

M E M O R A N D U M

April 28, 2021

TO: Education and Culture Committee

FROM: Nicole Rodríguez-Hernández, Legislative Analyst
Craig Howard, Deputy Director

SUBJECT: Worksession – Montgomery County Public Schools FY22 Operating Budget

PURPOSE: Review and make recommendations for Council consideration

Expected Participants:

- Dr. Jack Smith, Superintendent, Montgomery County Public Schools (MCPS)
- Dr. Monifa McKnight, Deputy Superintendent of Schools, MCPS
- Dr. Janet Wilson, Chief of Teaching, Learning, and Schools, MCPS
- Derek Turner, Chief of Engagement, Innovation, and Operations
- Essie McGuire, Associate Superintendent of Operations, MCPS
- Daniel Marella, Associate Superintendent of Finance, MCPS
- Thomas Klausing, Executive Director of Finance, MCPS
- Ivón Alfonzo-Windsor, Supervisor of the Budget Unit, MCPS
- Rich Harris, Fiscal and Policy Analyst, Office of Management and Budget

MCPS	FY21 Approved	FY22 CE Recommended	Change from FY21 Approved
Current Fund	\$2,562,357,999 22,257.28 FTEs	\$2,534,935,412 22,399.34 FTEs	(1.1%) 0.6%
Grant Fund	\$110,451,136 570.94 FTEs	\$161,218,854 588.70 FTEs	46.0% 3.1%
Enterprise Fund	\$80,928,149 635.07 FTEs	\$82,588,149 635.07 FTEs	2.1% --
Special Fund	\$1,769,775 13.50 FTEs	\$1,769,775 13.50 FTEs	-- --
Total Expenditures (All Funds)	\$2,755,507,059 23,476.79 FTEs	\$2,780,512,190 23,636.61 FTEs	0.9% 0.7%

Today's worksession will focus on MCPS' FY22 operating budget. Specifically, the Committee will review the following:

- A. Operating Budget Overview** discusses the Board's request, County Executive's recommendation, Maintenance of Effort, COVID 19 relief funding and related public testimony.
- B. Revenue Summary** summarizes key highlights for local, state, and fund balance funding.
- C. Compensation and Benefits** provides an overview of key pay adjustments, retirement benefits, and insurance costs.
- D. Racial Equity & Social Justice Analysis** summarizes MCPS efforts for equitable outcomes among all students.
- E. Programmatic Service Changes** reviews expenditure and accelerator adjustments.
- F. Committee Operating Budget Recommendation** notes Council staff's recommendation.

A. Operating Budget Overview

The FY22 Operating Budget for Montgomery County Public Schools (MCPS) as requested by the Board of Education (BOE) and as recommended by the County Executive is summarized below.

Table 1. FY22 MCPS Request Compared to County Executive Recommendation

FY22 Operating Budget	BOE Request	County Executive Recommendation	Difference
Total Budget: All Funds Change from FY21	\$2,780,512,190 \$24,255,131	\$2,780,512,190 \$24,255,131	--
County Contribution Change from FY21	\$1,752,662,235 \$50,115	\$1,752,662,235 \$50,115	--
Amount over MOE	\$40,418,494	\$40,418,494	--

The budget transmittal letter from the Board President to the County Executive and the Council President is attached at ©1 and provides details on the revenue and expenditure assumptions in the Board's budget request. The Executive's recommendation is attached at ©79. **The Executive recommends fully funding MCPS' operating budget request.**

1. Board of Education's Request

The Board of Education requests a total of \$2,780,512,190 for the FY22 MCPS Operating Budget. This amount represents an increase of \$24,255,131 or 0.88% compared to FY21. The FY22 tax supported budget request is \$2,564,636,667, an increase of \$1,528,668 or 0.06%.

Council staff highlights the following components of the Board's request as an overview of the budget discussion:

