

Chapter 9

Finance

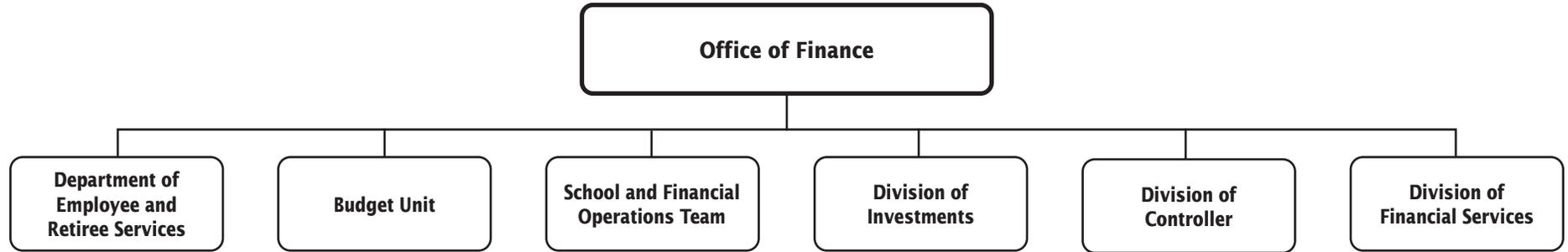
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**Finance
Summary of Resources
By Object of Expenditure**

OBJECT OF EXPENDITURE	FY 2022	FY 2022	FY 2023	FY 2023
	BUDGET	CURRENT	REQUEST	CHANGE
POSITIONS (FTE)				
Administrative	8.7500	9.7500	9.7500	-
Business / Operations Admin	7.5000	7.5000	7.5000	-
Professional	-	-	-	-
Supporting Services	60.2500	60.2500	60.2500	-
TOTAL POSITIONS (FTE)	76.5000	77.5000	77.5000	-
POSITIONS DOLLARS				
Administrative	1,306,897	1,420,036	1,420,036	-
Business / Operations Admin	827,943	827,943	827,943	-
Professional	-	-	-	-
Supporting Services	4,877,224	4,804,085	4,803,527	(558)
TOTAL POSITIONS DOLLARS	\$7,012,064	\$7,052,064	\$7,051,506	(\$558)
OTHER SALARIES				
Extracurricular Salary	-	-	-	-
Other Non Position Salaries	5,734,256	5,734,256	5,734,256	-
Professional Part time	19,096	19,096	18,096	(1,000)
Supporting Services Part-time	339,031	299,031	293,519	(5,512)
Stipends	-	-	-	-
Substitutes	-	-	-	-
Summer Employment	-	-	-	-
TOTAL OTHER SALARIES	\$6,092,383	\$6,052,383	\$6,045,871	(\$6,512)
TOTAL SALARIES & WAGES	\$13,104,447	\$13,104,447	\$13,097,377	(\$7,070)
CONTRACTUAL SERVICES				
Consultants	-	-	-	-
Other Contractual	1,086,913	1,086,913	1,086,913	-
TOTAL CONTRACTUAL SERVICES	\$1,086,913	\$1,086,913	\$1,086,913	-
SUPPLIES & MATERIALS				
Instructional Materials	-	-	-	-
Media	-	-	-	-
Other Supplies and Materials	1,495,429	1,495,429	1,497,190	1,761
Textbooks	-	-	-	-
TOTAL SUPPLIES & MATERIALS	\$1,495,429	\$1,495,429	\$1,497,190	\$1,761
OTHER COSTS				
Insurance and Employee Benefits	586,286,736	585,075,506	625,962,010	40,886,504
Extracurricular Purchases	-	-	-	-
Other Systemwide Activity	1,835,813	1,835,813	1,942,226	106,413
Travel	153,734	153,734	155,777	2,043
Utilities	-	-	-	-
TOTAL OTHER COSTS	\$588,276,283	\$587,065,053	\$628,060,013	\$40,994,960
FURNITURE & EQUIPMENT				
Equipment	3,598	3,598	18,511	14,913
Leased Equipment	11,913	11,913	-	(11,913)
TOTAL FURNITURE & EQUIPMENT	\$15,511	\$15,511	\$18,511	\$3,000
GRAND TOTAL AMOUNTS	\$603,978,583	\$602,767,353	\$643,760,004	\$40,992,651

Finance—Overview



F.T.E. Positions 77.5

* In addition, there are 18.75 positions funded by the Employee Benefits Trust Fund and 7.0 positions funded by the Employee Pension fund. These non-operating budget positions are noted on other charts in this chapter.

MISSION The Office of Finance facilitates the alignment of the district strategic priorities with financial resources that result in Montgomery County Public Schools (MCPS) providing the highest quality education and opportunities for all students to succeed.

MAJOR FUNCTIONS

In addition to the functions of the departments, divisions, and units in the office, the office prepares and coordinates all financial-related communications between the superintendent of schools and the board of education. It provides liaison with the county's Office of Management and Budget, the County Council staff, and the Maryland State Department of Education on all financial matters regarding MCPS. The office supervises and coordinates the visiting bookkeeper program that provides direct support to all MCPS elementary schools and special programs and maintains the MCPS Financial Manual chapters through collaboration with various MCPS departments.

Budget Unit (*Professional and Operational Excellence*)

The Budget Unit within the Office of Finance provides guidance and support on the preparation and formulation of the operating budget for MCPS. The operating budget is developed using student outcomes, demographic data, fiscal data and trends, and enrollment data to ensure resources are aligned with the school system's strategic priorities. The Budget Unit works closely with county government, county council, and state education officials as it monitors expenditures and develops options and recommendations on the operating budget that is provided to the superintendent of schools and the Board of Education. The office facilitates the review of the operating budget and communicates budget information within MCPS, to the county and state, and to the public through a variety of publications, forums, and presentations to strengthen collaboration, promote transparency, and work to help ensure that resources are available to address student and school needs.

In order to enhance transparency and engage parents, students, employees, and the community, the Budget Unit is focused on improving the clarity of budget and fiscal information in all budget documents, on the MCPS Budget 101 webpage (see www.montgomeryschoolsmd.org/budget-101/index.html), and through other forms of

communication. Other forms include the Open Data Portal for MCPS, giving the community the ability to view the MCPS operating budget by each of the 11 budget chapters and individual budget accounts (see <https://data.montgomeryschoolsmd.org/browse?category=Budget>). Through enhanced communication, we will continue to emphasize how MCPS operating budget resources are aligned with the district's strategic priorities.

