

ED COMMITTEE #1
May 17, 2011
Worksession

M E M O R A N D U M

May 16, 2011

TO: Education Committee

FROM: Essie McGuire, Legislative Analyst 

SUBJECT: **Worksession – FY12 Operating Budget, Montgomery County Public Schools, and Amendment to the FY11-16 Capital Improvements Program, Technology Modernization project**

Today the Education Committee is scheduled to conclude its review of the FY12 operating budget for the Montgomery County Public Schools (MCPS). The Committee met on April 4 and reviewed: the Board of Education's FY12 request; the County Executive's FY12 recommendation; local, State, and Federal revenues; and other expenditure, enrollment, and demographic issues.

The purpose of today's worksession is for the Committee to make a recommendation on the MCPS operating budget for FY12 and on the County Executive's recommended CIP amendment on the MCPS Technology Modernization project.

1. MCPS Technology Modernization

As part of his budget adjustments, the Executive submitted on April 25 an amended project description form (PDF) for the MCPS Technology Modernization project (circles 31-32). The Executive recommends a reduction of \$3.023 million in FY12 for this project, reducing the FY12 expenditures from \$21.201 million to \$18.178 million. This reduction is recommended because the County experienced a decline in Recordation Tax current revenue of \$4.8 million. As these funds are dedicated to the College and MCPS, the technology projects for these two agencies had to be reduced to match available revenues.

Council staff asked MCPS staff to be prepared to address the anticipated impact of this reduction in FY12. Based on last year's budget discussion, Council staff understands that approximately 70% of the FY12 appropriation is intended to support finance payments for previous replacement purchases. If so, the Executive's recommended reduction of just over \$3 million could all be reduced from the remaining portion of the appropriation (\$6.4 million) and still leave sufficient funding to support payment obligations. Council staff notes that although this technology replacement function is budgeted in the capital program, MCPS could use operating funds to support its technology modernization program if necessary.

Given the reduced recordation tax revenue, Council staff supports the Executive's recommended reduction of \$3.023 million in recordation tax current revenue from the FY12 appropriation in the MCPS Technology Modernization program.

2. MCPS FY12 Operating Budget

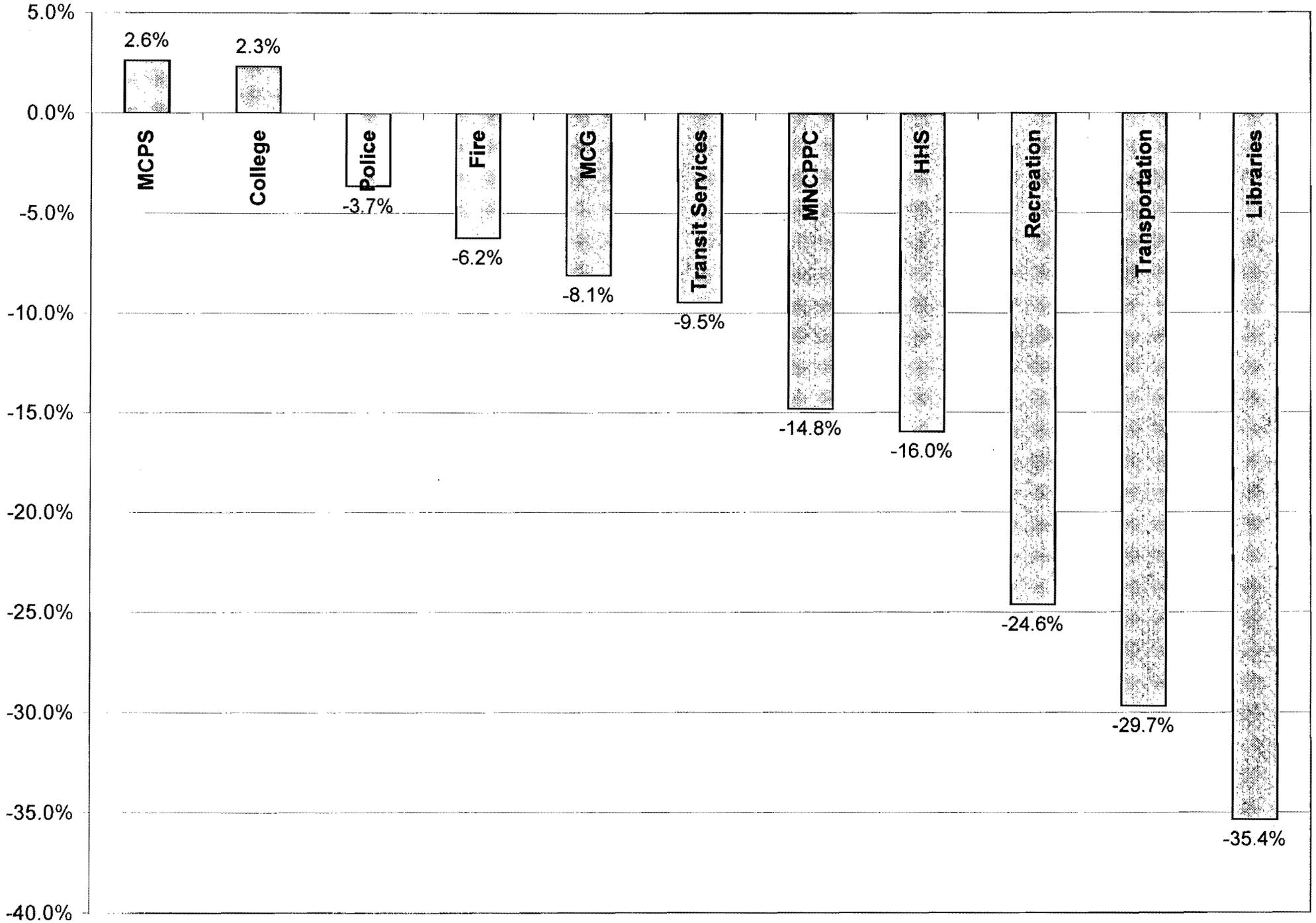
The Board of Education requested a total of \$1.497 billion in County funding. The County Executive recommended \$1.415 billion, exactly level County funding from FY11 and \$82.1 million less than the Board's request.

Since the Committee's first worksession on the MCPS operating budget, there have been several relevant developments:

- The General Assembly approved additional State Aid for education by increasing the per pupil amount in the formula funding above the level recommended by the Governor. This resulted in an increase in State Aid for MCPS of \$6.56 million in FY12.
- The General Assembly also required local school systems to reimburse the State for the administrative costs of teacher retirement. This resulted in an additional cost to MCPS of \$2.7 million.
- After these two funding changes, **MCPS will receive a net increase in State Aid of \$3.8 million.**
- MCPS' most recent financial report dated May 3 (tracking activity through February) projects a year-end fund balance of \$17.0 million. **This is \$1.7 million above the Executive's assumed fund balance of \$15.3 million.**
- On April 28, the County withdrew its letter of intent to apply for a waiver from the Maintenance of Effort (MOE) provision of State law in FY12.
- The Government Operations Committee has discussed the cross-agency issues of funding Other Post Employment Benefits (OPEB) and employee benefit and retirement costs, including the Executive's recommendation of \$20 million for MCPS OPEB in FY12.
- Council staff has analyzed the three year trends in high priority County departments and agencies. The results are summarized in the chart on the following page, which shows the percent change in department and agency budgets from FY09 to the County Executive's FY12 recommendation. In this three-year period the County experienced a precipitous decline in revenues, and faced unprecedented fiscal challenges in trying to balance agency budgets within sharply reduced resources.

This chart shows that the MCPS budget has increased by 2.6% in this extremely difficult three-year period while the budgets of key departments and agencies such as police, fire and rescue, health and human services, libraries, transportation, and park and planning have decreased, in some cases dramatically.

% Change Agency & Department Budgets, FY09-12
CE Recommended on March 15, 2011 for FY12



Based on these recent developments, Council staff proposes the following approach to determine the Council’s appropriation of County funds for MCPS in FY12. Working from the Board of Education’s requested level of \$1.497 billion in County funding, take the following steps:

1. Acknowledge the following reductions and revenue offsets:

1. Reduce employee steps	\$28.0 million
2. Reduce “extra” OPEB allocation (<i>from the total BOE request of \$47 million</i>)	\$27.0 million
3. Acknowledge net addtl State Aid	\$3.8 million
4. Acknowledge addtl fund balance	\$1.7 million

Taking the steps in the table above reduces the Board’s budget request by \$60.5 million. **These steps do not have a programmatic impact** as they reduce OPEB to the County Executive’s recommended level, acknowledge additional revenue, and bring MCPS compensation in line with other County agencies.

2. OPEB: Shift \$20 million identified as necessary to fund OPEB on behalf of MCPS from the MCPS budget to the County Government budget. This funding level for OPEB is consistent with the County Executive’s recommendation for OPEB for MCPS, and reflects the current working assumption, pending Council action on this budget issue.

The recommendation to shift OPEB payments from MCPS to County Government is part of a larger plan to develop a coherent and consistent approach to OPEB funding across County agencies. Council staff understands that the funds would be placed in a Non-Departmental Account (NDA) on behalf of MCPS pending final Council action on legislation to centralize OPEB payments for all County agencies.

3. Benefits: Reduce Category 12, Fixed Charges, by \$18.7 million to reflect changes in employee health and retirement costs. This funding level for benefit savings is the current working assumption within a larger plan regarding employee benefits that the Council will consider on May 17.

4. Assume an overall reduction of approximately 1% to meet affordability requirements. This amount would total \$27.9 million.

