

**TABLE 1**  
**SUMMARY OF RESOURCES**  
**BY OBJECT OF EXPENDITURE**

OBJECT OF EXPENDITURE	FY 2006 ACTUAL	FY 2007 BUDGET	FY 2007 CURRENT	FY 2008 BUDGET	FY 2008 CHANGE
<b>POSITIONS</b>					
Administrative	678,000	721,000	724,000	747,000	23,000
Professional	11,547,030	11,790,440	11,802,140	11,831,140	29,000
Supporting Services	7,952,954	8,203,964	8,213,339	8,296,687	83,348
<b>TOTAL POSITIONS</b>	<b>20,177,984</b>	<b>20,715,404</b>	<b>20,739,479</b>	<b>20,874,827</b>	<b>135,348</b>
<b>01 SALARIES &amp; WAGES</b>					
Administrative	\$71,670,090	\$79,603,443	\$79,649,119	\$88,778,472	\$9,129,353
Professional	752,143,262	804,331,455	804,224,465	858,887,318	54,662,853
Supporting Services	271,600,957	299,904,861	300,121,255	323,235,771	23,114,516
<b>TOTAL POSITION DOLLARS</b>	<b>1,095,414,309</b>	<b>1,183,839,759</b>	<b>1,183,994,839</b>	<b>1,270,901,561</b>	<b>86,906,722</b>
<b>OTHER SALARIES</b>					
Administrative	675,609	267,000	267,000	267,000	
Professional	54,462,409	59,056,226	58,916,776	59,935,701	1,018,925
Supporting Services	22,966,922	19,968,025	19,962,960	21,691,482	1,728,522
<b>TOTAL OTHER SALARIES</b>	<b>78,104,940</b>	<b>79,291,251</b>	<b>79,146,736</b>	<b>81,894,183</b>	<b>2,747,447</b>
<b>TOTAL SALARIES AND WAGES</b>	<b>1,173,519,249</b>	<b>1,263,131,010</b>	<b>1,263,141,575</b>	<b>1,352,795,744</b>	<b>89,654,169</b>
<b>02 CONTRACTUAL SERVICES</b>	<b>34,531,889</b>	<b>24,008,090</b>	<b>24,118,450</b>	<b>26,509,529</b>	<b>2,391,079</b>
<b>03 SUPPLIES &amp; MATERIALS</b>	<b>69,207,210</b>	<b>72,956,854</b>	<b>73,305,992</b>	<b>75,247,500</b>	<b>1,941,508</b>
<b>04 OTHER</b>					
Staff Dev & Travel	2,776,313	3,019,217	3,034,493	3,121,480	86,987
Insur & Fixed Charges	337,346,979	375,355,363	375,147,656	393,699,182	18,551,526
Utilities	35,299,105	41,394,719	41,071,925	44,873,366	3,801,441
Grants & Other	52,165,884	55,387,872	55,815,844	72,264,763	16,448,919
<b>TOTAL OTHER</b>	<b>427,588,281</b>	<b>475,157,171</b>	<b>475,069,918</b>	<b>513,958,791</b>	<b>38,888,873</b>
<b>05 EQUIPMENT</b>	<b>16,804,081</b>	<b>16,243,162</b>	<b>16,260,352</b>	<b>16,506,055</b>	<b>245,703</b>
<b>GRAND TOTAL AMOUNTS</b>	<b>\$1,721,650,710</b>	<b>\$1,851,496,287</b>	<b>\$1,851,896,287</b>	<b>\$1,985,017,619</b>	<b>\$133,121,332</b>



**TABLE 2  
BUDGET REVENUES BY SOURCE**

SOURCE	FY 2006 ACTUAL	FY 2007 BUDGET	FY 2007 CURRENT	FY 2008 ESTIMATED
<b>CURRENT FUND</b>				
<b>From the County:</b>	\$ 1,283,070,185	\$ 1,380,770,860	\$ 1,381,570,860	\$ 1,449,614,120
Fund Balance	13,254,927	3,954,927	3,954,927	7,298,453
Total from the County	1,296,325,112	1,384,725,787	1,385,525,787	1,456,912,573
<b>From the State:</b>				
Bridge to Excellence				
Foundation Grant	172,961,030	179,886,089	179,886,089	193,505,366
Extended Elementary Education	1,107,691	1,107,691	1,107,691	
Limited English Proficient	22,671,734	28,356,068	28,356,068	38,023,510
Compensatory Education - Unrestricted	45,921,302	58,125,421	58,125,421	82,533,545
Students with Disabilities - Formula	20,606,286	27,096,924	27,096,924	34,079,557
Students with Disabilities - Reimbursement	10,957,948	11,254,939	11,254,939	10,261,657
Transportation	25,920,075	28,298,236	28,298,236	30,678,135
Miscellaneous	586,741	250,000	250,000	250,000
Geographic Cost of Education Index				
Programs financed through State Grants	1,023,000	1,023,000	1,023,000	1,023,000
Total from the State	301,755,807	335,398,368	335,398,368	390,354,770
<b>From the Federal Government:</b>				
Impact Aid	490,328	230,000	230,000	230,000
Programs financed through Federal Grants	63,008,805	64,784,851	64,784,851	68,296,744
Total from the Federal Government	63,499,133	65,014,851	65,014,851	68,526,744
<b>From Other Sources:</b>				
Tuition and Fees				
D.C. Welfare	210,071	130,000	130,000	200,000
Nonresident Pupils	829,555	800,000	800,000	1,000,000
Summer School	2,027,980	2,013,085	2,013,085	1,951,360
Evening High School	270,882	271,724	271,724	271,724
Outdoor Education	509,674	585,656	585,656	585,656
Student Activities Fee	562,497	550,000	550,000	955,000
Hospital Teaching	225,798	227,864	227,864	227,864
Miscellaneous	1,088,980	495,480	495,480	495,000
Programs financed through Private Grants	15,622,922	9,231,709	9,231,709	9,231,709
Total from Other Sources	21,348,359	14,305,518	14,305,518	14,918,313
Total Current Fund	1,682,928,411	1,799,444,524	1,800,244,524	1,930,712,400
<b>ENTERPRISE &amp; SPECIAL FUNDS</b>				
<b>School Food Service Fund:</b>				
State	801,840	984,433	984,433	870,917
National School Lunch, Special Milk and Free Lunch Programs	13,737,797	14,573,792	14,573,792	14,583,505
Child Care Food Program	736,876	775,000	775,000	775,000
Sale of Meals and other	22,029,868	28,040,018	28,040,018	30,487,732
Total School Food Service Fund	37,306,381	44,373,243	44,373,243	46,717,154

**TABLE 2  
BUDGET REVENUES BY SOURCE**

SOURCE	FY 2006 ACTUAL	FY 2007 BUDGET	FY 2007 CURRENT	FY 2008 ESTIMATED
<b>Adult Education Fund:</b>				
State				
Federal				
Tuition and fees	1,614,777			
Total Adult Education Fund	1,614,777			
<b>Real Estate Management Fund:</b>				
Rental fees	2,212,736	2,792,452	2,792,452	2,317,953
Total Real Estate Management Fund	2,212,736	2,792,452	2,792,452	2,317,953
<b>Field Trip Fund:</b>				
Fees	1,491,097	1,979,516	1,979,516	2,079,338
Total Field Trip Fund	1,491,097	1,979,516	1,979,516	2,079,338
<b>Entrepreneurial Activities Fund:</b>				
Fees	1,461,574	1,523,552	1,523,552	1,669,774
Total Entrepreneurial Activities Fund	1,461,574	1,523,552	1,523,552	1,669,774
Total Enterprise Funds	44,086,565	50,668,763	50,668,763	52,784,219
<b>Instructional Television Special Revenue Fund:</b>				
Cable Television Plan	1,238,000	1,383,000	1,383,000	1,521,000
Total Instructional Special Revenue Fund	1,238,000	1,383,000	1,383,000	1,521,000
<b>GRAND TOTAL</b>	<b>\$ 1,728,252,976</b>	<b>\$ 1,851,496,287</b>	<b>\$ 1,851,896,287</b>	<b>\$ 1,985,017,619</b>

<b>Tax - Supported Budget</b>	<b>FY 2006 ACTUAL</b>	<b>FY 2007 BUDGET</b>	<b>FY 2007 CURRENT</b>	<b>FY 2008 ESTIMATED</b>
Grand Total	\$ 1,728,252,976	\$ 1,851,496,287	\$ 1,851,896,287	\$ 1,985,017,619
<b>Less:</b>				
Grants	(79,654,727)	(75,039,560)	(75,039,560)	(78,551,453)
Enterprise Funds	(44,086,565)	(50,668,763)	(50,668,763)	(52,784,219)
Special Revenue Fund	(1,238,000)	(1,383,000)	(1,383,000)	(1,521,000)
<b>Grand Total - Tax-Supported Budget</b>	<b>\$ 1,603,273,684</b>	<b>\$ 1,724,404,964</b>	<b>\$ 1,724,804,964</b>	<b>\$ 1,852,160,947</b>

Notes:

The Adult Education Fund was created effective July 1, 1991, but is discontinued effective July 1, 2006, because the program was transferred to Montgomery College and the Montgomery County Department of Recreation. The Real Estate Management Fund was created effective July 1, 1992. The Field Trip Fund was created effective July 1, 1993. The Entrepreneurial Activities Fund was created effective July 1, 1998. The Instructional Television Special Revenue Fund was created effective July 1, 2000.