MCPS actively garners grant funding to support projects that address critical unmet needs, supplement existing programs, explore new ideas, and/or implement model programs. Grants also serve as catalysts toward building partnerships between schools and communities that will improve the quality of education and support academic achievement for all. The Budget Unit provides technical assistance to staff seeking grant opportunities through the review of grant opportunities and proposals for compliance with MCPS policies, procedures, and regulations, as well as for quality and compliance with grantor intentions and preferences.

Through regular financial monitoring and data-driven analysis, the Budget Unit maintains controls for current-year revenues and expenditures to ensure that the operating budget is implemented as approved. The Budget Unit strives to make accurate forecasts in order to make decisions regarding current and future budget requirements. New processes have been implemented to improve accuracy of forecasts. The office conducts regular reviews of the financial condition of the MCPS operating budget with executive staff by examining all expenditure accounts and preparing expenditure and revenue projections. Detailed financial reports are prepared for the superintendent of schools and the Board of Education. In addition, the Budget Unit collaborates with the Office of Human Resources and Development to review position management data to ensure fiscal control.

Controller (*Professional and Operational Excellence*)

The Division of Controller works with MCPS offices and schools to fulfill the accounting requirements of diverse school financial systems. The office processes accounting transactions; supports and performs desk review of procurement card activity in addition to annual P-card certification process; collects amounts owed to MCPS; makes all payments on behalf of MCPS; manages customers and suppliers; and administers the MCPS central office bank accesses, upgrade, and bank system integration. The office provides guidance, coordination, maintenance support, and financial data analysis for the MCPS Business Hub, directly working or serving as facilitator with the Office of Finance's Budget Unit, School and

Office of Finance

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Financial Operations Team, and program and executive staff to ensure that timely and accurate financial data and reports are available to make sound budget and financial decisions. The office also administers and problem-solves day-to-day issues with the MCPS Business Hub, P-card, online school payment system, and other third-party financial applications including serving as a facilitator for system-wide workgroups. The office also administers MCPS monthly closing and annual closing processes. The office collects the student extracurricular activity fund fee and manages the federal Impact Aid program. The office also serves as a single point of contact for MCPS for the IRS 1099 reporting, IRS payroll tax reporting, and state escheatment process.

Financial Services (*Professional and Operational Excellence*)

The Division of Financial Services prepares the financial statements, statistical reports, and other accounting reports for the school district; completes financial statement and legislative audits; works with the state in their preparation of the annual financial report; prepares required federal, state, and other reports, including Every Student Succeeds Act and cost per pupil reports; manages federal, state, and other grants, including COVID-19 funding; provides for internal controls of all accounting activities; processes accounting transactions; supports procurement card activity; collects amounts owed to MCPS; makes all payments on behalf of MCPS; and coordinates system cash including the Centralized Investment Fund. The division provides accounting services to the MCPS Educational Foundation, a 501(c)(3) corporation. The division brings central services resources to support schools through support of the School Funds Online and Online School Payments systems. This central effort reduces burden on schools so that school-based employees can focus on the critical work of teaching and learning for all students.

Investments (*Professional and Operational Excellence*)

The Division of Investments is responsible for assisting the Board of Investment Trustees to implement, monitor, and manage the investment portfolio of the MCPS Employees' Retirement and Pension Systems. This includes rebalancing the portfolio, managing portfolio cash to meet Trust obligations, and overseeing external investment managers and service providers to implement investment policies. The division also oversees the operations and administration of the 403(b) and 457(b) plans, serves as liaison to the Defined Contribution Investment Committee, and monitors plan investments' performance. In addition, the Division of Financial Services supports parts of this work through its financial reporting.

School and Financial Operations Team (*Professional and Operational Excellence*)

The School and Financial Operations Team works closely with all MCPS offices and schools to implement a system to allocate resources to schools based on school, student, and program requirements. The team collaborates with stakeholders to ensure guidelines for allocations are aligned with system priorities and differentiated to meet student needs.

All positions and resources are allocated based on a careful review of data. Initial staffing allocations occur in March each year, before the start of the school year, and are adjusted throughout the year based on a review of enrollment as well as program and student data.

The Office of Finance uses data to guide the equitable allocation of resources and to monitor the responsible management of financial, material, and staffing resources for schools that are essential to high quality educational programs and Academic Excellence for All students. Non-position allocations for textbooks, media center materials, instructional materials, and clerical support are differentiated based on enrollment to ensure that teachers have the resources needed to teach and students have the resources needed to learn. Other non-position allocations are strategically aligned with system goals and differentiated based on the percent of Free and Reduced-price Meal System (FARMS) students and/or proportion of at-risk groups of students in an effort to leverage additional resources to more highly impacted schools. Examples include allocations for furniture/equipment replacement and achievement-focused extracurricular activity programs. Also, funds are allocated to high schools to help defray the costs associated with drama, newspapers, and literary magazines.

Non-position allocations, including funding for textbooks, media materials, and instructional materials, are made in May each year prior to the start of the school year and are adjusted when final enrollment numbers are confirmed in the fall. Other non-position allocations to schools include extracurricular program funding, furniture and equipment replacement funds, music program support, and outdoor education staffing resources. Utilization of resources is monitored throughout the year through financial monitoring, reporting, and analysis of financial data.

The Office of Finance works to promote operational excellence by ensuring that schools have the knowledge, understanding, and tools necessary to manage their resources efficiently and effectively. The office collaborates with schools and other offices to ensure

Office of Finance

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an understanding of the resources available to support K-12 teaching and learning, including the purpose of funding, the guidelines and timelines for use of the funds, and processes for accessing the funds. The Office of Finance provides leadership for the coordination of resources and supports related to school business and financial management of operating fund allocations and local school Independent Activity Funds. The Office of Finance utilizes data from school audit reports and surveys to identify target areas where additional supports are needed and to guide the continuous improvement of training and resources for school financial agents and school administrators.

Employee and Retiree Services *(Professional and Operational Excellence)*

The Department of Employee and Retiree Services, also known as Employee and Retiree Service Center (ERSC) supports system priorities by operating a comprehensive compensation and benefits, loss prevention, risk management, and other related programs that support success for every student through the role of employee compensation and benefits in attracting and retaining high-quality staff. ERSC provides high quality services to schools, employees, and retirees by ensuring broad access to accurate and timely information by using a fully integrated suite of business applications that include the Human Resources Information System and the Life-works Retirement System. ERSC serves as a single point of contact for employees and retirees for information on compensation and benefits. ERSC administers payroll, health and retirement benefits, leave, salary administration, and workforce reporting. ERSC operates a call center, transaction unit, and communications program. It provides support for policy implementation and uses technology to improve services and efficiency.

