement of these aging systems.

MCPS has won the Association of School Business Officials International's (ASBO) Award of Excellence in Financial Reporting for excellence in the preparation and issuance of the FY 2003 Comprehensive Annual Financial Report. This is the 24th time (23rd consecutive) that MCPS has received this prestigious award. The award, the highest recognition for school district financial operations offered by ASBO, is only presented to school systems that have met or exceeded the standards of the program.

Customer focus plays an important role in the division's mission and strategic plan. Improving and expanding division products and services for customers and stakeholders consumes a major portion of our annual Improvement efforts. During FY 2004, the division rolled-out the following new or improved products and services:

- Provided fiscal management training to grants management staff
- Reorganized the division Web site to focus on customer service
- Created specialized electronic database extracts for a variety of fiscal managers
- Created a Web-based purchase order tracking system for schools (potential school benefits—\$100,000+)
- Refined analysis and monitoring of Employee Benefits Plan financial activity

The division engages in opportunities to strengthen school financial management. The division maintains a chapter in the "Principals Handbook" on school financial management. Also, the division collaborates with the offices of Staff Development and Strategic Technologic and Accountability to develop financial management training modules for principals, assistant principals, and other school-based fiscal staff.

**Major Mandates**

- Maryland law requires an annual audit by a certified public accountant, a comprehensive Annual Financial Report, state budget reports, and annual financial reports.
- Federal, state, and other grantor agencies require the submission of monthly, quarterly, semiannual, or annual reports for all grants received by MCPS.
- The federal Office of Management and Budget Circular A-133 requires annual audits and reports on all federal programs.
- Federal law requires the filing of Form W-2 employee wage and tax statements and Form 1099 tax reports for many vendors/contractors who receive payments.
- Federal and state laws require biweekly, monthly, quarterly, and annual reporting of income and social security taxes, employee earnings, unemployment insurance, and workers compensation.

**Strategies**

- Evaluate accounting processes for opportunities to make process improvements, incorporating customer and stakeholder feedback and potential for new products and services
- Work to complete a requirements analysis for ERP-based accounting systems and to prepare an RFP for replacement of accounting, budget and procurement systems
- Implement a document management solution for improved handling of accounts payable process documents
- Provide training opportunities that encourage and strengthen financial management skills of school-based fiscal staff

**Performance Measurements**

**Performance Measure:** Average number of days from receipt to payment of invoice.

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
14	14	14

**Explanation:** Measure of the efficiency of payment processing.

**Performance Measure:** Division cost per student.

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
\$10.39	\$10.39	\$10.39

**Explanation:** Measures the relative cost effectiveness and efficiency of the division in the context of overall apportionment of limited resources.

**Performance Measure:** Customer satisfaction with products and services.

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
N/A	95%	95%

**Explanation:** Aggregate measure of individually measured customer satisfaction with both the normal delivery of products and services and satisfaction with new or improved products and services. Information is not available for FY 2004. The measure reflects the percentage of respondents satisfied or highly satisfied with products and services.

**Budget Explanation**

The FY 2006 request for this division is \$1,511,433, an increase of \$51,643 from the current FY 2005 budget of \$1,459,790. An explanation of this change follows.

*Continuing and Negotiated Salary Costs—\$47,343*

The negotiated agreements with employee organizations increase the salary costs of employees in this division by \$39,623. There is an increase of \$7,720 in continuing salary costs to reflect step or longevity increases for current employees.

*Other Changes—\$4,300*

An additional \$4,000 is budgeted for office supplies and another \$300 for equipment maintenance to reflect actual operational costs for the division.

## Division of Controller - 332/155

Robert J. Doody, Controller

Description	FY 2004 Actual	FY 2005 Budget	FY 2005 Current	FY 2006 Request	FY 2006 Change
<b>01 Salaries &amp; Wages</b>					
Total Positions (FTE)	26.800	26.800	26.812	<b>26.812</b>	
Position Salaries	\$1,388,273	\$1,463,470	\$1,463,470	<b>\$1,511,669</b>	\$48,199
<b>Other Salaries</b>					
Supplemental Summer Employment					
Professional Substitutes					
Stipends					
Professional Part Time					
Supporting Services Part Time		11,238	11,238	<b>15,657</b>	4,419
Other		(46,349)	(46,349)	<b>(47,624)</b>	(1,275)
Subtotal Other Salaries	23,056	(35,111)	(35,111)	<b>(31,967)</b>	3,144
<b>Total Salaries &amp; Wages</b>	<b>1,411,329</b>	<b>1,428,359</b>	<b>1,428,359</b>	<b>1,479,702</b>	<b>51,343</b>
<b>02 Contractual Services</b>					
Consultants					
Other Contractual		1,000	1,000	<b>1,300</b>	300
<b>Total Contractual Services</b>	<b>1,230</b>	<b>1,000</b>	<b>1,000</b>	<b>1,300</b>	<b>300</b>
<b>03 Supplies &amp; Materials</b>					
Textbooks					
Media					
Instructional Supplies & Materials					
Office		27,831	27,831	<b>27,831</b>	
Other Supplies & Materials					
<b>Total Supplies &amp; Materials</b>	<b>27,796</b>	<b>27,831</b>	<b>27,831</b>	<b>27,831</b>	
<b>04 Other</b>					
Local Travel					
Staff Development		2,600	2,600	<b>2,600</b>	
Insurance & Employee Benefits					
Utilities					
Miscellaneous					
<b>Total Other</b>	<b>5,615</b>	<b>2,600</b>	<b>2,600</b>	<b>2,600</b>	
<b>05 Equipment</b>					
Leased Equipment					
Other Equipment					
<b>Total Equipment</b>					
<b>Grand Total</b>	<b>\$1,445,970</b>	<b>\$1,459,790</b>	<b>\$1,459,790</b>	<b>\$1,511,433</b>	<b>\$51,643</b>

# Department of Association Relations

Director	1.0
Administrative Secretary II (15)	1.0



## Mission

The mission of the Department of Association Relations is to establish and maintain productive relationships with employee unions, to enhance the school system's ability to provide the most effective education to students by negotiating and administering realistic and relevant union contracts, and to assist school system administrators in implementing union contracts and Board of Education policies and regulations.

## Major Functions

The Department of Association Relations coordinates all employee relations activities with the unions that represent administrators, teachers, and supporting services personnel. It conducts formal negotiations with the three recognized organizations on wages, hours, and other working conditions. It administers the negotiated agreements through regular contact with the employee organizations, handles informal complaints, provides advice to management on contract interpretations, oversees the grievance and administrative complaint procedures, represents the Board of Education in grievance hearings and arbitrations, and prepares cases for State Board of Education or court action.

Specifically, the department is responsible for negotiating with the Montgomery County Education Association (MCEA) SEIU Local 500, and the Montgomery County Association of Administrative and Supervisory Personnel (MCAASP). The department administers all three negotiated agreements, handles informal complaints and grievances, prepares and presents arbitration cases, and provides support and training to MCPS supervisors and administrators.

## Trends and Accomplishments

Day-to-day contract administration continues to be a major focus, although formal employee grievances and administrative complaints declined in number during FY 2004, and the trend is expected to continue. State legislative proposals related to labor relations require much time and attention from the department. The department's work was further impacted by recent state legislative actions that significantly changed the nature of negotiations. New MCPS program initiatives, federal laws affecting benefits and work rules, State Board of Education rulings on the scope of bargaining, economic trends, and comparability issues among school systems, government, and the private sector also continue to impact this department workload. During FY 2004, MCPS successfully negotiated a full three-year contract with teachers (MCEA), a two-year contract extension with supporting services employees (SEIU Local 500), and a one-year contract extension with administrators (MCAASP) without impasse or mediation. Negotiations commenced in October 2003 and resulted in tentative agreements in February 2004. The Board and the unions again used the interest-based approach to negotiations to arrive at the agreements.

The agreements established a number of joint work groups to mutually explore issues and solutions. All three agreements provide for wages and benefits through FY 2007. The existing contract with SEIU Local 500 calls for reopened negotiations during the fall of 2004 on all issues except wages and benefits. Negotiations will occur during the fall and winter of the 2004–2005 school year for a revised agreement. In addition, the contract with the supporting services employees union provides for an expanded role for the department in the grievance process at Step Two which involves investigating and responding to grievances at that level.

## Major Mandates

- The collective bargaining and contract administration responsibilities of this department are mandated by state law, which requires the Board of Education to negotiate wages, hours, and working conditions with its certificated and non-certificated employees, as well as to produce and administer the written agreements resulting from these negotiations.
- MCPS regulations establish the administrative complaint procedure for employees who want to pursue an issue that is not covered in the negotiated agreement.
- The Federal Fair Labor Standards Act (FLSA) and the Family Medical Leave Act (FMLA) regulate much of the relationship between MCPS and the employees, as administered by the Department of Association Relations.
- The negotiated agreements with the three employee organizations establish grievance procedures and other aspects of the relationship between the department and the organizations.

## Strategies

- Build on the interest-based training that was used during recent negotiations with all three unions and use the principles in relationships with the unions.
- Continually relate the efforts of this department to the goal of enhancing the education of all students.
- Continue to train and advise administrators in contract administration on a regular basis.
- Work closely with representatives of the three unions to resolve problems with minimal disruption.
- Provide support and training to labor management councils, joint work groups, and other labor/management cooperative groups.
- Negotiate a revised labor agreement with SEIU Local 500 to be effective July 1, 2005, as an amendment to the existing multiyear agreement.
- Continue to investigate and respond to support services grievances at Step Two in a timely and effective manner.

**Performance Measurements**

**Performance Measure:** Number of supporting services grievances and administrative complaints filed.

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
53	100	80

**Explanation:** This measure reflects the amount of time and energy devoted by school system administrators to addressing possible contract and/or regulation violations related to supporting services employees. It is also an indication, along with the third performance measure (below) either of the degree to which school system administrators are failing to apply the contract and MCPS policies and regulations appropriately and/or the degree to which the union and/or employees are challenging administrative decisions without good reason.

**Performance Measure:** Number of teacher grievances and administrative complaints filed.

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
30	20	20

**Explanation:** This measure reflects the amount of time devoted to addressing possible contract and/or regulation violations related to teachers and other certificated personnel. It is also an indication, along with the third performance measure (below) either of the degree to which school system administrators are failing to apply the contract and MCPS policies and regulations appropriately and/or the degree to which the union and/or employees are challenging administrative decisions without good reason.

**Performance Measure:** Number and percent of completed supporting services grievances and administrative complaints awarded in favor of the grievant/complainant or settled by providing remedy to the grievant/complainant.

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
5 (13%)	20 (20%)	16 (20%)

**Explanation:** This measure reflects the degree to which there are actual violations of the contracts or regulations, or problems existing, which justify adjustments being made through the appeals processes. It also may reflect the manner in which the grievance process is being used.

**Program Measure:** Number and percent of completed teacher grievances and administrative complaints awarded in favor of the grievant/complainant or settled by providing remedy to the grievant/complainant.

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
4 (15%)	5 (25%)	5 (25%)

**Explanation:** This measure reflects the degree to which there are actual violations of the contracts or regulations, or problems existing, which justify adjustments being made through the appeals processes. It also may reflect the manner in which the grievance process is being used.

**Budget Explanation**

The current FY 2005 budget for this department is changed from the budget adopted by the Board of Education on June 8, 2004. The change is a result of the realignment of \$20,000 from professional part time to association relations expense to better reflect the department's actual expenses.

The FY 2006 request for this department is \$324,228, an increase of \$7,539 from the current FY 2005 budget of \$316,689. An explanation of this change follows.

*Continuing and Negotiated Salary Costs—\$7,539*

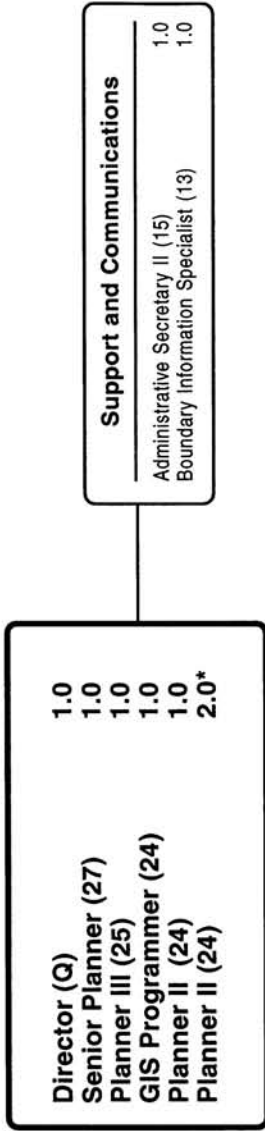
The negotiated agreements with employee organizations increase the salary costs of employees in this department by \$4,813. There is an increase of \$2,726 in continuing salary costs to reflect step or longevity increases for current employees.

# Department of Association Relations - 661

Donald P. Kopp, Director

Description	FY 2004 Actual	FY 2005 Budget	FY 2005 Current	FY 2006 Request	FY 2006 Change
<b>01 Salaries &amp; Wages</b>					
Total Positions (FTE)	2,000	2,000	2,000	2,000	
Position Salaries	\$170,847	\$170,779	\$170,779	\$178,277	\$7,498
<b>Other Salaries</b>					
Supplemental Summer Employment					
Professional Substitutes					
Stipends					
Professional Part Time		45,000	25,000	25,000	
Supporting Services Part Time		1,480	1,480	1,521	41
Other					
Subtotal Other Salaries	12,873	46,480	26,480	26,521	41
<b>Total Salaries &amp; Wages</b>	183,720	217,259	197,259	204,798	7,539
<b>02 Contractual Services</b>					
Consultants					
Other Contractual		91,445	111,445	111,445	
<b>Total Contractual Services</b>	138,159	91,445	111,445	111,445	
<b>03 Supplies &amp; Materials</b>					
Textbooks					
Media					
Instructional Supplies & Materials					
Office		5,185	5,185	5,185	
Other Supplies & Materials					
<b>Total Supplies &amp; Materials</b>	3,395	5,185	5,185	5,185	
<b>04 Other</b>					
Local Travel		300	300	300	
Staff Development					
Insurance & Employee Benefits					
Utilities					
Miscellaneous		2,500	2,500	2,500	
<b>Total Other</b>	1,833	2,800	2,800	2,800	
<b>05 Equipment</b>					
Leased Equipment					
Other Equipment					
<b>Total Equipment</b>					
<b>Grand Total</b>	<u>\$327,107</u>	<u>\$316,689</u>	<u>\$316,689</u>	<u>\$324,228</u>	<u>\$7,539</u>

# Department of Planning and Capital Programming



F.T.E. Positions 7.0  
 (\*Included in the chart above are 2.0 positions funded by the Capital Budget)

## FY 2006 OPERATING BUDGET

## Mission

The mission of the Department of Planning and Capital Programming is to inform and prepare decision makers and the community to address changes in enrollment and instructional programs through development of quality data analyses, planning strategies, and long-range plans.

## Major Functions

In order to support Our Call to Action: Pursuit of Excellence, the strategic plan for MCPS, the Department of Planning and Capital Programming forecasts student enrollment and develops plans and strategies to provide adequate interim and permanent capacity systemwide for students and programs. The department performs four main functions: developing demographic analyses and projecting systemwide and school-by-school enrollment; developing accurate data and justification for capital and non-capital facility plans to meet capacity and program needs; developing the six-year state and local Capital Improvements Programs (CIPs) and updating the Educational Facilities Master Plan; and developing and disseminating official school boundary information. The department also provides support for the Board of Education and the superintendent's strategic planning efforts.

Department staff develops enrollment projections for the system as a whole, for special programs, and for each individual school. The projections include annual enrollments for six years in the future, and a longer-range projection for 10 and 15 years in the future. Enrollment projections are prepared each fall and updated each spring. These projections are critical to the formulation of the operating budget and capital improvement plans necessary to address changes in student population and educational programs. Accurate enrollment projections are necessary to ensure that adequate funding is requested to provide the resources necessary to meet student needs in the MCPS Strategic Plan. Accurate projections also ensure that limited resources are allocated wisely to balance operating and capital needs.

Based on enrollment projections and analysis of individual school utilizations, staff develops plans to address system needs. A variety of planning strategies are utilized including relocatable classrooms, boundary changes, and construction of new schools and additions. Staff works closely with school communities and the superintendent as he develops his recommended six-year state and local Capital Improvements Programs for Board of Education review and approval. Once adopted by the Board, staff prepares any documentation required by other local and state elected officials for review and approval of the Board's CIP requests. After adoption by the County Council, staff publishes the Educational Facilities Master Plan for submission to the state for review and comment.

Department staff implement approved state and local budget actions by collaborating with school communities and other MCPS staffs to develop educational specifications, facilitate community boundary review studies, and obtain community advice on educational program issues such as school choice, gifted and talented center locations, language

immersion program locations, and other facility-related program issues.

Department staff maintains school boundary data utilizing a Geographic Information System (GIS) developed in collaboration with the Montgomery County Government and Maryland-National Capital Park and Planning Commission (M-NCPPC). In addition, staff provides a telephone boundary information service that provides callers with official school assignments for specific addresses. New county residents and members of the real estate community are the primary consumers of this service.

The department also provides expertise, advice, and facilitation for strategic planning activities to the Board of Education, the superintendent, and other school system units. Ongoing reviews and analyses of demographic, economic, and social trends are conducted in support of MCPS strategic planning initiatives. In addition, GIS data have proven valuable in analyzing a variety of educational trends disaggregated by school.

## Trends and Accomplishments

Major trends impacting the mission of the Department of Planning and Capital Programming include enrollment growth, a strong housing market, space requirements needed to implement the federal No Child Left Behind Act of 2001 and the state Bridge to Excellence in Public Schools Act of 2002 (full-day kindergarten in all elementary schools and prekindergarten opportunities for all disadvantaged children), space requirements needed to implement class-size reduction initiatives in Title I schools, increased student diversity, aging facilities, reduced state aid as a share of total capital funding, increased focus on county master planning and school sites, and heightened involvement in county growth management activities, including the Annual Growth Policy (AGP).

The number of resident births has topped 13,000 in Montgomery County since 2000, setting a new record each year. Rising births will impact enrollments long-term, and will keep pressure on MCPS to add capacity in the future. A fairly stable local economy and strong housing market also have generated substantial migration of households to the county that, in turn, has accelerated the build-out of new housing subdivisions. Significant enrollment increases are being seen in parts of the county with large-scale subdivisions under development. However, enrollment growth also is occurring in established neighborhoods with no new development as younger families with children purchase existing homes and the demographic composition changes.

Enrollment growth in the school system will be concentrated in the secondary grades, especially at the high school level, in the next six years. Elementary enrollment, which has decreased in recent years, will begin to increase again in 2005 as a direct result of the record increase in births. Annual increases in total MCPS enrollment averaged about 3,000 per year in the 1990s. The rate of annual increases in the next six years will average about 1,000 per year.

In a coordinated effort to address student performance, student to teacher ratios are being reduced systemwide at the elementary level. Elementary schools were staffed at a ratio of approximately 23:1 in FY 2004. Targeted elementary schools had even lower staffing ratios, with full-day kindergarten at 15:1 and Grades 1 and 2 at 17:1. A total of 205 relocatable classrooms have been added to support classsize reductions at targeted elementary schools.

Increased staffing is especially significant when put in the context of school capacity. School capacities are calculated using a class size of 25 students per room. This calculation is in conformance with Board policy, and forms the basis for long-range capital programming for additional capacity. However, with staffing ratios lower than school capacity ratings, school capacities are overstated. As a result, in some cases MCPS is installing relocatable classrooms when no capacity deficit appears on paper. The trend to lower class size and expand full-day kindergarten may require the recalculation of school capacities in order to ensure facility planning is coordinated with the delivery of the instructional program. A coordinated change in Board policy and state guidelines may be required before official capacities can be adjusted to reflect program improvements. Until a change in official capacity calculations is adopted, projected facility needs may be understated.

The county adopted a record increase in the FY 2005–2010 CIP, totaling \$912.8 million, compared to the previously adopted FY 2003–2008 CIP total of \$637.1 million. The county was able to adopt this large CIP by increasing the Spending Affordability Guidelines (SAG) to \$199 million for FY 2005, with a six-year total of \$1.4 billion, the highest guidelines ever set by the County Council. Two new sources of revenue also helped to raise funding for the MCPS CIP. These are tied to the housing market, with one being a portion of the recordation tax and the other being a school impact tax that is being charged to developers of new housing in the county.

At the same time as local revenues and funding for the CIP have increased, MCPS has seen a decrease in the amount of state aid received through the State of Maryland Public School Construction Program. Funding has been decreased from a high of more than \$50 million for FY 2000, to only \$9.03 million approved for FY 2005. Any continued reduction in state aid will have significant consequences for the county and its ability to maintain project schedules in the future.

The Department of Planning and Capital Programming had a number of accomplishments in FY 2004 in support of its mission. The fiscal year began with a review and update of the department's strategic plan and further refinement of performance measures. In addition, staff in the department worked with other staffs in the Office of the Chief Operating Officer (OCOO) to design and facilitate an update of the OCOO strategic plan and prepare an application to the Maryland Senate Quality and Productivity Awards Program.