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

Program Name and Source of Funding	FY 2006 ACTUAL	FY 2007 BUDGET	FY 2007 CURRENT	FY 2008 ESTIMATED
<b><u>Budgeted</u></b>				
<b>FEDERAL AID: NO CHILD LEFT BEHIND (NCLB)</b>				
<b>Title I - A (941/949)</b>	\$ 18,558,195	\$ 20,063,856	\$ 20,063,856	\$ 22,611,349
<b>Title I - D</b>				
Neglected and Delinquent Youth (937)	91,928	78,072	78,072	67,715
	18,650,123	20,141,928	20,141,928	22,679,064
<b>Title II - A</b>				
Skillful Teacher Program (915)				604,923
Consulting Teachers (961)	709,855	4,866,523	4,866,523	4,052,148
Reduced Class Size (998)	3,149,204			
<b>Title II - D</b>				
Enhancing Education through Technology (918)	306,742	208,361	208,361	204,491
	4,165,801	5,074,884	5,074,884	4,861,562
<b>Title III</b>				
Limited English Proficiency (927)	2,728,592	2,918,612	2,918,612	3,538,614
<b>Title IV</b>				
Safe & Drug Free Schools & Communities Act (926)	426,593	426,337	426,337	426,337
<b>Title V</b>				
Innovative Educational Programs (997)	314,690	171,771	171,771	171,678
<b>Title VII</b>				
American Indian Education (903)	21,878	21,029	21,029	21,066
<b>SUBTOTAL</b>	26,307,677	28,754,561	28,754,561	31,698,321
<b>OTHER FEDERAL, STATE, AND LOCAL AID</b>				
Aging Schools (972)				
State	1,023,000	1,023,000	1,023,000	1,023,000
Head Start Child Development (932)				
Federal	3,252,966	3,253,097	3,253,097	3,221,126
Individuals with Disabilities Education (913/964/965/966/967)				
Federal	26,620,749	26,662,138	26,662,138	27,218,681
Infants and Toddlers (930)				
Federal	729,418	729,417	729,417	749,416
Medical Assistance Program (939)				
Federal	4,797,847	4,159,600	4,159,600	4,149,600
Provision for Future Supported Projects (999)				
Other	15,622,922	9,231,709	9,231,709	9,231,709
Vocational Education (951)				
Federal	1,300,148	1,226,038	1,226,038	1,259,600
County	418,229	418,229	418,229	418,229
	1,718,377	1,644,267	1,644,267	1,677,829
<b>SUBTOTAL</b>	53,765,279	46,703,228	46,703,228	47,271,361
<b>TOTAL</b>	<b>80,072,956</b>	<b>75,457,789</b>	<b>75,457,789</b>	<b>78,969,682</b>

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

Program Name and Source of Funding	FY 2006 ACTUAL	FY 2007 BUDGET	FY 2007 CURRENT	FY 2008 ESTIMATED
<b><u>Summary of Funding Sources</u></b>				
Federal	63,008,805	64,784,851	64,784,851	68,296,744
State	1,023,000	1,023,000	1,023,000	1,023,000
County	418,229	418,229	418,229	418,229
Other	15,622,922	9,231,709	9,231,709	9,231,709
<b>GRAND TOTAL</b>	<b>\$ 80,072,956</b>	<b>\$ 75,457,789</b>	<b>\$ 75,457,789</b>	<b>\$ 78,969,682</b>

<b>FOR INFORMATION ONLY</b>		
<b><u>Non-budgeted Grant Programs as of November 2006 (Continuation of programs dependent upon grantor funding)</u></b>		
21st Century Community Learning Centers (907)		318,750
Career and Technology Education - Pathways		67,975
Carol M. White Physical Education Program (928)		345,835
Educating Homeless Children and Youth (925)		125,000
Even Start Gaithersburg (947)		195,980
Even Start Montgomery Knolls (947)		184,000
Great Expectations (907)		39,823
IDEA - Disproportionality PBIS (963)		30,000
IDEA - School-age Least Restrictive Environment (LRE) (963)		40,000
IDEA - Alt/MSA (963)		15,000
International Research (907)		153,000
Least Restrictive Environment Training (963)		98,233
Reading First (945)		33,920
Transition, Dropout, Graduation Gap (963)		40,000
<b>Total Federal Funding</b>		<b>1,687,516</b>
Increasing Proficiency for All Students (I-PAS)/Challenge Init.		669,717
Judith Hoyer Childcare & Education-Silver Spring Center (950)		202,988
Judith Hoyer Childcare & Education-Gaithersburg Center (950)		322,000
MC/MCPS Alt Teacher Certification Program (904)		22,000
MEA - Energy Management Team (902)		2,000
Project NEXUS (907)		9,084
Technology Preparation (984)		179,707
<b>Total State Funding</b>		<b>1,407,496</b>
Bridge Lawn Care (920)		15,000
Emotional Disabilities Cluster Model (931)		185,000
Model Learning Center (920)		330,778
<b>Total County Funding</b>		<b>530,778</b>
<b>NON-BUDGETED GRANT PROGRAMS TOTAL</b>		<b>\$ 3,625,790</b>

**TABLE 4  
SUMMARY OF STUDENT ENROLLMENT - FY 2005 THROUGH FY 2008**

DESCRIPTION	(1)	(2)	(3)	(4)	(5)	CHANGE	
	FY 2005 ACTUAL 9/30/2004	FY 2006 ACTUAL 9/30/2005	FY 2007 ACTUAL 9/30/2006	FY 2007 PROJECTED 9/30/2006	FY 2008 PROJECTED 9/30/2006	COLUMN (5) LESS COLUMN (4)	
						#	%
<b>REGULAR INSTRUCTION</b>							
PRE-KINDERGARTEN	1,842	1,818	1,828	1,925	1,925		
HEAD START	584	584	584	584	584		
KINDERGARTEN	8,875	9,101	8,951	9,400	9,400		
GRADES 1-6 (a)	48,745	48,165	47,122	47,681	46,572	(1,109)	(2.3)
<b>SUBTOTAL ELEMENTARY</b>	60,046	59,668	58,485	59,590	58,481	(1,109)	(1.9)
GRADES 6-8	29,232	28,927	28,556	28,823	28,220	(603)	(2.1)
<b>SUBTOTAL MIDDLE</b>	29,232	28,927	28,556	28,823	28,220	(603)	(2.1)
GRADES 9-12	41,323	41,849	41,470	41,780	40,646	(1,134)	(2.7)
<b>SUBTOTAL HIGH</b>	41,323	41,849	41,470	41,780	40,646	(1,134)	(2.7)
<b>SUBTOTAL REGULAR</b>	130,601	130,444	128,511	130,193	127,347	(2,846)	(2.2)
<b>SPECIAL EDUCATION</b>							
SPECIAL CLASSES:							
ELEMENTARY SCHOOLS	2,647	2,681	2,742	2,893	2,739	(154)	(5.7)
MIDDLE SCHOOLS	2,428	2,452	2,493	2,401	2,037	(364)	(14.8)
HIGH SCHOOLS	2,720	2,856	3,069	3,124	3,586	462	16.2
SPECIAL SCHOOLS	725	656	584	749	733	(16)	(2.4)
<b>SUBTOTAL SPECIAL EDUCATION</b>	8,520	8,645	8,888	9,167	9,095	(72)	(0.8)
<b>ALTERNATIVE PROGRAMS</b>	216	175	203	300	300		
<b>GATEWAY TO COLLEGE (b)</b>		123	196	276	265	(11)	(8.9)
<b>GRAND TOTAL</b>	139,337	139,387	137,798	139,936	137,007	(2,929)	(2.1)

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

(a) 6th grade enrollment at elementary schools of Chevy Chase ES and North Chevy Chase ES is included.

