



Montgomery County Public Schools

Recommended FY18 Budget
\$2,514,598,075

Full Time Equivalents
23,478.02

Mission Statement

The Montgomery County Public Schools (MCPS) operates a countywide system of public schools for students from pre-kindergarten through high school. For the 2016-17 school year (FY17), 159,010 students in pre-kindergarten classes through Grade 12 attend 204 separate public educational facilities. For the 2017-18 school year (FY18), enrollment is estimated at 161,302 students.

Budget Overview

The County Executive's role in the Montgomery County Public Schools (MCPS) budget process is to present to the County Council a recommended total budget. The total recommended FY18 Operating Budget is \$2,514.6 million, an increase of \$57.1 million or 2.3 percent over the original FY17 approved budget of \$2,457.5 million, and this recommended budget exceeds the State's Maintenance of Effort law by \$19.0 million. Additionally, the County assumes that MCPS will increase its FY17 year-end fund balance by \$1 million and decrease its Group Insurance Fund balance by \$5 million, effectively providing another \$6 million in available resources for FY18. In total, these actions provide MCPS with \$25 million in available funds above the State's Maintenance of Effort requirement.

The Board of Education's (BOE) Operating Budget request for FY18 totaled \$2,521.7 million. The County Executive's recommendation would fund 99.7 percent of the BOE's request. In addition, \$27.2 million will be provided by the County from the Consolidated Retiree Health Benefits Trust for the purpose of paying retiree health claims in FY18. This continued support was assumed in the BOE's request.

The County also supports the operations of the school system through the expenditures of other departments. For example, school health services, childhood wellness, and Linkages to Learning programs are provided by the Department of Health and Human Services; research and internet resources are made available in the Montgomery County Public Libraries; crossing guards are provided by the Department of Police; sports academies for youth are sponsored by the Department of Recreation; reimbursements for classrooms and school sports fields rented by residents are made by Community Use of Public Facilities; and the Maryland-National Capital Park and Planning Commission provides maintenance of MCPS ballfields. In addition to the total recommended Operating Budget for the public schools, this agency's Capital Improvements Program (CIP) requires County funding. Approximately \$18.8 million in FY18 current revenue and \$61.6 million in recordation taxes are recommended in the FY17-22 CIP. The debt service requirement for the MCPS capital program is estimated at \$150.4 million in FY18.

The table below summarizes the contributions to MCPS programs that are appropriated in other departments or agencies.

Additional County Support for MCPS FY18	
MCPS Budget (in millions)	\$2,366.6
Additional County funding (not included in MCPS budget)	
• Debt service on school construction bonds	\$150.4
• Pre-funding retiree health benefits	\$74.2
• Support services	\$65.8
• Technology modernization	\$26.0
Total additional County funding	\$316.4
Total expenditures for MCPS	\$2,683.0
Sources: Recommended FY18 Operating and Capital Budgets	

The recommended budget includes the County's contribution of \$1,663.3 million (including State teacher pension funds rolled into Maintenance of Effort) plus \$20.7 million in carryover funds (67.0 percent of all recommended funding), State aid and grants of \$680.0 million (27.0 percent), Federal grants and aid of \$74.3 million (3.0 percent), and tuition, fees, and private grants of \$10.1 million (0.4 percent). The recommended appropriation for the fee supported enterprise funds is \$64.5 million (2.6 percent) and for the special revenue fund is \$1.7 million (0.1 percent).

Tax Supported Funding for the Public Schools

For FY18, the total tax supported portion of the Executive's recommendation (excluding grants and enterprise funds) is \$2,366.6 million, an increase of \$55.0 million or 2.4 percent over the original FY17 approved Operating Budget. The tax supported portion of the recommendation includes an FY18 local contribution of \$1,663.3 million, plus carryover of \$20.7 million for a total local contribution of \$1,683.9 million. Maintenance of Effort (MOE) is a State requirement that each local school district must spend as much per student as it did in the prior fiscal year in order to receive additional State aid for education. Beginning in FY17, State teacher pensions were included within the Maintenance of Effort calculation. The Executive's recommendation for local funding exceeds the MOE requirement by \$19 million, and is a total increase of \$45.7 million from the FY17 local contribution.