OVERVIEW OF BUDGET CHANGES

FY 2022 CURRENT BUDGET

The current FY 2022 budget for this office is changed from the budget adopted by the Board of Education on June 10, 2021. The change is the result of a budget neutral realignment from temporary part-time salaries to fund \$40,000 for a 1.0 fiscal specialist I position in the Division of Controller.

FY 2023 RECOMMENDED BUDGET

The FY 2023 recommended budget for this office is \$14,801,337, an increase of \$105,894 over the current FY 2022 budget. An explanation of this change follows.

Same Service Level Changes—\$105,894

Realignments to Meet Expenditure Requirements and Program Priorities—\$481

There are several realignments budgeted to address priority spending needs within this office. There are decreases of \$141,563 in professional and supporting services part-time salaries, and \$11,913 in lease purchases; and corresponding increases of \$135,283 in part-time salaries, \$2,000 in contractual services, \$1,761 in office and program supplies, and \$14,913 in furniture and equipment. Overall, the total realignment of \$481 is offset with a corresponding decrease in employee-related benefits in the Department of Employee and Retiree Services.

Other—\$105,413

There is an increase in bank fees of \$15,000 and inflation costs of \$90,413, as a result of investment strategy changes and the systemwide implementation of the cloud-based financial management iPayment web-based application.

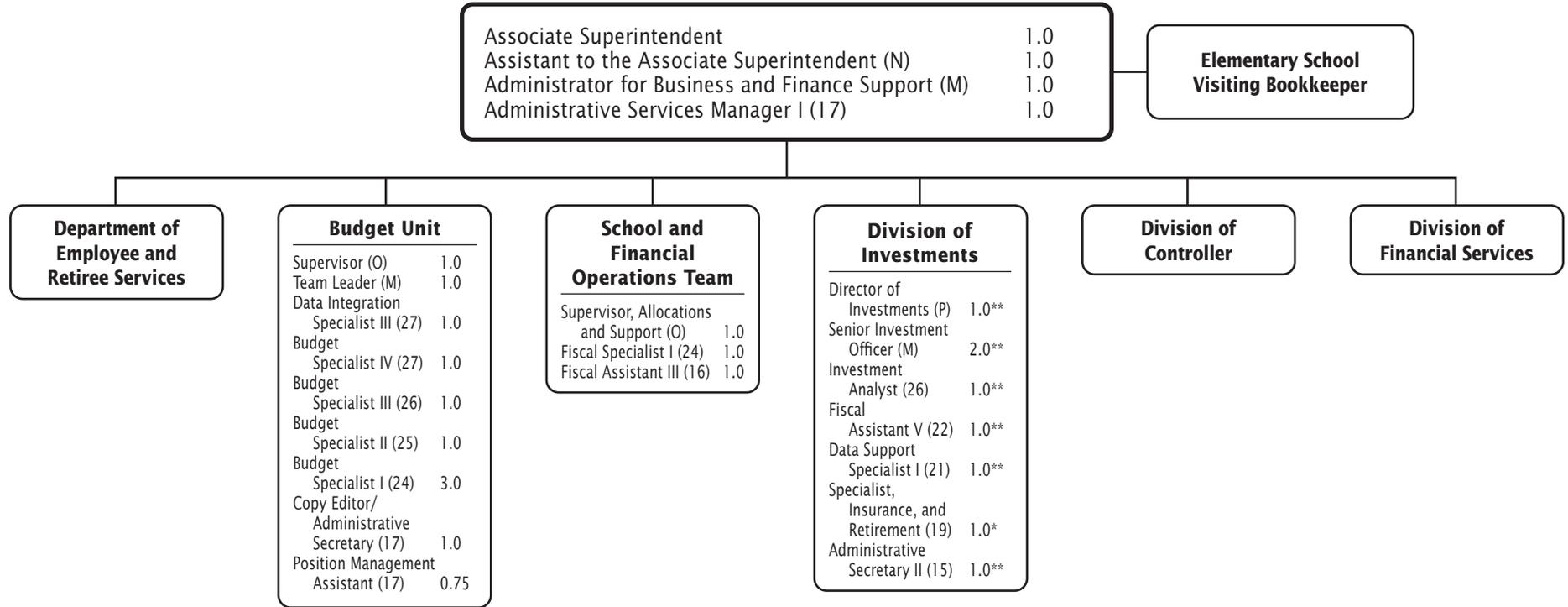
Provision for Future Supported Projects—\$0

The FY 2023 recommended budget is \$10,031,204 and is unchanged from the FY 2022 budget. This funding gives MCPS the appropriation authority to receive grant funding within the constraints of the operating budget and has no impact on the tax-supported budget.

Program's Recent Funding History

	FY 2022 Budgeted 7/1/21	FY 2022 Received 11/30/21	FY 2023 Projected 7/1/22
Federal	\$10,031,204	\$10,031,204	\$10,031,204
Total	\$10,031,204	\$10,031,204	\$10,031,204

Office of Finance



F.T.E. Positions 17.75

* This chart includes 1.0 positions funded by the Employee Benefits Trust Fund.