Council staff notes the following about this proposed approach:

- **The total amount of new County appropriation would be reduced by \$45.0 million from the County Executive’s recommendation.** Of this amount, the \$20 million related to OPEB is a funding shift rather than a reduction.
- **This recommended level of County appropriation would still result in a year-to-year increase in the tax-supported budget of 1.2%.**



MONTGOMERY COUNTY BOARD OF EDUCATION

850 Hungerford Drive ♦ Rockville, Maryland 20850

March 1, 2011

The Honorable Isiah Leggett, County Executive
The Honorable Valerie Ervin, President, Montgomery County Council
Members of the Montgomery County Council
Montgomery County Government
Rockville, Maryland 20850

Dear Mr. Leggett, Ms. Ervin, and Councilmembers:

On behalf of the outstanding students and employees in Montgomery County Public Schools (MCPS), I am submitting the Board of Education's Operating Budget request for Fiscal Year 2012 (FY 2012) for your consideration.

The members of the Board of Education are well aware of the fiscal challenges facing our county and that is why we are submitting a budget at the lowest level allowed under state law. This \$2.2 billion request includes no new programs or initiatives, but allows us to continue to provide a high quality education to the growing number of students in Montgomery County.

As you are aware, the Board of Education has worked very closely with you to address the economic difficulties facing the county. We have endorsed efforts to waive the state's Maintenance of Effort (MOE) provision, allowing the County Council to fund our students' education at \$250 million below MOE for the past two years. In fact, we are spending about \$1,000 less per student this year (FY 2011) than we did last year. Working with MCPS leadership and staff, we have saved \$300 million during the past three years through a variety of cost-saving measures, including:

- The elimination of more than 400 positions and an increase in class size by an average of one student across the system in FY 2011;
- A twenty percent reduction in our central administrative services, requiring us to realign several offices and eliminate others;
- Asking our employees to go without a cost of living increase for the past two years and the elimination of step increases last year, saving the county more than \$115 million, annually; and
- Hiring freezes and expenditure restrictions for the past three years.

This budget request also includes \$15 million in savings that will be carried forward to FY 2012—yet another indication of our commitment to austerity and responsible stewardship.

Despite these reductions in staff and resources, our students are performing at the highest levels ever. In fact, just last month, it was announced that exactly half of the MCPS graduating class of 2010 received a college-ready score of 3 or higher on at least one Advanced Placement (AP) exam—nearly twice the rate for the state and three times the rate of the nation. This record-setting performance comes on the heels of an all-time high for student performance on the SAT, record achievement in kindergarten reading proficiency, and an unprecedented number of students receiving college scholarships.

MCPS staff and student excellence has been recognized nationally at the highest levels. In November, MCPS was named a 2010 recipient of the Malcolm Baldrige National Quality Award, the highest presidential honor an American organization can receive. MCPS is just the sixth school district to ever receive the Baldrige award and is the largest by far. In October, MCPS was named a finalist for the Broad Prize for

The Honorable Isiah Leggett
The Honorable Valerie Ervin
Members of the Montgomery County Council 2

March 1, 2011

Urban Education, which honors large school districts that have raised student performance while narrowing racial and socioeconomic achievement gaps. MCPS is the first district in Maryland and the Washington DC region to be named a finalist.

These honors are an affirmation that MCPS is dedicated to sound business practices, financial responsibility, continuous improvement, and, most of all, outstanding results for all students. The credit for our progress belongs to the MCPS staff. It is even more impressive that this record- setting achievement has occurred during a time of dramatic fiscal reductions.

But we cannot reasonably expect these gains to continue. At some point, financial constrictions will cut deeply enough, to negatively impact student outcomes. The members of the Board of Education believe this point is perilously close.

Our budget request seeks an increase of approximately three percent in educational programs to account for a rise in enrollment of more than 3,300 students and continued increases in the number of students requiring English for Speakers of Other Languages and Free and Reduced-price Meals System services.

The budget assumes an \$82 million increase in local funding in order to meet the state's MOE requirement. If we do not receive any additional revenue from the county, the consequences could be dire. While we have not discussed specific recommendations, the loss of local revenue will undoubtedly require such drastic actions as staff cuts, an increase in class size, and the elimination of valuable programs and support services. Additionally, if the county does not meet MOE, the district faces a fine of at least \$22 million from the state, which will lead to even more difficult staff and programmatic cuts.

Montgomery County always has made education a top priority in its budget, even in the face of difficult economic times and for this we are grateful. Governor Martin O'Malley demonstrated his continued commitment to education in his FY 2012 budget by increasing state aid for Montgomery County by \$64 million—about \$37 million more than expected. We appreciate the Governor's ongoing commitment to education and ask you to follow his lead. We urge all Montgomery County leaders to work together to see that the Governor's proposal becomes law.

The Board of Education is ready and willing to work closely with the county executive and the County Council to pass a responsible budget that meets the needs of our community's children while being good stewards of the public's money. It is imperative that we not back away from our legal and moral obligation to provide an outstanding education to each and every student in our public schools. These children get but one chance at an education and we must give them every opportunity to succeed.

This community has been a steadfast supporter of its schools and I look forward to a continuation of that laudable tradition as we complete the work on the FY 2012 budget. On behalf of the entire MCPS community, thank you for your continued commitment to education.

Sincerely,



Christopher S. Barclay
President

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

OBJECT OF EXPENDITURE	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 CURRENT	FY 2012 BUDGET	FY 2012 CHANGE
POSITIONS					
Administrative	717,000	701,200	702,200	705,000	2,800
Business/Operations Admin.	94,000	94,000	94,000	94,000	
Professional	11,915,500	11,732,280	11,733,280	11,887,330	154,050
Supporting Services	8,224,415	8,216,203	8,221,203	8,229,161	7,958
TOTAL POSITIONS	20,950,915	20,743,683	20,750,683	20,915,491	164,808
01 SALARIES & WAGES					
Administrative	\$89,770,560	\$88,738,366	\$88,828,173	\$89,246,953	\$418,780
Business/Operations Admin.	8,564,618	8,910,149	8,910,149	8,866,355	(43,794)
Professional	919,636,615	911,675,893	911,818,386	926,226,396	14,408,010
Supporting Services	337,492,615	339,231,929	339,458,721	343,545,150	4,086,429
TOTAL POSITION DOLLARS	1,355,464,408	1,348,556,337	1,349,015,429	1,367,884,854	18,869,425
OTHER SALARIES					
Administrative	754,186	497,576	497,576	697,576	200,000
Professional	50,692,543	57,029,835	56,914,231	53,251,558	(3,662,673)
Supporting Services	22,930,579	21,312,571	21,139,842	20,942,768	(197,074)
TOTAL OTHER SALARIES	74,377,308	78,839,982	78,551,649	74,891,902	(3,659,747)
TOTAL SALARIES AND WAGES	1,429,841,716	1,427,396,319	1,427,567,078	1,442,776,756	15,209,678
02 CONTRACTUAL SERVICES	24,819,484	27,015,492	27,076,044	25,880,231	(1,195,813)
03 SUPPLIES & MATERIALS	61,932,324	64,626,127	64,705,327	64,447,174	(258,153)
04 OTHER					
Staff Dev & Travel	2,734,645	3,356,900	3,356,686	3,260,183	(96,503)
Insur & Fixed Charges	444,635,618	467,718,706	467,547,074	553,240,806	85,693,732
Utilities	44,348,956	43,097,838	43,029,338	44,964,178	1,934,840
Grants & Other	55,625,670	55,165,058	55,231,145	56,967,371	1,736,226
TOTAL OTHER	547,344,889	569,338,502	569,164,243	658,432,538	89,268,295
05 EQUIPMENT	15,028,588	15,811,600	15,675,348	14,185,919	(1,489,429)
GRAND TOTAL AMOUNTS	\$2,078,967,001	\$2,104,188,040	\$2,104,188,040	\$2,205,722,618	\$101,534,578

TABLE 1A
FY 2012 OPERATING BUDGET - SUMMARY OF BUDGET CHANGES
(\$ in millions)

ITEM	AMOUNT	ITEM	AMOUNT
FY 2011 OPERATING BUDGET	\$2,104.2	REDUCTIONS	
ENROLLMENT CHANGES		Central Services:	
Elementary/Secondary	13.0	Office of School Performance	(0.2)
Special Education	3.3	Office of the Deputy Superintendent of Schools	(0.1)
PreKindergarten	0.3	Office of Curriculum and Instructional Programs	(0.7)
ESOL	0.9	Office of Special Education and Student Services	(0.3)
Subtotal	\$17.5	Office of the Chief Operating Officer	(1.2)
NEW SCHOOLS/SPACE	\$0.9	Office of the Chief Technology Officer	(0.7)
EMPLOYEE SALARIES - CONTINUING SALARIES		Office of Human Resources and Development	(0.5)
COSTS FOR CURRENT EMPLOYEES (including benefits)	\$14.6	Office of the Superintendent of Schools	(0.1)
EMPLOYEE BENEFITS AND INSURANCE		Support Operations:	
Employee Benefits Plan (active)	12.9	Utilities - Peak Load Management	(1.2)
Employee Benefits Plan (retired)	5.7	Transportation - Seek Waiver of 25 Buses; Route Efficiency	(0.9)
Retirement	11.5	Other:	
FICA/Self-Insurance/Workers' Compensation	2.9	Elementary School Improvement Planning Funds	(0.1)
Subtotal	\$33.0	Subtotal	(\$6.0)
INFLATION AND OTHER		OTHER - Prefunding of Retiree Health Benefits	47.6
Textbooks, Instructional and Media Materials	0.6	FY 2012 BUDGET	\$2,205.7
Utilities	2.8	FY 2010- FY 2011 CHANGE	\$101.5
Special Education Including Non-public Tuition	2.1	Less Enterprise funds	(56.7)
Transportation	1.5	Less Grants	(79.3)
Facilities/Plant Operations/Maintenance	0.7	SPENDING AFFORDABILITY BUDGET	\$2,069.7
Technology	0.5	REVENUE INCREASE BY SOURCE	
ARRA Grants	(13.7)	Local	82.1
Other Grant Projects - Revenue Changes	(0.7)	State	82.1
Other	0.1	Federal	(66.7)
Subtotal	(\$6.1)	Other	(1.6)
		Fund Balance	5.0
		Enterprise	0.6
		TOTAL REVENUE INCREASE	\$101.5