Department performance measures showed forecasts to be highly accurate, with total enrollment this year just 1.1 percent below projection. In addition, 72 percent of all schools fell within 5 percent of their projected enrollment. Performance measures on community involvement processes showed high degrees of satisfaction with facility planning processes conducted by department staff. In regard to ratings on the opportunity to participate, 98 percent of those returning feedback forms indicated they agreed or strongly agreed that the process provided this opportunity. In regard to ratings on the respect afforded their ideas and thoughts, 94 percent agreed or strongly agreed that the process enabled their ideas and thoughts to be represented.

Department staff developed and facilitated review processes for the Requested FY 2005 Capital Budget and FY 2005–2010 Capital Improvements Program (CIP). These processes were initiated with an overview of MCPS and Montgomery County demographic trends. The CIP process was extremely successful, with the county adoption of a \$912.8 million MCPS CIP.

Department staff facilitated three school boundary processes with affected communities. These included boundary changes between Banneker and Briggs Chaney middle school, and establishing boundaries for Quince Orchard Middle School #2 and Connecticut Park Elementary School. Department staff developed recommendations for articulation patterns between East Silver Spring and Piney Branch elementary schools; a roll-out plan for full-day kindergarten at all elementary schools by 2007; a restroom renovation project in the CIP, and an assessment of three school sites requested by the county for use as workforce housing. Department staff participated in studies reviewing modernization versus school renovation costs, career and technology education planning, the Special Education Strategic Planning Task Force, and the Mark Twain program improvement study.

Department staff worked closely with school principals and community superintendents in revising school enrollment forecasts for FY 2005 staffing allocations. An accelerated schedule for the forecast, staffing allocations, and relocatable classroom placement decisions has improved services to schools. Based on staffing allocations for FY 2005, there are 720 relocatable classrooms in use this school year (compared to 691 last year).

Additional analysis of space needs was necessary this year in order to ensure adequate space will be available to support the federal No Child Left Behind legislation, that allows students to transfer out of schools identified as in need of improvement. Department staff also has developed facility plans for moving MCPS programs and offices out of closed schools that will be reopening as educational facilities, for a new alternative education center, and to support office space needs for Infants and Toddlers program staff. Staff also has worked closely with the Head Start program staff to accommodate legislative changes in federal Head Start program delivery.

Department staff completed educational specifications for six elementary schools and one middle school in the past year. Department staff updated the elementary school educational specification template by working with staff from the Office of Curriculum and Instructional Programs and the Division of Construction. Staff developed a post-occupancy survey process to assess school-based staff's satisfaction with the design and development process. Staff also worked on an office and program relocation study.

Department staff worked closely with county officials in a major revision of the Annual Growth Policy (AGP) schools test, and passage of legislation establishing a school impact tax. Department staff worked closely with county and city planning staffs to better coordinate master plans with school site needs and facility planning activities. Plans included the Upper Rock Creek, Olney, Gaithersburg Vicinity, Shady Grove Sector, and Twinbrook sector master plans. Staff also participated in planning charettes for communities in Rockville and Gaithersburg.

Department staff developed a new user-friendly mapping application, called iMapper. This enables planners to retrieve a range of geographic-based data for use in demographic studies and boundary development. Improvements also were made to the student assignment locator program. Use of this Web-based school assignment locator reached high levels, with an estimated average of 1,100 "hits" per day.

Department staff continued to respond to the high volume of requests for boundary information. The school boundary line responds to an increasingly diverse population of non-English speakers. Staff ability to speak Spanish greatly enhances this service. Staff maintains documentation for new Montgomery County subdivisions and continuously monitors and updates build-out status of new developments.

## Major Mandates

- Section 5-306 of the Education Article, Annotated Code of Maryland, requires MCPS to prepare annually a six-year Capital Improvements Program (CIP) and submit it to the county executive and County Council.
- The Rules, Regulations, and Procedures for Administration of the School Construction Program adopted by the State Board of Public Works requires MCPS to prepare, submit, and annually amend its educational facilities master plan. Under the State School Construction Program, MCPS also is required to submit its annual and subsequent five-year Capital Improvements Program.
- Section 302 (Amended 1996) of the Montgomery County Charter requires MCPS to prepare a biennial Capital Improvements Program (CIP) and submit it to the county executive and County Council by December 1 for odd-numbered fiscal year requests, and amendments for even-numbered fiscal year requests.
- Montgomery County Government's Annual Growth Policy (AGP) requires MCPS to annually provide enrollment projections, school capacities, and the Board of Education-requested capital improvements for incorporation in the AGP.

- Board of Education policy on FAA Long-range Educational Facilities Planning requires MCPS facility planning to incorporate educational program objectives, goals of the Quality Integrated Education Policy, and extensive public involvement.
- The federal No Child Left Behind Act of 2001 and the state Bridge to Excellence in Public Schools Act of 2002 require space be available in high performing schools to allow students in under performing federal Title 1 schools to transfer. The state legislation requires space to provide full-day kindergarten in all elementary schools, and space to provide for disadvantaged students to participate in prekindergarten classes.

## Strategies

- Continually improve processes to identify and understand the needs of our customers and stakeholders. Processes may include: use of the meetings with the community leaders and stakeholder representatives; use of the department Web page; and surveys, feedback forms, and roundtable discussion groups.
- Continuously improve communication tools to enable external customers and stakeholders to understand planning issues and activities. Communication methods may include: use of the department Web page, information releases on current issues, use of department publications, partnerships with MCCPTA, and fact sheets for frequently requested information.
- Maintain and improve the department information system.
- Routinely assess department planning processes, staff workloads, and staff strengths in the context of the strategic plan.
- Expand the facilities planning process to include all school system programs and consideration of multipurpose use of schools.

## Performance Measurement

**Performance Measure:** Enrollment forecast accuracy of individual schools' one-year forecast.

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
71.7%	79%	85%

**Explanation:** The accuracy of individual school forecasts is critical to operating and capital budget decisions regarding distribution of resources (e.g., staffing, supplies, and relocatable classrooms).

# Department of Planning and Capital Programming—335

Joseph J. Lavorgna, Director

301-279-3333

**Performance Measure:** Enrollment forecast accuracy of countywide one-year forecast.

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
98.9%	99.5%	99.5%

**Explanation:** The accuracy of the countywide enrollment projections is critical to the development of the overall operating and capital budgets.

**Performance Measure:** Enrollment forecast accuracy of countywide six-year forecast.

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
95.8%	97.0%	98.0%

**Explanation:** The accuracy of the six-year forecast is critical to the development of long-range facility plans for the CIP and for multiyear operating budgets.

**Performance Measure:** Community involvement in planning “opportunity to participate.”

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
97.9%	98.0%	95.0%

**Explanation:** Measuring participants sense of opportunity to participate in department advisory committees provides valuable feedback on perceptions of access to MCPS processes.

**Performance Measure:** Community involvement in planning “ideas respected and thoughts represented.”

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
93.5%	96.0%	95.0%

**Explanation:** Measuring representation and respect for participants activity in department advisory committees provides valuable feedback on issues that are important in the community and need to be considered by MCPS decision makers.

## Budget Explanation

The current FY 2005 budget for this department is changed from the budget adopted by the Board of Education on June 8, 2004. The change is a result of a budget neutral reclassification of a Planner I position to a Planner II position.

The FY 2006 request for this department is \$588,915, an increase of \$45,495 from the current FY 2005 budget of \$543,420. An explanation of this change follows.

### *Continuing and Negotiated Salary Costs—\$45,495*

The negotiated agreements with employee organizations increase the salary costs of employees in this department by \$15,179. There is an increase of \$30,316 in continuing salary costs to reflect step or longevity increases for current employees.



# Department of Planning and Capital Programming - 335

Joseph J. Lavorgna, Director

Description	FY 2004 Actual	FY 2005 Budget	FY 2005 Current	FY 2006 Request	FY 2006 Change
<b>01 Salaries &amp; Wages</b>					
Total Positions (FTE)	7,000	7,000	7,000	<b>7,000</b>	
Position Salaries	\$502,121	\$521,578	\$521,578	<b>\$567,073</b>	\$45,495
<b>Other Salaries</b>					
Supplemental Summer Employment					
Professional Substitutes					
Stipends					
Professional Part Time					
Supporting Services Part Time					
Other					
Subtotal Other Salaries	7,892				
<b>Total Salaries &amp; Wages</b>	<b>510,013</b>	<b>521,578</b>	<b>521,578</b>	<b>567,073</b>	<b>45,495</b>
<b>02 Contractual Services</b>					
Consultants					
Other Contractual		7,200	7,200	<b>7,200</b>	
<b>Total Contractual Services</b>	<b>4,415</b>	<b>7,200</b>	<b>7,200</b>	<b>7,200</b>	
<b>03 Supplies &amp; Materials</b>					
Textbooks					
Media					
Instructional Supplies & Materials					
Office		3,333	3,333	<b>3,333</b>	
Other Supplies & Materials		3,609	3,609	<b>3,609</b>	
<b>Total Supplies &amp; Materials</b>	<b>5,660</b>	<b>6,942</b>	<b>6,942</b>	<b>6,942</b>	
<b>04 Other</b>					
Local Travel		3,700	3,700	<b>3,700</b>	
Staff Development					
Insurance & Employee Benefits					
Utilities					
Miscellaneous					
<b>Total Other</b>	<b>3,194</b>	<b>3,700</b>	<b>3,700</b>	<b>3,700</b>	
<b>05 Equipment</b>					
Leased Equipment		4,000	4,000	<b>4,000</b>	
Other Equipment					
<b>Total Equipment</b>	<b>2,544</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	
<b>Grand Total</b>	<b>\$525,826</b>	<b>\$543,420</b>	<b>\$543,420</b>	<b>\$588,915</b>	<b>\$45,495</b>

# Department of Management, Budget and Planning

Director (Q)	1.0
Management and Budget Specialist III (27)	2.0
Grants Specialist (27)	1.0
Management and Budget Specialist II (26)	3.0
Applications Developer II (25)	1.0
Management and Budget Specialist I (24)	3.0
Grants Assistant (20)	1.0
Administrative Secretary II (15)	1.0
Administrative Secretary I (14)	1.0
Fiscal Assistant I (13)	0.5

## Mission

The mission of the Department of Management, Budget, and Planning (DMBP) is to plan, develop, secure, and manage fiscal resources by providing timely, objective, and accurate information to decision makers to support the education of students.

## Major Functions

The Department of Management, Budget, and Planning develops long-range planning tools, prepares and administers the annual operating budget, and facilitates grant applications and administration upon acquisition of grant funds.

The department monitors and analyzes demographic, economic, and fiscal data and trends to provide guidance on potential revenues and expenditures. It works closely with state officials to monitor state education funding and develop financing alternatives. It assists executive staff and program managers as they develop long-range strategic program and budget plans. It communicates planning data and information both within the organization and to the public through a variety of publications, forums, and presentations.

The department also provides tools, guidance, and fiscal analysis to help program managers prepare their annual operating budget requests. Staff organizes and participates in budget reviews and helps to present and communicate public and staff priorities for resource allocation. Based on executive staff and Board of Education decisions, the department prepares, produces, and facilitates the adoption of both the superintendent's recommended and the Board of Education's operating budget requests. The department projects salary and other continuing costs, responds to requests for budget-related information, and works closely with county government, County Council, and state government staff on budget matters.

The department monitors, analyzes, and controls expenditures to implement budget decisions, regularly reviews the financial condition of each unit, resolves fiscal problems for schools and units, and recommends management initiatives to improve efficiency and effectiveness and maintain fiscal control. As a part of its management function, the department coordinates activities among departments and offers them fiscal and management tools and assistance to evaluate and improve their operations and present them more effectively to the public. As a result of the implementation of the new Human Resources Information System (HRIS), the department has assumed a significantly larger role in monitoring and reviewing the management of position changes, ensuring faster implementation of budget initiatives and improved fiscal control.

The department also assists in obtaining additional financial resources from individuals, foundations, corporations, and other entities to support identified school system priorities. To that end, the office advises MCPS decision makers about grant and philanthropic opportunities, develops relationships with potential funding sources, reviews draft proposals, and assures that high quality grant proposals and requests for

funding are submitted on time. The office also provides grant-related technical assistance and training to staff of individual schools and maintains a Web site that contains information about grant programs and links to additional information about grant seeking. The department helps obtain Board of Education and other required approvals for proposals. Once funding is obtained, the department monitors grant expenditures to ensure that they follow project plans and grantor requirements.

Each year the County Council makes a lump-sum appropriation for anticipated grant projects to be funded from non-county sources. This appropriation allows the Board of Education to approve projects subsequent to the adoption of the annual budget without having to request supplemental appropriations from the Council. The Board advises the County Council and the county executive in writing of each approved project.

## Trends and Accomplishments

Continuing fiscal constraints amid rising demands for improved educational quality have increased public awareness of fiscal policy and budget decisions as major public policy elements for public schools. Decision makers have placed an increasing emphasis on long-range fiscal planning. Passage of the federal No Child Left Behind Act and the Maryland Bridge to Excellence in Education Act has transformed educational funding issues. The MCPS Strategic Plan, *Our Call to Action: Pursuit of Excellence* defines long-term school system goals and links those goals to measures of accountability and strategies to improve instruction. The priority goal of the department is to align the operating budget with the long-range MCPS strategic plan.

Competition for public funds has placed a premium on improving communication about program missions and goals and clearly explaining budget proposals to a wider audience. Public participation in the budget process has grown rapidly and involved stakeholders and other citizens in making budget recommendations.

During FY 2004, significant improvements occurred in operating budget preparation. The department prepared the operating budget by continuing and strengthening the zero-based budgeting process begun the previous year. Because county fiscal constraints restricted the extent to which MCPS could propose new budget initiatives, the zero-based process was used to identify potential realignments that could provide resources to meet urgent program needs. As a result, \$4.5 million in realignments were identified. These realignments made possible an equal amount of initiatives in such areas as special education, maintenance, and staff development. The zero-based budgeting process was integrated with strategic planning to align budgets with systemwide priorities.

The budget development process included strengthened public outreach. The "Blue Ribbon" Budget Review Committee added members representing new stakeholder groups and met throughout the year. The committee identified budget alternatives, some of which, such as residency compliance,

were included in the FY 2005 superintendent's recommended budget. The committee also anticipated issues that were to arise during the budget review process and enabled staff to develop explanations that facilitated the public review process and adoption of the budget.

DMBP also made several important technical improvements in the budget publication. The text of the Citizen's Budget was completely rewritten, based on specific suggestions of the Budget Review Committee, to provide more basic budget information to citizens and to integrate developments related to the Bridge to Excellence and No Child Left Behind into the presentation of the operating budget. This contributed to extensive public understanding of the significance of the new legislation and began the process of introducing the systemwide Master Plan to the public.

The FY 2005 Operating Budget included a comprehensive program budget, which for the first time included the entire budget in identified programs. Progress also was made to tie the Program Budget to the zero-based budgeting program structure.

The FY 2005 operating budget included specific performance targets and measures for nearly all MCPS units. These performance measures were carefully scrutinized by the Board of Education as it reviewed the budget.

FY 2004 concluded with the adoption of an operating budget that funded 99.8 percent of the Board of Education's request, a 7.1 percent budget increase, despite a significant fiscal crisis. The County Executive and County Council supported maintenance of existing improvement initiatives and accepted additional federal grant funding. With very few exceptions, there was complete community acceptance of MCPS budget changes as well as an appreciation of the extensive review of the base budget through the zero-based and PEAR processes. Community stakeholders expressed a desire for more easily understandable budget publications, progress on which will be a major priority next year.

Budget administration resulted in a categorical transfer at the end of FY 2004 of \$6,200,000, approximately 0.4 percent of the total operating budget. It reflected a total of \$10.3 million in savings resulting from a hiring freeze and other expenditure restrictions.

In October 2003, based on anticipated deficits in special education and transportation, MCPS acted immediately to freeze hiring and restrict other expenditures. This rapid response avoided the need to make drastic position and expenditure cuts late in the fiscal year. DMBP coordinated the freeze exception process. The program identified \$10.3 million in FY 2004 savings to fund the FY 2005 budget.

DMBP took a leading responsibility for position management and control. New procedures were developed and personnel data corrected. Improvements in data reliability have made it possible to automate use of HRIS position data as the basis for the FY 2005 budget load and completed reconciliation of FY 2005 budget and personnel budget databases.

DMBP coordinated the preparation of sections of the MCPS Master Plan involving financial data and federal grant submissions. This included coordination of involvement of nonpublic schools as required by federal law.

Other special projects were completed or continued in the areas of salary simulation, staff development, special education staffing, transportation, summer school, grants administration, revenue, and employee benefits. DMBP also participated in or made presentations at a variety of community meetings, at the Montgomery County Business Roundtable for Education, at MSDE, and before the State Senate Committee on Budget and Taxation.

## Major Mandates

- Maryland law requires MCPS to prepare an annual budget by category and submit it to the county executive and County Council.
- Board of Education Policy DAA Fiscal Responsibility and Control requires procedures to ensure fiscal responsibility and control of all MCPS funds. The Board and the County Council impose strict limits regarding permissible transfers among state categories of expenditure.
- DMBP must obtain Board of Education approval to receive and expend grant funds and County Council approval for supplemental appropriations of grant revenue.
- Each year the County Council provides a lump-sum appropriation under the Provision for Future Supported Projects to allow the Board of Education to approve additional projects that are identified subsequent to the adoption of the annual budget. The Council established the provision because it was considered the most effective way of handling eligible projects. The provision is administered in accordance with Board of Education and County Council policies and procedures.

## Strategies

- Implement zero-based budgeting process to align all resources with approved strategic plans.
- Organize the budget planning, preparation, and administration process to ensure that resources are aligned with the MCPS strategic plan.
- Improve consistency of position management to maintain tighter fiscal control of position authorization.
- Develop the long-range fiscal planning process, including improved six-year revenue and expenditure projections, so that the operating budget becomes a tool for supporting the goals of the MCPS strategic plan.
- Expand staff and citizen participation in the budget development process to ensure that budget planning reflects the needs and priorities of customers and stakeholders.
- Improve communications within the office and with customers and stakeholders to promote greater understanding of budget procedures and proposals.

- Respond to changes in federal and state funding patterns to comply with mandates and maximize available resources in line with strategic plans.
- Improve the quality and timeliness of grant applications to maximize non-tax revenue
- Improve the quality of budgetary and financial planning tools available to program managers for budget development and fiscal monitoring using available technology effectively.
- Use the best available data and pursue improved information systems to provide decision makers with the highest quality information and analysis. Continue to enhance the Budget Management Application and the Human Resources Information Systems position control module. Provide leadership for the development of a new integrated financial information system.
- Continually evaluate and redesign work process improvements in collaboration with customers and stakeholders.
- Improve staff competencies through the performance evaluation process.
- Develop program measurements to ensure that the department maximizes the value of its resources and supplies a high-quality product to its customers.

**Performance Measurements**

**Performance Measure:** Total categorical variance between budget and actual expenditures

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
0.4%	0.3%	0.2%

**Explanation:** This measure describes shifts of funds between state categories of expenditure as a measure of budgeting accuracy.

**Performance Measure:** Cost of unit per \$1,000 of operating budget

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
\$0.59	\$0.61	\$0.63

**Explanation:** This measures the efficiency of expenditures on budget preparation and administration.

**Performance Measure:** Percentage of budget preparation deadlines met

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
68%	75%	80%

**Explanation:** This measures ability to implement an effective budget preparation process.

**Performance Measure:** Percent of grant application funding received

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
73%	80%	80%

**Explanation:** This measures success in obtaining grant revenue

**Budget Explanation  
Department of Management, Budget,  
and Planning—336/949**

The current FY 2005 budget for this department is changed from the budget adopted by the Board of Education on June 8, 2004. The change is a result of the realignment of a grants specialist position and \$63,787 into this department's budget. In addition, a grants assistant position was added in FY 2005. However, since this position is funded with grant funds, there is no budgetary or cost impact.

The FY 2006 request for this department is \$1,120,569, an increase of \$73,316 from the current FY 2005 budget of \$1,047,253. An explanation of this change follows.

*Continuing and Negotiated Salary Costs—\$78,089*

The negotiated agreements with employee organizations increase the salary costs of employees in this department by \$29,561. There is an increase of \$48,528 in continuing salary costs to reflect step or longevity increases for current employees.

*Realignment—(\$5,973)*

There is a realignment of \$5,973 of employee benefits from this office to the employee benefit accounts within the Department of Financial Services.

*Other Changes—\$1,200*

An additional \$1,200 is budgeted for office supplies to reflect actual historical spending needs of the department.

**Budget Explanation  
Provision for Future Supported  
Projects—999**

The current FY 2005 budget is changed from the budget adopted by the Board of Education on June 8, 2004. The change is a result of a shift of funds to the following grant programs to reflect additional revenue received: Title I School Improvement—\$700,000, Title I Basic Project—\$31,507, Title I D Neglected and Delinquent—\$78,072, Title III LEP—\$58,331, Vocational Education—\$33,553, Head Start—\$19,581, and American Indian Education—\$4,980.