(b) Gateway to College program begins with school year 2005 - 06.





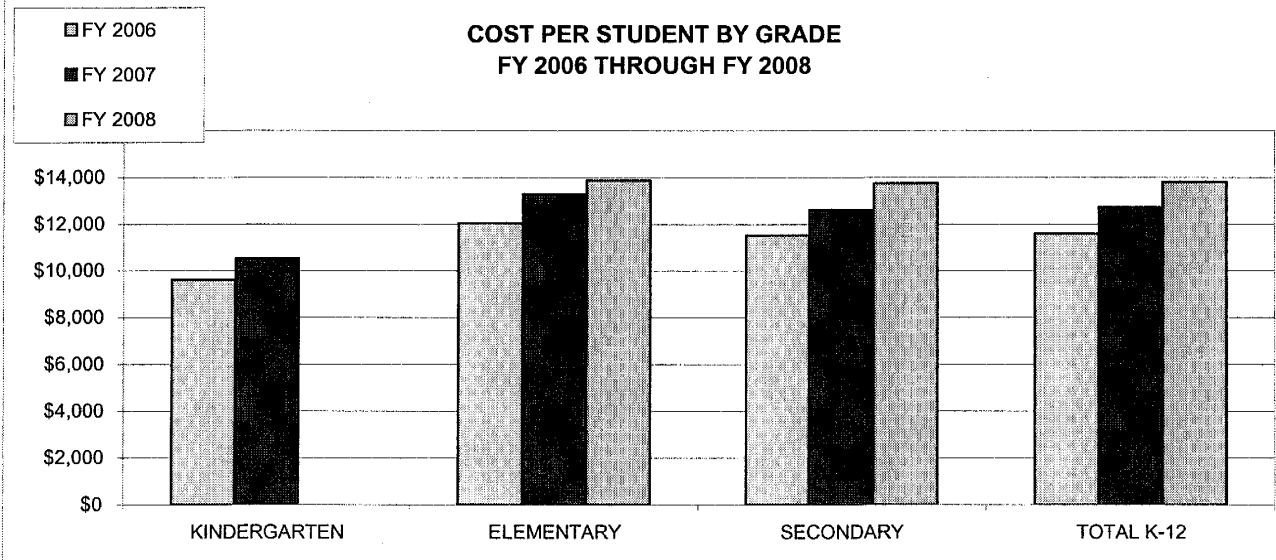
**TABLE 5  
ALLOCATION OF STAFFING**

<b>POSITION</b>	<b>APPROVED BUDGET FY 2007</b>	<b>CURRENT BUDGET FY 2007</b>	<b>BUDGET FY 2008</b>	<b>FY 2007 - 2008 CHANGE</b>
Executive	17.000	17.000	18.000	1.000
Administrative	92.500	93.500	95.500	2.000
Other Professional	392.450	404.700	412.700	8.000
Principal/Assistant Principal	478.000	478.000	494.000	16.000
Classroom Teachers	10,255.900	10,256.900	10,261.400	4.500
Special Ed Specialists	465.200	465.200	462.200	(3.000)
Media Specialists	205.500	205.500	203.500	(2.000)
Counselors	446.100	446.500	468.000	21.500
Psychologists	100.840	100.840	102.840	2.000
Social Workers	12.450	12.500	14.500	2.000
Pupil Personnel Workers	47.000	47.000	47.000	
Aides/assistants	2,499.342	2,501.842	2,531.870	30.028
Technical	331.450	338.950	348.950	10.000
Clerical/Office Support	1,090.862	1,087.237	1,079.937	(7.300)
Security	201.500	200.500	228.500	28.000
Cafeteria	539.780	538.780	539.660	0.880
Plant Operations	1,297.700	1,275.700	1,290.200	14.500
Maintenance	320.000	348.000	354.000	6.000
Supply	77.000	77.000	77.000	
Transportation	1,742.330	1,742.330	1,742.570	0.240
Business Personnel	101.500	101.500	99.500	(2.000)
Technology/Data Processing	1.000			
Research Personnel			3.000	3.000
<b>Total</b>	<b>20,715.404</b>	<b>20,739.479</b>	<b>20,874.827</b>	<b>135.348</b>



## COST PER STUDENT BY GRADE SPAN

	KINDER- GARTEN	ELEMEN- TARY	SECONDARY	TOTAL K-12	AMOUNT EXCLUDED*	TOTAL BUDGET**
<b>FY 2006 Actual</b>						
EXPENDITURES	\$87,587,026	\$610,442,605	\$888,410,257	\$1,586,439,888	\$128,221,266	\$1,714,661,154
STUDENTS 9/30/05 (ACTUAL)	9,101	50,692	77,069	136,862		
COST PER STUDENT	\$9,624	\$12,042	\$11,527	\$11,592		
<b>FY 2007 BUDGET</b>						
EXPENDITURES	\$94,128,334	\$662,815,464	\$962,888,982	\$1,719,832,780	\$132,063,507	\$1,851,896,287
STUDENTS 9/30/06 (ACTUAL)	8,951	49,864	76,375	135,190		
COST PER STUDENT	\$10,516	\$13,292	\$12,607	\$12,722		
<b>FY 2008 BUDGET</b>						
EXPENDITURES		\$815,086,558	\$1,038,381,986	\$1,853,468,544	\$131,549,075	\$1,985,017,619
STUDENTS 9/30/07 (PROJECTED)		58,711	75,522	134,233		
COST PER STUDENT		\$13,883	\$13,749	\$13,808		



**Notes:**

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

\*\* FY 2007 FIGURES REFLECT CURRENT APPROVED BUDGET.



## SUMMARY OF NEGOTIATIONS

In March 2004, the Board of Education reached a three-year contract with the Montgomery County Education Association (MCEA) that expires on June 30, 2007. All aspects of the contract are open to negotiation at this time. Negotiations are currently under way on a successor agreement.

In March 2005, MCPS completed negotiations with SEIU Local 500, representing supporting services employees, on a two-year contract that was effective July 1, 2005, and expires on June 30, 2007. All aspects of that Agreement are open to negotiation at this time. Negotiations are currently under way on a successor agreement.

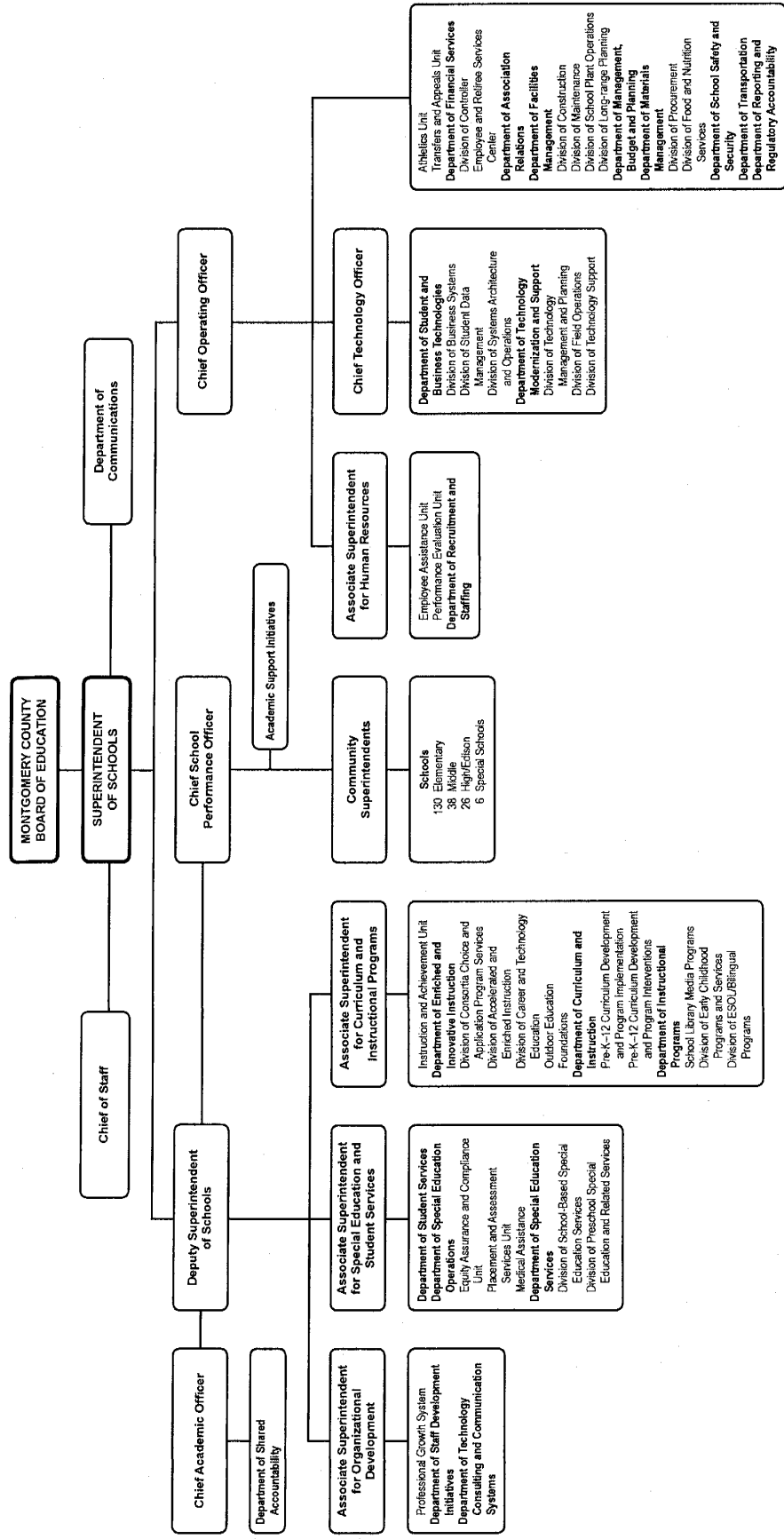
In June 2006, MCPS completed negotiations with the Montgomery County Association of Administrative and Supervisory Personnel (MCAASP) on a three-year contract that took effect July 1, 2006, and runs through June 30, 2009. The agreement provides for reopened negotiations for salary and benefits for the second and third years of the agreement. Several specific items and one additional Article at the option of each party are also open for negotiations each year.