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**TABLE 2
BUDGET REVENUE BY SOURCE**

SOURCE	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 CURRENT	FY 2012 ESTIMATED
CURRENT FUND				
From the County:	\$ 1,428,500,970	\$1,415,085,344	\$1,415,085,344	\$1,497,190,404
From the State:				
Bridge to Excellence				
Foundation Grant	223,603,678	264,653,233	247,142,612	286,234,231
Geographic Cost of Education Index	9,841,663	9,538,130	9,538,130	32,217,371
Limited English Proficient	42,741,912	43,826,987	43,826,987	49,080,794
Compensatory Education	88,497,924	94,625,835	94,625,835	105,084,989
Students with Disabilities - Formula	32,534,697	33,485,077	33,485,077	33,838,306
Students with Disabilities - Reimbursement	10,704,742	10,704,742	10,704,742	10,842,176
Transportation	31,266,432	31,038,830	31,038,830	35,210,643
Miscellaneous	273,727	750,000	750,000	750,000
Programs financed through State Grants	2,363,295			
Total from the State	441,828,070	488,622,834	471,112,213	553,258,510
From the Federal Government:				
Impact Aid	229,218	245,000	245,000	245,000
Programs financed through Federal Grants	120,775,845	118,802,528	136,322,804	69,691,017
Total from the Federal Government	121,005,063	119,047,528	136,567,804	69,936,017
From Other Sources:				
Tuition and Fees				
D.C. Welfare	337,468	250,000	250,000	270,000
Nonresident Pupils	422,884	925,000	925,000	750,000
Summer School	1,896,222	1,982,536	1,982,536	1,281,148
Outdoor Education	429,884	496,905	496,905	574,560
Student Activities Fee	702,841	795,000	795,000	690,000
Hospital Teaching	241,297	240,127	240,127	0
Miscellaneous	1,242,202	900,000	900,000	160,000
Programs financed through Private Grants	8,991,083	9,422,091	9,412,436	9,652,563
Total from Other Sources	14,263,881	15,011,659	15,002,004	13,378,271
Fund Balance	44,200,000	10,300,000	10,300,000	15,300,000
Total Current Fund	2,049,797,984	2,048,067,365	2,048,067,365	2,149,063,202
ENTERPRISE & SPECIAL FUNDS				
School Food Service Fund:				
State	1,004,518	1,067,287	1,017,718	1,024,608
National School Lunch, Special Milk and Free Lunch Programs	20,354,898	18,746,883	19,519,206	21,424,368
Child Care Food Program	1,085,248	700,000	900,000	900,000
Sale of Meals and other	21,118,221	26,526,084	25,603,330	23,676,359
Total School Food Service Fund	43,562,885	47,040,254	47,040,254	47,025,335

**TABLE 2
BUDGET REVENUE BY SOURCE**

SOURCE	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 CURRENT	FY 2012 ESTIMATED
Real Estate Management Fund:				
Rental fees	2,667,604	3,071,095	3,071,095	3,266,430
Total Real Estate Management Fund	2,667,604	3,071,095	3,071,095	3,266,430
Field Trip Fund:				
Fees	1,543,871	2,354,716	2,354,716	2,122,819
Total Field Trip Fund	1,543,871	2,354,716	2,354,716	2,122,819
Entrepreneurial Activities Fund:				
Fees	1,849,158	2,164,100	2,164,100	2,694,158
Total Entrepreneurial Activities Fund	1,849,158	2,164,100	2,164,100	2,694,158
Total Enterprise Funds	49,623,518	54,630,165	54,630,165	55,108,742
Instructional Television Special Revenue Fund:				
Cable Television Plan	1,581,510	1,490,510	1,490,510	1,550,674
Total Instructional Special Revenue Fund	1,581,510	1,490,510	1,490,510	1,550,674
GRAND TOTAL	\$2,101,003,012	\$2,104,188,040	\$2,104,188,040	\$2,205,722,618

Tax - Supported Budget	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 CURRENT	FY 2012 ESTIMATED
Grand Total	\$2,101,003,012	\$2,104,188,040	\$2,104,188,040	\$2,205,722,618
Less:				
Grants	(132,130,223)	(128,224,619)	(145,735,240)	(79,343,580)
Enterprise Funds	(49,623,518)	(54,630,165)	(54,630,165)	(55,108,742)
Special Revenue Fund	(1,581,510)	(1,490,510)	(1,490,510)	(1,550,674)
Grand Total - Tax-Supported Budget	\$1,917,667,761	\$1,919,842,746	\$1,902,332,125	\$2,069,719,622

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

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

Program Name and Source of Funding	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 CURRENT	FY 2012 ESTIMATED
<u>Budgeted</u>				
FEDERAL AID: NO CHILD LEFT BEHIND (NCLB)				
Title I - A (941/949)	\$ 19,813,177	\$ 17,776,299	\$ 17,776,299	\$ 18,040,997
Title I - A (ARRA) (941/949)	5,915,321	5,906,005	5,906,005	
Subtotal	25,728,498	23,682,304	23,682,304	18,040,997
Title I - D				
Neglected and Delinquent Youth (937)	150,733	166,875	166,875	191,957
Total Title I	25,879,231	23,849,179	23,849,179	18,232,954
Title II - A				
Skillful Teacher Program (915)	521,940	604,923	604,923	604,923
Consulting Teachers (961)	3,596,158	3,524,474	3,530,698	3,448,908
Staff Development Team (960)		279,219	279,219	361,009
Subtotal	4,118,098	4,408,616	4,414,840	4,414,840
Title II - D				
Enhancing Education through Technology (918)	189,322	154,242	154,242	-
Total Title II	4,307,420	4,562,858	4,569,082	4,414,840
Title III				
Limited English Proficiency (927)	3,208,282	3,388,305	3,388,305	3,388,305
Title IV				
Safe & Drug Free Schools & Communities Act (926)	568,636	-	-	-
Title V				
Innovative Educational Programs (997)	114,821	-	-	-
Title VII				
American Indian Education (903)	21,751	23,685	29,028	29,028
SUBTOTAL	34,100,141	31,824,027	31,835,594	26,065,127
OTHER FEDERAL, STATE, AND LOCAL AID				
State Fiscal Stabilization Fund (SFSF) (901) Federal (ARRA)	27,844,286	31,261,214	31,261,214	-
Head Start Child Development (932) Federal	3,374,329	3,435,318	3,433,406	3,433,406
Individuals with Disabilities Education (907/913/963/964/ 965/966/967) Federal	29,063,581	29,673,104	29,673,104	29,160,564
Federal (ARRA)	14,301,894	16,488,837	16,488,837	-
Subtotal	43,365,475	46,161,941	46,161,941	29,160,564
Infants and Toddlers (930) Federal	776,463	928,528	928,528	974,844

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

Program Name and Source of Funding	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 CURRENT	FY 2012 ESTIMATED
Education Jobs Fund (935) Federal				4,377,655
Medical Assistance Program (939) Federal	4,519,801	3,881,982	3,881,982	4,364,436
National Institutes of Health (NIH) (908) Other				254,733
Provision for Future Supported Projects (999) Other	8,991,083	9,422,091	9,412,436	9,397,830
Carl D. Perkins Career & Technical Ed. Improvement (951) Federal	1,056,691	1,309,518	1,309,518	1,314,985
County	379,794	249,464	249,464	249,464
Subtotal	1,436,485	1,558,982	1,558,982	1,564,449
SUBTOTAL	90,307,922	96,650,056	96,638,489	53,273,184
TOTAL	\$ 124,408,063	\$ 128,474,083	\$ 128,474,083	\$ 79,338,311

Summary of Funding Sources				
Federal	\$ 115,037,186	\$ 118,802,528	\$ 118,812,183	\$ 69,691,017
State				
County	379,794	249,464	249,464	249,464
Other	8,991,083	9,422,091	9,412,436	9,652,563
GRAND TOTAL	\$ 124,408,063	\$ 128,474,083	\$ 128,474,083	\$ 79,593,044

FOR INFORMATION ONLY			
Non-Budgeted Grants Received as of November 30, 2010 - Continuation is Dependent on Future Funding			
Homeless Children and Youth			\$ 130,000
Youth in Natural Resources - Dept. of Interior			1,153
Perkins - Career and Technology Education			32,656
IDEA - Alternative Maryland School Assessment			29,954
IDEA - Adequate Yearly Progress (AYP)			91,250
IDEA - Transition			44,564
IDEA - Early Childhood Links (EC)			75,500
IDEA - Least Restrictive Environment (LRE)			98,572
IDEA - Emotionally Disabled (ED)			62,000
Education Cluster Model (thru DHHS)			172,050
ARRA - Infants and Toddlers			1,023,843
SUBTOTAL FEDERAL FUNDING			1,781,542
Science, Technology, Engineering, and Mathematics (STEM)			104,079
Maryland Model for School Readiness (MMSR) Program			88,082
Judith Hoyer Childcare & Education (Judy Centers)			524,988
Fine Arts			33,555
SUBTOTAL STATE FUNDING			750,704
Mid-Atlantic Dairy Association			200,000
National Institute of Standards and Technology Project			14,000
National Defense Education Program			30,000
Learn and Serve America			21,869
Howard Hughes Medical Institute			545,000
SUBTOTAL OTHER			810,869
TOTAL			\$ 3,323,115