The FY 2006 request is \$5,917,476. This amount will be used to fund grant projects during FY 2006 that are eligible under the provision.

# Department of Management, Budget & Planning - 336/949

Dr. Marshall C. Spatz, Director

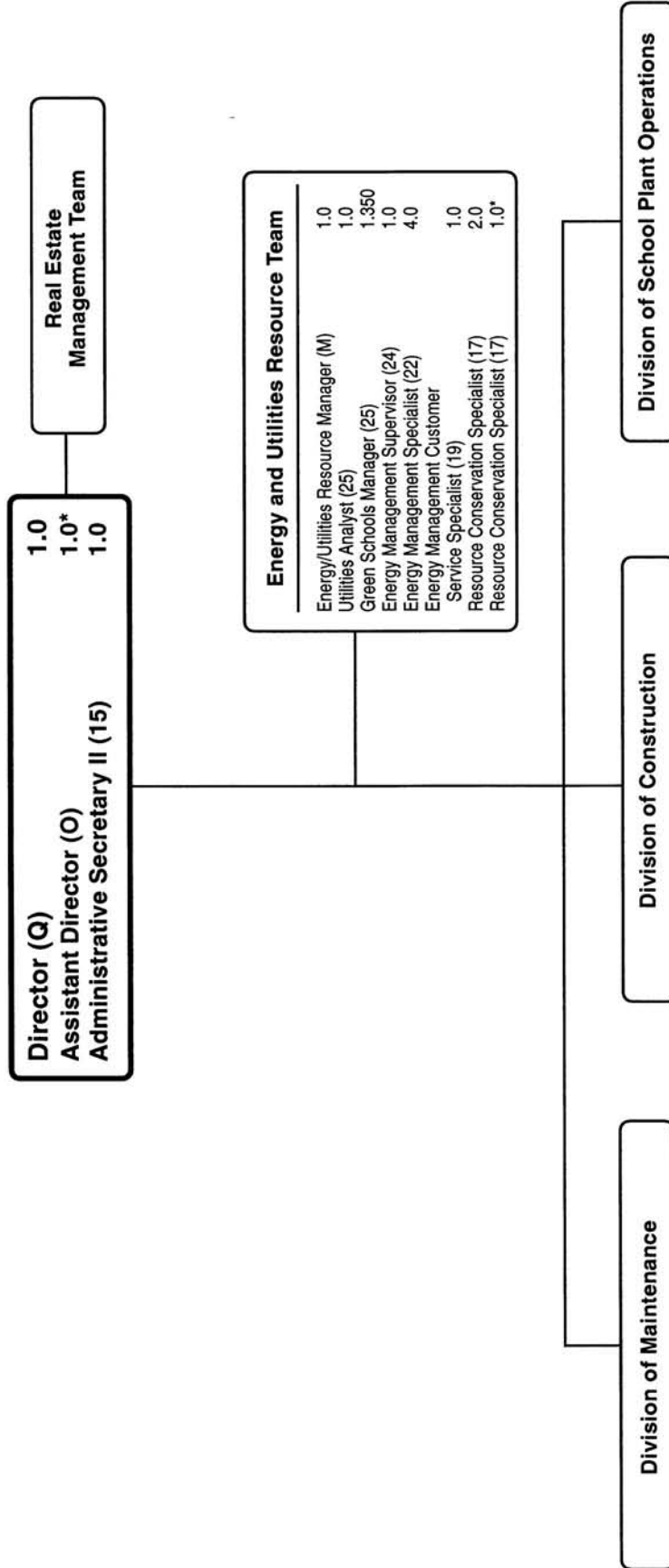
Description	FY 2004 Actual	FY 2005 Budget	FY 2005 Current	FY 2006 Request	FY 2006 Change
<b>01 Salaries &amp; Wages</b>					
Total Positions (FTE)	12,500	12,500	14,500	<b>14,500</b>	
Position Salaries	\$791,205	\$953,962	\$1,061,075	<b>\$1,138,979</b>	\$77,904
<b>Other Salaries</b>					
Supplemental Summer Employment					
Professional Substitutes					
Stipends					
Professional Part Time		2,199	2,199	<b>2,199</b>	
Supporting Services Part Time		4,210	4,210	<b>4,326</b>	116
Other		5,192	(38,134)	<b>(39,182)</b>	(1,048)
Subtotal Other Salaries	3,688	11,601	(31,725)	<b>(32,657)</b>	(932)
<b>Total Salaries &amp; Wages</b>	794,893	965,563	1,029,350	<b>1,106,322</b>	76,972
<b>02 Contractual Services</b>					
Consultants					
Other Contractual		1,280	1,280	<b>1,280</b>	
<b>Total Contractual Services</b>		1,280	1,280	<b>1,280</b>	
<b>03 Supplies &amp; Materials</b>					
Textbooks					
Media					
Instructional Supplies & Materials					
Office		6,117	6,117	<b>7,317</b>	1,200
Other Supplies & Materials					
<b>Total Supplies &amp; Materials</b>	3,806	6,117	6,117	<b>7,317</b>	1,200
<b>04 Other</b>					
Local Travel		1,063	1,063	<b>1,063</b>	
Staff Development					
Insurance & Employee Benefits		4,856	4,856		(4,856)
Utilities					
Miscellaneous		4,587	4,587	<b>4,587</b>	
<b>Total Other</b>	2,066	10,506	10,506	<b>5,650</b>	(4,856)
<b>05 Equipment</b>					
Leased Equipment					
Other Equipment					
<b>Total Equipment</b>					
<b>Grand Total</b>	<b>\$800,765</b>	<b>\$983,466</b>	<b>\$1,047,253</b>	<b>\$1,120,569</b>	<b>\$73,316</b>

## Provision for Future Supported Projects - 999

Dr. Marshall C. Spatz, Program Manager

Description	FY 2004 Actual	FY 2005 Budget	FY 2005 Current	FY 2006 Request	FY 2006 Change
<b>01 Salaries &amp; Wages</b>					
Total Positions (FTE) Position Salaries					
<b>Other Salaries</b>					
Supplemental Summer Employment					
Professional Substitutes					
Stipends					
Professional Part Time					
Supporting Services Part Time					
Other		4,237,100	2,761,447	<b>2,761,447</b>	
Subtotal Other Salaries	6,799,848	4,237,100	2,761,447	<b>2,761,447</b>	
<b>Total Salaries &amp; Wages</b>	6,799,848	4,237,100	2,761,447	<b>2,761,447</b>	
<b>02 Contractual Services</b>					
Consultants					
Other Contractual		615,846	741,074	<b>741,074</b>	
<b>Total Contractual Services</b>	2,326,867	615,846	741,074	<b>741,074</b>	
<b>03 Supplies &amp; Materials</b>					
Textbooks					
Media					
Instructional Supplies & Materials					
Office					
Other Supplies & Materials		924,490	914,703	<b>914,703</b>	
<b>Total Supplies &amp; Materials</b>	1,465,403	924,490	914,703	<b>914,703</b>	
<b>04 Other</b>					
Local Travel					
Staff Development					
Insurance & Employee Benefits					
Utilities					
Miscellaneous		1,066,064	1,500,252	<b>1,500,252</b>	
<b>Total Other</b>	2,521,649	1,066,064	1,500,252	<b>1,500,252</b>	
<b>05 Equipment</b>					
Leased Equipment					
Other Equipment					
<b>Total Equipment</b>	184,648				
<b>Grand Total</b>	<b>\$13,298,415</b>	<b>\$6,843,500</b>	<b>\$5,917,476</b>	<b>\$5,917,476</b>	

# Department of Facilities Management





## Mission

The mission of the Department of Facilities Management is to create and maintain high quality public facilities for learning through dedicated staff that optimize processes for:

- Facility Design and Construction
- Building Operations and Maintenance
- Real Estate Management
- Utility Management and Resource Conservation Services
- Environmental Management Services

## Major Functions

To support Our Call To Action: Pursuit of Excellence strategic plan, the department is organized into three divisions and two teams to provide assistance to the Office of School Performance (OSP), ensure that best business practices are utilized to deliver services, and to measure output in a manner that promotes continuous improvement.

The Division of Construction manages the construction of new schools, the modernization of aging facilities, relocatable classroom placements, roof replacements, vehicular/pedestrian access improvements, and accessibility improvements for individuals with disabilities.

The Division of School Plant Operations assists OSP with the allocation of building services staffing, develops standards and productivity measures, provides technical assistance on work techniques and product usage, evaluates overall building service performance, evaluates employee performance in collaboration with school administration, purchases equipment/supplies, provides on-the-job training, and assists with outside usage of school buildings.

The Division of Maintenance manages maintenance services and personnel, works with OSP to allocate resources in a cost effective manner, develops maintenance productivity and measurement standards, and jointly with OSP evaluates performance of personnel and service delivery. The Division of Maintenance also manages the Environmental Safety and Indoor Air Quality (IAQ) Team. This team conducts indoor air quality assessments, identifies and implements indoor air quality improvements, develops comprehensive preventative maintenance plans for schools, performs preventative and routine maintenance, trains school based staff on preventative and routine maintenance procedures/practices, and ensures programs are in place to comply with life safety, hazardous material, and OSHA requirements for MCPS facilities.

The Real Estate Management Team ensures that building space is used efficiently to support instructional programs, negotiates and manages tenant leases, assists with the development of countywide master plans, and acquires and manages future school sites.

The Energy and Utilities Resources Team (ERT) manages utility costs for all schools, develops programs to improve

school energy efficiency, operates and maintains computerized control systems for school mechanical systems, and supports other units with real time facility operating data and diagnostics.

The department is committed to realigning resources and improving services so that OSP and the local schools get the support needed to ensure student and school success. These management efforts will create facility environments that support the goals of Our Call to Action: Pursuit of Excellence.

## Trends and Accomplishments

This department will continue to be challenged to provide classrooms to accommodate changing enrollments while maintaining and updating older facilities to meet diverse educational program needs. The increasing complexity of construction projects resulting from completing major work while buildings are occupied will require a high level of coordinated planning and deployment of resources to ensure projects are completed in a cost-effective manner with a limited impact on learning. After two years of deferrals to the modernization program in the Capital Improvements Program (CIP), the department will be required to maintain aging facilities with a growing deferred maintenance backlog for longer periods. This will place added emphasis on maintaining and renewing aging facilities through programs such as the Planned Life-cycle Asset Replacement program (PLAR).

The increasing need for facility improvements combined with local fiscal constraints will necessitate increased staff awareness of state/federal funding opportunities for school construction programs. The growing backlog of facility needs also will increase the need for staff to intensify their efforts to identify and examine feasible options to lower construction costs so that the utilization of the funds available for the CIP is optimized.

Even though systemwide resource consumption is decreasing, natural gas and electricity prices are increasing at a much higher rate than previous years. The net effect of increasing prices will magnify the need for the ERT to implement innovative programs and measures to increase energy efficiency in schools. Programs that were voluntary in the past have been replaced with mandatory measures to ensure the department is not faced with a large utility operating deficit at the beginning of the fiscal year.

In FY 2004 MCPS became the first school system in the country to fully implement remote control of heating and cooling in all relocatable classrooms through new internet enabled thermostats. This measure avoided energy costs of \$300,000 during the school year.

The department will continue to implement its management plans to improve quality, efficiency, and cost-effective delivery of service through emphasis on strategies that reduce construction costs without sacrificing quality, increase maintenance/operation productivity, and focus on real estate

management practices that maximize revenue. The department also will continue to emphasize conservation projects and efforts, including integrating energy management controls with network interface to provide greater accessibility for school and department staff. These efforts will become more important as available resources decrease due to declining tax revenues.

The major accomplishments of the department In FY 2004 include the successful completion of one new middle school, one high school modernization, and elementary school modernization, and two addition projects. Facilities staff also completed more than 100 planned maintenance projects to modify existing facilities and replace major facility components, relocated or placed 72 relocatable classrooms during the summer of 2004, developed comprehensive building maintenance plans and provided annual preventive maintenance services at over 54 facilities during the 2003–04 school year, and produced over \$1.45 million in rental revenue in FY 2004 through the real estate management operation. The major capital and maintenance work that the department was responsible for resulted in expenditures of approximately \$105 million in FY 2004.

**Major Mandates**

- The Americans with Disabilities Act of 1990 requires school districts to modify facilities to improve access for people with disabilities. Since 1978 this department has received capital funds to retrofit and modify facilities to accommodate individuals with disabilities.
- The Asbestos Hazard Emergency Response Act (AHERA) contains a wide range of requirements for handling asbestos-containing materials in school buildings that are being modernized or repaired. Stringent standards dictate how asbestos must be inspected, documented, maintained, repaired, handled, and removed.
- The 1990 Clean Air Act requires the conversion or replacement of any air-conditioning equipment that uses ozone-depleting refrigerants. The Lead Contamination Control Act of 1988 requires testing for lead-containing materials, such as paint, and control and abatement procedures to control possible lead contamination.
- In addition, there are an estimated 100 federal and state laws, local ordinances, licensing reviews, building codes, and fire-safety codes with which MCPS must comply. The cost of implementing these requirements is funded through the capital and operating budgets. A considerable amount of staff time and effort is expended on compliance.
- Maintaining ventilation rates to meet good indoor air quality standards will require that the department collaborate with other units, school staff, and communities to ensure building equipment is properly maintained and operated. This initiative is necessary to create classroom environments that promote successful learning.
- The increasing complexity of constructing new facilities or modernizations with students remaining on site requires new methods for monitoring construction activities to en-

sure a safe learning environment while the construction work is completed. Also, the increasing capital budget needs and decline in funding for major improvements will require that the department search for new techniques and strategies to ensure capital funds are effectively utilized.

- In FY 2004 the County Council mandated that all county agencies would be required to file an Environmental Action Plan. This mandate will require the department to identify measures as part of annual budget plans to comply with countywide practices for resource conservation and environmental stewardship.
- During the 2003–04 school year elevated lead levels in water were discovered in public facilities throughout the Washington Metropolitan Area. This precipitated extensive testing of the water in MCPS facilities to identify problem areas and implement corrective measures where needed.

**Strategies**

As part of the periodic update of the department's strategic plan staff is focusing on customer responsiveness, improved business practices to increase productivity, and leadership development. To support these strategies the departmental leadership team is developing plans to link unit Web sites to give customers easy access to information and service delivery, establish a customer advisory group that meets periodically to discuss service delivery and related issues, establish program guidelines for cyclical improvement reviews of all major department processes, and prepare a leadership development blueprint for senior staff.

**Performance Measurements**

**Performance Measure:** Percentage of building principal survey results indicating satisfaction with services provided by child-care tenants that operate as joint occupants at elementary schools.

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
98%	98%	98%

**Explanation:** This measures the effectiveness of the Real Estate Management Team in supporting quality child-care programs that foster future student success.

**Performance Measure:** Thousands of energy consumption units (BTU) per facility square footage.

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
61%	60%	58%

**Explanation:** This measures utility consumption efficiency by tracking total energy use per building square footage.

**Performance Measure:** Percentage of departmental units that have specific customer satisfaction measurement processes in place to collect feedback and use the data to ensure a high level of service.

FY 2004	FY 2005	FY 2006
Actual	Estimate	Recommended
80%	100%	100%

**Explanation:** This measures the level of customer focus awareness in the department.

**Performance Measure:** Percentage of departmental unit strategic goals that have fully developed tactical plans with concise criteria to measure performance and accomplishment of the goal objectives.

FY 2004	FY 2005	FY 2006
Actual	Estimate	Recommended
50%	75%	100%

**Explanation:** This measures the level of actual deployment of strategic goal accomplishment in the department.

**Budget Explanation**

The current FY 2005 budget for this department is changed from the budget adopted by the Board of Education on June 8, 2004. The change is a result of a supplemental appropriation of \$3,300,952 to cover projected utilities increases for FY 2005. In addition, 2.35 positions have been created consisting of 2.0 resource conservation assistants and a .35 green schools manager. These positions are created with the sole purpose of controlling and reducing energy costs within MCPS facilities.

The FY 2006 request for this department is \$34,018,659, an increase of \$293,870 from the current FY 2005 budget of \$33,724,789. An explanation of this change follows.

*Continuing and Negotiated Salary Costs—\$27,867*

The negotiated agreements with employee organizations increase the salary costs of employees in this department by \$26,936. There is an increase of \$931 in continuing salary costs to reflect step or longevity increases for current employees.

*Enrollment/Growth—\$122,000*

There is an increase of \$122,000 due to 41 additional portable classrooms needed to cover growth in student enrollment.

*Other Changes—\$94,003*

An additional \$100,000 is budgeted for projected increases in utilities expenses. This is partially offset by a reduction of \$5,997 in office rentals.

*Improving Programs and Services—\$50,000*

The budget includes a request for \$50,000 for additional portable classrooms required for expansion of the full-day kindergarten program.

**UTILITIES**

	FY 2005 BUDGETED AMOUNT	FY 2005 BUDGETED RATE	FY 2006 REQUESTED AMOUNT	FY 2006 REQUESTED RATE	INC/(DEC) FY 06-FY 05 AMOUNT
Electricity	\$ 18,798,244	\$ 0.0915	\$ 18,848,244	\$ 0.0964	\$ 50,000
Fuel Oil #2	426,520	\$ 1.32	426,520	\$ 1.09	-
Natural Gas	7,893,516	\$ 1.196	7,943,516	\$ 1.142	50,000
Propane	38,948	\$ 1.20	38,948	\$ 1.04	-
Water and Sewer	1,914,868	\$ 4.33	1,914,868	\$ 4.50	-
<b>Total</b>	<b>\$ 29,072,096</b>		<b>\$ 29,172,096</b>		<b>\$ 100,000</b>

# Department of Facilities Management - 321/324/325/326

Richard G. Hawes, Director

Description	FY 2004 Actual	FY 2005 Budget	FY 2005 Current	FY 2006 Request	FY 2006 Change
<b>01 Salaries &amp; Wages</b>					
Total Positions (FTE)	28.000	11.000	13.350	<b>13.350</b>	
Position Salaries	\$1,855,071	\$887,143	\$978,314	<b>\$1,006,181</b>	\$27,867
<b>Other Salaries</b>					
Supplemental Summer Employment					
Professional Substitutes					
Stipends		12,000	12,000	<b>12,000</b>	
Professional Part Time					
Supporting Services Part Time					
Other					
Subtotal Other Salaries	69,910				
<b>Total Salaries &amp; Wages</b>	<b>1,924,981</b>	<b>899,143</b>	<b>990,314</b>	<b>1,018,181</b>	<b>27,867</b>
<b>02 Contractual Services</b>					
Consultants					
Other Contractual		108,920	108,920	<b>108,920</b>	
<b>Total Contractual Services</b>	<b>129,945</b>	<b>108,920</b>	<b>108,920</b>	<b>108,920</b>	
<b>03 Supplies &amp; Materials</b>					
Textbooks					
Media					
Instructional Supplies & Materials					
Office		1,000	1,000	<b>1,000</b>	
Other Supplies & Materials		28,789	28,789	<b>28,789</b>	
<b>Total Supplies &amp; Materials</b>	<b>148,118</b>	<b>29,789</b>	<b>29,789</b>	<b>29,789</b>	
<b>04 Other</b>					
Local Travel		562	562	<b>562</b>	
Staff Development					
Insurance & Employee Benefits					
Utilities		25,862,315	29,072,096	<b>29,172,096</b>	100,000
Miscellaneous		3,488,008	3,488,008	<b>3,654,011</b>	166,003
<b>Total Other</b>	<b>26,671,513</b>	<b>29,350,885</b>	<b>32,560,666</b>	<b>32,826,669</b>	<b>266,003</b>
<b>05 Equipment</b>					
Leased Equipment					
Other Equipment		35,100	35,100	<b>35,100</b>	
<b>Total Equipment</b>	<b>95,476</b>	<b>35,100</b>	<b>35,100</b>	<b>35,100</b>	
<b>Grand Total</b>	<b>\$28,970,033</b>	<b>\$30,423,837</b>	<b>\$33,724,789</b>	<b>\$34,018,659</b>	<b>\$293,870</b>

# Real Estate Management Fund

Real Estate Management Team Leader (M)	1.0
Real Estate Management Specialist (25)	1.0
Site Administration Specialist (23)	1.0*
Fiscal Assistant I (13)	1.0
Building Services Manager II (12)	1.0

F.T.E. Positions 4.0  
 (\* The chart above includes a 1.0 Capital Budget position)

## FY 2006 OPERATING BUDGET

## Mission

The mission of the Real Estate Management Team is to effectively manage the real estate interests of MCPS, including space and leasing management, site acquisition for construction and future inventory, disposition of excess land, right-of-way grants, joint-use agreements, and other real property interests that will retain and improve the quality of public school facilities.

## Major Functions

The team includes smaller units that support space management, site acquisition, and budget/administration activities. Team members participate on multiagency committees to plan for future school and child care needs, resolve problems, and identify new revenue sources. These include the Maryland-National Capital Park and Planning Commission Development Review Committee, the School Transportation Efficiency Planning Committee, the Interagency Coordinating Board's Child Care Committee, and the county Telecommunications Transmission Facility Coordinating Group.