During the fall of 2006, the three bargaining groups agreed to participate in joint negotiations regarding salaries and benefits. At the time of publication of the Superintendent's Recommended FY 2008 Operating Budget, tentative agreement had been reached with the three groups on negotiated salary increases of 4.8 percent for FY 2008, 5 percent for FY 2009, and 5.3 percent for FY 2010. Board of Education approval and ratification will follow the completion of separate negotiations with each of the three unions on other aspects of their negotiated agreements. Funds to fulfill the terms of the tentative agreement on negotiated salary increases are included in the superintendent's recommended budget for FY 2008.

During FY 2007, the Board of Education approved the formation of a fourth bargaining unit. The unit is composed of noncertificated supervisory employees who were previously excluded from any bargaining unit. This unit has chosen MCAASP to be the exclusive representative of the unit. Negotiations on their initial contract will occur during FY 2008. There will be no budgetary impact – the negotiations will be limited by the budgeted funds for FY 2008.



# MONTGOMERY COUNTY PUBLIC SCHOOLS FY 2008 ORGANIZATION







Office of the Superintendent of Schools  
MONTGOMERY COUNTY PUBLIC SCHOOLS  
Rockville, Maryland

June 12, 2007

MEMORANDUM

To: Members of the Board of Education

From: Jerry D. Weast, Superintendent of Schools

Subject: Final Adoption of the FY 2008 Operating Budget

**Executive Summary**

On May 24, 2007, the County Council approved the Montgomery County Public Schools (MCPS) Operating Budget appropriation for FY 2008. The Council approved a total for MCPS of \$1,985,017,619. This is an increase of \$133,121,332 (7.2 percent) over the current FY 2007 Operating Budget of \$1,851,896,287. The total tax-supported budget (excluding grants and enterprise funds) for FY 2008 is \$1,852,160,947, an increase of \$127,355,983 (7.4 percent) over the current FY 2007 Operating Budget of \$1,724,804,964. Attached is the resolution that summarizes the Council's actions. As required by state law, the County Council approved the appropriation by state categories.

Attachments A through D outline the final County Council budget actions. Attachment E includes further detail regarding the Council action. Attachment F is Schedule A that details the changes to the FY 2008 Operating Budget within the categories. Attachment G is Schedule B that shows realignments between categories.

**Background**

On February 13, 2007, the Board of Education adopted its FY 2008 Operating Budget totaling \$1,988,401,081. On May 21, 2007, the Board of Education amended its budget request by adding a total of \$2,909,601, reflecting changes in federal Title I grant revenue estimates. The amended budget request totaled \$1,991,310,682. The County Council reduced the Board of Education's requested budget by \$6,293,063 (0.3 percent), to \$1,985,017,619. Attachment B shows the new or expanded program initiatives approved by the Council. Attachment C summarizes the final actions of the Council by state category. Attachment D shows the changes in the operating budget from FY 2007 to FY 2008. Attachment E shows by state category the changes made by the County Council.

On March 13, 2007, the county executive recommended to the County Council a total of \$1,968,751,400 for MCPS, including grants and enterprise funds. For purposes of spending

affordability, the county executive recommended \$1,839,677,747. This recommendation was \$19.6 million less than the Board of Education's request of \$1,859,377,747. The county executive's recommendation of \$1,444,429,373 in local funding was an increase of \$58,903,586 (4.3 percent) over the current FY 2007 local funding of \$1,385,525,787. The county-funded portion of the county executive's recommendation was \$70.7 million greater than the minimum amount required to comply with the state of Maryland's maintenance of effort requirements. As approved by the County Council, the FY 2008 Operating Budget includes a local contribution of \$1,456,912,573, including FY 2007 ending fund balance of \$7,298,453. The local contribution is an increase of \$71,386,786 (5.2 percent).

On April 17, 2007, the County Council adopted spending affordability guidelines (SAG) for the FY 2008 Operating Budget. The SAG guidelines allocated \$1,838,300,000 (excluding grants and enterprise funds) to MCPS. This total was \$21.1 million below the total of \$1,859,377,747 requested by the Board of Education on February 13, 2007.

To address the \$21.1 million gap between the Board of Education's request and the SAG allocation, the County Council reduced a total of \$6,133,930 (excluding grants and enterprise funds), including \$5,167,130 of unspecified reductions. These Council changes are described in detail in Attachment A. The net total reductions also include \$95,000 in prekindergarten programs to enhance community-based prekindergarten programs and \$911,800 in lower risk management costs. There also is an increase of \$40,000 for transportation of students in foster care to their original home schools. To make the unspecified reductions as directed by the County Council in the required state categories of expenditure, I am recommending the following reductions in the Board of Education's request:

- Employee Benefit Plan, based on lower health care cost projections—\$2,250,000
- Salary lapse and turnover savings—\$2,100,000
- Organizational development, including reductions in a variety of organizational development projects without impacting system priorities—\$817,130
- Total—\$5,167,130

The County Council assumed additional FY 2008 resources of \$8,015,000 from additional state aid for the capital budget made available to the operating budget as part of budget reconciliation. The County Council also projected that MCPS would identify revenue and expenditure savings of \$6,900,000 in FY 2007 that permit the use of ending FY 2007 fund balance as a resource for the FY 2008 Operating Budget. The additional resources identified by the County Council avoided the possibility of additional FY 2008 expenditure reductions to address the SAG allocation.

The County Council approved a total of \$12.1 million in new and expanded initiatives. These initiatives include \$2.5 million for middle school reform initiatives; \$1.8 million to improve special education services, including an additional 11 middle schools with hours-based staffing; \$1.6 million to add a total of 17 new assistant principals in elementary schools; and \$1.6 million to add 20.5 middle school and high school counselors. The detail of approved initiatives, organized by strategic plan goal, is included in Attachment B.

The County Council is authorized by the State Education Article (Section 5-101) to approve the MCPS operating budget by category of expenditure as defined in the law. The Board of Education may reallocate the resources within each of the categories, but the Board cannot transfer any allocation between categories without approval by the County Council. Attachment C provides a table of the approved budget by state category and shows the Council's reductions from the Board's request. Attachment D shows the changes in the operating budget from FY 2007 to FY 2008. Attachment E provides by state category the detail of reductions and additions made by the County Council.

### **Federal Aid**

After submission of the Board of Education's FY 2008 Operating Budget Request, MCPS received updated estimates of federal aid for FY 2008 from the Maryland State Department of Education (MSDE) totaling a net increase of \$3,783,019.

MSDE anticipates increases compared with previously budgeted estimates of \$2,909,601 in Title I; \$476,337 in Title III, Limited English Proficiency; and \$606,533 in the Individuals with Disabilities Education Act (IDEA). There is a decrease of \$209,452 in Title II-A, Improving Teacher Quality. MSDE notified local districts that these estimates of federal aid are preliminary. Final estimates expected in June may require future requests for FY 2008 supplemental appropriations. All additional federal funding will be expended in the identified grant programs.