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**TABLE 4
SUMMARY OF STUDENT ENROLLMENT - FY 2009 THROUGH FY 2012**

DESCRIPTION	(1)	(2)	(3)	(4)	(5)	CHANGE	
	FY 2009 ACTUAL	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2011 BUDGET	FY 2012 BUDGET	COLUMN (5) LESS COLUMN (4)	
	9/30/2008	9/30/2009	10/30/2010	10/30/2009	10/30/2010	#	%
ENROLLMENT							
PRE-KINDERGARTEN	1,878	1,973	1,965	2,025	2,085	60	3.0
HEAD START	618	618	618	618	618		
KINDERGARTEN	10,250	10,605	10,917	10,575	11,075	500	4.7
GRADES 1-5	49,892	51,399	53,281	53,006	54,802	1,796	3.4
SUBTOTAL ELEMENTARY	62,638	64,595	66,781	66,224	68,580	2,356	3.6
GRADES 6-8	30,871	30,890	30,754	30,532	31,097	565	1.9
SUBTOTAL MIDDLE	30,871	30,890	30,754	30,532	31,097	565	1.9
GRADES 9-12	44,240	44,580	44,807	44,386	44,894	508	1.1
SUBTOTAL HIGH	44,240	44,580	44,807	44,386	44,894	508	1.1
SUBTOTAL PRE-K - GRADE 12	137,749	140,065	142,342	141,142	144,571	3,429	2.4
SPECIAL EDUCATION							
PRE-KINDERGARTEN	639	825	929	1,230	1,250	20	1.6
SPECIAL CENTERS	511	514	463	462	463	1	0.2
SUBTOTAL SPECIAL EDUCATION	1,150	1,339	1,392	1,692	1,713	21	1.2
ALTERNATIVE PROGRAMS	179	219	213	225	225		
GATEWAY TO COLLEGE	198	154	117	250	200	(50)	(20.0)
GRAND TOTAL	139,276	141,777	144,064	143,309	146,709	3,400	2.4

SOURCE: Projected enrollment by the Division of Long-range Planning

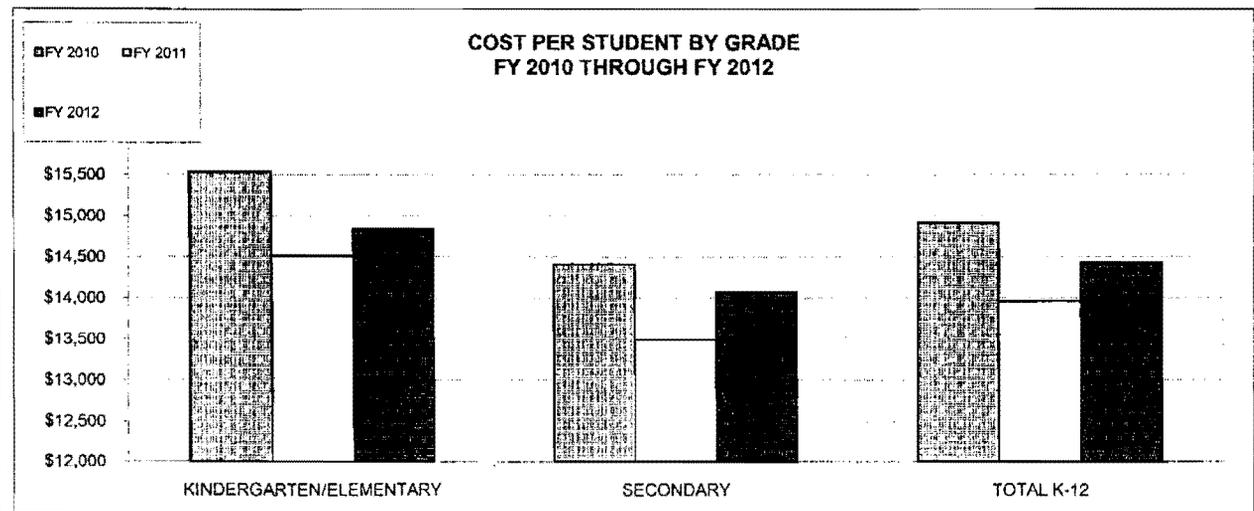
NOTE: Grade enrollments for FY 2009 - FY 2012 include special education students

**TABLE 5
ALLOCATION OF STAFFING**

POSITIONS	CURRENT FY 2011	BUDGET FY 2012	CHANGE
Executive	17.000	17.000	-
Administrative	201.200	202.000	0.800
Business/Operations Administrator	94.000	94.000	-
Other Professional	198.500	194.200	(4.300)
Principal/Assistant Principal	484.000	486.000	2.000
Teacher	10,240.670	10,396.620	155.950
Special Education Specialist	479.600	483.300	3.700
Media Specialist	197.500	197.500	-
Counselor	461.000	460.000	(1.000)
Psychologist	96.205	95.805	(0.400)
Social Worker	14.805	14.905	0.100
Pupil Personnel Worker	45.000	45.000	-
Instructional Aide and Assistant	2,413.430	2,410.788	(2.642)
Secretarial/Clerical/Data Support	746.950	745.050	(1.900)
IT Systems Specialist	143.000	140.000	(3.000)
Security	224.000	224.000	-
Cafeteria	556.448	556.448	-
Building Services	1,318.200	1,335.200	17.000
Facilities Management/Maintenance	343.500	347.500	4.000
Supply/Property Management	52.500	51.500	(1.000)
Transportation	1,695.000	1,685.900	(9.100)
Other Support Personnel	728.175	732.775	4.600
TOTAL	20,750.683	20,915.491	164.808

COST PER STUDENT BY GRADE SPAN

	KINDERGARTEN/ ELEMENTARY	SECONDARY	TOTAL K-12	AMOUNT EXCLUDED*	TOTAL BUDGET**
FY 2010 ACTUAL					
EXPENDITURES	\$965,419,538	\$1,089,391,977	\$2,054,811,515	146,115,485	2,200,927,000
STUDENTS 9/30/09 (ACTUAL)	62,162	75,565	137,727		
COST PER STUDENT	\$15,531	\$14,417	\$14,919		
FY 2011 BUDGET					
EXPENDITURES	\$934,138,474	\$1,026,467,933	\$1,960,606,407	143,581,633	\$2,104,188,040
STUDENTS 9/30/10 (CURRENT)	64,355	76,040	140,395		
COST PER STUDENT	\$14,515	\$13,499	\$13,965		
FY 2012 BUDGET					
EXPENDITURES	\$979,974,491	\$1,076,920,837	\$2,056,895,328	148,827,290	\$2,205,722,618
STUDENTS 9/30/11 (PROJECTED)	66,017	76,539	142,556		
COST PER STUDENT	\$14,844	\$14,070	\$14,429		



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 2011 FIGURES REFLECT CURRENT APPROVED BUDGET

SUMMARY OF NEGOTIATIONS

During FY 2010, the Board of Education reached agreement on four-year contracts with all four bargaining units. All contracts will expire June 30, 2014. The bargaining units are the Montgomery County Education Association (MCEA), representing certificated non-administrative employees; SEIU Local 500, representing supporting services employees; and the Montgomery County Association of Administrators and Principals (MCAAP/MCBOA), representing certificated administrators and non-certificated supervisory employees in separate units. The two MCAAP unit contracts are contained in a single document covering both units.

The contracts all provide for no step increases and no cost-of-living adjustments. All contracts provide for reopened negotiations on economic provisions during each of the next three years, and up to two additional Articles of the Agreement during the second year of the Agreements. In addition, all contracts provide for reopened negotiations if the County Government provides higher compensation or other economic benefits for any of its employee organizations during the term of the Agreements, unless the Board is able to match such increases for school system employees.

During FY 2010, the bargaining groups agreed to participate in joint negotiations regarding benefits for the term of the Agreements.

The District is in negotiations with all groups regarding wages effective July 1, 2011, and the District contributions for insurance benefit plans.