The space management unit consults with school and central office staff to determine the status of the space inventory, identifying and leasing additional space for school programs and MCPS administrative use when needed, and making surplus space available on a leased basis for complementary childcare tenant programs and others as appropriate. This unit also assists principals to identify and select high-quality childcare programs for their schools and monitors customer satisfaction and tenant compliance throughout the term of the lease, as well as reviewing applications and negotiating fees for approved cellular tower installations on school sites.

The site management unit identifies, negotiates, and acquires sites for future schools through dedication or by purchase. Inventoried school sites that have not been identified for immediate construction are advertised and leased for agricultural or recreational purposes, producing revenue and eliminating the cost of their maintenance. The unit also resolves school property boundary issues and coordinates the review and approval of memoranda of understanding with local and bi-county agencies for use of portions of school sites.

The budget and administration unit forecasts revenues and expenses for each budget cycle to ensure that the fund remains self-supporting. This unit monitors tenants for lease compliance and surveys customers for satisfaction on a regular basis.

## Trends and Accomplishments

Smaller class size initiatives is beginning to impact the availability of space that MCPS can make available for before and after the school day child care programs, as well as programs that complement early childhood education. Space that has been rented to child care providers in previous years has had to be retrieved for instructional use, at the same time the need for top quality child care services is growing. This

has fostered the creation of nontraditional solutions to child care space needs, such as the use of relocatable classrooms on school sites with costs paid by the county government and/or child care providers. This year, child care providers will fund 27 relocatable classrooms so that 540 children may continue to receive top-quality child care.

Countywide land use master plans continue to permit expansion of residential development, while in-fill development occurs in older areas of the county. The students generated from housing growth and younger families moving into older, established neighborhoods has led to the need to retrieve and reopen closed schools and relocate administrative staff. This year team members will work with tenants and the county government to retrieve two closed schools and acquire property in the John F. Kennedy High School service area to accommodate growth in older areas of the county, seek opportunities to expand smaller school sites to accommodate current school programming, identify suitable sites in newly developing areas, and facilitate the relocation of staff and ancillary programs to alternate locations.

Accomplishments in FY 2004 include the purchase of two dwellings for site expansion of the future Northeast Consortium Elementary School #16, site selection for the Clarksburg/Damascus Elementary School #8, conveyance of a former school facility to the county government, and numerous right-of-way grants in connection with utility and road improvements. In addition, staff negotiated a below-market renewal of one office space lease, a new child care center was established for preschool children of teachers at one location, a new child care modular lease was re-bid at another location, and one co-location cellular tower lease was executed at a future school site. The unit's effective management of the revenue and expenses associated with the department's leasing operations created sufficient net earnings to reduce a portion of the operating budget funds needed to rent office space for administrative functions that cannot be housed in schools or at the Carver Educational Services Center.

## Major Mandates

- The school community seeks objective measures to determine the quality of on-site child-care providers. Team members encourage tenant child-care providers to obtain professional designation in the National Association for the Education of Young Children (NAEYC) for preschool care or the National School Age Care Alliance (NSACA) for before- and after-school care. The Board Policy for the Joint Occupancy of MCPS Facilities (ECM and ECM-RA) sets forth the procedures and criteria for leasing surplus school space.
- The Board Policy on Telecommunications Transmission Facilities (ECN) sets forth the criteria for evaluating applications for the installation of private telecommunication facilities on school land.
- The Board Policy FAA Long-Range Educational Facilities Planning sets forth the criteria for school site size and the process for site selection. Team members comply with

# Real Estate Management Fund—850

Richard G. Hawes, Program Manager

301-279-3425

the State Public School Construction Program to obtain Board of Public Works approval to acquire, modify, or dispose of school sites.

## Strategies

- Staff maintains a database of potential clients and leasing rates to ensure available space is aggressively marketed and net revenue from rents is maximized.
- Staff works closely with school principals to ensure surplus space is used effectively and nontraditional approaches to space management are explored to support programs that promote student achievement.
- Staff monitors lease agreements to ensure compliance.
- Staff works closely with county agency staff to identify and acquire school sites during land use master planning and later preliminary subdivision application stages to ensure adequate number of school sites to meet the needs of the public school construction program.
- Staff coordinates with school principals to identify suitable locations for telecommunications facilities that will not impact school programming, while providing a shared revenue source for the fund and cluster schools.

## Performance Measurements

**Performance Measure:** The Real Estate Management Fund maintains self-supporting balances.

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
Revenues	\$1,724,390	\$1,748,927	\$1,840,771
Expenses	\$1,482,541	\$1,721,538	\$1,792,103
Net Income	\$241,849	\$27,389	\$48,668

**Explanation:** This measures ability to balance revenues and expenses, while reserving net income in retained earnings. Retained earnings can then be used for unforeseen circumstances, with Board approval.

**Performance Measure:** Principal Survey indicates satisfaction with services provided by child care tenants who operate as joint occupants at many elementary schools.

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
98%	98%	98%

**Explanation:** This measures the effectiveness of the team in supporting quality childcare programs that foster future student success.

## Budget Explanation

The FY 2006 request for this fund is \$1,794,927, an increase of \$73,389 from the current FY 2005 budget of \$1,721,538. An explanation of this change follows.

### *Continuing and Negotiated Salary Costs—\$15,291*

The negotiated agreements with employee organizations increase the salary costs of employees in this fund by \$13,753. There is an increase of \$1,538 in continuing salary costs to reflect step or longevity increases for current employees

### *Realignment—\$0*

There is a realignment of \$28,000 from relocatable classrooms to office rental for FY 2006.

### *Other—\$58,098*

Increases for the FY 2006 budget include \$20,000 for contractual expenses, \$20,000 for custodial and general maintenance supplies, and \$18,098 for payments to schools for their share of fees received from cell tower installations.



# Real Estate Management Fund - 850

Richard G. Hawes, Program Manager

Description	FY 2004 Actual	FY 2005 Budget	FY 2005 Current	FY 2006 Request	FY 2006 Change
<b>01 Salaries &amp; Wages</b>					
Total Positions (FTE)	4.000	4.000	4.000	<b>4.000</b>	
Position Salaries	\$297,260	\$286,499	\$286,499	<b>\$295,803</b>	\$9,304
<b>Other Salaries</b>					
Supplemental Summer Employment					
Professional Substitutes					
Stipends					
Professional Part Time					
Supporting Services Part Time		1,836	1,836	<b>1,886</b>	50
Other		210,355	210,355	<b>216,140</b>	5,785
Subtotal Other Salaries	32,284	212,191	212,191	<b>218,026</b>	5,835
<b>Total Salaries &amp; Wages</b>	329,544	498,690	498,690	<b>513,829</b>	15,139
<b>02 Contractual Services</b>					
Consultants					
Other Contractual		120,055	120,055	<b>140,055</b>	20,000
<b>Total Contractual Services</b>	296,077	120,055	120,055	<b>140,055</b>	20,000
<b>03 Supplies &amp; Materials</b>					
Textbooks					
Media					
Instructional Supplies & Materials					
Office		700	700	<b>5,700</b>	5,000
Other Supplies & Materials		51,163	51,163	<b>66,163</b>	15,000
<b>Total Supplies &amp; Materials</b>	11,710	51,863	51,863	<b>71,863</b>	20,000
<b>04 Other</b>					
Local Travel		3,420	3,420	<b>3,420</b>	
Staff Development					
Insurance & Employee Benefits		49,178	49,178	<b>49,330</b>	152
Utilities		120,860	120,860	<b>120,860</b>	
Miscellaneous		872,772	872,772	<b>890,870</b>	18,098
<b>Total Other</b>	863,363	1,046,230	1,046,230	<b>1,064,480</b>	18,250
<b>05 Equipment</b>					
Leased Equipment					
Other Equipment		4,700	4,700	<b>4,700</b>	
<b>Total Equipment</b>	1,671	4,700	4,700	<b>4,700</b>	
<b>Grand Total</b>	<b>\$1,502,365</b>	<b>\$1,721,538</b>	<b>\$1,721,538</b>	<b>\$1,794,927</b>	<b>\$73,389</b>

# Division of Construction

<b>Director (P)</b>	<b>1.0</b>
<b>Minority Business Coordinator (25)</b>	<b>1.0</b>
<b>Fiscal Specialist—CIP (25)</b>	<b>1.0</b>
<b>Project Specialist (24)</b>	<b>1.0</b>
<b>Administrative Secretary I (14)</b>	<b>1.0</b>
<b>Secretary (12)</b>	<b>1.0</b>



Facilities Design Section	
Architect for School Facilities (M)	1.0
Facilities Designer (25)	3.0
Electrical Engineer (25)	1.0
Mechanical Engineer (25)	2.0
Secretary (12)	1.0

Construction/Inspection Programs Section	
Construction/Inspection Programs Coordinator (26)	1.0
Construction Management Specialist (25)	1.0
Construction Inspector Supervisor (23)	1.0
Electrical Construction Technician II (22)	2.0
Mechanical Construction Technician (22)	2.0
Construction Technician (21)	1.0
Construction Inspector (19)	4.0
Contracts Assist. II/Mech Systems (17)	2.0

Special Projects Section	
Special Projects Coordinator (25)	1.0
Site Development Coordinator (23)	1.0
Construction Compliance Specialist (22)	1.0

**Note:** This division is displayed for informational purposes only. All resources for this division are funded through the Capital Budget.

## Mission

The mission of the Division of Construction is to efficiently manage design and construction processes to provide quality learning environments in a timely manner.

## Major Functions

This division manages facilities design and construction activities for the Board of Education's Capital Improvements Program (CIP), and functions through five sections, each of which is responsible for specific activities.

The Planning and Design section procures architectural/engineering services, coordinates design activities and construction bidding, and secures approvals for plans and specifications. The design section also prepares plans for minor modifications that are completed by in-house staff.

The Special Projects section manages relocatable classroom moves and develops plans for special capital projects, such as accessibility modifications for individuals with disabilities and improved safe vehicular/pedestrian access to school sites.

The Construction, Inspection and Project Management section administers and inspects construction projects to ensure that the work complies with plans and specifications and is completed on time.

The Fiscal Management section manages spending for capital projects, initiates and reviews payments for completed work, and ensures that contracts comply with federal, state, and local government requirements.

The Minority Business Enterprise (MBE) coordinator is responsible for outreach efforts to support minority businesses, as well as monitoring efforts to achieve the Board of Education goals for MBE participation in construction related activities.

In addition to its primary functions, the division assists the Department of Planning and Capital Programming with the capital budget process by preparing cost estimates and expenditure requirements for capital projects and assists in obtaining state reimbursement for eligible expenses.

## Trends and Accomplishments

Commercial construction volume in the Washington Metropolitan area has slowed over the past two years as a result of a surplus of office space. Even though there is a slow down in commercial construction, local school systems and other government agencies have continued to project a surge in needed infrastructure for schools, transportation, and other public works. With the growing need for these public improvements along with declining fiscal support from the state for school construction, the division must intensify efforts to control cost and streamline operations to ensure the most

effective use of available funds and to meet the growing demand to implement a higher number of projects. In recent months, construction prices have been increasing due to material costs. For the coming year, an emphasis will be placed on improving current practices to control cost, such as feasibility planning, repeat designs, lifecycle cost analysis, value engineering, constructability analysis, and effective management of building processes.

Another trend affecting the unit is the increasing complexity of planning a major facility project. The time required to complete the architectural design and obtain approval from the various permitting agencies has increased significantly due to regulatory and procedural requirements. As part of the FY 2005–10 Capital Improvements Program, increased time frames for architectural planning and construction on certain projects will be implemented to allow for improved planning and design.

In FY 2004, the division successfully completed the following construction projects:

1. Modernization of Glen Haven Elementary School, Montgomery Village Middle School, and Rockville High School.
2. Additions to Ashburton and Charles Drew elementary schools and Damascus High School
3. Replacement school for Rocky Hill Middle School.

In FY 2005, the following projects will be under construction:

1. Modernizations of Somerset and Kensington–Parkwood elementary schools.
2. Additions to Forest Knolls, Gaithersburg, Spark Matsunaga, Oak View, Rosemont, and South Lake elementary schools, John T. Baker Middle School; and Seneca Valley High School.
3. Quince Orchard Middle School #2
4. Wheaton Middle School #2 (Belt reopening)

As part of the FY 2005 capital budget, 17 projects have been funded for architectural planning.

In addition, seven feasibility studies are underway in preparation for future projects.

## Major Mandates

- The Division of Construction must comply with local, state, and federal codes in designing and building facilities. These codes include federal requirements in the Americans with Disabilities and the Asbestos Hazard Emergency Response acts, state environmental codes, bidding statutes, funding reimbursements/payment requirements for projects funded by State of Maryland, and Montgomery County building, stormwater management, and fire/safety codes.
- There are 14 codes and regulations that require the employment of people who are licensed to perform professional and technical services, such as professional architects, engineers, electricians, and plumbers. These

codes/regulations impose requirements to ensure that new facilities are constructed in compliance with federal, state, and local statutes.

**Strategies**

- Utilize continuous improvement process to periodically analyze and evaluate work processes.
- Involve all stakeholders in the process to ensure customer expectations and needs are incorporated in the improvement process.
- Develop information database that is easily accessible and available to customers on the status of Division of Construction activities and processes utilized to plan and construct capital projects.
- Explore and implement alternative construction delivery systems and other value added measures to ensure cost control, quality products, and timely completion.
- Deploy team approaches to eliminate single point responsibilities and to develop contingency plans.
- Enhance organizational staffing and structure to increase efficiency and maintain quality of work.

**Performance Measurements**

**Customer Focus**

**Performance Measure:** Customer satisfaction with a major capital project (Rating scale 1 to 5)

FY 2004	FY 2005	FY 2006
Actual	Estimate	Recommended
4.22	4.25	4.30

**Explanation:** This measures the building principal and staff's satisfaction with the design and construction process.

**Employee Focus**

**Performance Measure:** Employee satisfaction survey of division staff (Rating scale 1 to 5)

FY 2004	FY 2005	FY 2006
Actual	Estimate	Recommended
4.23	4.40	4.50

**Explanation:** This measures the division staff's satisfaction with the work environment.

**Financial Results**

**Performance Measure:** Average project change order percentage

FY 2004	FY 2005	FY 2006
Actual	Estimate	Recommended
2.9%	3.2%	3.1%

**Explanation:** This measures the accuracy of the contract plans and number of owner changes during construction.

**Performance Measure:** Construction cost per square foot

FY 2004	FY 2005	FY 2006
Actual	Estimate	Recommended
\$178.25	\$175.00	\$173.00

**Explanation:** This measures the cost effectiveness of building designs used to meet program requirements and building standards.

**Organizational Results**

**Performance Measure:** Timely completion of major capital projects

FY 2004	FY 2005	FY 2006
Actual	Estimate	Recommended
92%	95%	97%

**Explanation:** This measures the effectiveness of construction processes.

# Division of Maintenance

**Director (P)** 1.0  
**Assistant Director (N)** 1.0  
**Administrative Secretary I (14)** 1.0

Maintenance Office Supervisor (15) 1.0  
 Account Assistant II (12) 2.0

## Heavy Equipment Shop

General Maintenance Central Supervisor (18) 1.0  
 Automotive Mechanic II (16) 2.0  
 Maintenance Welder (15) 3.0  
 Small Equipment Mechanic (14) 3.0  
 Equipment Operator (12) 4.0  
 Compactor Truck Operator (11) 1.0  
 Trash Service Worker (7) 1.0  
 General Maintenance Worker I (7) 2.0

## Materials Fabrication and Rigging Shop

Material Fabrication/Rigging Supervisor (17) 1.0  
 Paint Specialist (15) 1.0  
 Maintenance Painter II (14) 1.0  
 Maintenance Painter I (13) 1.0  
 Plaster (13) 1.0  
 Reupholster (12) 1.0  
 Materials Fabrication Worker (11) 4.0  
 Seamster (9) 1.0

## PLAR/Contract Office

PLAR/Contracting Supervisor (24) 1.0  
 PLAR/Contracting Assistant Supervisor (22) 1.0\*  
 Roof Construction Specialist (22) 1.0  
 Project Designer (20) 1.0\*  
 Contracts Assist. II/Bldg. & Grounds (17) 2.0  
 Buyer Assistant II (14) 1.0\*  
 Secretary (12) 1.0

## Electronics Shop

Electronics Technician Supervisor II (20) 1.0  
 Electronics Technician Supervisor I (19) 1.0  
 Electronics Technician II (18) 3.0  
 Electronics Technician I (17) 16.0  
 Office Machines Technician (16) 1.0

## Industrial Equipment Repair

Industrial Equipment Supervisor (18) 1.0  
 Electric Motor Mechanic (17) 1.0  
 Equipment Mechanic (17) 1.0  
 Tool Mechanic (15) 2.0  
 Fire Extinguisher Servicer (11) 1.0

## Renovation/Carpentry Team

Renovation/Carpentry Supervisor (18) 1.0  
 Renovation/Carpentry Assistant Supervisor (17) 1.0  
 Maintenance Electrician I (16) 2.0  
 Cabinet Maker (15) 2.0  
 Maintenance Carpenter I (15) 5.0  
 Maintenance Plumber I (15) 2.0  
 Mason (15) 2.0  
 Maintenance Painter I (13) 1.0  
 Account Assistant II (12) 1.0  
 General Maintenance Worker II (9) 1.0

## Environmental Services IAQ

Environmental Safety Coordinator (M) 2.0  
 Environmental Safety Coordinator (M) 1.0\*  
 Occupational Safety Specialist (21) 2.0  
 IAQ/PM Team Leader (18) 2.0  
 IAQ HVAC Mechanic I (17) 4.0  
 Recycling Specialist (17) 1.0  
 IAQ Electrician (16) 1.0  
 IAQ Technician I (15) 5.0  
 Secretary (12) 1.0\*

## Automation Center

Maintenance Automation Specialist (24) 1.0  
 User Support Specialist I (20) 1.0  
 Account Assistant II (12) 1.0

## Asbestos Abatement/Pest Control

Environmental Health Specialist (23) 1.0\*  
 Environmental Design Assistant (20) 1.0\*  
 Environmental Abatement Supervisor (19) 1.0\*  
 Water Treatment Specialist (17) 1.0  
 Environmental Abatement Technician (16) 6.0\*  
 Water Treatment Technician (14) 1.0  
 Data Systems Operator (13) 1.0\*  
 Pest Control Worker (11) 4.0

## Maintenance Depots

Maintenance/Facility Area Manager (23)	3.0	Boiler Mechanic I (15)	6.0
Maintenance/Facility Area Assistant Manager (21)	3.0	General Maintenance Supervisor (15)	3.0
Electrician Area Supervisor (19)	3.0	Roof Mechanic (15)	6.0
HVAC/Refrigeration Area Supervisor (19)	3.0	Maintenance Carpenter I (15)	27.0
HVAC Mechanic II (18)	3.0	Maintenance Refrigeration Mechanic (15)	3.0
Plumbing Area Supervisor (18)	3.0	Firebrick Repairer (14)	3.0
General Maintenance Area Supervisor (18)	3.0	Sheet Metal Mechanic (14)	3.0
Carpentry Area Supervisor (18)	3.0	Maintenance Painter II (14)	3.0
HVAC Mechanic I (17)	14.0	Maintenance Painter I (13)	6.0
Carpentry Assistant Area Supervisor (17)	3.0	Floor Covering Mechanic (13)	6.0
Heating Mechanic II (Burners) (17)	3.0	Glazier (13)	6.0
Maintenance Electrician II (17)	3.0	Locksmith (13)	5.0
Boiler Mechanic II (16)	3.0	Secretary (12)	3.0
Maintenance Carpenter II (16)	3.0	General Maintenance Worker III (12)	9.0
Maintenance Plumber II (16)	3.0	Compactor Truck Operator (11)	3.0
Maintenance Electrician I (16)	18.0	Heating Service Worker (10)	3.0
Heating Mechanic I (16)	3.0	General Maintenance Worker II (9)	33.0
Maintenance Plumber I (15)	12.0	Roof Maintenance Worker (9)	3.0
Gas Mechanic (15)	3.0	Office Assistant I (8)	1.5
		Trash Service Worker (7)	3.0
		General Maintenance Worker I (7)	15.0

## FY 2006 OPERATING BUDGET

F.T.E. Positions 353.5  
 (\*In addition the chart above includes 15.0 positions funded through the Capital Budget)

## Mission

The Division of Maintenance contributes to student success by working as a team to provide high quality facilities support, including maintenance and repair, environmental services, capital asset replacements, and renovations and alterations.

## Major Functions

The division utilizes a small staff of supervisory and administrative personnel to plan, program, and manage four major functional areas of support for all MCPS facilities: maintenance and repairs, environmental services, capital asset replacements, and renovations and alterations. These varied services are coordinated and performed by three regional maintenance depots (Bethesda, Clarksburg, and Randolph) and one central depot (Shady Grove).