The County Council approved the budget amendments requested by the Board of Education on May 21, 2007, related to the federal Title I grant. The County Council actions assume reductions in Title II-A. Council actions also assume a shift of expenditures from local contribution to grant revenue for Title III and IDEA. This avoids any reductions of the Board's request in those programs or any need to make additional reductions in locally funded activities. The details of changes in budgeted expenditures for federal grants are described in Schedule A (Attachment F).

### **Summary of Recommendations**

Attachment F is Schedule A that details the changes to the FY 2008 Operating Budget within the categories. Attachment G is Schedule B that shows realignments between categories. The County Council's reduction or addition is shown in the left-hand column. Any changes made by the Board of Education will be reflected in the final Schedule A that will be distributed to principals, directors, and other program managers after the Board takes final action.

Let me conclude by praising the Board of Education, the county executive, and the County Council and their staffs for their cooperation and the collaborative approach during a difficult budget year that marked the review of the FY 2008 Operating Budget. The development of the budget benefited from unprecedented public involvement. Hundreds of parents, employees, and representatives of community organizations participated in the community meetings held in September and October 2006. More than one thousand additional comments were received in writing or online from parents and other interested citizens for presentation to the Board of Education. Stakeholders provided valuable input that helped to shape the budget. The three employee organizations participated fully in the development of the operating budget and their

valuable contributions will benefit the school system as a whole. The County Council conducted a thorough review of the details of the Board of Education's request.

The strengthened alignment of the operating budget with the MCPS strategic plan improved the quality of the operating budget. This is a multiyear budget that represents the sustained long-term commitment to improve student achievement that has marked the last seven years. I am confident that our community will maintain and strengthen its commitment to continue steady progress toward achieving the Board of Education's academic priorities. Our parents, students, and community will hold MCPS accountable for making the best possible use of the resources provided to achieve the goals of the MCPS strategic plan.

### **Recommended Resolution**

WHEREAS, The Board of Education adopted the FY 2008 Operating Budget of \$1,988,401,081 on February 13, 2007; and

WHEREAS, The county executive recommended \$1,968,751,400 for MCPS, \$19.6 million less than the Board of Education's Budget Request on March 13, 2007; and

WHEREAS, The Board of Education amended its budget request on May 21, 2007, by adding \$2,909,601, for a total of \$1,991,310,682, to include additional federal Title I revenue for FY 2008; and

WHEREAS, The County Council approved a total of \$1,985,017,619 (including grants and enterprise funds), a decrease of \$6,293,063 from the Board of Education's request on May 21, 2007; and

WHEREAS, The County Council appropriated a total of \$1,852,160,947 (excluding grants and enterprise funds); and

WHEREAS, The County Council directed the Board of Education to provide to the County Council a monthly report of personnel and financial information; and

WHEREAS, The County Council made reductions to the Board of Education's FY 2008 Operating Budget Request of May 21, 2007, of \$6,293,063, from the various budget categories, as shown on the following schedule, consisting of a reduction of \$6,133,930, excluding grants and enterprise funds; a reduction of \$209,452 in grants; and an addition of \$50,319 in special revenue funds, in appropriating \$1,985,017,619 for the Board of Education's FY 2008 Operating Budget:

<b>I. Current Fund</b> Category	BOE Amended Request May 21, 2007	Council (Reduction)/ Addition	Council Approved Budget
1 Administration	43,309,733	30,176	43,339,909
2 Mid-level Administration	131,058,299	(597,352)	130,460,947
3 Instructional Salaries	811,380,700	(1,489,338)	809,891,362
4 Textbooks and Instructional Supplies	35,522,667	(15,220)	35,507,447
5 Other Instructional Costs	20,065,019	(347,000)	19,718,019
6 Special Education	243,725,009	151,275	243,876,284
7 Student Personnel Services	11,182,153		11,182,153
8 Health Services	46,138		46,138
9 Student Transportation	84,701,248	38,622	84,739,870
10 Operation of Plant and Equipment	112,682,521	(350,000)	112,332,521
11 Maintenance of Plant	33,040,430		33,040,430
12 Fixed Charges	410,133,370	(3,764,545)	406,368,825
14 Community Services	208,495		208,495
Subtotal, including specific grants	1,937,055,782	(6,343,382)	1,930,712,400
Less specific grants	78,551,453		78,551,453
Subtotal, spending affordability	1,858,504,329	(6,343,382)	<b>1,852,160,947</b>
<b>II. Enterprise Funds</b>			
37 Instructional Television	1,470,681	50,319	1,521,000
51 Real Estate Management	2,317,953		2,317,953
61 Food Services	46,717,154		46,717,154
71 Field Trip	2,079,338		2,079,338
81 Entrepreneurial Activities	1,669,774		1,669,774
Subtotal, Enterprise Funds	54,254,900	50,319	54,305,219
Total Budget for MCPS	<u>1,991,310,682</u>	<u>(6,293,063)</u>	<u><b>1,985,017,619</b></u>

now therefore be it

Resolved, That based on an appropriation of \$1,985,017,619, that includes an appropriation of \$54,305,219 for enterprise and special revenue funds and \$78,551,453 for restricted grants, approved by the County Council on May 24, 2007, the Board of Education adopt its FY 2008 Operating Budget reflecting the changes shown in Schedule A and Schedule B; and be it further

Resolved, That the Board of Education affirm its support for the negotiated agreements with its employee organizations and for the increases in salary costs that they contain; and be it further

Resolved, That the Board of Education direct the superintendent of schools to comply with requests for information made by the County Council as part of the FY 2008 appropriation resolution for Montgomery County Public Schools; and be it further

Resolved, That a copy of this action be transmitted to the county executive and County Council.

JDW:LAB:MCS:jp

Attachments

Attachment A

COUNTY COUNCIL FINAL ACTION

The following summarizes the County Council's final action by state budget category.

Category 1 – Administration \$30,176

The County Council increased a net total of \$30,176, including a decrease of \$200,000 in unspecified reductions. Realignments total an increase of \$230,176, transferring 2.0 positions from the Office of School Performance to the Office of the Deputy Superintendent of Schools including a 1.0 chief academic officer and a 1.0 administrative services manager.

Category 2 – Mid-level Administration \$(597,352)

The County Council reduced a total of \$597,352, including \$150,000 in unspecified reductions. Realignments total a decrease of \$447,352, including 4.0 positions. These positions include a 1.0 assistant chief school performance officer, a 1.0 administrative services manager, a 1.0 supervisor, and a 1.0 instructional specialist.

Category 3 – Instructional Salaries \$(1,489,338)

The County Council reduced a net total of \$1,489,338, including a decrease of \$1,417,130 in unspecified reductions. Other reductions include 2.0 consulting teachers and \$182,489 related to a decrease in federal aid under Title II-A, Improving Teacher Quality, and \$95,000 in prekindergarten programs. Realignments total a net increase of \$205,281, including a 1.0 paraeducator coordinator and \$65,901 realigned from the Office of Special Education and Student Services to the Office of Organizational Development, \$149,000 for stipends for junior varsity lacrosse, and \$15,220 for instructional television salary support, offset by a reduction of \$24,840 in the Office of Organizational Development for mentoring activities.

Category 4 – Textbooks and Instructional Supplies \$(15,220)

The County Council reduced a total of \$15,220. Realignments total a decrease of \$15,220 for instructional television supplies.

Category 5 – Other Instructional Costs \$(347,000)

The County Council reduced a total of \$347,000, including \$225,000 in unspecified reductions. Realignments total a net decrease of \$122,000, including a decrease of \$149,000 for junior varsity lacrosse expenditures offset by an increase of \$27,000 for supporting services mentoring contractual services.

Category 6 – Special Education

\$151,275

The County Council increased a total of \$151,275. Realignments total a net increase of \$151,275, including an increase of a 1.0 instructional specialist, a 1.0 supervisor, and \$217,176 realigned from the Office of Curriculum and Instructional Programs to the Office of Special Education and Student Services, offset by a reduction of a 1.0 paraeducator coordinator and \$65,901 realigned from the Office of Special Education and Student Services to the Office of Organizational Development.

Category 9 – Student Transportation

\$38,622

The County Council increased a total of \$38,622 for foster care student transportation.

Category 10 – Operation of Plant and Equipment

\$(350,000)

The County Council reduced a total of \$350,000 in unspecified reductions.

Category 12 - Fixed Charges

\$(3,764,545)

The County Council reduced a net total of \$3,764,545, including \$2,825,000 in unspecified reductions. Other reductions include \$911,800 for risk management and \$26,963 related to changes in federal grant funded positions and other salaries. These decreases are offset by an increase of \$1,378 for employee benefits to support foster care student transportation. Realignments include a decrease of \$2,160 for employee benefits for supporting services mentoring.