**This chart includes 7.0 positions funded by the Employee Pension fund.

Office of Finance

OBJECT OF EXPENDITURE	FY 2022	FY 2022	FY 2023	FY 2023
	BUDGET	CURRENT	REQUEST	CHANGE
POSITIONS (FTE)				
Administrative	5.0000	6.0000	6.0000	-
Business / Operations Admin	-	-	-	-
Professional	-	-	-	-
Supporting Services	12.7500	11.7500	11.7500	-
TOTAL POSITIONS (FTE)	17.7500	17.7500	17.7500	-
POSITIONS DOLLARS				
Administrative	759,217	872,356	872,356	-
Business / Operations Admin	-	-	-	-
Professional	-	-	-	-
Supporting Services	1,146,382	1,033,243	1,033,243	-
TOTAL POSITIONS DOLLARS	\$1,905,599	\$1,905,599	\$1,905,599	-
OTHER SALARIES				
Extracurricular Salary	-	-	-	-
Other Non Position Salaries	5,734,256	5,734,256	5,734,256	-
Professional Part time	19,096	19,096	18,096	(1,000)
Supporting Services Part-time	39,995	39,995	169,998	130,003
Stipends	-	-	-	-
Substitutes	-	-	-	-
Summer Employment	-	-	-	-
TOTAL OTHER SALARIES	\$5,793,347	\$5,793,347	\$5,922,350	\$129,003
TOTAL SALARIES & WAGES	\$7,698,946	\$7,698,946	\$7,827,949	\$129,003
CONTRACTUAL SERVICES				
Consultants	-	-	-	-
Other Contractual	1,072,328	1,072,328	1,074,328	2,000
TOTAL CONTRACTUAL SERVICES	\$1,072,328	\$1,072,328	\$1,074,328	\$2,000
SUPPLIES & MATERIALS				
Instructional Materials	-	-	-	-
Media	-	-	-	-
Other Supplies and Materials	1,431,738	1,431,738	1,433,499	1,761
Textbooks	-	-	-	-
TOTAL SUPPLIES & MATERIALS	\$1,431,738	\$1,431,738	\$1,433,499	\$1,761
OTHER COSTS				
Insurance and Employee Benefits	-	-	-	-
Extracurricular Purchases	-	-	-	-
Other Systemwide Activity	1,893,697	1,893,697	1,893,697	-
Travel	2,109	2,109	2,109	-
Utilities	-	-	-	-
TOTAL OTHER COSTS	\$1,895,806	\$1,895,806	\$1,895,806	-
FURNITURE & EQUIPMENT				
Equipment	3,598	3,598	6,598	3,000
Leased Equipment	-	-	-	-
TOTAL FURNITURE & EQUIPMENT	\$3,598	\$3,598	\$6,598	\$3,000
GRAND TOTAL AMOUNTS	\$12,102,416	\$12,102,416	\$12,238,180	\$135,764

Office of Finance

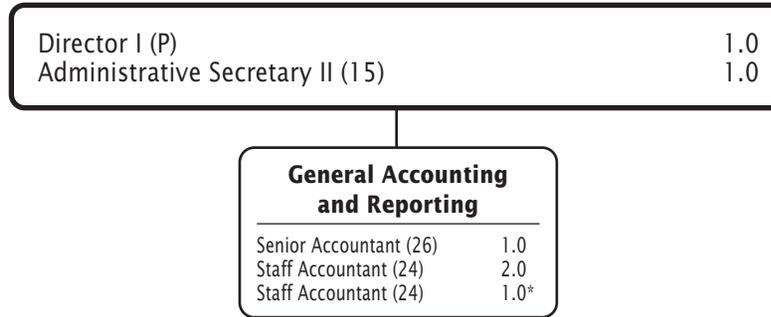
			FY 2022	FY 2022	FY 2023	FY 2023
FUND	CAT	DESCRIPTION	BUDGET	CURRENT	REQUEST	CHANGE
Office of Finance						
F01	C01	NS Associate Superintendent	1.0000	1.0000	1.0000	-
F01	C01	N Asst to Associate Supt	1.0000	1.0000	1.0000	-
F01	C01	M Adm Business & Finance Supp	1.0000	1.0000	1.0000	-
F01	C01	17 Admin Services Manager I	1.0000	1.0000	1.0000	-
SubTotal			4.0000	4.0000	4.0000	-

Budget Unit						
F01	C01	O Supervisor (S)	1.0000	1.0000	1.0000	-
F01	C01	M Team Leader	-	1.0000	1.0000	-
F01	C01	27 Mgmt/Budget Spec IV	1.0000	1.0000	1.0000	-
F01	C01	27 IT Systems Engineer	1.0000	-	-	-
F01	C01	27 Data Integration Specialist III	-	1.0000	1.0000	-
F01	C01	26 Mgmt/Budget Spec III	3.0000	1.0000	1.0000	-
F01	C01	25 Mgmt/Budget Spec II	1.0000	1.0000	1.0000	-
F01	C01	24 Mgmt/Budget Spec I	2.0000	3.0000	3.0000	-
F01	C01	17 Position Management Asst	0.7500	0.7500	0.7500	-
F01	C01	17 Copy Editor/Admin Sec	1.0000	1.0000	1.0000	-
SubTotal			10.7500	10.7500	10.7500	-

School and Financial Operations Team						
F01	C02	O Supervisor (C)	1.0000	1.0000	1.0000	-
F01	C02	24 Fiscal Specialist	1.0000	1.0000	1.0000	-
F01	C02	16 Fiscal Assistant III	1.0000	1.0000	1.0000	-
SubTotal			3.0000	3.0000	3.0000	-

Total Positions			17.7500	17.7500	17.7500	-
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Division of Financial Services



F.T.E. Positions 5.0

*In addition, this chart includes a 1.0 position funded by the Employee Benefits Trust Fund.