The division performs a wide variety of maintenance and repair services and some preventative maintenance services at all MCPS facilities. It provides grounds maintenance services such as grass cutting for large fields and snow and ice removal for driveways and parking lots. It performs many repairs to building components and systems, including heating, ventilation, and air conditioning (HVAC) equipment, and electrical and plumbing systems. The division performs facility-related environmental services such as indoor air quality (IAQ) and related preventative maintenance for HVAC systems, fire and life safety compliance, recycling, trash removal, hazardous waste management and disposal, integrated pest management services, water quality testing for HVAC systems, and underground storage tank management and removal. It also employs trained and licensed specialists to remove and dispose of asbestos-containing materials when required by regulations. The Planned Life-cycle Asset Replacement (PLAR) and Contracting Office plans, programs, coordinates, and manages contracted projects to replace facility equipment and building components such as, but not limited to, asphalt and concrete surfaces, carpet and floor tile, doors and windows, bleachers and grandstands, boilers and water heaters, and air conditioning systems. The division also performs a limited number of minor renovation and alteration projects (sometimes called new work), which include constructing or modifying facilities to accommodate changing school program requirements.

## Trends and Accomplishments

The Division of Maintenance continues to face growing workloads and demands for services caused by (1) growth in the number, size, and utilization rates of school facilities; (2) property damage caused by weather events and acts of vandalism; (3) compliance with regulations related to fire protection, indoor air quality, environmental protection, and enhancements of school security and emergency preparedness; and (4) technical requirements needed to repair and maintain more sophisticated mechanical and electrical systems and controls. The division also coordinates contracted maintenance and repair services for elevators, heating and air conditioning systems, and other building systems and components.

Mandatory requirements to comply with federal, state, and county regulations associated with environmental protection and fire and life safety present major fiscal challenges to the division. When problems are discovered, unsuspected violations occur, or new mandates are implemented on short notice, immediate corrective actions must be implemented. Additionally, more stringent laws on storm water management and restrictions on use of pesticides have increased costs of environmental protection and pest control services.

Aging school facilities, extensive after-hours utilization of schools, and shortages of instructional space due to growth in student enrollments have directly contributed to increased usage of maintenance-intensive relocatable classrooms, higher breakdown and failure rates for HVAC equipment, and an overall increase in demand for maintenance and repair work.

During the past ten years, the number and size of school facilities in the county increased by more than 12 percent. During that same decade, the Division of Maintenance was reduced in size by more than 10 percent. Budget constraints in previous years have had a noticeable impact on mission capabilities and the backlog of maintenance and repair work. The capability to perform renovation and alteration projects (new work) has been reduced. Other less noticeable but still serious effects of budget constraints include the steady aging and deterioration of the maintenance vehicle fleet, which currently has an average age of 15 years.

As the county continues to experience growth, new schools are being constructed, and older schools are being expanded. The overall increase in the number of facilities, total building area (square footage), and the number, age, and complexity of HVAC systems generate more requirements for maintenance and repair services. At the same time, inflation escalates the costs of labor, materials, supplies, and contracted services. Under a constrained, same-level-of-service budget, the total amount of work that can be accomplished is reduced. If no-growth trends in maintenance funding continue, growing mission requirements will combine with declining capabilities to create serious shortfalls in facilities maintenance support.

In spite of fiscal challenges and shortfalls, the division continues to make progress in its efforts to improve work processes and efficiencies. First, the Environmental Safety and Indoor Air Quality Team (ES/IAQ) was transferred from the Department of Facilities Management to the Division of Maintenance in FY 2004, providing for more effective management and coordination of IAQ and environmental projects and preventive maintenance on HVAC systems. Second, the division is working to upgrade its new automated work order system to provide Web-based access, enhancing its ease of use by customers and its value as a management tool. Third, the director prepares and conducts a twelve-hour leadership course annually for new managers, first line supervisors, and other employees in an effort to improve the quality of supervision and awareness of organizational performance expectations. Fourth, the division is moving forward in achieving the seven operational objectives of its

FY 2004–2008 business plan that support strategic goals of improved customer and stakeholder relations, enhanced productivity and efficiency in delivery of services, and greater employee stability and welfare.

**Major Mandates**

Mandated work for the division includes the following:

- Semiannually test all fire suppression systems in kitchens. (State and county regulations)
- Semiannually inspect all roofs and provide reports to the State of Maryland.
- Semiannually conduct inspections and update management plans for asbestos abatement in over 200 facilities. (Asbestos Hazard Emergency Response Act)
- Semiannually inspect, clean, and repair over 330 oil and grit separators. Inspect and clean underground filtration vaults and storm water management ponds every three years. (State of Maryland)
- Annually test and certify over 200 fire alarm and sprinkler systems in all schools and administrative facilities. (Montgomery County Fire Code and National Fire Protection Association Life Safety Code)
- Annually inspect and service over 2,000 fire extinguishers. (Montgomery County Fire Code and National Fire Protection Association Life Safety Code)
- Annually inspect and test over 160 elevators. (State of Maryland)
- Annually inspect and certify more than 950 backflow plumbing valves. Perform overhauls of selected items every three to five years. (State and local regulations)
- Annually perform integrated pest management in over 200 facilities, maintain records, and provide required notifications of pest control applications. (State of Maryland)
- Annually recycle 50 percent of the total waste stream generated by schools. (Montgomery County Goal)

**Strategies**

- Develop and implement an information campaign to ensure that customers and stakeholders are aware of and understand the division's mission, functions, and business processes.
- Develop and implement a program to review, update, standardize, and enforce business and service delivery processes and procedures in order to improve productivity, efficiency, and customer service.
- Develop and implement a program to recruit, train, develop, and retain employees in order to reduce turnover and ensure long-term organizational stability.

**Performance Measurements**

**Performance Measure:** Customer Satisfaction (Scale: 1/Poor to 5/Excellent)

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
4.0	4.2	4.3

**Explanation:** Measures overall customer satisfaction with maintenance support.

**Performance Measure:** Percentage of Schools Receiving "Very Good" or better ratings on Annual State Maintenance Surveys (Scale: Percentage of total)

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
67% *	75%	75%

\*Only 3 Schools Surveyed

**Explanation:** Measures the level of performance on annual facility maintenance surveys conducted by a major stakeholder (The State of Maryland).

**Performance Measure:** Employee Satisfaction (Scale: 1/Poor to 5/Excellent)

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
4.2	4.3	4.4

**Explanation:** Measures overall employee satisfaction with the organization.

**Budget Explanation**

The current FY 2005 budget for this division is changed from the budget adopted by the Board of Education on June 8, 2004. The change is a result of a budget neutral realignment that eliminates an integrated pest management supervisor position and a user support technician II position to create a pest control worker position and a user support specialist I position.

The FY 2006 request for this division is \$24,986,486, an increase of \$1,093,301 from the current FY 2005 budget of \$24,893,486. An explanation of this change follows.

*Continuing and Negotiated Salary Costs—\$601,573*

The negotiated agreements with employee organizations increase the salary costs of employees in this division by \$493,272. There is an increase of \$108,301 in continuing salary costs to reflect step or longevity increases for current employees.

*Other Changes—\$491,728*

Other changes include \$200,000 for contractual services to cover increases in the cost to maintain HVAC systems, \$121,728 for rate increases for maintenance supplies and materials, and \$170,000 for the lease/purchase of new vehicles for the maintenance service fleet.

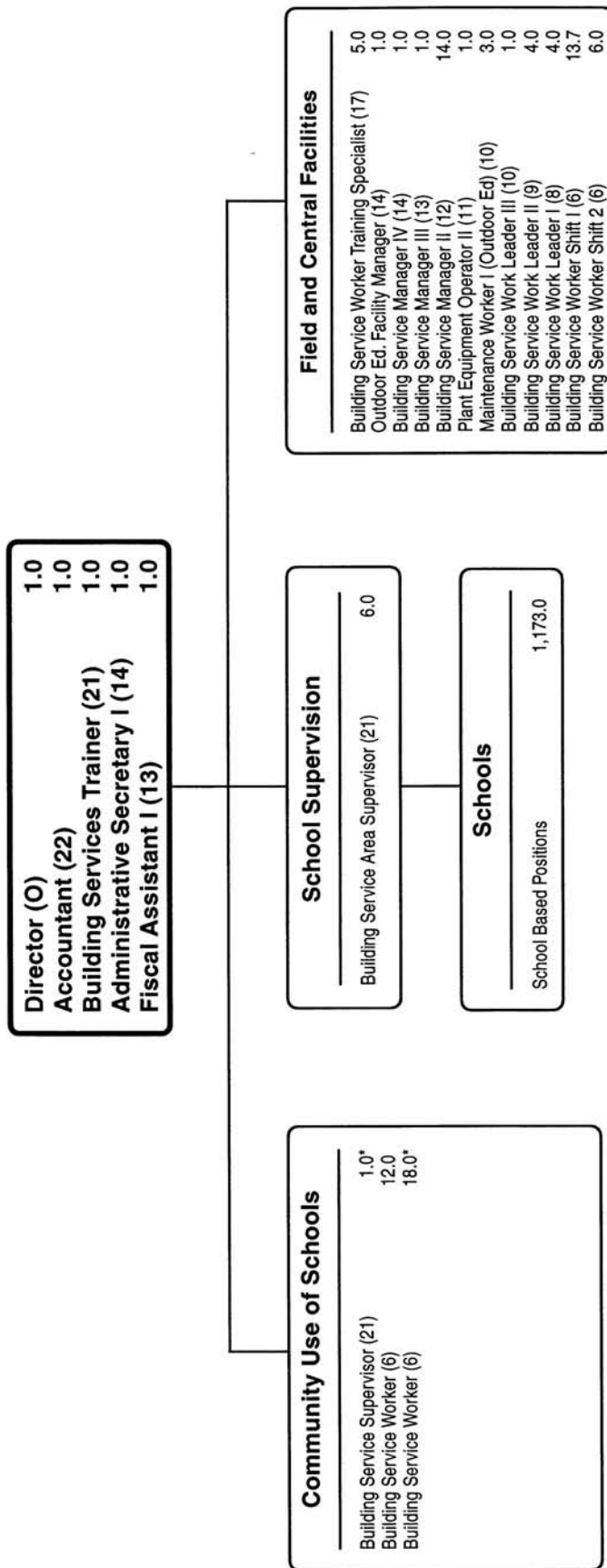
## Division of Maintenance - 323/338/972

Roy Higgins, Director

Description	FY 2004 Actual	FY 2005 Budget	FY 2005 Current	FY 2006 Request	FY 2006 Change
<b>01 Salaries &amp; Wages</b>					
Total Positions (FTE)	336,500	353,500	353,500	<b>353,500</b>	
Position Salaries	\$15,371,113	\$17,231,579	\$17,231,579	<b>\$17,816,875</b>	\$585,296
<b>Other Salaries</b>					
Supplemental Summer Employment					
Professional Substitutes					
Stipends					
Professional Part Time					
Supporting Services Part Time					
Other		591,871	591,871	<b>608,148</b>	16,277
Subtotal Other Salaries	523,708	591,871	591,871	<b>608,148</b>	16,277
<b>Total Salaries &amp; Wages</b>	<b>15,894,821</b>	<b>17,823,450</b>	<b>17,823,450</b>	<b>18,425,023</b>	601,573
<b>02 Contractual Services</b>					
Consultants		21,755	21,755	<b>21,755</b>	
Other Contractual		2,195,686	2,195,686	<b>2,395,686</b>	200,000
<b>Total Contractual Services</b>	<b>2,385,338</b>	<b>2,217,441</b>	<b>2,217,441</b>	<b>2,417,441</b>	200,000
<b>03 Supplies &amp; Materials</b>					
Textbooks					
Media					
Instructional Supplies & Materials					
Office		582	582	<b>582</b>	
Other Supplies & Materials		2,178,601	2,178,601	<b>2,300,329</b>	121,728
<b>Total Supplies &amp; Materials</b>	<b>2,009,730</b>	<b>2,179,183</b>	<b>2,179,183</b>	<b>2,300,911</b>	121,728
<b>04 Other</b>					
Local Travel		1,936	1,936	<b>1,936</b>	
Staff Development		11,015	11,015	<b>11,015</b>	
Insurance & Employee Benefits					
Utilities					
Miscellaneous		1,808,239	1,808,239	<b>1,808,239</b>	
<b>Total Other</b>	<b>1,973,114</b>	<b>1,821,190</b>	<b>1,821,190</b>	<b>1,821,190</b>	
<b>05 Equipment</b>					
Leased Equipment		566,561	566,561	<b>736,561</b>	170,000
Other Equipment		285,360	285,360	<b>285,360</b>	
<b>Total Equipment</b>	<b>611,809</b>	<b>851,921</b>	<b>851,921</b>	<b>1,021,921</b>	170,000
<b>Grand Total</b>	<b>\$22,874,812</b>	<b>\$24,893,185</b>	<b>\$24,893,185</b>	<b>\$25,986,486</b>	\$1,093,301



# Division of School Plant Operations



F.T.E. Positions 1,250.7  
 (Chart includes 1,173.0 school-based positions shown on K-12 chart and 19 positions funded by ICB, and 3.0 building service training specialist positions budgeted here, but managed by the Office of Organizational Development.)

## FY 2006 OPERATING BUDGET

**Mission**

The mission of the Division of School Plant Operations (SPO) is to provide building services that ensure a clean, safe, comfortable, and attractive facility environment that is conducive to learning, using efficient, effective techniques and materials, with qualified people.

**Major Functions**

The division maintains the comfort and cleanliness of school facilities by supervising and training building service staff, conducting formal inspections of all buildings, managing the inventory of cleaning supplies, and maintaining effective cleaning equipment.

The division directs school-based staff that provides cleaning, minor maintenance, and systems monitoring at all schools and facilities. The division trains building service staff on proper building and equipment maintenance. Building service supervisors visit schools frequently for formal and informal inspections, training, and staff counseling to ensure that quality standards are maintained.

The division also supplies building service workers and supervision for community activities in schools and represents MCPS on various committees of the county’s Office of Community Use of Public Facilities.

The division administers funds for housekeeping supplies, equipment, and materials. The division also arranges for repairing and maintaining cleaning equipment.

**Trends and Accomplishments**

The division faces many challenges, including increased use of portable classrooms, indoor air quality issues, the increasing complexity of building operating systems, providing support for the increasing demand for administrative space, increasing vacancy rates for critical night leader positions, and increased use of facilities by the public as well as extended school year programs. The reopening of Northwood High School eliminates the facility that was previously used as a holding school for high school modernization projects and will require that all future high school modernization projects be completed while students remain onsite. This results in the need for different levels of support to complement the construction process and unique efforts to protect students and staff from the affects of the construction.

To improve the effectiveness and efficiency of staff and equipment, the division analyzed facility needs and trained staff in systematic cleaning techniques. The division also certified employees in basic building service skills, supervisory and leadership, boiler, air conditioning, and other plant equipment operations. During FY 2005, the division improved service to customers and employees by utilizing a Web-based software program to collect and analyze customer survey data, administer employee competency tests, and process employee uniform information. The division’s internet Web site also provided useful interactive information to customers, employees, and suppliers.

In collaboration with the county’s Office of Community Use of Public Facilities and other customers, the division improved the process of reconciling reimbursement of time worked to cover community use activities In schools.

**Major Mandates**

- The division must comply with a number of federal, state, and county mandated programs. These include the Resource Conservation and Recovery Act (RCRA) which requires that burned-out fluorescent and HID lamps be considered hazardous waste; the Comprehensive Environment Response, Compensation and Liability Act (CERCLA), which requires special disposal of PCB-containing lamp ballasts; and the Hazardous and Toxic Substances Act which requires that toxic substances, such as PCBs, be disposed of according to federal regulations. The division is required to ensure that all building service employees are trained in the following programs:

- Asbestos Awareness
- Bloodborne Pathogens
- Confined Space
- Crisis Preparedness and Response
- Electrical Safety/Lockout/Tag-out
- Fire Inspection Regulations
- Hazard Assessment
- Hazardous Chemicals/Employee Right-to-Know

**Strategies**

- Building services staff will receive training and be certified as competent in performing effective evaluations, maximizing the efficiency of staff schedules, proper operation and maintenance of mechanical systems, systematic team cleaning, and other basic cleaning methods.
- The frequency and intensity of school inspections and routine visits to schools will be increased to ensure that quality standards are met and to assist staff in aggressively managing and reducing air quality problems.
- A joint collaboration council of customers and stakeholders will be created to improve business relationships, coordinate facility use, and maximize productivity.

**Performance Measurements**

**Performance Measure:** Organizational Results-Building Inspections meeting standard

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
97%	98%	98%

**Explanation:** This measures the quality of custodial operations/cleanliness.

**Performance Measure: Customer Satisfaction**

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
82%	83%	83%

**Explanation:** This measures the level of satisfaction of customers with SPO services.

**Performance Measure: Employee Focus—Absenteeism**

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
5.12%	5.0%	5.0%

**Explanation:** This measures the number of employees absent as a percentage of total days available to work.

**Budget Explanation**

The current FY 2005 budget for this division is changed from the budget adopted by the Board of Education on June 8, 2004. The change is a result of the realignment of \$43,100 from the substitutes account to create a fiscal assistant I position.

The FY 2006 request for this division is \$48,041,410, an increase of \$2,661,091 from the current FY 2005 budget of \$45,380,319. An explanation of this change follows.

*Continuing and Negotiated Salary Costs—\$1,521,825*  
The negotiated agreements with employee organizations increase the salary costs of employees in this division by \$1,220,686. There is an increase of \$301,139 in continuing salary costs to reflect step or longevity increases for current employees.

*New Schools—\$424,167*

With the opening of two new middle schools, the budget request includes 15.5 new positions totaling \$414,001. The positions are 2.0 building service managers, 2.0 building service leaders, 2.0 equipment operators, and 9.5 building service workers. Also included in the request is \$10,166 for custodial supplies.

*Enrollment/Growth—\$193,443*

There is an increase of \$175,593 and 5.5 building service workers to maintain additional square footage created by school expansions and increases in portable classrooms. Other increases in the budget are for uniform supplies of \$12,150 and air conditioner filters of \$5,700.

*Other Changes—\$63,053*

Additional funding is included to cover projected rate increases in supplies and repairs. This includes \$56,777 for custodial and training supplies and \$6,276 for equipment repairs.

*Improving Programs and Services—\$458,603*

*Training Services and Programs—\$62,653*

Three additional building service training positions are requested to implement the Supporting Services Professional Growth System initiative in cooperation with SEIU Local 500. This program provides trainers to work with supporting service employees to strengthen their job competencies. The positions are under the supervision of the Office of Organizational Development.

*Building Service Worker Positions—\$395,950*

In order to improve the learning environment of schools, the budget includes a request for 18.0 building service workers. This initiative will enable building service workers to deal with the growth in cleaning space and the more complex equipment that protect the school environment.