Fiscal Summary

The Executive's total budget recommendation from all funding sources is \$2,514.6 million and funds 99.7 percent of the BOE's request. The Executive relies on the BOE to determine the most appropriate manner to deliver educational services within its recommended budget allocation.

Spending Affordability

In February 2017, the Montgomery County Council approved FY18 Spending Affordability Guidelines (SAG) of \$2,334.1 million for the tax supported funds of MCPS. The BOE requested \$2,373.7 million in tax supported funds.

Additional Budget Details

The Executive affirms the authority of the BOE to establish educational policy and to determine the allocation of appropriated funds in support of the mission of the public school system. Complete information regarding the MCPS budget request is available in the FY18 Operating Budget adopted by the BOE on February 14, 2017. Copies of that budget are available at Montgomery County libraries, on the MCPS website, and upon request from the school system.

Linkage to County Result Areas

While this program area supports all eight of the County Result Areas, the following is emphasized:

 **Children Prepared to Live and Learn**

Program Contacts

Contact Nicola Diamond of the Montgomery County Public Schools at 240.314.3888 or Jedediah Millard of the Office of Management and Budget at 240.777.2769 for more information regarding this agency's operating budget.

BUDGET SUMMARY

	Actual FY16	Budget FY17	Estimate FY17	Recommended FY18	%Chg Bud/Rec
CURRENT FUND MCPS					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Current Fund MCPS Personnel Costs	0	0	0	0	—
Operating Expenses	2,178,980,419	2,311,578,220	2,294,205,606	2,366,621,718	2.4 %
Current Fund MCPS Expenditures	2,178,980,419	2,311,578,220	2,294,205,606	2,366,621,718	2.4 %
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	20,602.50	21,059.52	21,059.52	22,284.33	5.8 %
REVENUES					
Basic State Aid	322,176,176	325,526,802	325,526,802	338,809,272	4.1 %
Federal Revenues	98,467	150,000	150,000	150,000	—
Foster Care/Miscellaneous	138,692	170,000	170,000	140,000	-17.6 %
GCEI - Geographic Cost of Education Index	17,744,167	35,976,870	35,976,870	36,854,599	2.4 %
Students With Disabilities	53,118,200	54,890,319	54,890,319	56,526,981	3.0 %
Thornton Legislation	197,015,246	199,296,312	199,296,312	204,780,724	2.8 %
Transportation	39,786,572	40,933,087	40,933,087	42,090,090	2.8 %
Tuition-Other Sources	4,146,394	3,840,600	3,840,600	3,326,736	-13.4 %
Current Fund MCPS Revenues	634,223,914	660,783,990	660,783,990	682,678,402	3.3 %
GRANT FUND MCPS					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Grant Fund MCPS Personnel Costs	0	0	0	0	—
Operating Expenses	76,635,383	82,128,127	82,128,127	81,728,876	-0.5 %
Grant Fund MCPS Expenditures	76,635,383	82,128,127	82,128,127	81,728,876	-0.5 %
PERSONNEL					

BUDGET SUMMARY

	Actual FY16	Budget FY17	Estimate FY17	Recommended FY18	%Chg Bud/Rec
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	624.05	559.79	559.79	558.37	-0.3 %
REVENUES					
Federal Grants	73,300,031	74,752,923	74,752,923	74,167,537	-0.8 %
Private Grants	669,058	6,731,204	6,731,204	6,731,204	—
State Grants	2,666,294	644,000	644,000	830,135	28.9 %
Grant Fund MCPS Revenues	76,635,383	82,128,127	82,128,127	81,728,876	-0.5 %

FOOD SERVICE FUND

EXPENDITURES

Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Food Service Fund Personnel Costs	0	0	0	0	—
Operating Expenses	56,469,606	53,967,269	53,967,269	54,213,534	0.5 %
Food Service Fund Expenditures	56,469,606	53,967,269	53,967,269	54,213,534	0.5 %