Category 37- Instructional Television Fund

\$50,319

The County Council added \$50,319 to reflect the county approved cable television plan.



ATTACHMENT B

Call to Action: Pursuit of Excellence  
 FY 2008 Approved Budget Initiatives

Goal/Initiative	FTE	Amount
<b>Goal 1: Ensure Success for Every Student</b>		
Elementary Art, Music, PE Staffing	3.000 \$	174,285
Additional Elementary Assistant Principals	15.000	1,583,040
Elementary Team Leader Allocations to 7 for schools with 5 or 6		123,188
Middle School Support	21.250	2,500,000
Middle Schools Counselor Allocation	16.500	1,258,274
Hours-based Special Education Staffing	31.500	1,810,029
Support for ESOL students with Interrupted Education	1.000	154,647
High School Plus		400,000
High School Resource Teacher Allocations and Class Size	10.000	545,912
High School Counselor Allocation	4.000	305,036
High School Resource Counselors- 8.5 additional days		84,255
Expansion of Student Online Learning Program	2.000	217,154
Kennedy Cluster Project		150,000
JV Lacrosse and Extracurricular Activities		391,000
<b>Goal 2: Provide an Effective Instructional Program</b>		
Instructional Data Assistant Hours to 6 Hours	14.625	647,661
Operations Excellence - IT Systems Specialists	3.000	226,430
Poolesville High School Magnet - Phase In Grade 10	2.000	116,190
<b>Goal 3: Strengthen Productive Partnerships for Education</b>		
Systems Programmer for Translation Services	1.000	66,534
<b>Goal 4: Create a Positive Work Environment in a Self-Renewing Organization</b>		
Supporting Services Training and Development - Clerical Support	1.000	48,379
Staff Development Specialist	1.000	84,144
Certification Assistant	1.000	63,879
Coordinator of Paraeducator Program in OCIP	1.000	86,779
<b>Goal 5: Provide High Quality Business Services that are Essential to the Educational Success of Students</b>		
Financial Management Information System		500,000
Board of Education Staffing	1.000	71,097
Burnishers for All Schools		448,000
<b>TOTAL</b>	<b>129.875 \$</b>	<b>12,055,913</b>

## FY 2008 APPROVED BUDGET BY STATE CATEGORY

CATEGORY	BOARD'S REQUEST	COUNCIL APPROVED	ADDITION (REDUCTION)	CHANGE
<b>INSTRUCTION</b>				
2 Mid-level Administration	\$ 131,058,299	\$ 130,460,947	(597,352)	-0.46%
3 Instructional Salaries	811,380,700	809,891,362	(1,489,338)	-0.18%
4 Textbooks and Instructional Supplies	35,522,667	35,507,447	(15,220)	-0.04%
5 Other Instructional Costs	20,065,019	19,718,019	(347,000)	-1.73%
6 Special Education	243,725,009	243,876,284	151,275	0.06%
Subtotal for Instruction	1,241,751,694	1,239,454,059	(2,297,635)	-0.19%
<b>SCHOOL AND STUDENT SERVICES</b>				
7 Student Personnel Services	11,182,153	11,182,153		
8 Health Services	46,138	46,138		
9 Student Transportation	84,701,248	84,739,870	38,622	0.05%
10 Operation of Plant and Equipment	112,682,521	112,332,521	(350,000)	-0.31%
11 Maintenance of Plant	33,040,430	33,040,430		
Subtotal for School and Student Services	241,652,490	241,341,112	(311,378)	-0.13%
<b>OTHER</b>				
1 Administration	43,309,733	43,339,909	30,176	0.07%
12 Fixed Charges	410,133,370	406,368,825	(3,764,545)	-0.92%
14 Community Services	208,495	208,495		
Subtotal for Other	453,651,598	449,917,229	(3,734,369)	-0.82%
Total Current Fund	1,937,055,782	1,930,712,400	(6,343,382)	-0.33%
<b>ENTERPRISE FUNDS</b>				
37 Instructional Television Fund	1,470,681	1,521,000	50,319	3.42%
51 Real Estate Management Fund	2,317,953	2,317,953		
61 Food Services Fund	46,717,154	46,717,154		
71 Field Trip Fund	2,079,338	2,079,338		
81 Entrepreneurial Activities Fund	1,669,774	1,669,774		
Total Enterprise Funds	54,254,900	54,305,219	50,319	0.09%
<b>Total FY 2008 Approved Budget</b>	<b>\$ 1,991,310,682</b>	<b>\$ 1,985,017,619</b>	<b>\$ (6,293,063)</b>	<b>-0.32%</b>

**ATTACHMENT D**

**FY 2008 OPERATING BUDGET SUMMARY**

(dollars in millions)

	Total Budget	SAG Budget
FY 2007 (Current) Budget	\$1,851.9	\$1,724.8
Growth and Inflation	2.0	2.0
Continuing Salaries and Employee Benefits	52.5	51.8
Negotiated Salary Costs	69.9	67.6
Improvement Initiatives	15.0	12.1
Board's FY 2008 Budget Request	1,991.3	1,858.3
County Council's Additions / Reductions	(6.3)	(6.1)
County Council's FY 2008 Budget Appropriation	\$1,985.0	\$1,852.2

## FY 2008 COUNTY COUNCIL ADDITIONS / REDUCTIONS

## CATEGORY 1 - Administration

COUNTY COUNCIL ADDITION / REDUCTION	ADDITION (REDUCTION)	SUPERINTENDENT RECOMMENDATION
Unspecified Reductions	\$ (200,000)	
Salary Lapse and Turnover		\$ (200,000)
Realignments	230,176	230,176
<b>TOTAL BUDGET ADDITIONS / REDUCTIONS</b>	<b>\$ 30,176</b>	<b>\$ 30,176</b>

## CATEGORY 2 - Mid-level Administration

COUNTY COUNCIL ADDITION / REDUCTION	ADDITION (REDUCTION)	SUPERINTENDENT RECOMMENDATION
Unspecified Reductions	\$ (150,000)	
Salary Lapse and Turnover		\$ (150,000)
Realignments	(447,352)	(447,352)
<b>TOTAL BUDGET ADDITIONS / REDUCTIONS</b>	<b>\$ (597,352)</b>	<b>\$ (597,352)</b>

## CATEGORY 3 - Instructional Salaries

COUNTY COUNCIL ADDITION / REDUCTION	ADDITION (REDUCTION)	SUPERINTENDENT RECOMMENDATION
Unspecified Reductions	\$ (1,417,130)	
Title II - A		
Consulting Teacher Salaries	\$ (182,489)	\$ (182,489)
Staff Development		
Substitutes		(75,000)
Staff Training Salaries		(442,130)
Prekindergarten Programs	(95,000)	
Prekindergarten Teacher		(60,000)
Paraeducator		(35,000)
Salary Lapse and Turnover		(900,000)
Realignments	205,281	205,281
<b>TOTAL BUDGET ADDITIONS / REDUCTIONS</b>	<b>\$ (1,489,338)</b>	<b>\$ (1,489,338)</b>

## FY 2008 COUNTY COUNCIL ADDITIONS / REDUCTIONS

## CATEGORY 4 - Textbooks &amp; Instructional Supplies

COUNTY COUNCIL ADDITION / REDUCTION	ADDITION (REDUCTION)	SUPERINTENDENT RECOMMENDATION
Realignments	\$ (15,220)	\$ (15,220)
TOTAL BUDGET ADDITIONS / REDUCTIONS	\$ (15,220)	\$ (15,220)

## CATEGORY 5 - Other Instructional Costs

COUNTY COUNCIL ADDITION / REDUCTION	ADDITION (REDUCTION)	SUPERINTENDENT RECOMMENDATION
Unspecified Reductions	\$ (225,000)	
Staff Development		
Consultant Services		\$ (225,000)
Realignments	(122,000)	(122,000)
TOTAL BUDGET ADDITIONS / REDUCTIONS	\$ (347,000)	\$ (347,000)

## CATEGORY 6 - Special Education

COUNTY COUNCIL ADDITION / REDUCTION	ADDITION (REDUCTION)	SUPERINTENDENT RECOMMENDATION
Realignments	\$ 151,275	\$ 151,275
TOTAL BUDGET ADDITIONS / REDUCTIONS	\$ 151,275	\$ 151,275