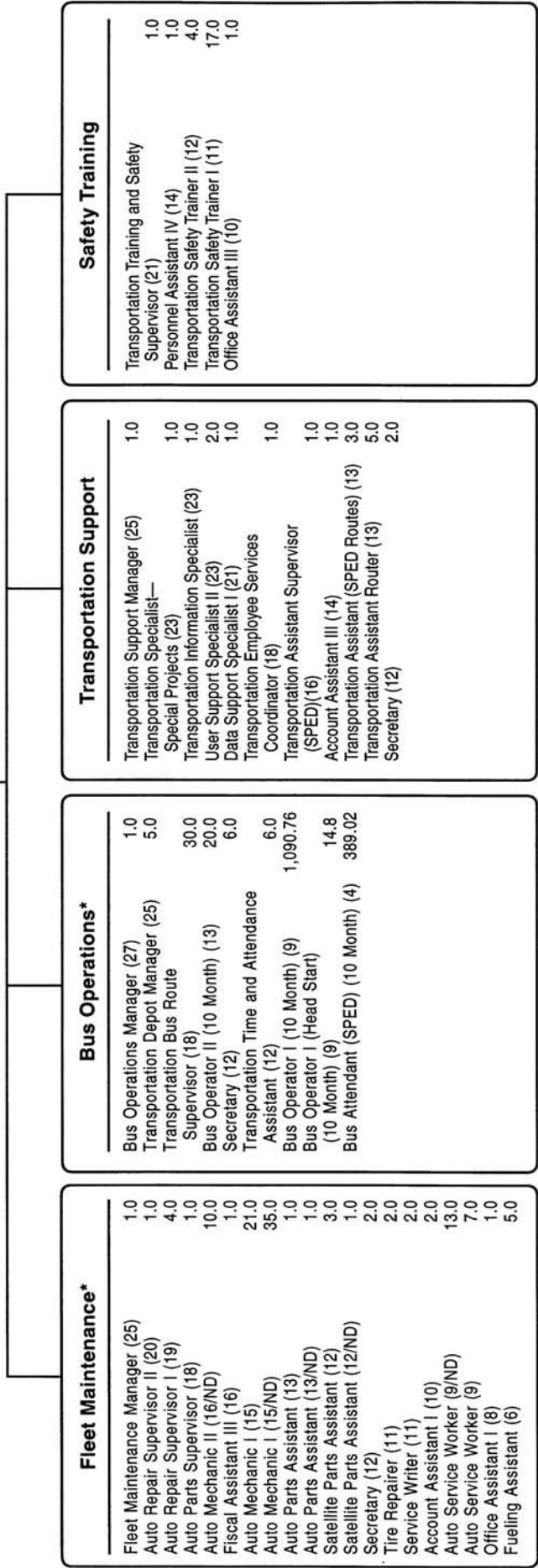
## Division of School Plant Operations - 327/328/329/330

Dianne Jones, Director

Description	FY 2004 Actual	FY 2005 Budget	FY 2005 Current	FY 2006 Request	FY 2006 Change
<b>01 Salaries &amp; Wages</b>					
Total Positions (FTE)	1,188.700	1,207.700	1,208.700	<b>1,250.700</b>	42.000
Position Salaries	\$40,145,360	\$42,863,401	\$42,906,501	<b>\$45,415,381</b>	\$2,508,880
<b>Other Salaries</b>					
Supplemental Summer Employment					
Professional Substitutes					
Stipends					
Professional Part Time					
Supporting Services Part Time		371,517	328,417	<b>337,449</b>	9,032
Other		441,514	441,514	<b>453,656</b>	12,142
Subtotal Other Salaries	681,112	813,031	769,931	<b>791,105</b>	21,174
<b>Total Salaries &amp; Wages</b>	<b>40,826,472</b>	<b>43,676,432</b>	<b>43,676,432</b>	<b>46,206,486</b>	<b>2,530,054</b>
<b>02 Contractual Services</b>					
Consultants					
Other Contractual		73,832	73,832	<b>80,108</b>	6,276
<b>Total Contractual Services</b>	<b>133,511</b>	<b>73,832</b>	<b>73,832</b>	<b>80,108</b>	<b>6,276</b>
<b>03 Supplies &amp; Materials</b>					
Textbooks					
Media					
Instructional Supplies & Materials					
Office		717	717	<b>717</b>	
Other Supplies & Materials		1,415,007	1,415,007	<b>1,539,768</b>	124,761
<b>Total Supplies &amp; Materials</b>	<b>1,319,643</b>	<b>1,415,724</b>	<b>1,415,724</b>	<b>1,540,485</b>	<b>124,761</b>
<b>04 Other</b>					
Local Travel		52,564	52,564	<b>52,564</b>	
Staff Development					
Insurance & Employee Benefits					
Utilities		11,000	11,000	<b>11,000</b>	
Miscellaneous		10,000	10,000	<b>10,000</b>	
<b>Total Other</b>	<b>37,914</b>	<b>73,564</b>	<b>73,564</b>	<b>73,564</b>	
<b>05 Equipment</b>					
Leased Equipment		44,366	44,366	<b>44,366</b>	
Other Equipment		96,401	96,401	<b>96,401</b>	
<b>Total Equipment</b>	<b>129,576</b>	<b>140,767</b>	<b>140,767</b>	<b>140,767</b>	
<b>Grand Total</b>	<b>\$42,447,116</b>	<b>\$45,380,319</b>	<b>\$45,380,319</b>	<b>\$48,041,410</b>	<b>\$2,661,091</b>

# Department of Transportation

<b>Director (Q)</b>	<b>1.0</b>
<b>Assistant Director (O)</b>	<b>1.0</b>
<b>Transportation Specialist (25)</b>	<b>1.0</b>
<b>Fiscal Specialist (24)</b>	<b>1.0</b>
<b>Administrative Secretary II (15)</b>	<b>1.0</b>
<b>Secretary (12)</b>	<b>3.0</b>
<b>Office Assistant III (10)</b>	<b>1.0</b>



F.T.E. Positions 1,728.580  
 (Chart Includes 3.0 transportation safety trainer  
 I positions budgeted here, but managed  
 by the Office of Organizational Development.)

## FY 2006 OPERATING BUDGET

## Mission

The mission of the Department of Transportation is to provide safe, timely, and efficient transportation that contributes to a positive learning environment through staff committed to excellence and continuous improvement.

## Major Functions

The Department of Transportation is responsible for the operation of regular and special program bus service for eligible students, vehicle maintenance and repair, employee training, and transportation administrative services.

Bus operations provide transportation services for approximately 96,600 students daily. Ridership is composed of two categories: regular education (from within school boundaries) and countywide education (from beyond school boundaries and across clusters). Currently, 87,600 students ride regular education buses with 9,000 attending programs such as the prekindergarten, Head Start, Title I Choice Schools, students who are in Homeless situations, Cooperative Work Experience, Career and Technology Education, Outdoor Education, magnet programs, and many special education programs. An additional 3,000 students are transported daily to and from after-school activities.

The Vehicle Maintenance section manages vehicle maintenance and repair facilities, provides fuel distribution, and repairs for 1,230 buses and 750 other MCPS vehicles. Most repair services are provided by five parking/repair facilities. Some specialized services are contracted out.

The department office oversees route planning; manages employee assignments; and manages planning, training, personnel services, accounting, and related services to the more than 2,100 permanent and temporary employees in the department. Personnel services include recruiting; hiring; pre-employment record checks; safety training; and maintenance of licensing, certification, and medical record assessments. Post-accident, random, and reasonable suspicion drug testing programs required by federal law also are administered.

## Trends and Accomplishments

Student transportation is provided in a constantly changing environment, including increasing traffic congestion; growth and expansion of residential developments and roadways, and constantly changing demographics of student enrollment in regular and special and alternative transportation programs.

Opening new and modernized schools, increasing enrollment, developing new programs, implementing consortium school enrollment plans, and transporting students to holding sites during school renovations continue to place high demands on transportation service. Numerous new and expanded services for students with disabilities and ever changing federal, state, and local requirements broaden transportation requirements. Initiatives such as alternative educational programs; career/technology initiatives; the

McKinney Vento Act, requiring transportation of homeless students to their school of origin; and the requirements of the No Child Left Behind Act, requiring cross attendance area busing at parental request, have significantly increased demands on already constrained resources.

The department continues to facilitate the rapid deployment of new bus operators by continued authorization from the state of Maryland to conduct MVA driver record checks and commercial drivers license testing on MCPS premises. A new training and employment model is aimed at employee retention with the overall goal of reducing training and recruiting needs and costs.

Bus operator and attendant training and retention also are facilitated by ongoing cooperative activities with Local 500 SEIU that focus on professional growth. Implementation of a new systemwide bidding system for mid-day and other extra work was accomplished jointly during bargaining and has improved the seniority-based work hours alignment.

Student safety improved, as evidenced by a continued decrease in the number of preventable bus accidents in FY 2004. MCPS DOT had the fewest preventable accidents per million miles driven (3.5) of any jurisdiction in the state.

Bus routing for special and regular education programs is performed through the use of the Computer Assisted Routing Transportation System (CARTS). This system assists in achieving efficiencies in routing and scheduling, provides the basis for route audits, and ensures that bus operators are appropriately paid for their routes. Use of the departmentally developed TIMS (Transportation Information Management System) software has automated the maintenance of employee training records, state reporting requirements, payroll, and other administrative functions and continues to improve efficiency. Continued development of TIMS adds greater control and monitoring of resources. Implementation of the Faster system continues to provide improved inventory control for bus parts, and gives management analytical tools to improve the efficiency of vehicle repairs for the 1,980 vehicles owned by MCPS.

The department has adopted a Customer Delight theme with which it plans to continue to focus efforts on improving service to its customers. By emphasizing fair and compassionate treatment of all staff, students, and parents, the department plans to continue to be a model for customer service.

## Major Mandates

- Federal law requires that special education pupils be provided free transportation to and from school, regardless of cost. The McKinney Vento Act requires transportation of homeless students to their school of origin, at parent request, regardless of distance or cost. The No Child Left Behind Act similarly requires cross attendance area busing, at parental request, for those attending underperforming schools.

- Maryland regulations impose pre-service and in-service training requirements and limits preventable accidents in order to maintain certification and/or licensing standards for school bus operators. State regulations also require three safety and one preventative maintenance inspection on all buses used to transport students and that all buses over a specific age be retired, regardless of mileage or condition, unless a waiver is granted by MSDE.
- Federal and Maryland regulations require pre-employment, reasonable cause, random, and post-accident drug and alcohol testing for all school bus operators.
- Board of Education policy requires the provision of transportation services (using central-point pickups) for the following countywide programs: magnet, Global Ecology, elementary and middle school gifted and talented, French Immersion, Spanish Immersion, International Baccalaureate, and alternative programs. Board policy also establishes maximum walking distance to and from school for regular education. Transportation is provided for students beyond maximum walking distances or if walking is unsafe.

**Strategies**

- Strengthen existing and develop new communication processes to improve the exchange of information between internal and external customers.
- Develop management strategies that encourage collaboration, involve stakeholders, and analyze performance data for the purpose of becoming a better division. These strategies should:
  - Anticipate changing customer and stakeholder needs and modify goals as needed
  - Recognize and reward employees for outstanding performance
  - Ensure periodic evaluation of performance
- Continually assess and improve technology tools of the department and utilize industry-wide technology and benchmarks. Develop integrated data systems and automated processes.
- Use multiple feedback and survey strategies to identify stakeholder needs and to measure department performance.
- Provide professional growth training that improves performance in current assignment and prepares employees for promotional opportunities.
- Develop a customer relations plan that emphasizes exceeding customer expectations and informs customers of progress and outcome of requests and concerns.
- Train all employees to meet the requirements to provide a safe, secure, and positive environment that fosters learning.

**Performance Measurements**

**Performance Measure:** Number of preventable accidents per million miles

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
3.5	3.2	3.0

**Explanation:** A measure of the delivery of safe transportation services is the preventable accident rate.

**Performance Measure:** Assure satisfactory performance by having no more than a 7.0 percent absence rate for bus operators and attendants.

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
9.5	9.0	8.5

**Explanation:** Satisfactory customer service requires bus operators and attendants, with regular knowledge of routes and the students they serve, to be at work daily. Substitutes, while skilled as drivers, cannot replace the personal touch and knowledge of the regular operator and/or attendant.

**Performance Measure:** Every route has an appropriately configured bus available every day (i.e., 95 percent of fleet is available for service daily)

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
95%	95%	95%

**Explanation:** While spare buses are available to fill in for buses out of service, the mix of specialized equipment and the geographical distribution of the spare fleet cannot assure the timely availability of buses at each depot. The measure of timely service and customer satisfaction is directly related to the bus being available each morning.

**Performance Measure:** 98 percent of buses arrive at each school between 5 and 20 minutes before the a.m. bell; 85 percent arrive within 5 minutes of the p.m. bell; and no buses arrive later than 20 minutes after the p.m. bell at each school.

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
98%/85%	98%/85%	98%/85%

**Explanation:** On time service is key to establishing an efficient learning environment. School staff needs to be assured that children arrive in time to participate in learning activities. Similarly, parents need to have a predictable and consistent expectation of student arrival at home.

**Performance Measure:** 98 percent of parents and students, when surveyed, rate transportation as satisfactory or better.

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
85%/76%	90%/80%	95%/85%

**Explanation:** Customer satisfaction is measured through the annual MCPS Parent and Student Survey. Scores of 3 or more on a five-point scale indicate general satisfaction with transportation services. Scores of 5 would indicate delight. The goal of the department is at least 50 percent delight.

**Budget Explanation**

The current FY 2005 budget for this department is changed from the budget adopted by the Board of Education on June 8, 2004. The change is a result of a budget neutral reclassification of the Accountant position to a Fiscal Specialist position within the department's current budget

The FY 2006 request for this department is \$72,069,926, an increase of \$5,765,644 from the current FY 2005 budget of \$66,304,282. An explanation of this change follows.

*Continuing and Negotiated Salary Costs—\$2,463,215*  
The negotiated agreements with employee organizations increase the salary costs of employees in this department by \$1,437,173. There is an increase of \$1,026,042 in continuing salary costs to reflect step or longevity increases for current employees.

*Enrollment/Growth—\$658,872*  
Due to projected enrollment increases, the department's request contains funding for twelve buses at an annual lease/purchase cost of \$161,461. An additional 12 bus operators and 8.4 bus attendants are required totaling \$401,904. Substitutes to cover these positions add another \$28,133 to the budget request. Estimated increases for bus fuel, shop supplies, and bus parts for the additional buses total \$67,374.

*Inflation—\$657,152*  
Due to higher fuel rates, the budget contains an increase of \$657,152 to cover the higher cost of diesel. This represents an increase of \$.20 per gallon over the FY 2005 budgeted amount of \$1.15 per gallon.

*Bus Replacements—\$178,129*  
The department's budget reflects a roll-off of \$1,032,091 in lease payments on buses purchased in FY 1999. Offsetting this reduction is a \$1,210,220 increase needed for the lease/purchase of 83 new buses to replace the buses that have reached the end of their normal service life.

*Other Changes—\$1,690,805*  
An addition of 2.0 secretarial positions totaling \$85,286 is included to support special education routing and the bus route bid process. Contractual costs to transport the homeless and special education students requires an additional \$150,000 while increases in the cost of bus parts adds another \$586,787 to the budget request.

With the every increasing need to communicate between bus dispatchers and drivers, the FY 2006 budget request includes a \$98,500 increase for the purchase and installation of bus radios. Another \$36,000 increase is for bus inspection fees for the estimated 24 buses that need a one-year life extension. The replacement of service vehicles for the department adds another \$17,337 to the budget request.

The expansion of programs and services for students has a significant impact on transportation resources. In FY 2006, additional transportation resources are required to implement the following programs and services: Expansion and relocation of Elementary Gifted and Talented program, a Middle School Magnet program, the expansion of the Down-county Consortium program, and the relocation of Parkland Middle School due to renovation. The additional resources included in the budget request for these programs and services include 26 new buses at a annual lease/purchase cost of \$401,284, 10.0 bus operator positions totaling \$202,463, substitute coverage of \$21,656, and fuel and shop supply costs of \$91,492.

*Insurance—(\$126,412)*  
There is a decrease of \$126,412 for insurance based on projected claims and reserve requirements. Insurance for MCPS is provided under a county self-insurance program.

*Improving Programs and Services—\$243,883*  
*Additional Fleet Maintenance Shift—\$181,229*  
This initiative includes a request for 5.0 positions and \$181,833 to finalize the implementation of a third maintenance shift to ensure timely bus repairs and the adequate supply of buses. The positions include 3.0 auto mechanic I positions, a 1.0 auto mechanic II position, and a 1.0 auto service worker position. These positions total \$177,354. Another \$3,875 is included to cover costs for uniforms and indirect shop supplies.

*Supporting Services and Programs—\$62,654*  
Three additional Safety Training positions are requested to implement the Supporting Services Professional Growth System initiative in cooperation with SEIU Local 500. This program provides funds for trainers working with supporting service employees to strengthen their job competencies. The positions are under the supervision of the Office of Organizational Development.



**Selected Expenditure Information**

Operation and Maintenance of Buses and Vehicles

Description	FY 2005 Budget	FY 2006 Budget	Change
Diesel Fuel	\$3,602,147	\$4,384,265	\$782,118
Bus Parts	2,017,284	2,604,071	586,787
Tires and Tubes	359,448	359,448	
Indirect Shop Supplies	340,570	371,870	31,300
Service Vehicle Parts and Fuel	105,324	105,324	
<b>Total</b>	<b>\$ 6,424,773</b>	<b>\$ 7,824,978</b>	<b>\$ 1,400,205</b>

**LEASE / PURCHASE OF BUSES**

PURPOSE	Fiscal Year Purchased	TYPE			Total
		36 Passenger	48 Passenger	72/69/57 Passenger	
Growth / New Programs	1998		17	9	26
Growth / New Programs	1999	8	10	9	27
Growth / New Programs	2000		15	13	28
Growth / New Programs	2001	4	5	15	24
Growth / New Programs	2002	8	7	8	23
Growth / New Programs	2003		6	1	7
Growth / New Programs	2004		5	19	24
Growth / New Programs	2005		30		30
Growth / New Programs	2006		9	17	26
Replacement	1998	10	16	54	80
Replacement	1999	13	38	42	93
Replacement	2000	46	11	37	94
Replacement	2001	4	9	91	104
Replacement	2002	10	8	84	102
Replacement	2003		10	38	48
Replacement	2004		1	11	12
Replacement	2005		33	17	50
Replacement	2006		26	69	95
<b>Total</b>		<b>103</b>	<b>256</b>	<b>534</b>	<b>893</b>

# Department of Transportation - 344

John L. Matthews, Director

Description	FY 2004 Actual	FY 2005 Budget	FY 2005 Current	FY 2006 Request	FY 2006 Change
<b>01 Salaries &amp; Wages</b>					
Total Positions (FTE)	1,620.050	1,688.180	1,688.180	<b>1,728,580</b>	40,400
Position Salaries	\$42,750,266	\$47,438,935	\$47,438,935	<b>\$50,747,678</b>	\$3,308,743
<b>Other Salaries</b>					
Supplemental Summer Employment					
Professional Substitutes					
Stipends					
Professional Part Time					
Supporting Services Part Time		1,497,615	1,497,615	<b>1,589,959</b>	92,344
Other		1,511,957	1,511,957	<b>1,553,535</b>	41,578
Subtotal Other Salaries	5,320,137	3,009,572	3,009,572	<b>3,143,494</b>	133,922
<b>Total Salaries &amp; Wages</b>	48,070,403	50,448,507	50,448,507	<b>53,891,172</b>	3,442,665
<b>02 Contractual Services</b>					
Consultants					
Other Contractual		694,236	694,236	<b>880,236</b>	186,000
<b>Total Contractual Services</b>	919,519	694,236	694,236	<b>880,236</b>	186,000
<b>03 Supplies &amp; Materials</b>					
Textbooks					
Media					
Instructional Supplies & Materials					
Office		27,026	27,026	<b>27,026</b>	
Other Supplies & Materials		6,474,631	6,474,631	<b>7,878,836</b>	1,404,205
<b>Total Supplies &amp; Materials</b>	6,621,815	6,501,657	6,501,657	<b>7,905,862</b>	1,404,205
<b>04 Other</b>					
Local Travel		25,067	25,067	<b>25,067</b>	
Staff Development		33,342	33,342	<b>33,342</b>	
Insurance & Employee Benefits		1,088,992	1,088,992	<b>962,580</b>	(126,412)
Utilities					
Miscellaneous		134,318	134,318	<b>136,793</b>	2,475
<b>Total Other</b>	986,378	1,281,719	1,281,719	<b>1,157,782</b>	(123,937)
<b>05 Equipment</b>					
Leased Equipment				<b>98,500</b>	98,500
Other Equipment		7,378,163	7,378,163	<b>8,136,374</b>	758,211
<b>Total Equipment</b>	6,918,258	7,378,163	7,378,163	<b>8,234,874</b>	856,711
<b>Grand Total</b>	<u>\$63,516,373</u>	<u>\$66,304,282</u>	<u>\$66,304,282</u>	<u><b>\$72,069,926</b></u>	<u>\$5,765,644</u>

## Mission

The mission of the Field Trip Enterprise Fund is to provide supplemental transportation services for field trips and extracurricular activities in support of the instructional programs on a cost-recovery basis.

## Major Functions

The Field Trip Enterprise Fund is dedicated to supporting school activities, summer recreation programs, and other Board-approved programs on a reimbursable basis. Transportation services are made available to other governmental agencies, day care providers, and nonprofit organizations whose goals and objectives are compatible with those of the Montgomery County Public Schools and which support the growth and success of all children in Montgomery County.

Collaboration with other agencies and businesses is essential so that they may successfully plan their programs and budgets and sustain outside programs or service.

Annual contracts with day care providers are negotiated to ensure student transportation across school boundaries.

## Trends and Accomplishments

Enrollment growth continues to place increasing demands on available equipment and staff as they work to maintain the same levels of service provided in past years. Mid-day programs, a 6 percent spare fleet, and the limited field trip operating window all reduce the availability of buses to support field trips. These actions, coupled with the increased use of field trip services, have required efficient use of the bus fleet. In FY 2004 more than 19,000 field trips were taken.

## Major Mandates

- The Department of Transportation provides field trip transportation service in accordance with all Code of Maryland Regulations (COMAR) and Board of Education policies regarding transportation services. (See program mission summary for Department of Transportation.)
- The Field Trip Enterprise fund is to be self-sustaining.

## Strategies

- Implement a cost accounting system to monitor and project cost reimbursements.
- Develop management strategies that encourage collaboration, address stakeholder interests, and analyze performance data for the purpose of providing the highest level of field trip service possible.
- Anticipate changing customer and stakeholder needs to modify field trip performance.
- Ensure periodic evaluation of enterprise fund account performance.

## Performance Measurement

Performance Measure: Number of Field Trips Provided

FY 2004	FY 2005	FY 2006
Actual	Estimate	Recommended
26,000	27,500	28,500

## Budget Explanation

The FY 2006 request for this fund is \$1,339,619, a decrease of \$17,113 from the current FY 2005 budget of \$1,356,732. An explanation of this change follows.