PERSONNEL

Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	585.45	588.32	588.32	593.32	0.9 %

REVENUES

Federal Food	36,007,798	34,400,008	34,400,008	35,058,547	1.9 %
Sale of Meals	19,408,229	17,262,204	17,262,204	16,943,135	-1.8 %
State Food	2,041,615	2,305,057	2,305,057	2,211,852	-4.0 %
Food Service Fund Revenues	57,457,642	53,967,269	53,967,269	54,213,534	0.5 %

REAL ESTATE FUND

EXPENDITURES

Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Real Estate Fund Personnel Costs	0	0	0	0	—
Operating Expenses	3,251,364	3,686,191	3,686,191	3,932,647	6.7 %
Real Estate Fund Expenditures	3,251,364	3,686,191	3,686,191	3,932,647	6.7 %

PERSONNEL

Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	7.00	11.50	11.50	12.00	4.4 %

REVENUES

Real Estate Fund	3,536,447	3,686,191	3,686,191	3,932,647	6.7 %
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BUDGET SUMMARY

	Actual FY16	Budget FY17	Estimate FY17	Recommended FY18	%Chg Bud/Rec
Real Estate Fund Revenues	3,536,447	3,686,191	3,686,191	3,932,647	6.7 %

FIELD TRIP FUND

EXPENDITURES

Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Field Trip Fund Personnel Costs	0	0	0	0	—
Operating Expenses	1,991,456	2,006,361	2,006,361	2,313,743	15.3 %
Field Trip Fund Expenditures	1,991,456	2,006,361	2,006,361	2,313,743	15.3 %

PERSONNEL

Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	4.50	4.50	4.50	4.50	—

REVENUES

Field Trip Fees	2,184,988	2,006,361	2,006,361	2,313,743	15.3 %
Field Trip Fund Revenues	2,184,988	2,006,361	2,006,361	2,313,743	15.3 %

ENTREPRENEURIAL ACTIVITIES FUND

EXPENDITURES

Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Entrepreneurial Activities Fund Personnel Costs	0	0	0	0	—
Operating Expenses	2,504,873	2,364,802	3,864,802	4,090,053	73.0 %
Entrepreneurial Activities Fund Expenditures	2,504,873	2,364,802	3,864,802	4,090,053	73.0 %

PERSONNEL

Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	13.60	11.60	11.60	12.00	3.5 %

REVENUES

Entrepreneurial Activities Fee	2,226,617	2,364,802	2,364,802	2,090,053	-11.6 %
Entrepreneurial Activities Fund Revenues	2,226,617	2,364,802	2,364,802	2,090,053	-11.6 %

INSTRUCTIONAL TELEVISION FUND

EXPENDITURES

Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Instructional Television Fund Personnel Costs	0	0	0	0	—
Operating Expenses	1,654,578	1,742,791	1,742,791	1,697,504	-2.6 %
Instructional Television Fund Expenditures	1,654,578	1,742,791	1,742,791	1,697,504	-2.6 %

BUDGET SUMMARY

	Actual FY16	Budget FY17	Estimate FY17	Recommended FY18	%Chg Bud/Rec
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	13.50	13.50	13.50	13.50	—
REVENUES					
DEPARTMENT TOTALS					
Total Expenditures	2,321,487,679	2,457,473,761	2,441,601,147	2,514,598,075	2.3 %
Total Full-Time Positions	0	0	0	0	—
Total Part-Time Positions	0	0	0	0	—
Total FTEs	21,850.60	22,248.73	22,248.73	23,478.02	5.5 %
Total Revenues	776,264,991	804,936,740	804,936,740	826,957,255	2.7 %