## CATEGORY 9 - Student Transportation

COUNTY COUNCIL ADDITION / REDUCTION	ADDITION (REDUCTION)	SUPERINTENDENT RECOMMENDATION
Foster Care Transportation	\$ 38,622	
Bus Driver Salaries		\$ 17,222
Bus Fuel		21,400
TOTAL BUDGET ADDITIONS / REDUCTIONS	\$ 38,622	\$ 38,622

## FY 2008 COUNTY COUNCIL ADDITIONS / REDUCTIONS

## CATEGORY 10 - Operation of Plant &amp; Equipment

COUNTY COUNCIL ADDITION / REDUCTION	ADDITION (REDUCTION)	SUPERINTENDENT RECOMMENDATION
Unspecified Reductions	\$ (350,000)	
Salary Lapse and Turnover		\$ (350,000)
<b>TOTAL BUDGET ADDITIONS / REDUCTIONS</b>	<b>\$ (350,000)</b>	<b>\$ (350,000)</b>

## CATEGORY 12 - Fixed Charges

COUNTY COUNCIL ADDITION / REDUCTION	ADDITION (REDUCTION)	SUPERINTENDENT RECOMMENDATION
Unspecified Reductions	\$ (2,825,000)	
Salary Lapse and Turnover		\$ (575,000)
Employee Benefit Plan		(2,250,000)
Risk Management	(911,800)	(911,800)
Foster Care Transportation	1,378	1,378
Title II - A		
Employee Benefits	(26,963)	(26,963)
Realignment	(2,160)	(2,160)
<b>TOTAL BUDGET ADDITIONS / REDUCTIONS</b>	<b>\$ (3,764,545)</b>	<b>\$ (3,764,545)</b>

## CATEGORY 37 - Instructional Television Special Revenue Fund

COUNTY COUNCIL ADDITION / REDUCTION	ADDITION (REDUCTION)	SUPERINTENDENT RECOMMENDATION
Program Supplies	\$ 50,319	\$ 50,319
<b>TOTAL BUDGET ADDITIONS / REDUCTIONS</b>	<b>\$ 50,319</b>	<b>\$ 50,319</b>

## SCHEDULE A

**SCHEDULE OF COUNTY COUNCIL ADDITIONS / REDUCTIONS TO THE FY 2008 OPERATING BUDGET  
WITHIN CATEGORIES AND ADOPTED BY THE BOARD OF EDUCATION**

DESCRIPTION	Budget Chapter	Council Action		Board Action		Total	
		Pos.	Amount	Pos.	Amount	Pos.	Amount
<b>CATEGORY 1 - ADMINISTRATION</b>							
Unspecified Reductions			(200,000)		200,000		
Various ODDs	1/5						
Salary Lapse and Turnover					(200,000)		(200,000)
<b>Total Category 1</b>			(200,000)				(200,000)
<b>CATEGORY 2 - MID-LEVEL ADMINISTRATION</b>							
Unspecified Reductions			(150,000)		150,000		
Various ODDs	1						
Salary Lapse and Turnover					(150,000)		(150,000)
<b>Total Category 2</b>			(150,000)				(150,000)
<b>CATEGORY 3- INSTRUCTIONAL SALARIES</b>							
Unspecified Reductions			(1,417,130)		1,417,130		
Title II -A - ODD 961	6						
Consulting Teacher		(2.000)	(182,489)			(2.000)	(182,489)
K-12 Instruction - ODD 121,131,141	1						
Substitutes					(75,000)		(75,000)
New Teacher Induction - ODD 654	6						
Staff Training Salaries					(192,130)		(192,130)
Skillful Teacher - ODD 665	6						
Staff Training Salaries					(100,000)		(100,000)
Support Services Training - ODD 656	6						
Staff Training Salaries					(150,000)		(150,000)
Reduce Prekindergarten Pgms for Mont. Co. DHHS Prekindergarten Pilot Project			(95,000)		95,000		
Prekindergarten and Head Start Programs - ODD 297	3						
Pre-kindergarten Teacher				(0.500)	(60,000)	(0.500)	(60,000)
Paraeducator				(0.375)	(35,000)	(0.375)	(35,000)
Various ODDs	1						
Salary Lapse and Turnover					(900,000)		(900,000)
<b>Total Category 3</b>		(2.000)	(1,694,619)	(0.875)		(2.875)	(1,694,619)

## SCHEDULE A

**SCHEDULE OF COUNTY COUNCIL ADDITIONS / REDUCTIONS TO THE FY 2008 OPERATING BUDGET  
WITHIN CATEGORIES AND ADOPTED BY THE BOARD OF EDUCATION**

	Budget	Council Action		Board Action		Total	
<b>CATEGORY 5 - OTHER INSTRUCTIONAL COSTS</b>							
Unspecified Reductions			(225,000)		225,000		
Secondary Leadership - ODD 632	6						
Consultant Services					(100,000)		(100,000)
Professional Development Support - ODD 616	6						
Consultant Services					(125,000)		(125,000)
<b>Total Category 5</b>			(225,000)				(225,000)
<b>CATEGORY 9 - TRANSPORTATION</b>							
Foster Care Transportation			38,622		(38,622)		
Department of Transportation - ODD 344	7						
Bus Operator Salaries					17,222		17,222
Bus Fuel					21,400		21,400
<b>Total Category 9</b>			38,622				38,622
<b>CATEGORY 10 - Operation of Plant and Equipment</b>							
Unspecified Reductions			(350,000)		350,000		
Various ODDs							
Salary Lapse and Turnover	7				(350,000)		(350,000)
<b>Total Category 10</b>			(350,000)				(350,000)
<b>CATEGORY 12 - FIXED CHARGES</b>							
Unspecified Reductions			(2,825,000)		2,825,000		
Various ODDs	7						
Salary Lapse and Turnover					(575,000)		(575,000)
Division of Insurance and Retirement - ODD 333	7						
Employee Benefit Plan					(2,250,000)		(2,250,000)
Risk Management			(911,800)				(911,800)
Benefits to support foster care transportation			1,378				1,378
Grant Funded Employee Benefits							
Title II - A - ODD 961	6		(26,963)				(26,963)
<b>Total Category 12</b>			(3,762,385)				(3,762,385)



SCHEDULE A

SCHEDULE OF COUNTY COUNCIL ADDITIONS / REDUCTIONS TO THE FY 2008 OPERATING BUDGET  
 WITHIN CATEGORIES AND ADOPTED BY THE BOARD OF EDUCATION

	Budget	Council Action		Board Action		Total	
<b>CATEGORY 37 - INSTRUCTIONAL TELEVISION SPECIAL REVENUE FUND</b>							
Instructional Television Special Revenue Fund - ODD 860 Program Supplies	5		50,319				50,319
<b>Total Category 37</b>			50,319				50,319
<b>GRAND TOTAL</b>		(2,000)	(6,293,063)	(0,875)		(2,875)	(6,293,063)

## SCHEDULE B

**SCHEDULE OF DETAIL OF TECHNICAL ADJUSTMENTS TO THE FY 2008 OPERATING BUDGET  
BETWEEN CATEGORIES AND ADOPTED BY THE BOARD OF EDUCATION**

DESCRIPTION	Budget Chapter	Council Action		Board Action		Total	
		Pos.	Amount	Pos.	Amount	Pos.	Amount
<b>CATEGORY 1 - ADMINISTRATION</b>							
Office of Deputy Superintendent - ODD 615							
Chief Academic Officer		1.0	161,029			1.0	161,029
Administrative Services Manager I		1.0	69,147			1.0	69,147
<b>Total Category 1</b>		<b>2.0</b>	<b>230,176</b>			<b>2.0</b>	<b>230,176</b>
<b>CATEGORY 2 - MID-LEVEL ADMINISTRATION</b>							
Office of School Performance - ODD 617							
Assistant Chief School Performance Officer		(1.0)	(161,029)			(1.0)	(161,029)
Administrative Services Manager I		(1.0)	(69,147)			(1.0)	(69,147)
Department of Special Education - ODD 241							
Supervisor		(1.000)	(121,738)			(1.0)	(121,738)
Instructional Specialist		(1.000)	(95,438)			(1.0)	(95,438)
<b>Total Category 2</b>		<b>(4.0)</b>	<b>(447,352)</b>			<b>(4.0)</b>	<b>(447,352)</b>
<b>CATEGORY 3- INSTRUCTIONAL SALARIES</b>							
Support Services Training - ODD 656							
Paraeducator Coordinator		1.0	65,901			1.0	65,901
High School - ODD 141							
Stipends for JV Lacrosse			149,000				149,000
Instructional TV - ODD 412							
Salary Support for a Media Svcs. Tech.			15,220				15,220
Supporting Services Training - ODD 656							
Training Funds for Mentoring Program			(24,840)				(24,840)
<b>Total Category 3</b>		<b>1.0</b>	<b>205,281</b>			<b>1.0</b>	<b>205,281</b>

