



Montgomery County Public Schools

RECOMMENDED FY21 BUDGET

\$2,795,508,595

FULL TIME EQUIVALENTS

23,476.79

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 2019-2020 school year (FY20), 165,267 students in prekindergarten classes through Grade 12 attend 208 separate public educational facilities. For the 2020-21 school year (FY21), enrollment is estimated to be 167,041 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 FY21 budget is \$2,795.5 million, an increase of \$114.9 million, or 4.3 percent over the original FY20 approved budget of \$2,680.6 million, and this recommended budget exceeds the amount required by the State's Maintenance of Effort law by \$39.1 million. MOE for FY21 is \$26.6 million.

This budget assumes State Aid as recommended in the Governor's Budget; it does not include any additional State Aid from legislation before the General Assembly based on the Kirwan Commission recommendations (the increases called for in the Kirwan legislation begin in FY22). The final outcome in the State budget may have an impact on the level of County funding needed in MCPS's budget, however.

This budget also assumes a new \$0.0318 supplementary school funding property tax, authorized under State Law (§5-104 of the Education Article). State Law permits counties to increase a property tax rate above a limit imposed by a charter if the charter's maximum allowed rate is insufficient to fund the jurisdiction's schools. All revenue generated under a supplementary school funding property tax must be earmarked for schools and may not supplant local appropriations, two restrictions with which the County Executive's budget complies.

The County Executive's recommendation funds 99.7 percent of the Board of Education's (BOE) request. The County Executive and the Superintendent have and will continue to work collaboratively to discuss how reductions could be made to minimize the impact on students.

In addition to funding in 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 FY21.

The County also supports operations of the school system through expenditures in other budgets. 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 budget;
- 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 available 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 in the Operating Budget for the public schools, MCPS's Capital Improvement Program (CIP) requires County funding. Approximately \$23.1 million in FY21 Current Revenue: General and \$68.4 million in Recordation Tax are recommended in the FY21-26 CIP. The debt service requirement for the MCPS capital program is estimated at \$156.7 million in FY21.

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

| Additional County Support for MCPS in FY21 | |
|---|------------------|
| MCPS Budget (in millions) | \$2,795.5 |
| Additional County funding (not included in MCPS budget) | |
| • Debt service on school construction bonds | \$156.7 |
| • Pre-funding retiree health benefits | \$69.4 |
| • Support services | \$86.1 |
| • Technology modernization | \$13.2 |
| Total additional County funding | \$325.3 |
| Total expenditures for MCPS | \$3,120.8 |
| Sources: Approved FY21 Operating and Capital Budgets | |

The recommended budget includes the County's contribution of \$1,792.6 million plus \$25.0 million in carryover funds (65.0 percent of all recommended funding); State Aid and grants of \$798.3 million (28.6 percent); Federal grants and aid of \$82.5 million (3.0 percent); and tuition, fees, and private grants of \$14.4 million (0.5 percent). The recommended appropriation for the fee supported enterprise funds is \$80.9 million (2.9 percent) and for the special revenue fund is \$1.8 million (0.1 percent).

Tax Supported Funding for the Public Schools

For FY21, the total tax-supported portion of the County Executive's recommendation (excluding grants, enterprise funds, and special revenue funds) is \$2,603.7 million, an increase of \$89.4 million or 3.6 percent over the FY20 Approved Operating Budget. The tax-supported portion of the recommendation includes a FY21 local contribution of \$1,792.6 million, plus carryover of \$25.0 million for a total local contribution of \$1,817.6 million. Maintenance of Effort (MOE) is a State requirement that each jurisdiction must spend at least as much per-student on its local school district as it did in the prior fiscal year in order to receive additional State Aid. The County Executive's recommendation for local funding meets the MOE requirement and represents a total increase of \$65.8 million from the FY20 local contribution. For FY21, the minimum MOE is an increase of \$26.6 million.

