



# Montgomery County Public Schools

## RECOMMENDED FY23 BUDGET

\$2,929,710,667

## FULL TIME EQUIVALENTS

23,976.50

## 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 2021-2022 school year (FY22), 158,009 students in prekindergarten classes through Grade 12 attend 209 separate public educational facilities. For the 2022-23 school year (FY23), enrollment is estimated to be 160,627 students.

## BUDGET OVERVIEW

The County Executive's role in the MCPS budget process is to present to the County Council a recommended total budget. The total Recommended FY23 budget is \$2,929.7 million, an increase of \$147.6 million, or 5.3 percent over the adjusted FY22 Approved budget of \$2,782.1 million. Due to declining enrollment in FY23 from the continuing effects of the COVID-19 pandemic, and an increased County contribution to MCPS, this recommended budget exceeds the amount required by the State's Maintenance of Effort (MOE) law by \$117.4 million.

In response to the Board of Education's largest ever requested budget, the County Executive's recommended budget funds 98.9% of the Board's request. The County contribution is \$48.4 million less than the Board of Education's (BOE) requested County contribution. However, the resources are provided to fund 100% of student education and needs. The County Executive recommends appropriating an additional \$20.0 million from MCPS' growing fund balance, and recognizes that \$30.0 million of the BOE's request is not for students, but for a deposit into the MCPS health insurance fund to increase its fund balance. The County's MCPS fund balance policy is for the schools' accounts to have minimal balances and rely on the County for emergency needs. By reducing the deposit in the health insurance fund, MCPS can fund up to 100% of student needs. Alternately, the BOE could also use unspent Federal Covid relief funds for its needs.

Separately, in addition to funding the MCPS' budget, \$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 FY23.

The County also supports operations of the school system through expenditures in other budgets. For example:

- school health services, childhood wellness, mental health services, and Linkages to Learning programs are provided by the Department of Health and Human Services;
- high speed internet service provided by the County's FiberNet program;
- research and internet resources are made available in the Montgomery County Public Libraries' budget;
- crossing guards are provided by the Department of Police;
- sports academies for youth are sponsored by the Department of Recreation;
- reimbursements for classroom and school sports field rentals by residents or organizations are provided by the 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 in the operating budget for public schools, MCPS' Capital Improvements Program (CIP) requires County funding. Approximately \$23.3 million in FY23 Current Revenue: General and \$84.6 million in Recordation Tax are recommended in the FY23-28 CIP. The Debt Service requirement for the MCPS capital program is estimated at \$157.3 million in FY23.

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

<b>Additional County Support for MCPS in FY23</b>	
<b>MCPS Budget (in millions)</b>	<b>\$2,929.7</b>
Additional County funding (not included in MCPS budget)	
• Debt service on school construction bonds	\$157.3
• Pre-funding retiree health benefits	\$57.4
• Support services	\$114.6
• Technology modernization	\$18.2
<b>Total additional County funding</b>	<b>\$347.6</b>
<b>Total expenditures for MCPS</b>	<b>\$3,277.3</b>
Sources: County Executive Recommended FY23 Operating and Capital Budgets	
Numbers may not sum due to rounding.	

The recommended budget includes the County's contribution of \$1,839.1 million plus \$45.0 million in carryover funds (64.3 percent of all recommended funding); State Aid and grants of \$863.7 million (29.5 percent); Federal grants and aid of \$88.4 million (3.0 percent); and tuition, fees, and private grants of \$11.3 million (0.4 percent). The recommended appropriation for the fee-supported Enterprise Fund is \$80.5 million (2.7 percent) and for the Special Revenue Fund is \$1.8 million (0.1 percent).

The County Executive recommends a technical adjustment to the Enterprise Fund, reducing the amount of funds appropriated as a pass-through to the County's school bus camera program vendor to align with the County's revenue estimate for that program. This results in a \$3.6 million reduction to the Enterprise Fund, though it does not affect student services or teacher salaries, only the amount appropriated for the vendor payments.

### **Tax Supported Funding for the Public Schools**

For FY23, the total tax-supported portion of the County Executive's recommended budget (excluding grants, enterprise funds, fund balance, and special revenue funds) is \$2.694.7 million, an increase of \$166.4 million, or 6.6 percent from the FY22 adjusted tax-supported spending, driven by increases in the County contribution and State funding. The tax-supported portion of the recommendation includes a FY23 local contribution of \$1,839.1 million, plus carryover of \$45.0 million from prior-year appropriations, for a total local contribution of \$1,884.1 million. The local contribution represents a \$84.8 million increase from the prior-year appropriation. However, MCPS may choose to use unspent Federal Covid relief funds in place of a portion of the carryover funds, reducing the total local contribution by the amount of Federal funds it chooses to use.