Category 1
Administration
Summary of Resources
By Object of Expenditure

OBJECT OF EXPENDITURE	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 CURRENT	FY 2012 BUDGET	FY 2012 CHANGE
POSITIONS					
Administrative	80,000	71,000	71,000	71,000	
Business/Operations Admin.	21,000	21,000	21,000	21,000	
Professional	12,100	11,600	11,600	11,600	
Supporting Services	245,062	235,050	235,050	233,050	(2,000)
TOTAL POSITIONS	358,162	338,650	338,650	336,650	(2,000)
01 SALARIES & WAGES					
Administrative	\$10,535,067	\$9,760,231	\$9,760,231	\$9,764,159	\$3,928
Business/Operations Admin.	2,047,785	2,081,553	2,081,553	2,096,967	15,414
Professional	1,242,179	1,202,163	1,202,163	1,190,985	(11,178)
Supporting Services	17,366,656	17,203,424	17,203,424	17,135,075	(68,349)
TOTAL POSITION DOLLARS	31,191,687	30,247,371	30,247,371	30,187,186	(60,185)
OTHER SALARIES					
Administrative					
Professional	250,003	702,423	702,423	702,423	
Supporting Services	675,905	925,716	925,716	888,675	(37,041)
TOTAL OTHER SALARIES	925,908	1,628,139	1,628,139	1,591,098	(37,041)
TOTAL SALARIES AND WAGES	32,117,595	31,875,510	31,875,510	31,778,284	(97,226)
02 CONTRACTUAL SERVICES	5,403,751	5,193,167	5,193,167	5,671,116	477,949
03 SUPPLIES & MATERIALS	590,842	549,118	549,118	582,118	33,000
04 OTHER					
Staff Dev & Travel	328,720	343,328	343,328	347,852	4,524
Insur & Fixed Charges					
Utilities	12,175	20,000	20,000		(20,000)
Grants & Other	92,789	139,594	135,331	121,286	(14,045)
TOTAL OTHER	433,684	502,922	498,659	469,138	(29,521)
05 EQUIPMENT	1,639,622	1,030,428	1,030,428	995,638	(34,790)
GRAND TOTAL AMOUNTS	\$40,185,494	\$39,151,145	\$39,146,882	\$39,496,294	\$349,412

Category 2
Mid-Level Administration
Summary of Resources
By Object of Expenditure

OBJECT OF EXPENDITURE	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 CURRENT	FY 2012 BUDGET	FY 2012 CHANGE
POSITIONS					
Administrative	569,000	564,000	564,000	565,000	1,000
Business/Operations Admin.	26,000	26,000	26,000	26,000	
Professional	50,600	83,900	83,900	91,600	7,700
Supporting Services	1,016,775	1,008,975	1,008,975	1,007,975	(1,000)
TOTAL POSITIONS	1,662,375	1,682,875	1,682,875	1,690,575	7,700
01 SALARIES & WAGES					
Administrative	\$70,410,746	\$70,562,650	\$70,562,650	\$70,713,505	\$150,855
Business/Operations Admin.	2,328,193	2,447,930	2,447,930	2,329,562	(118,368)
Professional	5,402,631	9,679,711	9,679,711	9,801,058	121,347
Supporting Services	49,572,147	49,366,968	49,366,968	49,998,020	631,052
TOTAL POSITION DOLLARS	127,713,717	132,057,259	132,057,259	132,842,145	784,886
OTHER SALARIES					
Administrative	754,186	497,576	497,576	697,576	200,000
Professional	492,791	601,166	601,166	628,194	27,028
Supporting Services	1,505,982	1,971,880	1,971,880	1,900,368	(71,512)
TOTAL OTHER SALARIES	2,752,959	3,070,622	3,070,622	3,226,138	155,516
TOTAL SALARIES AND WAGES	130,466,676	135,127,881	135,127,881	136,068,283	940,402
02 CONTRACTUAL SERVICES	2,469,531	2,204,656	2,204,656	2,052,242	(152,414)
03 SUPPLIES & MATERIALS	523,817	830,121	830,121	760,749	(69,372)
04 OTHER					
Staff Dev & Travel	110,424	431,203	431,203	310,402	(120,801)
Insur & Fixed Charges					
Utilities					
Grants & Other	180,297	185,321	185,321	184,321	(1,000)
TOTAL OTHER	290,721	616,524	616,524	494,723	(121,801)
05 EQUIPMENT	41,594	24,933	24,933	28,919	3,986
GRAND TOTAL AMOUNTS	\$133,792,339	\$138,804,115	\$138,804,115	\$139,404,916	\$600,801

Category 3
Instructional Salaries
Summary of Resources
By Object of Expenditure

OBJECT OF EXPENDITURE	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 CURRENT	FY 2012 BUDGET	FY 2012 CHANGE
POSITIONS					
Administrative	7.000	6.000	6.000	6.000	
Business/Operations Admin.	3.000	3.000	3.000	3.000	
Professional	9,689.900	9,453.175	9,454.175	9,574.575	120.400
Supporting Services	1,364.365	1,342.025	1,342.025	1,324.478	(17.547)
TOTAL POSITIONS	11,064.265	10,804.200	10,805.200	10,908.053	102.853
01 SALARIES & WAGES					
Administrative	\$850,256	\$750,844	\$750,844	\$748,379	(\$2,465)
Business/Operations Admin.	281,053	289,893	289,893	294,741	4,848
Professional	744,753,010	729,142,811	729,272,811	740,590,878	11,317,867
Supporting Services	55,662,945	51,905,751	51,905,751	54,579,946	2,674,195
TOTAL POSITION DOLLARS	801,547,264	782,089,299	782,219,299	796,213,744	13,994,445
OTHER SALARIES					
Administrative					
Professional	43,814,704	47,246,539	47,119,617	45,432,118	(1,687,499)
Supporting Services	3,885,875	5,629,286	5,626,208	5,398,750	(227,458)
TOTAL OTHER SALARIES	47,700,579	52,875,825	52,745,825	50,830,868	(1,914,957)
TOTAL SALARIES AND WAGES	849,247,843	834,965,124	834,965,124	847,044,612	12,079,488
02 CONTRACTUAL SERVICES					
03 SUPPLIES & MATERIALS					
04 OTHER					
Staff Dev & Travel					
Insur & Fixed Charges					
Utilities					
Grants & Other					
TOTAL OTHER					
05 EQUIPMENT					
GRAND TOTAL AMOUNTS	\$849,247,843	\$834,965,124	\$834,965,124	\$847,046,612	\$12,081,488

Category 4
Textbooks And Instructional Supplies
Summary of Resources
By Object of Expenditure

OBJECT OF EXPENDITURE	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 CURRENT	FY 2012 BUDGET	FY 2012 CHANGE
POSITIONS					
Administrative					
Business/Operations Admin.					
Professional					
Supporting Services					
TOTAL POSITIONS					
01 SALARIES & WAGES					
Administrative					
Business/Operations Admin.					
Professional					
Supporting Services					
TOTAL POSITION DOLLARS					
OTHER SALARIES					
Administrative					
Professional					
Supporting Services					
TOTAL OTHER SALARIES					
TOTAL SALARIES AND WAGES					
02 CONTRACTUAL SERVICES					
03 SUPPLIES & MATERIALS	26,677,307	24,901,955	24,901,955	25,284,894	382,939
04 OTHER					
Staff Dev & Travel					
Insur & Fixed Charges					
Utilities					
Grants & Other					
TOTAL OTHER					
05 EQUIPMENT					
GRAND TOTAL AMOUNTS	<u>\$26,677,307</u>	<u>\$24,901,955</u>	<u>\$24,901,955</u>	<u>\$25,284,894</u>	<u>\$382,939</u>

**Category 5
Other Instructional Costs
Summary of Resources
By Object of Expenditure**

OBJECT OF EXPENDITURE	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 CURRENT	FY 2012 BUDGET	FY 2012 CHANGE
POSITIONS					
Administrative					
Business/Operations Admin.					
Professional					
Supporting Services					
TOTAL POSITIONS					
01 SALARIES & WAGES					
Administrative					
Business/Operations Admin.					
Professional					
Supporting Services					
TOTAL POSITION DOLLARS					
OTHER SALARIES					
Administrative					
Professional					
Supporting Services					
TOTAL OTHER SALARIES					
TOTAL SALARIES AND WAGES					
02 CONTRACTUAL SERVICES	6,499,590	6,934,289	6,939,289	6,371,439	(567,850)
03 SUPPLIES & MATERIALS					
04 OTHER					
Staff Dev & Travel	1,105,668	1,303,614	1,303,659	1,378,867	75,228
Insur & Fixed Charges				50,000	50,000
Utilities					
Grants & Other	3,056,030	4,681,659	4,681,614	4,610,617	(70,997)
TOTAL OTHER	4,161,698	5,985,273	5,985,273	6,039,504	54,231
05 EQUIPMENT	1,632,926	1,454,029	1,449,029	1,710,037	261,008
GRAND TOTAL AMOUNTS	<u>\$12,294,214</u>	<u>\$14,373,591</u>	<u>\$14,373,591</u>	<u>\$14,120,980</u>	<u>(\$252,611)</u>

Category 6
Special Education
Summary of Resources
By Object of Expenditure

OBJECT OF EXPENDITURE	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 CURRENT	FY 2012 BUDGET	FY 2012 CHANGE
POSITIONS					
Administrative	37,000	36,200	36,200	37,000	.800
Business/Operations Admin.	1,000	1,000	1,000	1,000	
Professional	2,093,800	2,116,800	2,116,800	2,142,650	25,850
Supporting Services	1,475,515	1,507,255	1,507,255	1,524,560	17,305
TOTAL POSITIONS	3,607,315	3,661,255	3,661,255	3,705,210	43,955
01 SALARIES & WAGES					
Administrative	\$5,001,020	\$4,595,187	\$4,595,187	\$4,740,107	\$144,920
Business/Operations Admin.	82,296	82,295	82,295	85,369	3,074
Professional	160,345,507	163,887,558	163,900,051	167,002,166	3,102,115
Supporting Services	54,512,372	55,050,319	55,197,267	56,155,887	958,620
TOTAL POSITION DOLLARS	219,941,195	223,615,359	223,774,800	227,983,529	4,208,729
OTHER SALARIES					
Administrative					
Professional	4,877,474	7,283,191	7,294,509	5,159,346	(2,135,163)
Supporting Services	4,108,614	3,344,659	3,344,659	3,674,895	330,236
TOTAL OTHER SALARIES	8,986,088	10,627,850	10,639,168	8,834,241	(1,804,927)
TOTAL SALARIES AND WAGES	228,927,283	234,243,209	234,413,968	236,817,770	2,403,802
02 CONTRACTUAL SERVICES	3,681,828	3,193,474	3,202,474	2,521,445	(681,029)
03 SUPPLIES & MATERIALS	2,071,447	2,448,434	2,448,434	2,138,284	(310,150)
04 OTHER					
Staff Dev & Travel	599,675	576,474	579,215	497,969	(81,246)
Insur & Fixed Charges					
Utilities				20,000	20,000
Grants & Other	36,303,288	36,557,829	36,557,829	38,051,254	1,493,425
TOTAL OTHER	36,902,963	37,134,303	37,137,044	38,569,223	1,432,179
05 EQUIPMENT	1,730,683	2,146,218	2,146,218	289,661	(1,856,557)
GRAND TOTAL AMOUNTS	\$273,314,204	\$279,165,638	\$279,348,138	\$280,336,383	\$988,245