### *Continuing and Negotiated Salary Costs—\$21,685*

The negotiated agreements with employee organizations increase the salary costs of employees in this fund by \$22,056. There is a decrease of \$371 in continuing salary costs. Step or longevity increases for current employees are offset by reductions for staff turnover.

### *Realignment—\$0*

There is a realignment of \$227,786 from the part-time account to the overtime account.

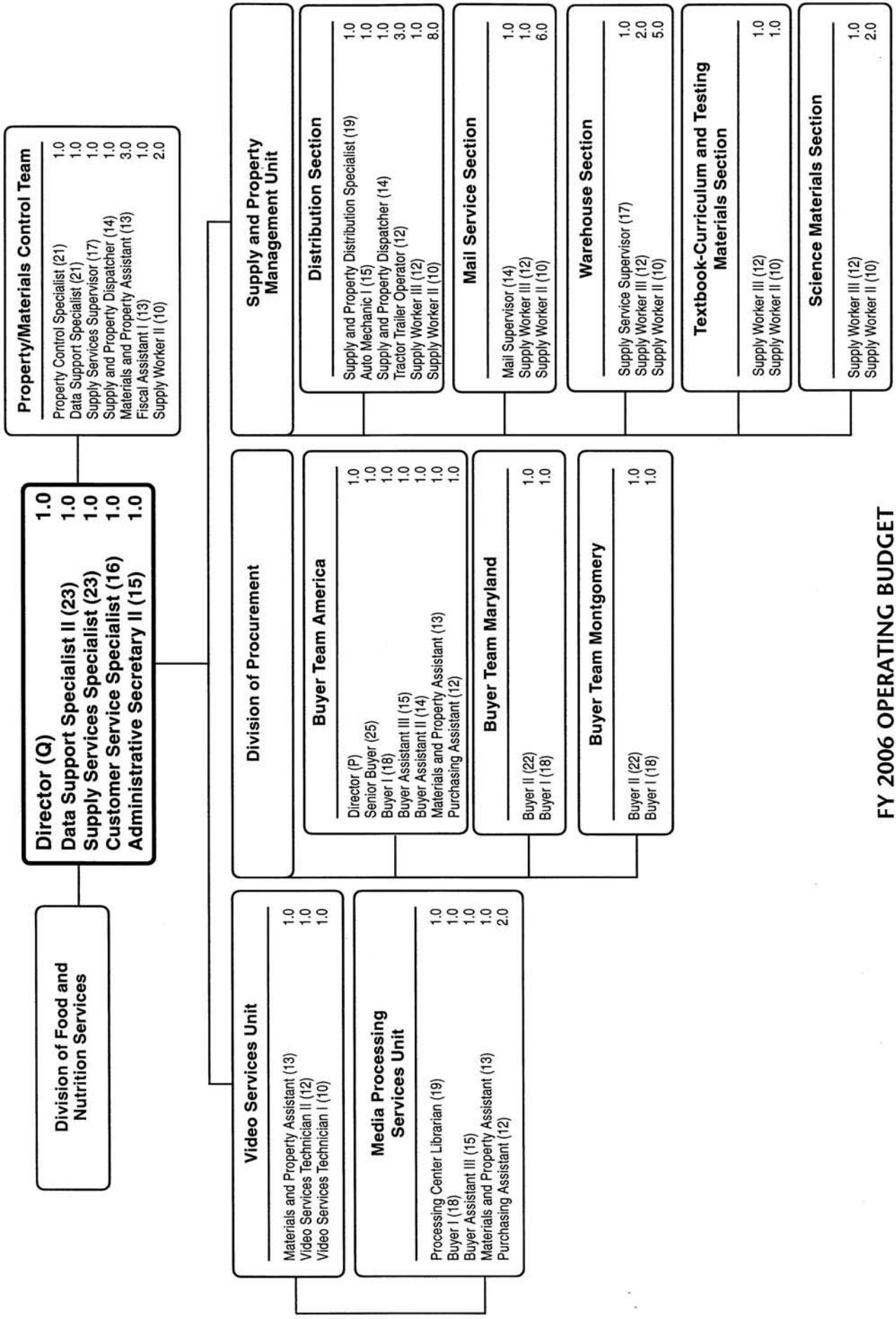
### *Other Changes—(\$38,798)*

Included in the FY 2006 budget request is a reduction of \$42,351 for bus repairs. This is partially offset by a \$3,553 increase in employee benefits.

**Field Trip Fund - 830**  
**John L. Matthews, Program Manager**

Description	FY 2004 Actual	FY 2005 Budget	FY 2005 Current	FY 2006 Request	FY 2006 Change
<b>01 Salaries &amp; Wages</b>					
Total Positions (FTE)	3.000	3.000	3.000	<b>3.000</b>	
Position Salaries	\$119,142	\$119,504	\$119,504	<b>\$122,449</b>	\$2,945
<b>Other Salaries</b>					
Supplemental Summer Employment					
Professional Substitutes					
Stipends					
Professional Part Time					
Supporting Services Part Time		427,786	427,786	<b>205,500</b>	(222,286)
Other		255,000	255,000	<b>496,063</b>	241,063
Subtotal Other Salaries	673,651	682,786	682,786	<b>701,563</b>	18,777
<b>Total Salaries &amp; Wages</b>	792,793	802,290	802,290	<b>824,012</b>	21,722
<b>02 Contractual Services</b>					
Consultants					
Other Contractual		72,351	72,351	<b>30,000</b>	(42,351)
<b>Total Contractual Services</b>	29,720	72,351	72,351	<b>30,000</b>	(42,351)
<b>03 Supplies &amp; Materials</b>					
Textbooks					
Media					
Instructional Supplies & Materials					
Office					
Other Supplies & Materials		395,644	395,644	<b>395,644</b>	
<b>Total Supplies &amp; Materials</b>	347,170	395,644	395,644	<b>395,644</b>	
<b>04 Other</b>					
Local Travel					
Staff Development					
Insurance & Employee Benefits		86,447	86,447	<b>89,963</b>	3,516
Utilities					
Miscellaneous					
<b>Total Other</b>	72,799	86,447	86,447	<b>89,963</b>	3,516
<b>05 Equipment</b>					
Leased Equipment					
Other Equipment					
<b>Total Equipment</b>					
<b>Grand Total</b>	<b>\$1,242,482</b>	<b>\$1,356,732</b>	<b>\$1,356,732</b>	<b>\$1,339,619</b>	<b>(\$17,113)</b>

# Department of Materials Management



FY 2006 OPERATING BUDGET

F.T.E. Positions 70.0

**Mission**

The mission of the Department of Materials Management (DMM) is to economically facilitate the delivery of approved quality products, resources, and services in an environment of cooperation, integrity, and excellence to Montgomery County Public Schools and the community.

**Major Functions**

The department oversees the Division of Food and Nutrition Services and three primary areas of activity: procurement, supply and property management, and instructional and library material processing services. The functions of the Food and Nutrition Services unit are described in a separate section.

The Procurement unit purchases goods and services through contract awards to vendors who meet product specifications. Vendor performance and product quality are monitored to ensure maximum customer satisfaction.

The Supply and Property Management unit manages a warehouse and distribution network that provides the necessary textbooks, classroom and office supplies, science kits, furniture, equipment, and test materials to MCPS schools and offices.

The Instructional and Library Material Processing unit maintains a database of approved textbooks and library and instructional materials. It also circulates videos requested by teachers for classroom use. School library media purchases are processed centrally to ensure uniformity, facilitate systematic cataloging of records, and save time for school staffs.

**Trends and Accomplishments**

The demand on the department logistical network continues to grow as student enrollment and the number of schools increases. The county’s increased traffic congestion challenges staff to maintain the delivery and support functions essential to the instructional programs. Over the past 5 years, there has been a 46 percent increase in logistical support requests, and a 44 percent increase in supplies and textbooks delivered.

To meet the needs of customers, during FY 2004, DMM designed an additional customer feedback system incorporating the use of focus groups. The uniqueness of this program is that the focus groups are conducted at schools where customers are able to communicate directly with DMM about any product, service, or program provided by the department. Customer expectations and needs are explored in detail facilitating future enhancements to programs and services.

In FY 2005, DMM will enhance the Materials Management System ordering process with the development of the Free Form Purchase Order. The Video Services Reservation System will be implemented on the DMM Intranet improving the delivery of instructional products. Development of individual staff performance plans associated with the DMM

strategic plan will be the final task establishing the Baldrige Integrated Management System. Our continued success in strengthening the rigor of our program depends on the continuity of goals from MCPS to departments to functional units to individual staff members.

**Major Mandates**

State law requires MCPS to advertise for sealed bids for material, equipment, and supplies that cost more than \$15,000.

**Strategies**

- Expand and strengthen our customer service communication network to inform customers on an ongoing basis.
- Develop and improve work processes using technology to simplify doing business with DMM for library material orders, procurement system, and warehouse system.
- Expand use of focus groups to obtain valuable customer feedback on products and services.

**Performance Measurements**

**Performance Measure:** Warehouse supply orders with original line fill-rate greater than 98 percent

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
97.1%	98.0%	98.2%

**Explanation:** This measure reflects the outcome of shipping supply orders with a product completion rate of 98 percent or greater.

**Performance Measure:** Procurement cost to process \$100 of goods and services

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
\$0.47	\$0.45	\$0.42

**Explanation:** This measure reflects the efficiency of purchasing as a ratio of procurement budget costs to the value of purchased goods and services.

**Performance Measure:** Number of material transactions

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
Number of paper purchase orders	21,406	19,500	15,000
Number of on-line purchase orders	21,215	27,000	30,000
Number of warehouse line orders	158,643	165,000	175,000
Number of purchasing card transactions	22,154	28,000	35,000

**Explanation:** This output measurement reflects the shift from paper to technology-assisted orders.

**Budget Explanation**

The current FY 2005 budget for this department is changed from the budget adopted by the Board of Education on June 8, 2004. The change is a result of the realignment of \$100,000 for school furniture into this department's budget from the K-12 budget.

The FY 2006 request for this department is \$6,131,896, an increase of \$307,985 from the current FY 2005 budget of \$5,823,911. An explanation of this change follows.

*Continuing and Negotiated Salary Costs—\$79,941*

The negotiated agreements with employee organizations increase the salary costs of employees in this department by \$114,665. There is a decrease of \$34,724 in continuing salary costs. Step or longevity increases for current employees are offset by reductions for staff turnover.

*Realignment—\$87,967*

One supply worker III and one supply worker II position and \$87,967 are realigned from the Taylor Science Center program under the Entrepreneurial Fund to this department's budget.

*Enrollment/Growth—\$60,075*

Due to student enrollment increases, there is a increase of \$60,075 to cover postage expense for additional student mailings.

*Other Changes—\$80,002*

There are a number of other changes in the accounts within the Department of Materials Management due to operational changes needed for FY 2006. These include reductions in the following positions: 1.0 buyer I, a 1.0 materials support specialist, and a 1.0 buyer II position. These reductions total \$175,027. Other reductions include part-time of \$4,186, program supplies of \$8,065, overtime of \$8,020, and consultants of \$1,375.

The funding provided by the above reductions and a request for an additional \$80,002 provide for the following increase in resources: 1.0 customer service specialist for \$58,798, a 1.0 supply service supervisor for \$61,764, and a 1.0 procurement division director for \$90,236. Other increases include additional funding for the lease/purchase of school furniture totaling \$65,877.

# Department of Materials Management - 351/352/353/354/355

Giles Benson, Director

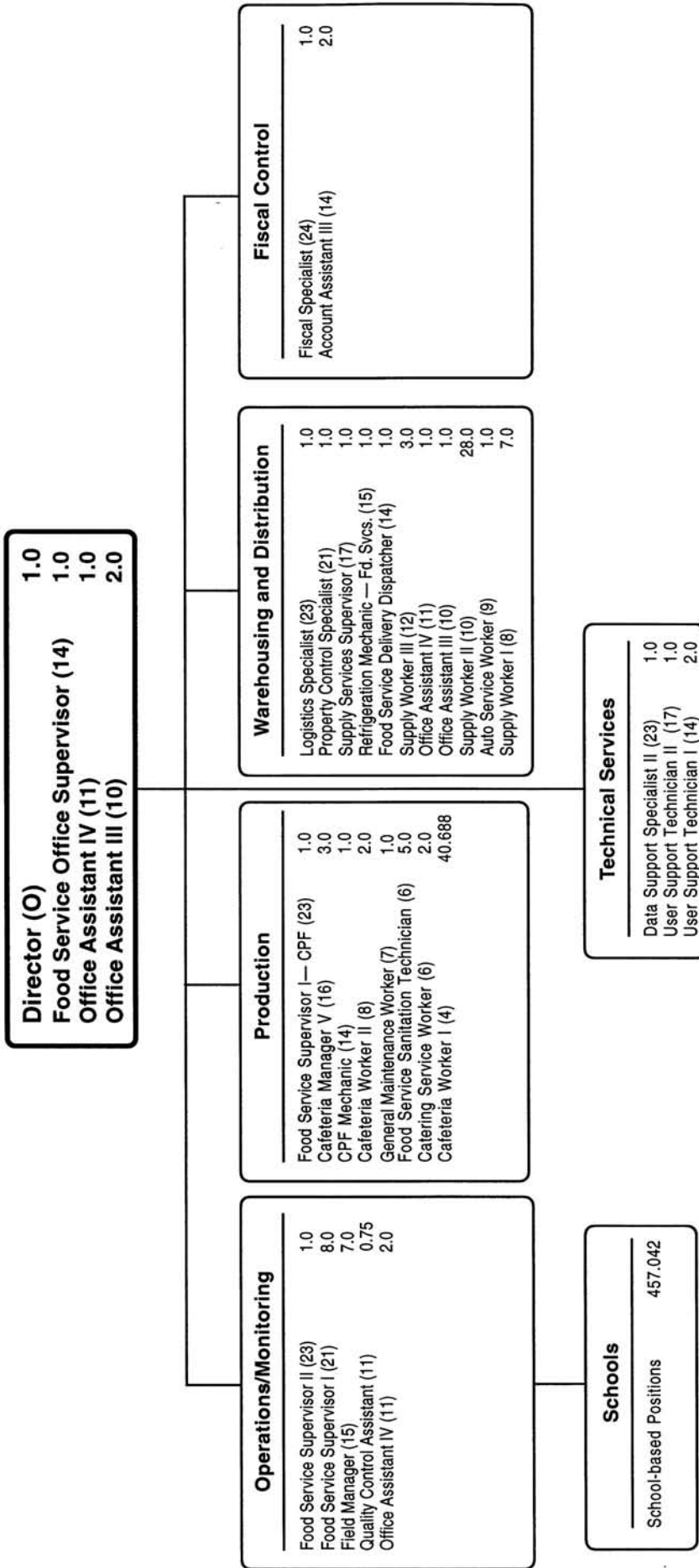
Description	FY 2004 Actual	FY 2005 Budget	FY 2005 Current	FY 2006 Request	FY 2006 Change
<b>01 Salaries &amp; Wages</b>					
Total Positions (FTE)	68.750	68.000	68.000	<b>70.000</b>	2.000
Position Salaries	\$3,154,704	\$3,459,445	\$3,459,445	<b>\$3,643,662</b>	\$184,217
<b>Other Salaries</b>					
Supplemental Summer Employment					
Professional Substitutes					
Stipends					
Professional Part Time					
Supporting Services Part Time		682,082	682,082	<b>696,538</b>	14,456
Other		37,845	37,845	<b>30,645</b>	(7,200)
Subtotal Other Salaries	1,035,937	719,927	719,927	<b>727,183</b>	7,256
<b>Total Salaries &amp; Wages</b>	<b>4,190,641</b>	<b>4,179,372</b>	<b>4,179,372</b>	<b>4,370,845</b>	191,473
<b>02 Contractual Services</b>					
Consultants		1,375	1,375		(1,375)
Other Contractual		73,145	73,145	<b>73,145</b>	
<b>Total Contractual Services</b>	<b>63,586</b>	<b>74,520</b>	<b>74,520</b>	<b>73,145</b>	(1,375)
<b>03 Supplies &amp; Materials</b>					
Textbooks					
Media					
Instructional Supplies & Materials		51,000	51,000	<b>51,000</b>	
Office		5,286	5,286	<b>5,286</b>	
Other Supplies & Materials		565,629	565,629	<b>617,639</b>	52,010
<b>Total Supplies &amp; Materials</b>	<b>693,957</b>	<b>621,915</b>	<b>621,915</b>	<b>673,925</b>	52,010
<b>04 Other</b>					
Local Travel		2,082	2,082	<b>2,082</b>	
Staff Development		2,943	2,943	<b>2,943</b>	
Insurance & Employee Benefits					
Utilities		18,400	18,400	<b>18,400</b>	
Miscellaneous		104,750	104,750	<b>104,750</b>	
<b>Total Other</b>	<b>127,325</b>	<b>128,175</b>	<b>128,175</b>	<b>128,175</b>	
<b>05 Equipment</b>					
Leased Equipment		503,969	718,969	<b>784,846</b>	65,877
Other Equipment		215,960	100,960	<b>100,960</b>	
<b>Total Equipment</b>	<b>805,009</b>	<b>719,929</b>	<b>819,929</b>	<b>885,806</b>	65,877
<b>Grand Total</b>	<b>\$5,880,518</b>	<b>\$5,723,911</b>	<b>\$5,823,911</b>	<b>\$6,131,896</b>	\$307,985



## Field Trip Fund

Senior Field Trip Coordinator (13)	1.0
Field Trip Assistant (10)	2.0

# Division of Food and Nutrition Services



F.T.E. Positions 589.480  
(Includes 457.042 school-based  
positions shown on K-12 charts)

## FY 2006 OPERATING BUDGET

## Mission

The mission of the Division of Food and Nutrition Services is to provide a variety of appealing, high quality, and nutritious meals in a cost effective and efficient operation. Dedicated employees empowered to promote Success for Every Student serve meals in an innovative learning environment, respectful of each student's needs and differences.

## Major Functions

The division administers five child nutrition programs, a central production facility, and a food warehouse and distribution center. It also provides nutrition education and support to schools and various community groups.

The division provides breakfast and lunch in all school cafeterias, the Lathrop E. Smith Center, and the Carver Educational Services Center. Additionally, the division actively supports the Maryland Meals for Achievement program that provides breakfast, at no charge, to all students in the classrooms of 13 schools. It administers the free and reduced-price meals program for students, provides meals to low-income children during the summer, and monitors the meal service in licensed family day care homes. The division also provides an after school snack program to students up to the age of 18 in school-based programs. It provides nutrition education services and meals to the county senior citizen nutrition program, nonprofit day care centers, and after school programs.

The division also coordinates nutrition education initiatives with school administrators, staff, parents, and communities to fully develop the "Team Nutrition" concept and strengthen the classroom/cafeteria connection.

The central production facility processes food for the nutrition programs. It also provides catering to school system and county agency functions that generate revenue and help keep meal costs affordable for students.

The food service warehouse receives, stores, and distributes food and supplies to schools, other county school systems, nonprofit organizations, and county government agencies. The division also determines food and equipment specifications, purchases supplies and materials, maintains its data support systems, and plans kitchen design processes. It approves and pays invoices for goods received and federal and state claims reimbursements.

## Trends and Accomplishments

There is a continuing increase in the number of school breakfasts and lunches served to MCPS students. This is due not only to increasing enrollment, but also to the division's marketing efforts. The county's changing economics and demographics are creating a change in the number of students eligible for free and reduced-price meals. After several years of percentage decline, the percentage of students eligible for free and reduced-price meals increased from 21.5 percent in FY 2002 to 22.6 percent in FY 2004.

MCPS utilizes the nutrient standard menu planning option to provide well-balanced, nutritious, and affordable meals that students like and help ensure that they are ready to learn. This permits greater variety in menu planning and meets the varied needs of our customers. Students and staff are accepting the lower-fat and vegetarian options that are part of the daily offerings in school cafeterias.

The division has been actively addressing the childhood overweight and obesity epidemic through collaboration with the nutrition and physical education programs. The division has fully implemented the nutritional requirements adopted by the Board of Education in the a la carte program and is supporting the schools implementation. The staff in the division also have been involved in community forums relating to childhood overweight and obesity.

The division received a Team Nutrition grant in FY 2003 that afforded MCPS the opportunity to further its efforts in strengthening and improving school health. The project used a coordinated approach that empowered students to make healthy food choices and become more physically active. The project involved students, teachers, administrators, school staff, parents, and community members. Successful initiatives will be shared with other schools in an effort to improve the health of our students by increasing their awareness of the impact of good nutrition and regular physical activity on their health.

The division has been an active participant in the Maryland Meals for Achievement (MMFA) project. In 1998, there was one school participating. Participation in MMFA increased to two schools in 1999, to eight in 2000, 12 in 2001, 13 in 2002, 14 in 2003, and 13 in 2004 and 2005. Breakfast is served in the classrooms of these schools to all students at no cost. Evaluators report that test scores in MMFA schools improve significantly more than in matched comparison schools. Evaluations of the schools participating statewide showed that tardiness and disciplinary suspensions decreased significantly following the start of MMFA. Teachers and administrators overwhelmingly report that the program has a positive impact on the learning environment and on student behavior.