Fiscal Summary

The County Executive's total budget recommendation from all funding sources is \$2,795.5 million and funds 99.7 percent of the Board of Education's (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 2020, the Montgomery County Council approved FY21 Spending Affordability Guidelines (SAG) of \$2,515.6 million for the tax-supported funds of MCPS. The BOE requested \$2,607.1 million in tax supported funds, \$91.5 million above the SAG guideline. The County Executive's recommendation is \$88.1 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 FY21 operating budget adopted by the BOE on February 10, 2020. 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 Daniel K. Marella of the Montgomery County Public Schools at 240.740.3030 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 FY19 | Budget FY20 | Estimate FY20 | Recommended FY21 | %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 | 2,445,797,079 | 2,514,314,537 | 2,480,816,000 | 2,603,672,930 | 3.6 % |
| Current Fund MCPS Expenditures | 2,445,797,079 | 2,514,314,537 | 2,480,816,000 | 2,603,672,930 | 3.6 % |
| PERSONNEL | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | — |
| Part-Time | 0 | 0 | 0 | 0 | — |

BUDGET SUMMARY

| | Actual FY19 | Budget FY20 | Estimate FY20 | Recommended FY21 | %Chg Bud/Rec |
|---|--------------------|--------------------|--------------------|---------------------|-----------------|
| FTEs | 21,254.35 | 21,649.85 | 21,649.85 | 22,257.28 | 2.8 % |
| REVENUES | | | | | |
| Basic State Aid | 351,744,825 | 368,197,235 | 368,197,235 | 388,035,631 | 5.4 % |
| Federal Revenues | 185,340 | 100,000 | 100,000 | 150,000 | 50.0 % |
| Foster Care/Miscellaneous | 195,830 | 200,000 | 200,000 | 200,000 | — |
| GCEI - Geographic Cost of Education Index | 37,711,769 | 38,902,207 | 38,902,207 | 39,976,914 | 2.8 % |
| Kirwan Commission | 0 | 24,424,464 | 10,482,238 | 11,472,106 | -53.0 % |
| Students With Disabilities | 58,575,874 | 60,956,743 | 60,956,743 | 63,704,962 | 4.5 % |
| Thornton Legislation | 215,185,348 | 219,907,148 | 219,907,148 | 230,529,919 | 4.8 % |
| Transportation | 43,241,528 | 46,449,499 | 46,449,499 | 47,626,347 | 2.5 % |
| Tuition-Other Sources | 5,357,488 | 3,370,000 | 3,370,000 | 4,400,000 | 30.6 % |
| Current Fund MCPS Revenues | 712,198,002 | 762,507,296 | 748,565,070 | 786,095,879 | 3.1 % |

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 | 85,160,492 | 89,498,471 | 103,440,697 | 109,137,741 | 21.9 % |
| Grant Fund MCPS Expenditures | 85,160,492 | 89,498,471 | 103,440,697 | 109,137,741 | 21.9 % |

PERSONNEL

| | | | | | |
|-----------|--------|--------|--------|--------|---|
| Full-Time | 0 | 0 | 0 | 0 | — |
| Part-Time | 0 | 0 | 0 | 0 | — |
| FTEs | 557.59 | 570.94 | 570.94 | 570.94 | — |

REVENUES

| | | | | | |
|---------------------------------|-------------------|-------------------|--------------------|--------------------|---------------|
| Federal Grants | 80,069,774 | 79,558,409 | 79,558,409 | 82,372,794 | 3.5 % |
| Private Grants | 576,965 | 6,731,204 | 6,731,204 | 10,031,204 | 49.0 % |
| State Grants | 4,513,753 | 3,208,858 | 17,151,084 | 16,733,743 | 421.5 % |
| Grant Fund MCPS Revenues | 85,160,492 | 89,498,471 | 103,440,697 | 109,137,741 | 21.9 % |

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 | 60,564,324 | 58,107,965 | 58,107,965 | 60,399,980 | 3.9 % |
| Food Service Fund Expenditures | 60,564,324 | 58,107,965 | 58,107,965 | 60,399,980 | 3.9 % |

PERSONNEL

| | | | | | |
|-----------|---|---|---|---|---|
| Full-Time | 0 | 0 | 0 | 0 | — |
|-----------|---|---|---|---|---|