Category 7
Student Personnel Services
Summary of Resources
By Object of Expenditure

OBJECT OF EXPENDITURE	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 CURRENT	FY 2012 BUDGET	FY 2012 CHANGE
POSITIONS					
Administrative	9.000	9.000	9.000	10.000	1.000
Business/Operations Admin.					
Professional	67.100	65.805	65.805	65.905	.100
Supporting Services	34.800	35.500	35.500	35.800	.300
TOTAL POSITIONS	110.900	110.305	110.305	111.705	1.400
01 SALARIES & WAGES					
Administrative	\$1,171,647	\$1,166,072	\$1,166,072	\$1,317,322	\$151,250
Business/Operations Admin.					
Professional	7,774,503	7,652,824	7,652,824	7,529,930	(122,894)
Supporting Services	1,818,412	1,818,539	1,818,539	1,909,862	91,323
TOTAL POSITION DOLLARS	10,764,562	10,637,435	10,637,435	10,757,114	119,679
OTHER SALARIES					
Administrative					
Professional	14,150	28,324	28,324	30,565	2,241
Supporting Services	317,249	378,789	378,789	378,619	(170)
TOTAL OTHER SALARIES	331,399	407,113	407,113	409,184	2,071
TOTAL SALARIES AND WAGES	11,095,961	11,044,548	11,044,548	11,166,298	121,750
02 CONTRACTUAL SERVICES	18,307	73,505	73,505	52,005	(21,500)
03 SUPPLIES & MATERIALS	6,265	22,953	22,953	14,403	(8,550)
04 OTHER					
Staff Dev & Travel	114,696	60,328	60,328	118,328	58,000
Insur & Fixed Charges					
Utilities					
Grants & Other					
TOTAL OTHER	114,696	60,328	60,328	118,328	58,000
05 EQUIPMENT					
GRAND TOTAL AMOUNTS	\$11,235,229	\$11,201,334	\$11,201,334	\$11,351,034	\$149,700

**Category 8
Health Services
Summary of Resources
By Object of Expenditure**

OBJECT OF EXPENDITURE	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 CURRENT	FY 2012 BUDGET	FY 2012 CHANGE
POSITIONS					
Administrative					
Business/Operations Admin.					
Professional					
Supporting Services					
TOTAL POSITIONS					
01 SALARIES & WAGES					
Administrative					
Business/Operations Admin.					
Professional					
Supporting Services					
TOTAL POSITION DOLLARS					
OTHER SALARIES					
Administrative					
Professional	2,940	2,000	2,000	2,000	
Supporting Services					
TOTAL OTHER SALARIES	2,940	2,000	2,000	2,000	
TOTAL SALARIES AND WAGES	2,940	2,000	2,000	2,000	
02 CONTRACTUAL SERVICES	34,223	41,000	41,000	51,080	10,080
03 SUPPLIES & MATERIALS	1,532	1,590	1,590	1,590	
04 OTHER					
Staff Dev & Travel					
Insur & Fixed Charges					
Utilities					
Grants & Other					
TOTAL OTHER					
05 EQUIPMENT					
GRAND TOTAL AMOUNTS	\$38,695	\$44,590	\$44,590	\$54,670	\$10,080

Category 9
Student Transportation
Summary of Resources
By Object of Expenditure

OBJECT OF EXPENDITURE	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 CURRENT	FY 2012 BUDGET	FY 2012 CHANGE
POSITIONS					
Administrative	2.000	2.000	2.000	2.000	
Business/Operations Admin.	13.750	13.750	13.750	13.750	
Professional					
Supporting Services	1,726.500	1,726.500	1,726.500	1,717.400	(9.100)
TOTAL POSITIONS	1,742.250	1,742.250	1,742.250	1,733.150	(9.100)
01 SALARIES & WAGES					
Administrative	\$222,801	\$276,653	\$276,653	\$264,177	(\$12,476)
Business/Operations Admin.	1,322,708	1,358,264	1,358,264	1,337,857	(20,407)
Professional					
Supporting Services	59,480,186	62,882,275	62,882,275	61,824,241	(1,058,034)
TOTAL POSITION DOLLARS	61,025,695	64,517,192	64,517,192	63,426,275	(1,090,917)
OTHER SALARIES					
Administrative					
Professional	274,606	105,000	105,000	105,000	
Supporting Services	6,443,135	4,299,462	4,299,462	4,340,328	40,866
TOTAL OTHER SALARIES	6,717,741	4,404,462	4,404,462	4,445,328	40,866
TOTAL SALARIES AND WAGES	67,743,436	68,921,654	68,921,654	67,871,603	(1,050,051)
02 CONTRACTUAL SERVICES	1,347,510	1,718,514	1,770,566	1,697,547	(73,019)
03 SUPPLIES & MATERIALS	12,282,728	12,410,050	12,489,250	13,325,215	835,965
04 OTHER					
Staff Dev & Travel	85,606	124,620	124,620	96,357	(28,263)
Insur & Fixed Charges					
Utilities					
Grants & Other	1,337,615	1,251,822	1,251,822	1,157,157	(94,665)
TOTAL OTHER	1,423,221	1,376,442	1,376,442	1,253,514	(122,928)
05 EQUIPMENT	8,541,987	9,519,399	9,388,147	9,496,741	108,594
GRAND TOTAL AMOUNTS	\$91,338,882	\$93,946,059	\$93,946,059	\$93,644,620	(\$301,439)

Category 10
Operation Of Plant And Equipment
Summary of Resources
By Object of Expenditure

OBJECT OF EXPENDITURE	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 CURRENT	FY 2012 BUDGET	FY 2012 CHANGE
POSITIONS					
Administrative	4,000	4,000	5,000	5,000	
Business/Operations Admin.	11,000	11,000	11,000	11,000	
Professional					
Supporting Services	1,383,200	1,391,700	1,396,700	1,413,700	17,000
TOTAL POSITIONS	1,398,200	1,406,700	1,412,700	1,429,700	17,000
01 SALARIES & WAGES					
Administrative	\$548,174	\$539,260	\$629,067	\$623,105	(\$5,962)
Business/Operations Admin.	892,800	994,084	994,084	1,019,349	25,265
Professional					
Supporting Services	58,548,381	59,226,418	59,306,262	59,888,983	582,721
TOTAL POSITION DOLLARS	59,989,355	60,759,762	60,929,413	61,531,437	602,024
OTHER SALARIES					
Administrative					
Professional	575,014	552,050	552,050	541,500	(10,550)
Supporting Services	3,331,691	1,841,116	1,671,465	1,633,865	(37,600)
TOTAL OTHER SALARIES	3,906,705	2,393,166	2,223,515	2,175,365	(48,150)
TOTAL SALARIES AND WAGES	63,896,060	63,152,928	63,152,928	63,706,802	553,874
02 CONTRACTUAL SERVICES	228,570	2,072,971	2,067,471	1,163,016	(904,455)
03 SUPPLIES & MATERIALS	2,483,393	2,738,131	2,738,131	2,716,324	(21,807)
04 OTHER					
Staff Dev & Travel	51,295	66,471	63,471	73,323	9,852
Insur & Fixed Charges					
Utilities	44,198,070	42,895,887	42,827,387	44,762,227	1,934,840
Grants & Other	4,644,245	3,846,393	3,923,393	3,943,704	20,311
TOTAL OTHER	48,893,610	46,808,751	46,814,251	48,779,254	1,965,003
05 EQUIPMENT	169,295	227,746	227,746	222,396	(5,350)
GRAND TOTAL AMOUNTS	\$115,670,928	\$115,000,527	\$115,000,527	\$116,587,792	\$1,587,265

Category 11
Maintenance Of Plant
Summary of Resources
By Object of Expenditure

OBJECT OF EXPENDITURE	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 CURRENT	FY 2012 BUDGET	FY 2012 CHANGE
POSITIONS					
Administrative	5,000	5,000	5,000	5,000	
Business/Operations Admin.	7,000	7,000	7,000	7,000	
Professional					
Supporting Services	377,000	368,000	368,000	372,000	4,000
TOTAL POSITIONS	389,000	380,000	380,000	384,000	4,000
01 SALARIES & WAGES					
Administrative	\$597,593	\$599,190	\$599,190	\$584,721	(\$14,469)
Business/Operations Admin.	727,258	729,962	729,962	750,765	20,803
Professional					
Supporting Services	22,154,286	22,378,473	22,378,473	22,493,666	115,193
TOTAL POSITION DOLLARS	23,479,137	23,707,625	23,707,625	23,829,152	121,527
OTHER SALARIES					
Administrative					
Professional	125,143	205,000	205,000	205,000	
Supporting Services	853,523	734,404	734,404	756,008	21,604
TOTAL OTHER SALARIES	978,666	939,404	939,404	961,008	21,604
TOTAL SALARIES AND WAGES	24,457,803	24,647,029	24,647,029	24,790,160	143,131
02 CONTRACTUAL SERVICES	3,456,958	2,457,540	2,457,540	2,504,165	46,625
03 SUPPLIES & MATERIALS	3,123,752	3,178,281	3,178,281	3,331,004	152,723
04 OTHER					
Staff Dev & Travel	22,050	65,711	65,711	68,974	3,263
Insur & Fixed Charges					
Utilities					
Grants & Other	2,445,889	1,563,425	1,563,425	1,873,425	310,000
TOTAL OTHER	2,467,939	1,629,136	1,629,136	1,942,399	313,263
05 EQUIPMENT	1,116,537	1,103,981	1,103,981	1,098,889	(5,092)
GRAND TOTAL AMOUNTS	\$34,622,989	\$33,015,967	\$33,015,967	\$33,666,617	\$650,650