MOE is a State requirement that each jurisdiction spend at least as much per-student on its local school district as it did in the prior year in order to receive additional State Aid. This requirement increases when enrollment grows and decreases when enrollment declines. For FY23, MOE allows for a decrease of \$32.6 million. With a recommended County contribution increase of \$84.8 million over FY22, the County Executive's budget exceeds the MOE-required level by \$117.4 million.

### **Fiscal Summary**

The County Executive's total recommended budget, from all funding sources, is \$2,929.7 million, and funds 98.9 percent of the BOE request. The County Executive relies on the BOE to determine the most appropriate manner to deliver educational services within its recommended budget allocation.

### **Spending Affordability**

In February 2022, the Montgomery County Council approved FY23 Spending Affordability Guidelines (SAG) of \$2,558.4 million for the tax-supported funds of MCPS. The BOE requested \$2,743.1 million in tax-supported funds, exceeding the SAG guideline by \$184.7 million. The County Executive's recommendation is \$136.3 million above the SAG guideline.

### **Additional Budget Details**

The County Executive affirms the authority of the BOE to establish educational policy and 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 FY23 Operating Budget adopted by the BOE in February 2021. Copies of that budget are available at Montgomery County libraries, on the MCPS website, and upon request from the school system.

# COUNTY PRIORITY OUTCOMES

While this program area supports all seven of the County Executive's Priority Outcomes, the following is emphasized:



**Thriving Youth and Families**

## PROGRAM CONTACTS

Contact Ivon Alfonso-Windsor of the Montgomery County Public Schools at 240-740-3037 or Richard H. Harris of the Office of Management and Budget at 240.777.2795 for more information regarding this agency's operating budget.

## BUDGET SUMMARY

	Actual FY21	Budget FY22	Estimate FY22	Recommended FY23	%Chg Bud/Rec
<b>CURRENT FUND MCPS</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	0	0	0	0	---
Employee Benefits	0	0	0	0	---
<b>Current Fund MCPS Personnel Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>---</b>
Operating Expenses	2,544,246,120	2,551,624,734	2,514,491,654	2,739,660,177	7.4 %
<b>Current Fund MCPS Expenditures</b>	<b>2,544,246,120</b>	<b>2,551,624,734</b>	<b>2,514,491,654</b>	<b>2,739,660,177</b>	<b>7.4 %</b>
<b>PERSONNEL</b>					
Full-Time	0	0	0	0	---
Part-Time	0	0	0	0	---
FTEs	22,257.28	22,399.34	22,399.34	22,585.90	0.8 %
<b>REVENUES</b>					
Basic State Aid	388,035,631	384,201,699	384,201,699	424,688,660	10.5 %
Compensatory Education	0	0	0	133,783,552	---
Federal Revenues	120,000	100,000	100,000	100,000	---
Foster Care/Miscellaneous	180,000	180,000	180,000	180,000	---
GCEI - Geographic Cost of Education Index	39,976,914	39,382,053	39,382,053	42,290,391	7.4 %
Kirwan Commission	11,472,106	31,311,408	31,301,475	30,186,595	-3.6 %
Students With Disabilities	66,828,474	63,420,239	63,420,239	77,447,408	22.1 %
Thornton Legislation	230,529,919	210,952,720	210,952,720	94,674,168	-55.1 %
Transportation	47,626,347	42,164,380	42,164,380	50,978,010	20.9 %
Tuition-Other Sources	3,850,000	2,250,000	2,259,933	1,259,933	-44.0 %
<b>Current Fund MCPS Revenues</b>	<b>788,619,391</b>	<b>773,962,499</b>	<b>773,962,499</b>	<b>855,588,717</b>	<b>10.5 %</b>
<b>GRANT FUND MCPS</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	0	0	0	0	---
Employee Benefits	0	0	0	0	---
<b>Grant Fund MCPS Personnel Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>---</b>
Operating Expenses	110,451,136	144,539,465	144,539,465	107,791,380	-25.4 %
<b>Grant Fund MCPS Expenditures</b>	<b>110,451,136</b>	<b>144,539,465</b>	<b>144,539,465</b>	<b>107,791,380</b>	<b>-25.4 %</b>
<b>PERSONNEL</b>					
Full-Time	0	0	0	0	---
Part-Time	0	0	0	0	---
FTEs	570.94	588.70	588.70	746.15	26.8 %
<b>REVENUES</b>					
Federal Grants	83,686,189	83,878,035	83,878,035	88,251,003	5.2 %
Private Grants	10,031,204	10,031,204	10,031,204	10,031,204	---
State Grants	16,733,743	50,630,226	50,630,226	9,509,173	-81.2 %
<b>Grant Fund MCPS Revenues</b>	<b>110,451,136</b>	<b>144,539,465</b>	<b>144,539,465</b>	<b>107,791,380</b>	<b>-25.4 %</b>
<b>FOOD SERVICE FUND</b>					
<b>EXPENDITURES</b>					