A fully integrated software system encompasses all operations. It includes a point-of-sale meal system that manages student accounts and links all schools to the central office. This transmits current student database information, including free and reduced-price meal eligibility, directly to cafeteria managers and eliminates the overt identification of students. It also allows for quick accounting and resource management.

Centralized and automated food service operations keep food cost well below the industry standard. In FY 2004 food cost was 38 percent of revenues compared to industry standard of 45 percent.

The division operates as an enterprise fund and maintains a fiscally sound program. The National School Lunch Act requires the division to operate at a break-even point. The revenues from meal sales and other services must meet

anticipated expenses. Expenses, such as negotiated salaries and employee benefits, are increasing the division's base cost structure. A 10-cent price increase for student lunches was approved for the 2004–2005 school year. Based on projections, an increase is also expected for the 2005–2006 and 2006–2007 school years. A fund balance policy statement has been reviewed by the County Council.

**Major Mandates**

- The National School Lunch and School Breakfast programs require a provision of free and reduced-price meals to eligible students.
- The summer feeding program ensures that low-income students receive nutritious meals during summer school and summer recreation programs.

**Strategies**

- Utilize the continuous improvement model for planning, management, and evaluation of processes to improve its products, resources, and services.
- Utilize benchmarking to remain competitive in the food service market and to develop training program.
- Design innovative mechanisms or forums to promote sharing information and exchanging ideas on improving products and services (customer surveys, focus groups, interactive Web page, phone trees).
- Monitor performance measures to assure goals are met.

**Performance Measurements**

**Performance Measure:** Elementary lunch participation reaches 60 percent of enrollment by FY 2007.

FY 2004	FY 2005	FY 2006
Actual	Estimate	Recommended
57.5%	58.5%	59%

**Explanation:** This measures customer satisfaction at the elementary school level.

**Performance Measure:** Secondary school meal revenue increases at least 7 percent annually through FY 2007 compared to enrollment.

FY 2004	FY 2005	FY 2006
Actual	Estimate	Recommended
5%	6%	7%

**Explanation:** This measures customer satisfaction at the secondary school level.

**Performance Measure:** Labor cost (as reflected in salary costs) will remain below the industry average of 32 percent.

FY 2004	FY 2005	FY 2006
Actual	Estimate	Recommended
32.5%	32%	31.5%

**Explanation:** This is an organizational effectiveness measurement for labor cost efficiency.

**Budget Explanation**

The FY 2006 request for this fund is \$41,551,415, an increase of \$1,457,640 from the current FY 2005 budget of \$40,093,775. An explanation of this change follows.

*Continuing and Negotiated Salary Costs—\$272,653*

The negotiated agreements with employee organizations increase the salary costs of employees in this fund by \$437,592. There is a decrease of \$164,939 in continuing salary costs. Step or longevity increases for current employees are offset by reductions for staff turnover.

*Enrollment/Growth—\$563,446*

Due to enrollment growth and opening two new schools, the budget request contains an additional \$248,133 for 2.88 cafeteria manager positions and 8.25 cafeteria worker positions. Associated employee benefits for these positions total \$133,992. The budget request for wholesale food supplies for additional students totals \$181,321.

*Inflation—\$355,977*

The budget includes an allowance of \$355,977 for estimated increases in wholesale food supplies.

*Other Changes—\$265,564*

There is a 1.0 user support specialist II position needed for the fund for systems maintenance and development. Salary and employee benefits for this position total \$70,884. Annual position reclassifications based on sales volumes adds \$21,902 to the budget request. Other budget impacts on labor costs include reductions in substitutes and premium rate overtime of \$303,784. This is partially offset by an increase in regular rate overtime of \$101,000.

The fund's budget request contains an additional \$601,825 for employee benefits due to rising costs for health and related benefits. Of this total, \$411,157 is for health care benefits and another \$91,532 is related to retirement benefits. In addition, less projected travel reduces the local travel and dues and registration budget by \$5,288.

The budget for the fund's contractual services requires a budget increase of \$17,518. Higher payments for the SNAP system totaling \$19,342 are partially offset by lower contractual maintenance costs of \$1,824.

The budget for equipment costs is reduced due to reductions in printer supplies of \$209,202 and lower lease/purchase payments of \$71,687. This is partially offset by a \$42,396 increase for the purchase of replacement furniture and equipment.

# Division of Food and Nutrition Services—810

Kathleen C. Lazor, R. D., Director

301-840-8170

## Selected Expenditure Information

### Supplies and Materials for Food Services

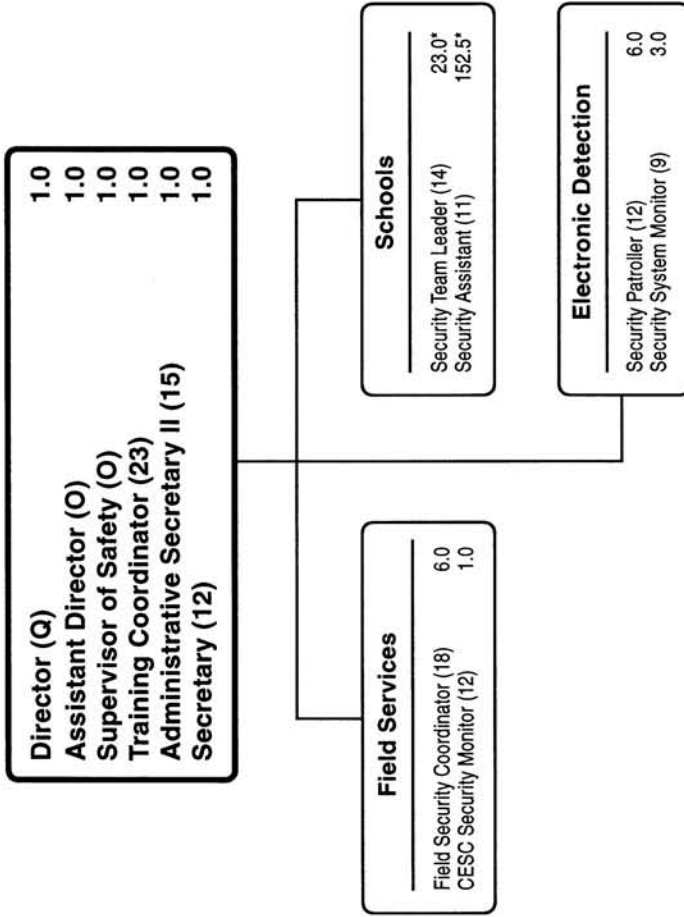
Description	FY 2005 Budget	FY 2006 Budget	Change
Meat, Fish, and Poultry	\$3,390,575	\$3,492,293	\$101,718
Fruits and Vegetables	1,458,202	1,501,948	43,746
Dairy Products	2,850,563	2,936,810	86,247
Groceries	2,934,320	3,036,705	102,385
Bakery Goods	1,116,494	1,231,998	115,504
Ice Cream	385,728	424,044	38,316
Disposables	1,512,740	1,558,122	45,382
Other	443,332	238,130	(205,202)
Total	<u>\$14,091,954</u>	<u>\$14,420,050</u>	<u>\$328,096</u>

## Division of Food and Nutrition Services - 810

Kathleen C. Lazor, R. D., Director

Description	FY 2004 Actual	FY 2005 Budget	FY 2005 Current	FY 2006 Request	FY 2006 Change
<b>01 Salaries &amp; Wages</b>					
Total Positions (FTE)	575.350	577.350	577.350	<b>589.480</b>	12.130
Position Salaries	\$13,816,446	\$15,042,518	\$15,042,518	<b>\$15,617,155</b>	\$574,637
<b>Other Salaries</b>					
Supplemental Summer Employment					
Professional Substitutes					
Stipends					
Professional Part Time					
Supporting Services Part Time		804,177	804,177	<b>664,634</b>	(139,543)
Other		104,614	104,614	<b>60,789</b>	(43,825)
Subtotal Other Salaries	675,618	908,791	908,791	<b>725,423</b>	(183,368)
<b>Total Salaries &amp; Wages</b>	<b>14,492,064</b>	<b>15,951,309</b>	<b>15,951,309</b>	<b>16,342,578</b>	<b>391,269</b>
<b>02 Contractual Services</b>					
Consultants					
Other Contractual		910,040	910,040	<b>927,558</b>	17,518
<b>Total Contractual Services</b>	<b>684,114</b>	<b>910,040</b>	<b>910,040</b>	<b>927,558</b>	<b>17,518</b>
<b>03 Supplies &amp; Materials</b>					
Textbooks					
Media					
Instructional Supplies & Materials					
Office					
Other Supplies & Materials		14,091,954	14,091,954	<b>14,420,050</b>	328,096
<b>Total Supplies &amp; Materials</b>	<b>11,397,006</b>	<b>14,091,954</b>	<b>14,091,954</b>	<b>14,420,050</b>	<b>328,096</b>
<b>04 Other</b>					
Local Travel		102,828	102,828	<b>99,490</b>	(3,338)
Staff Development		39,500	39,500	<b>37,550</b>	(1,950)
Insurance & Employee Benefits		7,858,296	7,858,296	<b>8,613,632</b>	755,336
Utilities					
Miscellaneous		745,375	745,375	<b>745,375</b>	
<b>Total Other</b>	<b>7,881,585</b>	<b>8,745,999</b>	<b>8,745,999</b>	<b>9,496,047</b>	<b>750,048</b>
<b>05 Equipment</b>					
Leased Equipment		292,149	292,149	<b>220,462</b>	(71,687)
Other Equipment		102,324	102,324	<b>144,720</b>	42,396
<b>Total Equipment</b>	<b>248,262</b>	<b>394,473</b>	<b>394,473</b>	<b>365,182</b>	(29,291)
<b>Grand Total</b>	<b>\$34,703,031</b>	<b>\$40,093,775</b>	<b>\$40,093,775</b>	<b>\$41,551,415</b>	<b>\$1,457,640</b>

# Department of School Safety and Security



F.T.E. Positions 22.0  
 (In addition, there are 175.5\* school-based positions shown here and in K-12 Instruction, Chapter 1, and Office of Special Education and Student Services, Chapter 8 charts)

## FY 2006 OPERATING BUDGET

## Mission

The mission of the Department of School Safety and Security is to ensure a safe and secure learning and working environment for students and staff through partnerships with the school community, providing support, resources, and training to all schools and facilities and using technology to provide the highest level of service in supporting the common goal of Success for Every Student.

## Major Functions

The department provides 24-hour security services for the Montgomery County Public Schools. The department staff cooperates and maintains close liaison with local, state, and federal law enforcement agencies and all school administrators. The department closely works with school administrators to ensure the proper supervision of security personnel assigned to all secondary schools and other facilities.

Department staff members design, develop, and conduct safety and security training programs for all security staff, school-based administrators, plant operations staff, transportation staff, new teachers, and others on request. They provide emergency response to critical incidents, assess serious incident needs, and provide necessary security resources. Security staff responds to bomb threat incidents and evacuations that occur in schools and facilities. Department staff are continually reviewing and assessing the preparedness of the school-based staff to react in a crisis situation.

Department staff members perform site evaluations and review construction plans for safety and security concerns in new and modernization construction projects. They also provide security support and perform security assessments for all existing schools and facilities. Department staff members investigate and recommend corrective action regarding safety issues involving blood-borne pathogens and fire evacuations, and oversee the school system's comprehensive safety program. They work with all schools and facilities to develop their individual comprehensive emergency/crisis plan.

## Trends and Accomplishments

In light of the national attention drawn to school security as a result of tragic incidents around the country, security staff are trained and expected to be prepared to help school administrators manage crisis or emergency situations. Principals rely on the ability of school-based security team leaders and assistants to respond to incidents of violence, drug/alcohol use and possession, property damage, and theft committed by students during the school day. Security staff is called upon to provide insight regarding the condition of a student suspected to be under the influence of drugs or alcohol. With an increasingly diverse student population in the schools, security staff must be prepared to communicate effectively with students of different cultural and ethnic backgrounds. Security staff is mindful of the loss/crime prevention responsibility of their jobs. A multi-faceted safety and security program is critical to creating a safe and secure learning environment and protecting school system assets.

Working in partnership, the Montgomery County Department of Police and Montgomery County Public Schools have initiated an Educational Facilities Officer program. This program dedicates sworn Montgomery County police officers to work with schools within designated clusters. These officers are trained in emergency preparedness, crisis management, the concepts of community policing, and problem solving. The Department of School Safety and Security is the designated liaison between the school system and the police department for the program. Department staff closely works with the educational facilities officers and their assigned schools to coordinate services.

Accomplishments include training security staff in current legislation and law that applies to their school-related responsibilities. Staff also received training in substance abuse intervention and referral assistance strategies. All school-based security staff are trained and certified in First Responder First Aid and CPR. Department staff continues to play an integral part in the development of the local comprehensive school emergency/crisis plans. Staff has provided emergency/crisis preparedness training to more than 5,000 school system employees and more than 250 private school administrators and staff. Enhanced crisis preparedness training has been developed and has been delivered to many staff members that have completed the basic course. Training content constantly is updated to reflect the latest trends and information available from local, state, and federal sources. The department continues to utilize an online folder for schools to electronically file their local school emergency/crisis plan. The superintendent is requiring all administrators along with the members of their on-site emergency team to attend, if they have not already done so, both the basic and enhanced crisis preparedness training during the 2004–2005 school year.

MCPS continues to utilize a comprehensive school system emergency response plan (ERP) under the structure and foundation of the Incident Command System. The MCPS emergency response team consists of approximately 75 members who have been trained in emergency/crisis management. Emergency response team members have participated in a school-based emergency/crisis tabletop simulation exercise to test all components of the ERP and the school system's ability to respond and manage an emergency/crisis. The MCPS Emergency Response Plan and the local school emergency/crisis plan are aligned with the Montgomery County Emergency Operations Plan allowing for a seamless integration and coordination of response to an emergency/crisis. As a result of the investment in training, security team members are better prepared to assist principals and school-based staff in providing a safe and secure learning and working environment and respond to critical incidents. Staff conducts site assessments at all schools and makes recommendations to the principals to enhance the safety and security of those facilities. Security staff reviews requests for additional closed-circuit television (CCTV) equipment and two-way radio equipment; coordinates the use of private radio codes; assists in the design of closed-circuit television



systems; and makes recommendations on the use of other security related equipment.

The U.S. Department of Education has recognized MCPS as one of the top school districts in the nation for crisis preparedness. The department director is a recognized leader in the field of school crisis preparedness and has lectured on the topic nationally and internationally.

The Montgomery County Council, in a one-time safety and security initiative, approved funding for the installation of CCTV cameras in all MCPS high schools. This initiative has been completed, and all high school CCTV systems have been installed and are operational. Department staff is working with the Office of Strategic Technologies and Accountability and the Department of Facilities Management to identify available technology that will enhance the efficiency and effectiveness of these CCTV systems.

The department continues to coordinate the school system's identification (ID) card initiative for high school students and staff and all non school-based employees. Staff is working with principals to facilitate producing ID cards in conjunction with the school's yearbook provider and to support their ID card efforts in the future. These kinds of partnerships have strengthened the department's relationships with principals and other administrators. Laws, regulations, and procedural guidelines for individual safety require the department staff to work with administrators, parents, students, public safety, and the community to ensure a safe learning and working environment. Department staff will continue to respond and assist in resolving critical incidents involving the school system.

**Major Mandates**

- The Education Article, Section 7-303, of the Annotated Code of Maryland mandates the reporting of arrests of students to the local school superintendent for more than 25 specific serious crimes. The department is the official designee of the superintendent to receive this information. Information immediately is reported to the student's principal. Department staff has been given the assignment of following-up on the arrests reported each year.
- The federal Occupational Safety and Health Act of 1970 (OSHA), supplemented by a similar Maryland act (MO-SHA), covers workplace conditions, employee health and safety records, emergency preparedness, training, and other mandated safety and health programs. The federal and state mandate regarding the Blood-borne Pathogens Exposure Control plan requires that we offer vaccinations for employees who may be exposed to blood-borne pathogens.
- These federal and state mandated programs also require record keeping and training on an annual basis for those employees affected by the regulations.

**Strategies**

- Develop mechanisms and guidelines to disseminate information to customers and stakeholders.
- Identify training needs and develop courses designed to enhance emergency/crisis preparedness and safety/security.
- Provide technology and mechanisms to assist school based security staff and administrators in establishing a safe and secure learning and working environment.
- Promote training of security staff and school personnel in improved safety and security techniques.
- Actively involve customers and stakeholders in the development of resources and the design and delivery of security services.
- Maintain and enhance department Web page.
- Meet with various stakeholders and public safety personnel pertaining to safety and security issues and concerns.

**Performance Measurements**

**Performance Measure:** Number of emergency/crisis preparedness training sessions

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
29	35	45

**Explanation:** Number of sessions linked to systemwide emergency/crisis Preparedness training needs

**Performance Measure:** Percentage of staff who receive emergency/crisis preparedness training who have the awareness and knowledge of MCPS emergency/crisis procedures

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
No Base	100%	100%

**Explanation:** All participants who have completed the course/class are knowledgeable of MCPS emergency/crisis procedures

**Performance Measure:** Percentage of customers satisfied with training

FY 2004 Actual	FY 2005 Estimate	FY 2006 Recommended
No Base	80%	90%

**Explanation:** Obtain an above average customer satisfaction rating

**Budget Explanation**

The FY 2006 request for this department is \$1,672,875, an increase of \$115,991 from the current FY 2005 budget of \$1,556,884. An explanation of this change follows.

*Continuing and Negotiated Salary Costs—\$27,393*

The negotiated agreements with employee organizations increase the salary costs of employees in this department by \$37,725. There is a decrease of \$10,332 in continuing salary costs. Step or longevity increases for current employees are offset by reductions for staff turnover.

*Other Changes—\$23,598*

The budget contains additional funding of \$11,347 for NEXTEL Service for school-based security team leaders. Another \$12,251 is included for the lease/purchase of replacement security vehicles.

*Improving Programs and Services—\$65,000*

A 1.0 security training coordinator is recommended for FY 2006. This initiative continues to ensure a safe and secure learning environment by enhancing the current training program for school system staff to handle any type of emergency or crisis situation. In FY 2005, this position is funded by a federal grant that expires at the end of FY 2005. The initiative permits the program to continue.

# Department of School Safety and Security - 337

Edward A. Clarke, Director

Description	FY 2004 Actual	FY 2005 Budget	FY 2005 Current	FY 2006 Request	FY 2006 Change
<b>01 Salaries &amp; Wages</b>					
Total Positions (FTE)	21,000	21,000	21,000	<b>22,000</b>	1,000
Position Salaries	\$1,199,663	\$1,249,753	\$1,249,753	<b>\$1,338,515</b>	\$88,762
<b>Other Salaries</b>					
Supplemental Summer Employment					
Professional Substitutes					
Stipends					
Professional Part Time					
Supporting Services Part Time		106,698	106,698	<b>109,633</b>	2,935
Other		25,293	25,293	<b>25,989</b>	696
Subtotal Other Salaries	196,888	131,991	131,991	<b>135,622</b>	3,631
<b>Total Salaries &amp; Wages</b>	<b>1,396,551</b>	<b>1,381,744</b>	<b>1,381,744</b>	<b>1,474,137</b>	<b>92,393</b>
<b>02 Contractual Services</b>					
Consultants					
Other Contractual		87,638	87,638	<b>98,985</b>	11,347
<b>Total Contractual Services</b>	<b>82,477</b>	<b>87,638</b>	<b>87,638</b>	<b>98,985</b>	<b>11,347</b>
<b>03 Supplies &amp; Materials</b>					
Textbooks					
Media					
Instructional Supplies & Materials					
Office		3,605	3,605	<b>3,605</b>	
Other Supplies & Materials		29,178	29,178	<b>29,178</b>	
<b>Total Supplies &amp; Materials</b>	<b>26,061</b>	<b>32,783</b>	<b>32,783</b>	<b>32,783</b>	
<b>04 Other</b>					
Local Travel		1,000	1,000	<b>1,000</b>	
Staff Development		12,338	12,338	<b>12,338</b>	
Insurance & Employee Benefits					
Utilities					
Miscellaneous		1,500	1,500	<b>1,500</b>	
<b>Total Other</b>	<b>12,068</b>	<b>14,838</b>	<b>14,838</b>	<b>14,838</b>	
<b>05 Equipment</b>					
Leased Equipment		24,949	24,949	<b>37,200</b>	12,251
Other Equipment		14,932	14,932	<b>14,932</b>	
<b>Total Equipment</b>	<b>40,329</b>	<b>39,881</b>	<b>39,881</b>	<b>52,132</b>	<b>12,251</b>
<b>Grand Total</b>	<b>\$1,557,486</b>	<b>\$1,556,884</b>	<b>\$1,556,884</b>	<b>\$1,672,875</b>	<b>\$115,991</b>