MCPS EXPENDITURES FY80-FY18

County Fiscal Year	Total Expenditures	Total Enrollment	Per Pupil	County Funding	As Percent of Total
80	\$283,964,983	102,519	\$2,770	\$217,458,068	76.6%
81	\$310,301,970	98,843	\$3,139	\$243,994,370	78.6%
82	\$331,546,219	95,587	\$3,469	\$267,891,955	80.8%
83	\$351,939,986	92,517	\$3,804	\$286,965,658	81.5%
84	\$371,322,717	91,030	\$4,079	\$303,726,901	81.8%
85	\$399,916,181	91,704	\$4,361	\$330,035,065	82.5%
86	\$436,875,791	92,871	\$4,704	\$361,788,973	82.8%
87	\$475,866,930	94,460	\$5,038	\$398,053,264	83.6%
88	\$519,622,140	96,271	\$5,397	\$434,582,576	83.6%
89	\$577,957,669	98,519	\$5,866	\$488,062,505	84.4%
90	\$642,553,932	100,259	\$6,409	\$545,768,528	84.9%
91	\$702,260,084	103,732	\$6,770	\$601,407,797	85.6%
92	\$712,896,646	107,140	\$6,654	\$603,939,300	84.7%
93	\$738,767,864	110,037	\$6,714	\$622,732,456	84.3%
94*	\$793,907,907	113,429	\$6,999	\$666,557,884	84.0%
95	\$830,010,147	117,082	\$7,089	\$695,512,609	83.8%
96	\$878,160,420	120,291	\$7,300	\$718,938,647	81.9%
97	\$915,141,097	122,505	\$7,470	\$740,984,871	81.0%
98	\$958,416,196	125,035	\$7,665	\$765,835,476	79.9%
99	\$1,034,768,530	127,852	\$8,093	\$820,833,423	79.3%
00	\$1,105,644,145	130,689	\$8,460	\$870,940,869	78.8%
01	\$1,216,096,599	134,180	\$9,063	\$959,754,838	78.9%
02	\$1,323,625,477	136,832	\$9,673	\$1,029,703,651	77.8%
03	\$1,412,161,822	138,891	\$10,167	\$1,079,188,698	76.4%
04	\$1,501,381,116	139,203	\$10,786	\$1,136,392,169	75.7%
05	\$1,609,382,533	139,337	\$11,550	\$1,217,214,553	75.6%
06	\$1,713,736,154	139,387	\$12,295	\$1,296,325,112	75.6%
07	\$1,851,496,287	137,798	\$13,436	\$1,384,725,787	74.8%
08	\$1,985,017,619	137,745	\$14,411	\$1,456,912,582	73.4%
09	\$2,066,683,294	137,763	\$15,002	\$1,531,482,602	74.1%
10	\$2,200,577,000	140,500	\$15,662	\$1,573,754,447	71.5%
11	\$2,104,188,040	143,309	\$14,683	\$1,425,385,344	67.7%
12	\$2,086,786,613	146,497	\$14,245	\$1,387,101,480	66.5%
13	\$2,160,029,595	149,018	\$14,495	\$1,436,513,701	66.5%
14	\$2,225,421,052	151,289	\$14,710	\$1,475,223,045	66.3%
15	\$2,276,763,984	153,852	\$14,798	\$1,515,027,760	66.5%
16	\$2,318,388,936	156,447	\$14,819	\$1,540,794,230	66.5%
17	\$2,457,473,761	159,016	\$15,454	\$1,650,794,230	67.2%
18 CE Rec	\$2,514,598,075	161,302	\$15,589	\$1,683,943,316	67.0%

Sources: Approved Operating Budgets

Notes:

* State legislative action shifted responsibility for teacher Social Security payments to local jurisdictions in FY94.

Per pupil spending represents all sources of funds

In addition to MCPS appropriations, the following County departments also support MCPS programs:

- School Health Nurses and Health Room Technicians (Health and Human Services)
- Childhood Wellness (Health and Human Services)
- Linkages to Learning (Health and Human Services)
- Research and Internet Resources (Public Libraries)
- Sports Academies (Recreation)
- Crossing Guards (Police)
- Reimbursements for Rented Classrooms and Sports Fields (Community Use of Public Facilities)
- Stormwater Facility Maintenance (Environmental Protection)
- Capital Improvements Program (CIP) Current Revenue
- Debt Service on School Facilities

MONTGOMERY COUNTY PUBLIC SCHOOLS ORGANIZATION—FY 2018