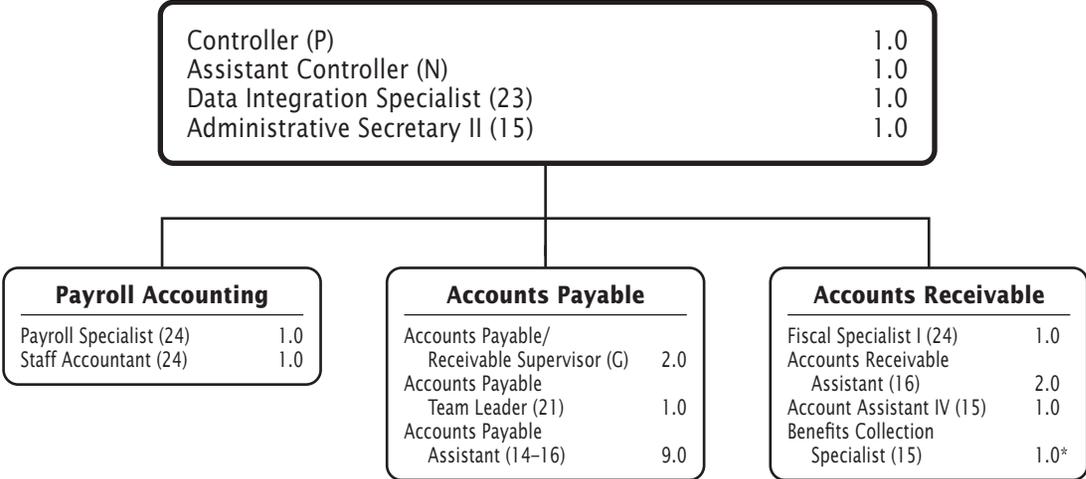
Division of Financial Services

OBJECT OF EXPENDITURE	FY 2022	FY 2022	FY 2023	FY 2023
	BUDGET	CURRENT	REQUEST	CHANGE
POSITIONS (FTE)				
Administrative	1.0000	1.0000	1.0000	-
Business / Operations Admin	-	-	-	-
Professional	-	-	-	-
Supporting Services	4.0000	4.0000	4.0000	-
TOTAL POSITIONS (FTE)	5.0000	5.0000	5.0000	-
POSITIONS DOLLARS				
Administrative	134,567	134,567	134,567	-
Business / Operations Admin	-	-	-	-
Professional	-	-	-	-
Supporting Services	413,521	413,521	413,521	-
TOTAL POSITIONS DOLLARS	\$548,088	\$548,088	\$548,088	-
OTHER SALARIES				
Extracurricular Salary	-	-	-	-
Other Non Position Salaries	-	-	-	-
Professional Part time	-	-	-	-
Supporting Services Part-time	216,865	176,865	41,582	(135,283)
Stipends	-	-	-	-
Substitutes	-	-	-	-
Summer Employment	-	-	-	-
TOTAL OTHER SALARIES	\$216,865	\$176,865	\$41,582	(\$135,283)
TOTAL SALARIES & WAGES	\$764,953	\$724,953	\$589,670	(\$135,283)
CONTRACTUAL SERVICES				
Consultants	-	-	-	-
Other Contractual	-	-	-	-
TOTAL CONTRACTUAL SERVICES	-	-	-	-
SUPPLIES & MATERIALS				
Instructional Materials	-	-	-	-
Media	-	-	-	-
Other Supplies and Materials	10,500	10,500	10,500	-
Textbooks	-	-	-	-
TOTAL SUPPLIES & MATERIALS	\$10,500	\$10,500	\$10,500	-
OTHER COSTS				
Insurance and Employee Benefits	-	-	-	-
Extracurricular Purchases	-	-	-	-
Other Systemwide Activity	3,700	3,700	3,700	-
Travel	300	300	300	-
Utilities	-	-	-	-
TOTAL OTHER COSTS	\$4,000	\$4,000	\$4,000	-
FURNITURE & EQUIPMENT				
Equipment	-	-	-	-
Leased Equipment	-	-	-	-
TOTAL FURNITURE & EQUIPMENT	-	-	-	-
GRAND TOTAL AMOUNTS	\$779,453	\$739,453	\$604,170	(\$135,283)

Division of Financial Services

			FY 2022	FY 2022	FY 2023	FY 2023
FUND	CAT	DESCRIPTION	BUDGET	CURRENT	REQUEST	CHANGE
Division of Financial Services						
F01	C01	P Director I (C)	1.0000	1.0000	1.0000	-
F01	C01	26 Senior Accountant	1.0000	1.0000	1.0000	-
F01	C01	24 Staff Accountant	2.0000	2.0000	2.0000	-
F01	C01	15 Admin Secretary II	1.0000	1.0000	1.0000	-
SubTotal			5.0000	5.0000	5.0000	-
Total Positions			5.0000	5.0000	5.0000	-

Division of Controller



F.T.E. Positions 22.0

*In addition, this chart includes a 1.0 position funded by the Employee Benefits Trust Fund.

Division of Controller

OBJECT OF EXPENDITURE	FY 2022	FY 2022	FY 2023	FY 2023
	BUDGET	CURRENT	REQUEST	CHANGE
POSITIONS (FTE)				
Administrative	2.0000	2.0000	2.0000	-
Business / Operations Admin	2.0000	2.0000	2.0000	-
Professional	-	-	-	-
Supporting Services	17.0000	18.0000	18.0000	-
TOTAL POSITIONS (FTE)	21.0000	22.0000	22.0000	-
POSITIONS DOLLARS				
Administrative	291,650	291,650	291,650	-
Business / Operations Admin	186,043	186,043	186,043	-
Professional	-	-	-	-
Supporting Services	1,343,754	1,383,754	1,383,754	-
TOTAL POSITIONS DOLLARS	\$1,821,447	\$1,861,447	\$1,861,447	-
OTHER SALARIES				
Extracurricular Salary	-	-	-	-
Other Non Position Salaries	-	-	-	-
Professional Part time	-	-	-	-
Supporting Services Part-time	13,268	13,268	13,268	-
Stipends	-	-	-	-
Substitutes	-	-	-	-
Summer Employment	-	-	-	-
TOTAL OTHER SALARIES	\$13,268	\$13,268	\$13,268	-
TOTAL SALARIES & WAGES	\$1,834,715	\$1,874,715	\$1,874,715	-
CONTRACTUAL SERVICES				
Consultants	-	-	-	-
Other Contractual	3,000	3,000	3,000	-
TOTAL CONTRACTUAL SERVICES	\$3,000	\$3,000	\$3,000	-
SUPPLIES & MATERIALS				
Instructional Materials	-	-	-	-
Media	-	-	-	-
Other Supplies and Materials	25,691	25,691	25,691	-
Textbooks	-	-	-	-
TOTAL SUPPLIES & MATERIALS	\$25,691	\$25,691	\$25,691	-
OTHER COSTS				
Insurance and Employee Benefits	-	-	-	-
Extracurricular Purchases	-	-	-	-
Other Systemwide Activity	(62,309)	(62,309)	43,104	105,413
Travel	564	564	564	-
Utilities	-	-	-	-
TOTAL OTHER COSTS	(\$61,745)	(\$61,745)	\$43,668	\$105,413
FURNITURE & EQUIPMENT				
Equipment	-	-	11,913	11,913
Leased Equipment	11,913	11,913	-	(11,913)
TOTAL FURNITURE & EQUIPMENT	\$11,913	\$11,913	\$11,913	-
GRAND TOTAL AMOUNTS	\$1,813,574	\$1,853,574	\$1,958,987	\$105,413