BUDGET SUMMARY

| | Actual FY19 | Budget FY20 | Estimate FY20 | Recommended FY21 | %Chg Bud/Rec |
|---|-------------------|-------------------|-------------------|---------------------|-----------------|
| Part-Time | 0 | 0 | 0 | 0 | — |
| FTEs | 598.32 | 604.32 | 604.32 | 607.57 | 0.5 % |
| REVENUES | | | | | |
| Federal Food | 41,622,040 | 38,276,538 | 38,276,538 | 40,852,540 | 6.7 % |
| Miscellaneous: Investment Income | 20,773 | 0 | 0 | 0 | — |
| Sale of Meals | 17,896,527 | 17,588,383 | 17,588,383 | 17,586,048 | — |
| State Food | 1,998,337 | 2,243,044 | 2,243,044 | 1,961,392 | -12.6 % |
| Food Service Fund Revenues | 61,537,677 | 58,107,965 | 58,107,965 | 60,399,980 | 3.9 % |
| 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 | 3,651,111 | 3,966,407 | 3,966,407 | 4,967,149 | 25.2 % |
| Real Estate Fund Expenditures | 3,651,111 | 3,966,407 | 3,966,407 | 4,967,149 | 25.2 % |
| PERSONNEL | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | — |
| Part-Time | 0 | 0 | 0 | 0 | — |
| FTEs | 12.00 | 12.00 | 12.00 | 11.00 | -8.3 % |
| REVENUES | | | | | |
| Real Estate Fund | 3,327,588 | 3,966,407 | 3,966,407 | 4,967,149 | 25.2 % |
| Real Estate Fund Revenues | 3,327,588 | 3,966,407 | 3,966,407 | 4,967,149 | 25.2 % |
| 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 | 2,308,586 | 2,736,949 | 2,736,949 | 2,914,182 | 6.5 % |
| Field Trip Fund Expenditures | 2,308,586 | 2,736,949 | 2,736,949 | 2,914,182 | 6.5 % |
| 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 | 2,175,575 | 2,736,949 | 2,736,949 | 2,914,182 | 6.5 % |
| Field Trip Fund Revenues | 2,175,575 | 2,736,949 | 2,736,949 | 2,914,182 | 6.5 % |

BUDGET SUMMARY

| | Actual FY19 | Budget FY20 | Estimate FY20 | Recommended FY21 | %Chg Bud/Rec |
|--|----------------------|----------------------|----------------------|----------------------|-----------------|
| 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 | 13,264,774 | 10,150,669 | 12,350,669 | 12,646,838 | 24.6 % |
| Entrepreneurial Activities Fund Expenditures | 13,264,774 | 10,150,669 | 12,350,669 | 12,646,838 | 24.6 % |
| PERSONNEL | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | — |
| Part-Time | 0 | 0 | 0 | 0 | — |
| FTEs | 12.00 | 12.00 | 12.00 | 12.00 | — |
| REVENUES | | | | | |
| Entrepreneurial Activities Fee | 735,515 | 2,150,669 | 2,150,669 | 2,446,838 | 13.8 % |
| Entrepreneurial Activities Fund Revenues | 735,515 | 2,150,669 | 2,150,669 | 2,446,838 | 13.8 % |
| 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 | 1,740,127 | 1,799,775 | 1,799,775 | 1,769,775 | -1.7 % |
| Instructional Television Fund Expenditures | 1,740,127 | 1,799,775 | 1,799,775 | 1,769,775 | -1.7 % |
| 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 | 2,612,486,493 | 2,680,574,773 | 2,663,218,462 | 2,795,508,595 | 4.3 % |
| Total Full-Time Positions | 0 | 0 | 0 | 0 | — |
| Total Part-Time Positions | 0 | 0 | 0 | 0 | — |
| Total FTEs | 22,452.26 | 22,867.11 | 22,867.11 | 23,476.79 | 2.7 % |
| Total Revenues | 865,134,849 | 918,967,757 | 918,967,757 | 965,961,769 | 5.1 % |

| MCPs BUDGETS FY95-FY21 | | | | | |
|-------------------------------|---------------------|----------------------------|------------------|-----------------------|----------------------------|
| County Fiscal Year | Total Budget | Budgeted Enrollment | Per Pupil | County Funding | As Percent of Total |
| 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 | \$2,528,825,122 | 161,470 | \$15,661 | \$1,683,943,316 | 66.6% |
| 19 | \$2,612,644,776 | 163,294 | \$16,000 | \$1,712,627,645 | 65.6% |
| 20 | \$2,680,574,773 | 164,477 | \$16,298 | \$1,726,807,241 | 64.4% |
| 21 CE Rec | \$2,789,081,933 | 166,317 | \$16,770 | \$1,786,150,389 | 64.0% |

Sources: Approved Operating Budgets and CE Recommended Budget

MONTGOMERY COUNTY PUBLIC SCHOOLS ORGANIZATION—FY 2021