## BUDGET SUMMARY

	Actual FY21	Budget FY22	Estimate FY22	Recommended FY23	%Chg Bud/Rec
Salaries and Wages	0	0	0	0	---
Employee Benefits	0	0	0	0	---
<b>Food Service Fund Personnel Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>---</b>
Operating Expenses	50,354,105	61,899,980	61,899,980	63,411,099	2.4 %
<b>Food Service Fund Expenditures</b>	<b>50,354,105</b>	<b>61,899,980</b>	<b>61,899,980</b>	<b>63,411,099</b>	<b>2.4 %</b>
<b>PERSONNEL</b>					
Full-Time	0	0	0	0	---
Part-Time	0	0	0	0	---
FTEs	607.57	607.57	607.57	604.45	-0.5 %
<b>REVENUES</b>					
Federal Food	33,499,711	41,982,540	41,982,540	41,982,540	---
Miscellaneous: Investment Income	16,996	0	0	0	---
Sale of Meals	998,957	17,956,048	17,956,048	19,467,167	8.4 %
State Food	2,142,048	1,961,392	1,961,392	1,961,392	---
<b>Food Service Fund Revenues</b>	<b>36,657,712</b>	<b>61,899,980</b>	<b>61,899,980</b>	<b>63,411,099</b>	<b>2.4 %</b>
<b>REAL ESTATE FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	0	0	0	0	---
Employee Benefits	0	0	0	0	---
<b>Real Estate Fund Personnel Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>---</b>
Operating Expenses	4,925,966	4,957,216	4,957,216	4,957,216	---
<b>Real Estate Fund Expenditures</b>	<b>4,925,966</b>	<b>4,957,216</b>	<b>4,957,216</b>	<b>4,957,216</b>	<b>---</b>
<b>PERSONNEL</b>					
Full-Time	0	0	0	0	---
Part-Time	0	0	0	0	---
FTEs	11.00	11.00	11.00	10.00	-9.1 %
<b>REVENUES</b>					
Real Estate Fund	4,566,198	4,957,216	4,957,216	4,957,216	---
<b>Real Estate Fund Revenues</b>	<b>4,566,198</b>	<b>4,957,216</b>	<b>4,957,216</b>	<b>4,957,216</b>	<b>---</b>
<b>FIELD TRIP FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	0	0	0	0	---
Employee Benefits	0	0	0	0	---
<b>Field Trip Fund Personnel Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>---</b>
Operating Expenses	409,543	3,074,182	3,074,182	3,074,182	---
<b>Field Trip Fund Expenditures</b>	<b>409,543</b>	<b>3,074,182</b>	<b>3,074,182</b>	<b>3,074,182</b>	<b>---</b>
<b>PERSONNEL</b>					
Full-Time	0	0	0	0	---
Part-Time	0	0	0	0	---
FTEs	4.50	4.50	4.50	4.50	---
<b>REVENUES</b>					
Field Trip Fees	423	3,074,182	3,074,182	3,074,182	---
<b>Field Trip Fund Revenues</b>	<b>423</b>	<b>3,074,182</b>	<b>3,074,182</b>	<b>3,074,182</b>	<b>---</b>
<b>ENTREPRENEURIAL ACTIVITIES FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	0	0	0	0	---
Employee Benefits	0	0	0	0	---
<b>Entrepreneurial Activities Fund Personnel Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>---</b>
Operating Expenses	2,716,804	12,646,838	9,046,838	9,046,838	-28.5 %
<b>Entrepreneurial Activities Fund Expenditures</b>	<b>2,716,804</b>	<b>12,646,838</b>	<b>9,046,838</b>	<b>9,046,838</b>	<b>-28.5 %</b>
<b>PERSONNEL</b>					
Full-Time	0	0	0	0	---