## SCHEDULE B

**SCHEDULE OF DETAIL OF TECHNICAL ADJUSTMENTS TO THE FY 2008 OPERATING BUDGET  
BETWEEN CATEGORIES AND ADOPTED BY THE BOARD OF EDUCATION**

DESCRIPTION	Budget Chapter	Council Action		Board Action		Total	
		Pos.	Amount	Pos.	Amount	Pos.	Amount
<b>CATEGORY 4 - TEXTBOOKS AND INSTRUCTIONAL SUPPLIES</b>							
Instructional TV - ODD 412 Training Funds			(15,220)				(15,220)
<b>Total Category 4</b>			(15,220)				(15,220)
<b>CATEGORY 5 - OTHER INSTRUCTIONAL COSTS</b>							
High School - ODD 141 Extracurricular Supplies - JV Lacrosse			(149,000)				(149,000)
Supporting Services Training - ODD 656 Contractual Services for Mentoring Program			27,000				27,000
<b>Total Category 5</b>			(122,000)				(122,000)
<b>CATEGORY 6 - SPECIAL EDUCATION</b>							
Department of Special Education Svcs. - ODD 241 Supervisor		1.0	121,738			1.0	121,738
Instructional Specialist		1.0	95,438			1.0	95,438
Division of School-Based Special Education Svcs. - ODD 251 Paraeducator Coordinator		(1.0)	(65,901)			(1.0)	(65,901)
<b>Total Category 6</b>		1.0	151,275			1.0	151,275
<b>CATEGORY 12 - FIXED CHARGES</b>							
Department of Insurance and Retirement - ODD 333 Benefits for Mentoring Program			(2,160)				(2,160)
<b>Total Category 12</b>			(2,160)				(2,160)
<b>GRAND TOTAL</b>		0.0	\$ -			0.0	\$ -

Resolution No.: 16-165  
Introduced: May 24, 2007  
Adopted: May 24, 2007

COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND

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By: County Council

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Subject: Approval of and Appropriation for the FY 2008 Operating Budget of the Montgomery County Public School System

**Background**

1. As required by the Education Article, Sections 5-101 and 5-102, of the Maryland Code, the Board of Education sent to the County Executive and the County Council the FY 2008 Operating Budget for the Montgomery County Public School (MCPS) system as shown below.
2. The Executive sent to the Council his recommendations regarding this budget.
3. As required by Section 304 of the County Charter, the Council held public hearings on the Operating Budget and the Executive's recommendations on April 9, 10, 11, and 16, 2007.
4. The appropriation in this resolution is based on the following projected revenues for FY 2008:

State:	\$390,354,770
Federal:	\$ 68,526,744
Other:	\$ 14,918,313
Enterprise:	\$ 54,305,219

5. This appropriation requires a local contribution of \$1,456,912,573 to Montgomery County Public Schools, of which \$7,298,453 consists of projected FY 2007 MCPS Current Fund balance.

6. The Superintendent submitted to the Council proposed reductions by State category to meet the approved expenditure level as reflected in this appropriation.

**Action**

The County Council for Montgomery County, Maryland approves the following resolution:

1. The Council approves the FY 2008 Operating Budget for the Montgomery County Public School system and appropriates the funds as shown below.

## FY 2008 OPERATING BUDGET FOR MONTGOMERY COUNTY PUBLIC SCHOOLS

The Council approves and appropriates the following amounts.

I. Current Fund	BOE Amended Request May 21, 2007	Council (Reduction)/ Addition	Council Approved Budget
1 Administration	43,309,733	30,176	43,339,909
2 Mid-level Administration	131,058,299	(597,352)	130,460,947
3 Instructional Salaries	811,380,700	(1,489,338)	809,891,362
4 Textbooks and Instructional Supplies	35,522,667	(15,220)	35,507,447
5 Other Instructional Costs	20,065,019	(347,000)	19,718,019
6 Special Education	243,725,009	151,275	243,876,284
7 Student Personnel Services	11,182,153		11,182,153
8 Health Services	46,138		46,138
9 Student Transportation	84,701,248	38,622	84,739,870
10 Operation of Plant and Equipment	112,682,521	(350,000)	112,332,521
11 Maintenance of Plant	33,040,430		33,040,430
12 Fixed Charges	410,133,370	(3,764,545)	406,368,825
14 Community Services	208,495		208,495
Subtotal, including specific grants	1,937,055,782	(6,343,382)	1,930,712,400
Less specific grants	78,551,453		78,551,453
Subtotal, spending affordability	1,858,504,329	(6,343,382)	<b>1,852,160,947</b>
 II. Enterprise Funds			
37 Instructional Television Fund	1,470,681	50,319	1,521,000
51 Real Estate Fund	2,317,953		2,317,953
61 Food Services Fund	46,717,154		46,717,154
71 Field Trip Fund	2,079,338		2,079,338
81 Entrepreneurial Activities Fund	1,669,774		1,669,774
Subtotal, Enterprise Funds	54,254,900	50,319	54,305,219
 Total Budget for MCPS	 1,991,310,682	 (6,293,063)	 <b>1,985,017,619</b>

2. This resolution appropriates \$9,231,709 for the account titled "Provision for Future Supported Projects", which provides funds for specific programs designated in a grant, contribution, reimbursement, or other non-county funding source received in FY 2008. When MCPS receives funds for a program from one of these sources, MCPS may transfer funds from this appropriation to the program. The following conditions are established on the use of this transfer authority:
  - a) The program must not require any present or future County funds.
  - b) Subject to the balance in the account, any amount can be transferred in FY 2008 for any program which meets at least one of the following four conditions: (1) the amount is \$200,000 or less; (2) the program was funded in FY 2007; (3) the program was included in the FY 2008 budget; (4) the program was funded by the Council in a supplemental or special appropriation in FY 2008. Any program that does not meet one of these four conditions must be funded by a supplemental or special appropriation.
  - c) MCPS must notify the Executive and the Council within 30 days after each transfer.
3. Any appropriation for any project funded by non-County funds is contingent on the receipt of the non-County funds.
4. This resolution reappropriates or appropriates revenue received from non-County sources for programs funded in whole or in part from those non-County funds:
  - a) together with matching County funds, if any; and
  - b) to the extent that the program period approved by the non-County source encompasses more than one fiscal year, in order to complete the grant program under the terms of receipt of the non-County revenues.
5. This resolution reappropriates the fund balance of the Warehouse account.
6. The Council continues the procedure for transfers adopted in Resolution 12-889. This procedure applies only to the non-County portion of grant programs, and therefore only applies to those grant programs for which MCPS keeps separate accounts for County and non-County funds.
  - a) The Council will not take action on these transfers, so the transfers will be automatically approved after 30 days, as provided by State law.
  - b) MCPS staff must report each transfer to the Executive and the Council within 30 days after the transfer.

7. The following provision applies when MCPS receives more non-County funds than were budgeted for a project that also receives some County funds:
  - a) Council approval is not required to substitute non-County funds for County funds. In this case, there is no change in the appropriation.
  - b) Council approval is required to increase the appropriation. The Council may decide to substitute non-County funds for the County funds instead of increasing the appropriation.
8. This resolution reappropriates encumbered appropriations, permitting them to be spent in FY 2008. Unencumbered appropriations lapse at the end of FY 2008 except as reappropriated elsewhere in this resolution.
9. The Board of Education must provide to the County Council a monthly report which includes the following personnel and financial information by State category for each month and for the fiscal year to date:

Total number of positions by category.

Total number of unfilled positions by category, and the dollar savings for each position based on the budgeted cost of the position.

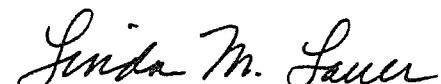
Total number of positions by category filled by a long-term substitute and the dollar savings for each position between the budgeted cost of the position and the cost of filling it with the long-term substitute.

Total number of positions by category filled by an MCPS retiree or contractor, and the dollar savings for each position between the budgeted cost of the position and the cost of filling it with an MCPS retiree or contractor.

For Category 3 and Category 6 positions this information must be presented by classroom teacher, non-classroom teacher, instructional aide, and non-instructional aide.

The Board must also report monthly any position created in Category 1 or 2 that was not in the approved budget, including a description of the position, the annual salary and benefits, and the projected cost for the remainder of the current fiscal year.

This is a correct copy of Council action.

  
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Linda M. Lauer, Clerk of the Council