**Category 12
Fixed Charges
Summary of Resources
By Object of Expenditure**

OBJECT OF EXPENDITURE	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 CURRENT	FY 2012 BUDGET	FY 2012 CHANGE
POSITIONS					
Administrative					
Business/Operations Admin.					
Professional					
Supporting Services					
TOTAL POSITIONS					
01 SALARIES & WAGES					
Administrative					
Business/Operations Admin.					
Professional					
Supporting Services					
TOTAL POSITION DOLLARS					
OTHER SALARIES					
Administrative					
Professional					
Supporting Services					
TOTAL OTHER SALARIES					
TOTAL SALARIES AND WAGES					
02 CONTRACTUAL SERVICES					
03 SUPPLIES & MATERIALS					
04 OTHER					
Staff Dev & Travel	171,600	182,285	182,285	182,285	
Insur & Fixed Charges	436,047,323	456,788,546	456,616,914	541,367,228	84,750,314
Utilities					
Grants & Other	5,686,243	6,317,994	6,311,389	6,310,382	(1,007)
TOTAL OTHER	441,905,166	463,288,825	463,110,588	547,859,895	84,749,307
05 EQUIPMENT					
GRAND TOTAL AMOUNTS	\$441,905,166	\$463,288,825	\$463,110,588	\$547,859,895	\$84,749,307

**Category 14
Community Services
Summary of Resources
By Object of Expenditure**

OBJECT OF EXPENDITURE	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 CURRENT	FY 2012 BUDGET	FY 2012 CHANGE
POSITIONS					
Administrative					
Business/Operations Admin.					
Professional					
Supporting Services					
TOTAL POSITIONS					
01 SALARIES & WAGES					
Administrative					
Business/Operations Admin.					
Professional					
Supporting Services					
TOTAL POSITION DOLLARS					
OTHER SALARIES					
Administrative					
Professional					
Supporting Services	105,801				
TOTAL OTHER SALARIES	105,801				
TOTAL SALARIES AND WAGES	105,801				
02 CONTRACTUAL SERVICES		158,495	158,495	158,495	
03 SUPPLIES & MATERIALS	40,439				
04 OTHER					
Staff Dev & Travel					
Insur & Fixed Charges					
Utilities					
Grants & Other	48,487	50,000	50,000	50,000	
TOTAL OTHER	48,487	50,000	50,000	50,000	
05 EQUIPMENT					
GRAND TOTAL AMOUNTS	\$194,727	\$208,495	\$208,495	\$208,495	

Category 37
Instructional Television Special Revenue Fund
Summary of Resources
By Object of Expenditure

OBJECT OF EXPENDITURE	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 CURRENT	FY 2012 BUDGET	FY 2012 CHANGE
POSITIONS					
Administrative	1,000	1,000	1,000	1,000	
Business/Operations Admin.					
Professional					
Supporting Services	13,000	13,000	13,000	12,000	(1,000)
TOTAL POSITIONS	14,000	14,000	14,000	13,000	(1,000)
01 SALARIES & WAGES					
Administrative	\$133,106	\$124,786	\$124,786	\$127,795	\$3,009
Business/Operations Admin.					
Professional					
Supporting Services	878,030	942,854	942,854	918,741	(24,113)
TOTAL POSITION DOLLARS	1,011,136	1,067,640	1,067,640	1,046,536	(21,104)
OTHER SALARIES					
Administrative					
Professional					
Supporting Services	7,745	5,042	5,042	5,442	400
TOTAL OTHER SALARIES	7,745	5,042	5,042	5,442	400
TOTAL SALARIES AND WAGES	1,018,881	1,072,682	1,072,682	1,051,978	(20,704)
02 CONTRACTUAL SERVICES	18,103	17,600	17,600	17,600	
03 SUPPLIES & MATERIALS	191,052	104,711	104,711	104,711	
04 OTHER					
Staff Dev & Travel	8,702	4,690	4,690	4,690	
Insur & Fixed Charges		290,827	290,827	333,345	42,518
Utilities					
Grants & Other					
TOTAL OTHER	8,702	295,517	295,517	338,035	42,518
05 EQUIPMENT				38,350	38,350
GRAND TOTAL AMOUNTS	\$1,236,738	\$1,490,510	\$1,490,510	\$1,550,674	\$60,164

**Category 51
Real Estate Fund
Summary of Resources
By Object of Expenditure**

OBJECT OF EXPENDITURE	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 CURRENT	FY 2012 BUDGET	FY 2012 CHANGE
POSITIONS					
Administrative	1,000	1,000	1,000	1,000	
Business/Operations Admin.					
Professional					
Supporting Services	5,500	5,500	5,500	5,500	
TOTAL POSITIONS	6,500	6,500	6,500	6,500	
01 SALARIES & WAGES					
Administrative	\$118,677	\$111,874	\$111,874	\$110,519	(\$1,355)
Business/Operations Admin.					
Professional					
Supporting Services	262,590	293,671	293,671	290,648	(3,023)
TOTAL POSITION DOLLARS	381,267	405,545	405,545	401,167	(4,378)
OTHER SALARIES					
Administrative					
Professional					
Supporting Services	37,047	167,194	167,194	167,594	400
TOTAL OTHER SALARIES	37,047	167,194	167,194	167,594	400
TOTAL SALARIES AND WAGES	418,314	572,739	572,739	568,761	(3,978)
02 CONTRACTUAL SERVICES	143,409	1,673,481	1,673,481	1,766,122	92,641
03 SUPPLIES & MATERIALS	15,617	71,863	71,863	71,863	
04 OTHER					
Staff Dev & Travel	1,429	5,693	5,693	5,693	
Insur & Fixed Charges	130,625	133,443	133,443	140,115	6,672
Utilities	138,711	181,951	181,951	181,951	
Grants & Other	1,720,883	422,225	422,225	522,225	100,000
TOTAL OTHER	1,991,648	743,312	743,312	849,984	106,672
05 EQUIPMENT	9,765	9,700	9,700	9,700	
GRAND TOTAL AMOUNTS	\$2,578,753	\$3,071,095	\$3,071,095	\$3,266,430	\$195,335

Category 61
Food Service Fund
Summary of Resources
By Object of Expenditure

OBJECT OF EXPENDITURE	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 CURRENT	FY 2012 BUDGET	FY 2012 CHANGE
POSITIONS					
Administrative	2,000	2,000	2,000	2,000	
Business/Operations Admin.	11,000	11,000	11,000	11,000	
Professional					
Supporting Services	570,448	570,448	570,448	570,448	
TOTAL POSITIONS	583,448	583,448	583,448	583,448	
01 SALARIES & WAGES					
Administrative	\$181,473	\$251,619	\$251,619	\$253,164	\$1,545
Business/Operations Admin.	866,402	905,347	905,347	925,620	20,273
Professional					
Supporting Services	16,547,076	17,465,733	17,465,733	17,639,914	174,181
TOTAL POSITION DOLLARS	17,594,951	18,622,699	18,622,699	18,818,698	195,999
OTHER SALARIES					
Administrative					
Professional					
Supporting Services	665,638	650,921	650,921	657,129	6,208
TOTAL OTHER SALARIES	665,638	650,921	650,921	657,129	6,208
TOTAL SALARIES AND WAGES	18,260,589	19,273,620	19,273,620	19,475,827	202,207
02 CONTRACTUAL SERVICES	1,076,414	875,264	875,264	1,104,028	228,764
03 SUPPLIES & MATERIALS	13,143,825	16,173,418	16,173,418	14,958,778	(1,214,640)
04 OTHER					
Staff Dev & Travel	125,503	176,345	176,345	132,385	(43,960)
Insur & Fixed Charges	8,095,445	10,142,127	10,142,127	10,943,711	801,584
Utilities					
Grants & Other	109,904	148,796	148,796	143,000	(5,796)
TOTAL OTHER	8,330,852	10,467,268	10,467,268	11,219,096	751,828
05 EQUIPMENT	146,179	250,684	250,684	267,606	16,922
GRAND TOTAL AMOUNTS	\$40,957,859	\$47,040,254	\$47,040,254	\$47,025,335	(\$14,919)

**Category 71
Field Trip Fund
Summary of Resources
By Object of Expenditure**

OBJECT OF EXPENDITURE	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 CURRENT	FY 2012 BUDGET	FY 2012 CHANGE
POSITIONS					
Administrative					
Business/Operations Admin.	.250	.250	.250	.250	
Professional					
Supporting Services	4,250	4,250	4,250	4,250	
TOTAL POSITIONS	4,500	4,500	4,500	4,500	
01 SALARIES & WAGES					
Administrative					
Business/Operations Admin.	16,123	20,821	20,821	26,125	5,304
Professional					
Supporting Services	248,039	266,489	266,489	276,432	9,943
TOTAL POSITION DOLLARS	264,162	287,310	287,310	302,557	15,247
OTHER SALARIES					
Administrative					
Professional					
Supporting Services	945,238	1,206,700	1,206,700	999,826	(206,874)
TOTAL OTHER SALARIES	945,238	1,206,700	1,206,700	999,826	(206,874)
TOTAL SALARIES AND WAGES	1,209,400	1,494,010	1,494,010	1,302,383	(191,627)
02 CONTRACTUAL SERVICES	47,053	76,411	76,411	76,411	
03 SUPPLIES & MATERIALS	286,966	597,804	597,804	560,089	(37,715)
04 OTHER					
Staff Dev & Travel		138	138	138	
Insur & Fixed Charges	154,161	184,748	184,748	182,193	(2,555)
Utilities					
Grants & Other					
TOTAL OTHER	154,161	184,886	184,886	182,331	(2,555)
05 EQUIPMENT		1,605	1,605	1,605	
GRAND TOTAL AMOUNTS	\$1,697,580	\$2,354,716	\$2,354,716	\$2,122,819	(\$231,897)