## BUDGET SUMMARY

	Actual FY21	Budget FY22	Estimate FY22	Recommended FY23	%Chg Bud/Rec
Part-Time	0	0	0	0	---
FTEs	12.00	12.00	12.00	12.00	---

### REVENUES

Entrepreneurial Activities Fee	698,764	2,446,838	2,446,838	2,446,838	---
<b>Entrepreneurial Activities Fund Revenues</b>	<b>698,764</b>	<b>2,446,838</b>	<b>2,446,838</b>	<b>2,446,838</b>	<b>---</b>

### INSTRUCTIONAL TELEVISION FUND

#### EXPENDITURES

Salaries and Wages	0	0	0	0	---
Employee Benefits	0	0	0	0	---
<b>Instructional Television Fund Personnel Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>---</b>
Operating Expenses	1,758,650	1,769,775	1,769,775	1,769,775	---
<b>Instructional Television Fund Expenditures</b>	<b>1,758,650</b>	<b>1,769,775</b>	<b>1,769,775</b>	<b>1,769,775</b>	<b>---</b>

#### 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

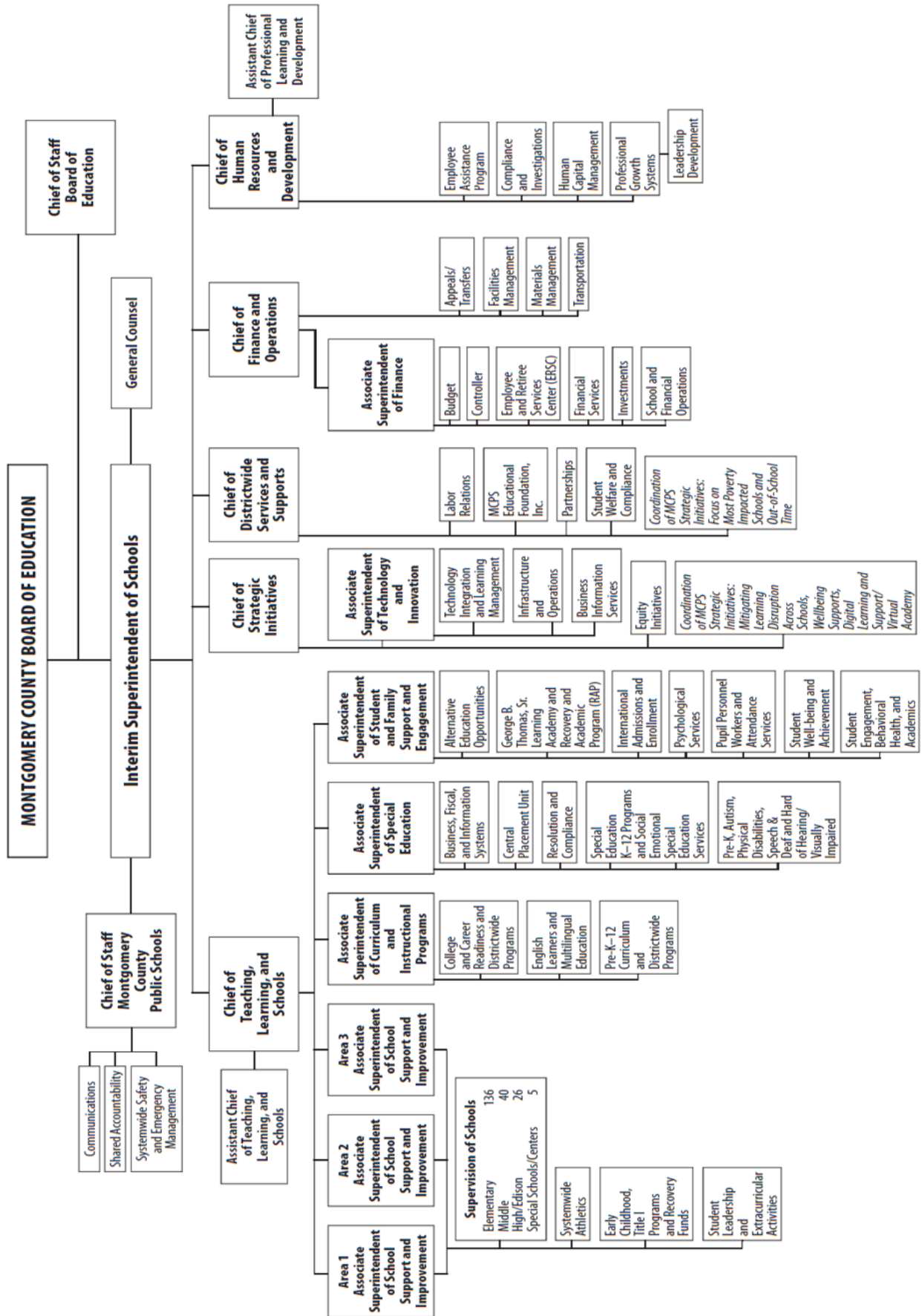
<b>Total Expenditures</b>	<b>2,714,862,324</b>	<b>2,780,512,190</b>	<b>2,739,779,110</b>	<b>2,929,710,667</b>	<b>5.4 %</b>
<b>Total Full-Time Positions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>---</b>
<b>Total Part-Time Positions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>---</b>
<b>Total FTEs</b>	<b>23,476.79</b>	<b>23,636.61</b>	<b>23,636.61</b>	<b>23,976.50</b>	<b>1.4 %</b>
<b>Total Revenues</b>	<b>940,993,624</b>	<b>990,880,180</b>	<b>990,880,180</b>	<b>1,037,269,432</b>	<b>4.7 %</b>