Division of Controller

			FY 2022	FY 2022	FY 2023	FY 2023
FUND	CAT	DESCRIPTION	BUDGET	CURRENT	REQUEST	CHANGE
Division of Controller						
F01	C01	P Controller	1.0000	1.0000	1.0000	-
F01	C01	N Assistant Controller	1.0000	1.0000	1.0000	-
F01	C01	G AP/AR Supervisor	2.0000	2.0000	2.0000	-
F01	C01	15 Admin Secretary II	1.0000	1.0000	1.0000	-
F01	C01	23 Data Integration Spec	1.0000	1.0000	1.0000	-
F01	C01	24 Payroll Specialist	1.0000	1.0000	1.0000	-
F01	C01	21 Accts Payable Team Leader	1.0000	1.0000	1.0000	-
F01	C01	14 - 16 Accounts Payable Asst	9.0000	9.0000	9.0000	-
F01	C01	16 Accounts Receivable Asst	2.0000	2.0000	2.0000	-
F01	C01	24 Staff Accountant	1.0000	1.0000	1.0000	-
F01	C01	24 Fiscal Specialist	-	1.0000	1.0000	-
F01	C02	15 Account Assistant IV	1.0000	1.0000	1.0000	-
SubTotal			21.0000	22.0000	22.0000	-
Total Positions			21.0000	22.0000	22.0000	-

Department of Employee and Retiree Services

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MISSION The Department of Employee and Retiree Services, also referred to as the Employee and Retiree Service Center (ERSC), operates comprehensive compensation and benefits, loss prevention, risk management, and other related programs that support success for every student through the role of employee compensation and benefits in attracting and retaining highly-qualified staff. ERSC provides high-quality services to schools, employees, and retirees by ensuring broad access to accurate and timely information, using a fully integrated suite of business applications that include the Human Resources Information System (HRIS) and the Lifeworks Retirement System.

MAJOR FUNCTIONS

ERSC is a single point of contact for MCPS employees and retirees for information about compensation and benefits. ERSC provides administration of employee programs such as payroll, health and retirement benefits, leave, salary administration, and workforce reporting. Smooth and effective operations of these functions are critical to provide prompt and accurate responses for employees' questions and needs. ERSC operates a call center, transactions unit, and communications program; provides support for policy implementation; and continually expands the use of technology to improve service and efficiency. The introduction and continued expansion of employee self-service applications have improved employee access to data, benefits enrollment, paystub, and tax forms, supporting employees' ability to focus their efforts and attention on the needs of students and schools.

In FY 2022, ERSC staff will have collaborated with various stakeholders from across MCPS to select a modern and a comprehensive Human Capital Management (HCM) System to support efficient operations. In FY 2023, ERSC staff will continue the collaboration to complete the HCM implementation.

Payroll (*Professional and Operational Excellence*)

The Payroll Unit ensures all employees are paid accurately and in a timely manner for the work performed in compliance with federal, state, and local regulations, and contractual mandates. The Payroll Unit processes over 26,000 payments every pay period along with special payments to support COVID-19 recovery operations. The unit prepares and disseminates information about pay schedules, payroll posting instructions, and conducts training for principals, directors, and timekeepers.

Benefits Strategy and Vendor Relations (*Professional and Operational Excellence; Well-Being and Family Engagement*)

This unit designs, develops, and implements high-quality health care plans at competitive prices for all benefit-eligible employees and retirees. The unit oversees benefit plan provision implementation and ensures uninterrupted operations for our customer base of over 50,000 covered individuals, including both current employees and retirees.

This unit prepares and disseminates information about health care plan provisions, maintains and analyzes statistical and demographic data, tracks plan utilization and expense data, remits monthly premiums to vendors, and oversees all benefit plan-related contracts. In addition, the unit manages required filings with the Internal Revenue Service to maintain qualified plan status and oversees banking and cash management arrangements for the Employee Benefit Program. The unit also coordinates MCPS retiree benefits with Medicare.

Compensation and Transactions (*Professional and Operational Excellence*)

The unit designs, develops, and implements compensation provisions in all the negotiated contracts approved by the Board of Education and the three employee associations. This unit works closely with Department of Certification and Staffing, Budget Unit, Office of Special Education, schools, and various other units across the system to ensure timely and accurate processing of over 10,000 transactions entered in the Human Resource Information System each fiscal year. In addition, the unit works directly with customers to process various employment-related requests.

Leave Administration (*Professional and Operational Excellence*)

The unit implements leave provisions in all the negotiated contracts approved by the Board of Education and the three employee associations while adhering to federal, state, and local guidelines. The unit works closely

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with Department of Certification and Staffing, schools, the Office of Employee Engagement and Labor Relations, the Office of Operations, and various other units across the system. In addition, the unit works directly with customers to process leave requests and answering various questions through individual customer support. The unit also is responsible for administering the workers compensation process for workplace injuries. The unit processes over 4,000 leave applications each fiscal year. The leave unit responds and manages new initiatives established by MCPS and outside parties alike. In FY2022, the unit will support the COVID leave provisions negotiated in the impact bargain agreement between MCPS and the employee associations.

Retirement *(Professional and Operational Excellence)*

This unit equitably administers the provisions of Maryland State and MCPS Retirement and Pension plans to all pension-eligible employees. The retirement team works closely with the Maryland State Retirement Agency MCPS schools, and offices to ensure that all pension-eligible employees are accurately enrolled in appropriate plans, and their retirement contributions and service credits are accurately tracked and reported. The retirement team disseminates information about the pension plan provision, prepares annual retirement statement and valuation data, and maintains and implements retirement system for the MCPS Core and Supplemental Pension Plan. This team counsels 200-450 employees each month and provides customer support to employees and retirees based on their individual retirement needs. This team processes over 1,000 applications for enrollment and 700 applications for retirement each fiscal year to ensure timely pension payments. This team also responds to an average 9,000 retirement-related telephone and email inquiries each fiscal year. In addition, this team offers seminars in planning for retirement both in-person and online. This team works closely with Aetna Inc. to implement the annual cost of living adjustments to the pension payment of 15,000 retirees.

Call Center *(Professional and Operational Excellence)*

The Call Center and the front desk are the first points of contact for customers. The unit is committed to excellent customer service by providing accurate and current information to employees, retirees, and other stakeholders. The unit handles an average of over 70,000 phone calls and more than 36,000 e-mails each fiscal year. In addition, the unit serves over 900 customers at the front desk of the Call Center each month.

Technology and Communication *(Professional and Operational Excellence)*

This unit provides federal, state, and other regulatory reporting and workforce reporting support to internal and external stakeholders. In addition, this unit collaborates and provides technology support to units within ERSC. The unit strives to scale the technology to support changes and to create efficiencies and continuous process improvements by using technology solutions. The communication specialist maintains a comprehensive website for the department and creates comprehensive materials to communicate benefit, retirement, compensation, payroll, and wellness programs.