Category 81
Entrepreneurial Activities
Summary of Resources
By Object of Expenditure

OBJECT OF EXPENDITURE	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 CURRENT	FY 2012 BUDGET	FY 2012 CHANGE
POSITIONS					
Administrative					
Business/Operations Admin.					
Professional	2,000	1,000	1,000	1,000	
Supporting Services	8,000	8,000	8,000	8,000	
TOTAL POSITIONS	10,000	9,000	9,000	9,000	
01 SALARIES & WAGES					
Administrative					
Business/Operations Admin.					
Professional	118,785	110,826	110,826	111,579	753
Supporting Services	441,495	431,015	431,015	433,735	2,720
TOTAL POSITION DOLLARS	560,280	541,841	541,841	545,314	3,473
OTHER SALARIES					
Administrative					
Professional	265,718	304,142	304,142	445,412	141,270
Supporting Services	47,136	157,402	157,402	141,269	(16,133)
TOTAL OTHER SALARIES	312,854	461,544	461,544	586,681	125,137
TOTAL SALARIES AND WAGES	873,134	1,003,385	1,003,385	1,131,995	128,610
02 CONTRACTUAL SERVICES	394,237	325,125	325,125	673,520	348,395
03 SUPPLIES & MATERIALS	493,342	597,698	597,698	597,152	(546)
04 OTHER					
Staff Dev & Travel	9,277	16,000	16,000	40,900	24,900
Insur & Fixed Charges	208,064	179,015	179,015	224,214	45,199
Utilities					
Grants & Other					
TOTAL OTHER	217,341	195,015	195,015	265,114	70,099
05 EQUIPMENT		42,877	42,877	26,377	(16,500)
GRAND TOTAL AMOUNTS	\$1,978,054	\$2,164,100	\$2,164,100	\$2,694,158	\$530,058

EXECUTIVE RECOMMENDATION

Technology Modernization - No. 036510

Category: **Montgomery County Public Schools**
 Agency: **Public Schools**
 Planning Area: **Countywide**
 Relocation Impact: **None**

Date Last Modified: **April 20, 2011**
 Required Adequate Public Facility: **No**

EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru		6 Year			Beyond				
		FY10	Rem. FY10	Total	FY11	FY12	FY13	FY14	FY15	FY16	6 Years
Planning, Design and Supervision	216,755	60,407	18,897	137,451	18,878	18,178	21,847	25,313	26,393	26,842	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	216,755	60,407	18,897	137,451	18,878	18,178	21,847	25,313	26,393	26,842	0

FUNDING SCHEDULE (\$000)

G.O. Bonds	0	0	0	0	0	0	0	0	0	0	0
Current Revenue: General	122,162	11,780	5,525	104,857	2,326	2,136	21,847	25,313	26,393	26,842	0
Current Revenue: Recordation Tax	87,266	48,627	11,572	27,067	13,052	14,015	0	0	0	0	0
Federal Aid	7,327	0	1,800	5,527	3,500	2,027	0	0	0	0	0
State Aid	0	0	0	0	0	0	0	0	0	0	0

COMPARISON (\$000)

	Total	Thru	Rem.	6 Year			Beyond					Approp.
		FY10	FY10	Total	FY11	FY12	FY13	FY14	FY15	FY16	6 Years	Request
Current Approved	219,778	60,407	18,897	140,474	18,878	21,201	21,847	25,313	26,393	26,842	0	0
Agency Request	219,778	60,407	18,897	140,474	18,878	21,201	21,847	25,313	26,393	26,842	0	21,201
Recommended	216,755	60,407	18,897	137,451	18,878	18,178	21,847	25,313	26,393	26,842	0	18,178
CHANGE					TOTAL	%	6-YEAR	%		APPROP.		
Agency Request vs Approved				0	0.0%	0	0.0%		21,201	0.0%		
Recommended vs Approved				(3,023)	(1.4%)	(3,023)	(2.2%)		18,178	0.0%		
Recommended vs Request				(3,023)	(1.4%)	(3,023)	(2.2%)		(3,023)	(14.3%)		

Recommendation

ARROVE WITH MODIFICATIONS

Comments

The Executive recommends reducing FY12 recordation tax funding by \$3,023,000 based on updated recordation tax estimates.

The FY12 appropriation recommendation is \$18,178,000; \$2,136,000 (Current Revenue: General), \$14,015,000 (Current Revenue: Recordation Tax), and \$2,027,000 (Federal Aid)

Technology Modernization -- No. 036510

Category
Subcategory
Administering Agency
Planning Area

Montgomery County Public Schools
Countywide
Public Schools
Countywide

Date Last Modified
Required Adequate Public Facility
Relocation Impact
Status

January 12, 2011
No
None
On-going

EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY10	Rem. FY10	Total 6 Years	FY11	FY12	FY13	FY14	FY15	FY16	Beyond 6 Years
Planning, Design, and Supervision	219,778	60,407	18,897	140,474	18,878	21,201	21,847	25,313	26,393	26,842	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	219,778	60,407	18,897	140,474	18,878	21,201	21,847	25,313	26,393	26,842	0

FUNDING SCHEDULE (\$000)

Current Revenue: General	122,162	11,780	5,525	104,857	2,326	2,136	21,847	25,313	26,393	26,842	0
Current Revenue: Recordation Tax	90,289	48,627	11,572	30,090	13,052	17,038	0	0	0	0	0
Federal Aid	7,327	0	1,800	5,527	3,500	2,027	0	0	0	0	0
Total	219,778	60,407	18,897	140,474	18,878	21,201	21,847	25,313	26,393	26,842	0

DESCRIPTION

The Technology Modernization (Tech Mod) project is a key component of the MCPS strategic technology plan, Educational Technology for 21st Century Learning. This plan builds upon the following four goals: students will use technology to become actively engaged in learning, schools will address the digital divide through equitable access to technology, staff will improve technology skills through professional development, and staff will use technology to improve productivity and results.

An FY 2005 appropriation was approved to roll-out the implementation of the technology modernization program. This project will update schools' technology hardware, software, and network infrastructure on a four-year replacement cycle, with a 5:1 computer/student ratio. The County Council, in the adopted FY 2005-2010 CIP reduced the Board of Education's request for the outyears of the FY 2005-2010 CIP by \$10.945 million. An FY 2006 appropriation and amendment to the FY 2005-2010 CIP was approved to continue the rollout plan. An FY 2007 appropriation was approved to continue this level of effort project. The expenditures for FY 2007 reflect three years of finance payments, as originally planned, in addition to the current year refreshment costs. The expenditures in the outyears represent the ongoing costs of a four-year refreshment cycle. An FY 2008 appropriation was approved to continue this project.

The Board of Education, in the Requested FY 2009 Capital Budget and FY 2009-2014 CIP, included additional funding for new initiatives for the Technology Modernization program. On May 22, 2008, the County Council approved an FY 2009 appropriation as requested by the Board of Education; however, the County Council reduced the expenditures earmarked for the Middle School Initiative program for FY 2010-2014. In FY 2009, MCPS purchased and installed interactive classroom technology systems in approximately 2/3 of all secondary classrooms. The total cost is projected at \$13.3 million, financed over a four-year period (\$3.4M from FY 2009-2012). The funding source for the initiative is anticipated to be Federal e-rate funds. The Federal e-rate funds programmed in this PDF consist of available unspent e-rate balance: \$1.8M in FY 2010, \$1.8M in FY 2011, and \$327K in FY 2012. In addition, MCPS projects future e-rate funding of \$1.6M each year (FY 2010-2012) that may be used to support the payment obligation pending receipt and appropriation. No county funds may be spent for the initiative payment obligation in FY 2010-2012 without prior Council approval.

This PDF reflects a decrease in the FY 2010 appropriation and FY 2010-2012 expenditures as requested by the Board of Education. The decrease in expenditures will temporarily extend the MCPS desktop replacement cycle from four to five years. The County Council will reconsider how to resume the four-year replacement cycle in a future CIP. An FY 2011 appropriation was approved; however, it was \$1.011 million less than the Board of Education's request. The appropriation will continue the technology modernization project and return to a four-year replacement cycle starting in FY 2013; as well as fund one additional staff position for this project.

APPROPRIATION AND EXPENDITURE DATA		
Date First Appropriation	FY03	(\$000)
First Cost Estimate		
Current Scope	FY00	0
Last FY's Cost Estimate		219,778
Appropriation Request	FY12	21,201
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		98,182
Expenditures / Encumbrances		37,659
Unencumbered Balance		60,523
Partial Closeout Thru	FY09	16,050
New Partial Closeout	FY10	0
Total Partial Closeout		16,050

COORDINATION		
(\$000)	FY 11	FYs 12-16
Salaries and Wages:	1893	9465
Fringe Benefits:	807	4035
Workyears:	20.5	
	102.5	

MAP