MCPS BUDGETS FY85-FY23				
County Fiscal Year	Total Budget	Budgeted Enrollment	County Funding	As Percent of Total
85	\$399,916,181	91,704	\$330,035,065	82.5%
86	\$436,875,791	92,871	\$361,788,973	82.8%
87	\$475,866,930	94,460	\$398,053,264	83.6%
88	\$519,622,140	96,271	\$434,582,576	83.6%
89	\$577,957,669	98,519	\$488,062,505	84.4%
90	\$642,553,932	100,259	\$545,768,528	84.9%
91	\$702,260,084	103,732	\$601,407,797	85.6%
92	\$712,896,646	107,140	\$603,939,300	84.7%
93	\$738,767,864	110,037	\$622,732,456	84.3%
94*	\$793,907,907	113,429	\$666,557,884	84.0%
95	\$830,010,147	117,082	\$695,512,609	83.8%
96	\$878,160,420	120,291	\$718,938,647	81.9%
97	\$915,141,097	122,505	\$740,984,871	81.0%
98	\$958,416,196	125,035	\$765,835,476	79.9%
99	\$1,034,768,530	127,852	\$820,833,423	79.3%
00	\$1,105,644,145	130,689	\$870,940,869	78.8%
01	\$1,216,096,599	134,180	\$959,754,838	78.9%
02	\$1,323,625,477	136,832	\$1,029,703,651	77.8%
03	\$1,412,161,822	138,891	\$1,079,188,698	76.4%
04	\$1,501,381,116	139,203	\$1,136,392,169	75.7%
05	\$1,609,382,533	139,337	\$1,217,214,553	75.6%
06	\$1,713,736,154	139,387	\$1,296,325,112	75.6%
07	\$1,851,496,287	137,798	\$1,384,725,787	74.8%
08	\$1,985,017,619	137,745	\$1,456,912,582	73.4%
09	\$2,066,683,294	137,763	\$1,531,482,602	74.1%
10	\$2,200,577,000	140,500	\$1,573,754,447	71.5%
11	\$2,104,188,040	143,309	\$1,425,385,344	67.7%
12	\$2,086,786,613	146,497	\$1,387,101,480	66.5%
13	\$2,160,029,595	149,018	\$1,436,513,701	66.5%
14	\$2,225,421,052	151,289	\$1,475,223,045	66.3%
15	\$2,276,763,984	153,852	\$1,515,027,760	66.5%
16	\$2,318,388,936	156,447	\$1,540,794,230	66.5%
17	\$2,457,473,761	159,016	\$1,650,794,230	67.2%
18	\$2,528,825,122	161,470	\$1,683,943,316	66.6%
19	\$2,612,644,776	163,294	\$1,712,627,645	65.6%
20	\$2,680,574,773	164,477	\$1,726,807,241	64.4%
21	\$2,756,257,059	160,294	\$1,752,612,120	63.6%
22	\$2,782,097,823	158,009	\$1,754,247,868	63.1%
23	\$2,929,710,667	160,627	\$1,839,071,460	62.8%

Sources: Approved Operating Budgets and CE Recommended Budget

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

# FY 2023 MCPS STRATEGIC ORGANIZATIONAL & LEADERSHIP STRUCTURE



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