OVERVIEW OF BUDGET CHANGES

FY 2022 CURRENT BUDGET

The current FY 2022 budget for this department is changed from the budget adopted by the Board of Education on June 10, 2021. The change is the result of a realignment of \$1,211,230 of tax-supported employee benefits from this department's budget to various chapters within the operating budget to support employee benefits for The Blueprint for Maryland's Future grants.

FY 2023 RECOMMENDED BUDGET

The FY 2023 recommended budget for this department is \$628,958,667, an increase of \$40,886,757 over the current FY 2022 budget. An explanation of this change follows.

Same Service Level Changes—\$40,886,757 *Continuing Salary Costs*

For FY 2023 lapse and turnover, the amount of unused budgeted salary that remains when an employee terminates service and is not immediately replaced or an employee terminates service and the backfill is hired at a lower salary, was calculated at \$37,772,979. For FY 2022, the Board of Education approved negotiated compensation agreements on October 26, 2021. In addition, negotiations began in November 2021 with our three employee associations on new contracts to be effective July 1, 2022, and are continuing as of this publication. While final terms of these contracts have not yet been agreed on, in order to plan for the requirements of the FY 2023 Operating Budget, funds are included in this

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budget to support the FY 2022 negotiated agreements, and the FY 2023 negotiated agreements once they are finalized. Depending on the outcome of negotiations, a budget amendment may be needed to either add funds or realign funds from other areas.

Realignments to Meet Expenditure Requirements and Program Priorities—\$750,152

Realignments are budgeted to address priority spending needs for the department. There are realignment decreases of \$24,737 for a 0.5 administrative secretary I position, in addition to reductions of \$3,232 from clerical overtime part-time salaries, and \$2,000 from contractual services. There are corresponding increases of \$24,179 for a 0.5 assistant leave administrator/workers compensation position, \$3,000 for supporting services part-time salaries, \$1,000 for local travel mileage reimbursement, and \$2,043 for travel for professional development. In addition, due to the need to realign funds to add or reduce position and non-position salaries within specific organizational units, there are increases in social security contributions of \$194,973, retirement contributions of \$127,483 and employee health benefits of \$427,443.

Enrollment Changes—(\$1,827,111)

The budget includes a decrease for current enrollment projections, budgeted salaries, and positions related to changes in student enrollment, including the reduction of 113.1250 positions. Due to the reduced positions in the budget, there is a decrease for social security contributions of \$475,049, employee health benefits of \$1,041,453, and retirement contributions of \$310,609.

New Schools/Space—\$963,373

Due to additional square footage added as a result of a new school and modernization of facilities, 61.3875 positions are added to the budget. The staffing increases result in additional social security contributions of \$250,477, employee health benefits of \$549,123, and retirement contributions of \$163,773.

Employee Health Benefits—\$30,000,000

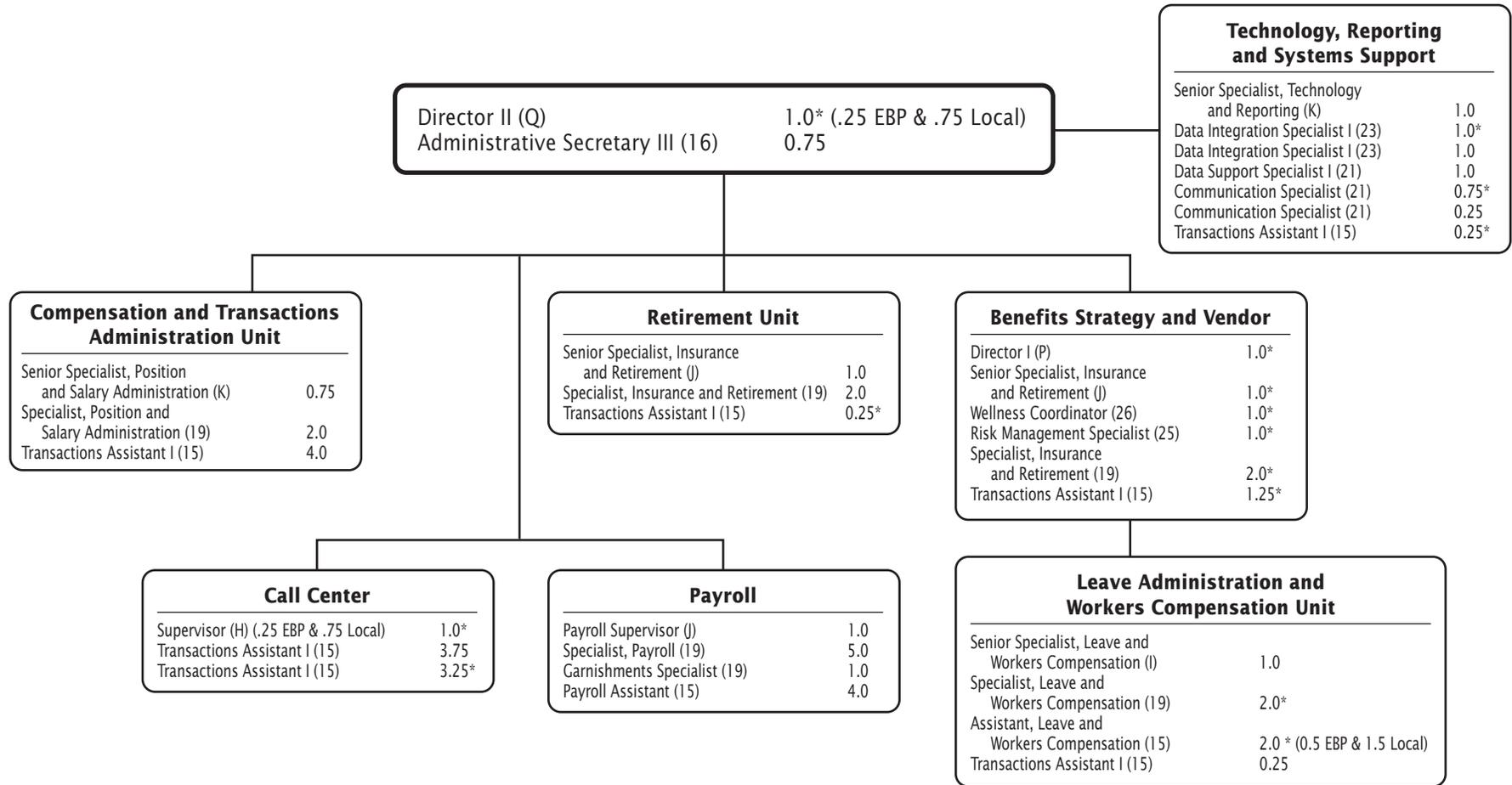
Health and life insurance coverage for current active and retired employees and their families are provided through the Employee Benefit Plan (EBP). The health and life insurance budget for FY 2023 will increase by \$30.0 million for active employees. The MCPS Employees Group Insurance Fund beginning balance in FY 2022 was \$23.4 million. The request of \$30.0 million will be used to cover remaining medical and prescription drug costs, while also allowing the fund to maintain a small reserve balance by the end of FY 2023.

Selected Expenditure Information

Description	FY 2022 Current Budget	FY 2023 Budget	FY 2023 Change
*Worker's Compensation	\$20,002,920	\$20,002,920	\$0
Fire/Other Self- Insurance	5,048,250	5,048,250	0
Social Security	127,935,881	135,257,246	7,321,365
Employee Benefit - Active	276,947,952	303,561,853	26,613,901
Employee Benefit - Retirees	29,094,885	32,416,097	3,321,212
Retirement and Administrative Fees	69,667,145	71,696,267	2,029,122
Pension Shift From State	54,964,860	56,565,764	1,600,904
Unemployment Compensation	212,868	212,868	0
Other	<u>1,350,745</u>	<u>1,350,745</u>	<u>0</u>
Total	<u>\$585,225,506</u>	<u>\$626,112,010</u>	<u>\$40,886,504</u>

*Worker's Compensation for Food Services is shown in the program mission summary under the Department of Materials Management; and auto liability for Self-Insurance is shown under the Department of Transportation. The FY 2023 recommended budget is \$1,723,759 and is unchanged from the FY 2022 budget.

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F.T.E. Positions 32.75

* In addition, the chart includes 15.75 positions funded by the Employee Benefits Trust Fund.

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OBJECT OF EXPENDITURE	FY 2022	FY 2022	FY 2023	FY 2023
	BUDGET	CURRENT	REQUEST	CHANGE
POSITIONS (FTE)				
Administrative	0.7500	0.7500	0.7500	-
Business / Operations Admin	5.5000	5.5000	5.5000	-
Professional	-	-	-	-
Supporting Services	26.5000	26.5000	26.5000	-
TOTAL POSITIONS (FTE)	32.7500	32.7500	32.7500	-
POSITIONS DOLLARS				
Administrative	121,463	121,463	121,463	-
Business / Operations Admin	641,900	641,900	641,900	-
Professional	-	-	-	-
Supporting Services	1,973,567	1,973,567	1,973,009	(558)
TOTAL POSITIONS DOLLARS	\$2,736,930	\$2,736,930	\$2,736,372	(\$558)
OTHER SALARIES				
Extracurricular Salary	-	-	-	-
Other Non Position Salaries	-	-	-	-
Professional Part time	-	-	-	-
Supporting Services Part-time	68,903	68,903	68,671	(232)
Stipends	-	-	-	-
Substitutes	-	-	-	-
Summer Employment	-	-	-	-
TOTAL OTHER SALARIES	\$68,903	\$68,903	\$68,671	(\$232)
TOTAL SALARIES & WAGES	\$2,805,833	\$2,805,833	\$2,805,043	(\$790)
CONTRACTUAL SERVICES				
Consultants	-	-	-	-
Other Contractual	11,585	11,585	9,585	(2,000)
TOTAL CONTRACTUAL SERVICES	\$11,585	\$11,585	\$9,585	(\$2,000)
SUPPLIES & MATERIALS				
Instructional Materials	-	-	-	-
Media	-	-	-	-
Other Supplies and Materials	27,500	27,500	27,500	-
Textbooks	-	-	-	-
TOTAL SUPPLIES & MATERIALS	\$27,500	\$27,500	\$27,500	-
OTHER COSTS				
Insurance and Employee Benefits	586,286,736	585,075,506	625,962,010	40,886,504
Extracurricular Purchases	-	-	-	-
Other Systemwide Activity	725	725	1,725	1,000
Travel	150,761	150,761	152,804	2,043
Utilities	-	-	-	-
TOTAL OTHER COSTS	\$586,438,222	\$585,226,992	\$626,116,539	\$40,889,547
FURNITURE & EQUIPMENT				
Equipment	-	-	-	-
Leased Equipment	-	-	-	-
TOTAL FURNITURE & EQUIPMENT	-	-	-	-
GRAND TOTAL AMOUNTS	\$589,283,140	\$588,071,910	\$628,958,667	\$40,886,757

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			FY 2022	FY 2022	FY 2023	FY 2023
FUND	CAT	DESCRIPTION	BUDGET	CURRENT	REQUEST	CHANGE
Department of Employee and Retiree Services						
F01	C01	Q Director II (C)	0.7500	0.7500	0.7500	-
F01	C01	K Sr Spec Tech & Reporting	1.0000	1.0000	1.0000	-
F01	C01	K Sr Spec Pos & Sal Admin	0.7500	0.7500	0.7500	-
F01	C01	J Sr Spec Insrnce/Retirement	1.0000	1.0000	1.0000	-
F01	C01	J Payroll Supervisor	1.0000	1.0000	1.0000	-
F01	C01	I Sr Spec Lve Adm & Wkr Comp	1.0000	1.0000	1.0000	-
F01	C01	G Supervisor, Call Center	0.7500	0.7500	0.7500	-
F01	C01	23 Data Integration Spec	1.0000	1.0000	1.0000	-
F01	C01	21 Data Support Specialist I	1.0000	1.0000	1.0000	-
F01	C01	21 Commnctn Spec/Web Producer	0.2500	0.2500	0.2500	-
F01	C01	19 Specialist Payroll	5.0000	5.0000	5.0000	-
F01	C01	19 Spec Position & Sal Admin	2.0000	2.0000	2.0000	-
F01	C01	19 Spec Insurance & Retirem	2.0000	2.0000	2.0000	-
F01	C01	19 Garnishment Specialist	1.0000	1.0000	1.0000	-
F01	C01	16 Admin Secretary III	0.7500	0.7500	0.7500	-
F01	C01	15 Transactions Assistant I	8.0000	8.0000	8.0000	-
F01	C01	15 Payroll Assistant	4.0000	4.0000	4.0000	-
F01	C01	15 Asst Leave Admin/Wrks Comp	1.0000	1.0000	1.5000	0.5000
F01	C01	14 Administrative Secretary I	0.5000	0.5000	-	(0.5000)
SubTotal			32.7500	32.7500	32.7500	-
Total Positions			32.7500	32.7500	32.7500	-