- The Board requested a local contribution that is \$40.4 million above the Maintenance of Effort (MOE) level required for FY22. Due to a decline in the official September 30, 2020 enrollment count, the required FY22 local contribution would decrease by \$39.8 million from FY21. The Board's requested local contribution is \$1.75 billion.
- The Board's request includes \$27.2 million in County funds dedicated to MCPS retiree health benefits costs from the County's Consolidated Other Post-Employment Benefits Trust Fund.
- The Board projects a total enrollment of 164,890 students for FY22, an increase of 4,324 students from the FY21 official enrollment count of 160,564 students on September 30, 2020. The FY21 budget originally projected 167,041 students, but due to the COVID 19 health pandemic and remote learning, public school systems across the state saw declines in official enrollment.
- The Board's request includes \$30 million for the *2.5 Year Plan for Moving from Thinking about the Number of Students to the Level of Need Among Students* which will focus on four areas of support: (1) mitigate learning disruption across schools; (2) focus on most poverty impacted schools; (3) well-being support; and (4) digital learning and support. The Board notes the entire FY22 request is centered on these four areas.
- Adjustments for accelerators for key bodies of work include additions of 22.0 FTE positions and \$4.1 million.
- The Board's request includes \$882.2 million in State Aid funding, an increase of \$24.0 million or 3.0% from FY21. The total amount includes \$31.3 million in restricted and unrestricted *Blueprint for Maryland's Future* funding and \$29.7 million in Hold Harmless Grants to address what would have been a decrease in State Aid due to the decline in official enrollment counts. MCPS will only receive the Hold Harmless Grants if the County appropriates at least \$1 more than last year in the local contribution amount.
- The Board will utilize \$25.0 million in fund balance for the FY22 operating budget.

2. County Executive's Request

The County Executive recommends fully funding the Board's request for a total of \$2,780,512,190. The Executive recommends a County contribution of \$1,752,662,235 which is \$50,115 more than FY21. The recommended tax-supported budget of \$2.53 billion depicts a 1.3% decrease from the prior year due to a technical adjustment in how OMB categorized additional FY22 State Aid.

The County Executive typically recommends only aggregate totals for the MCPS operating budget and does not identify category allocations. State law requires both the County Executive and the

Council to specify changes in category recommendations. However, for many years only the Council has followed this requirement in its final appropriation.

Related County Support. The County Executive includes a summary chart of additional County support for MCPS in the recommended FY22 budget. The Council began tracking this related funding in recent years to provide a fuller context of all the County dollars that directly benefit the school system in addition to the MCPS agency appropriation. As these funds are not appropriated to the school system, they do not count toward the MOE requirement.

The table below shows a recommended FY22 total of \$372.1 million in additional County support for the school system above the MCPS local appropriation.

Table 2. Additional County Support for MCPS in FY22

Additional County Support for MCPS in FY22	
MCPS Budget (in millions)	\$2,780.5
Additional County funding (not included in MCPS budget)	
• Debt service on school construction bonds	\$153.9
• Pre-funding retiree health benefits	\$73.0
• Support services	\$85.6
• Technology modernization	\$14.5
Total additional County funding	\$327.1
Total expenditures for MCPS	\$3,107.6
Sources: County Executive Recommended FY22 Operating and Capital Budgets	

A few examples of departments/agencies providing support services for MCPS are: the departments of Health and Human Services, Recreation, and Police; Montgomery County Public Libraries; Community use of Public Facilities (CUPF); and the Maryland-National Capital Park and Planning Commission.

3. Maintenance of Effort (MOE)

The State MOE law requires local jurisdictions to fund school systems at the same amount per pupil as the prior year. Any increase to the County contribution of new dollars above MOE adds to the base calculation for the next year and cannot be reduced in future years (absent a waiver). There are also provisions to remove non-recurring costs from the MOE calculation if the costs are approved by the Maryland State Department of Education (MSDE)—anticipated at zero dollars in FY22.

Since MOE is a per pupil amount, the total funding level adjusts based on enrollment changes as well as funding above the minimum. Due to the 3,647.75 FTE student decline in the official September 30, 2020 enrollment count (which determines the FY22 MOE level), the County's required local contribution decreased by \$39.8 million. However, the Board is requesting \$50,115 over last year's local contribution for a total of \$1.75 billion, an increase of \$40.4 million over MOE in order to receive the State Hold Harmless Grants. The Board's request letter noted the following on local funding:

The impact of COVID-19 on our school district requires us to request more than the minimum funding level required by the State law. This additional investment is essential if we are to mitigate the impact of the COVID-19 pandemic on teaching and learning, particularly to address learning loss resulting from virtual instruction and support the social, emotional, psychological, and physical well-being of students and staff.

The Superintendent's recommended budget to the Board also referenced the State's Hold Harmless Grants (discussed more in section B) as the key reason for the requested local funding over MOE. Specifically, in order for MCPS to receive \$29.7 million in additional State Aid that compensates for the unusual circumstances surrounding the decline in enrollment (Hold Harmless Grants), the County must appropriate at least \$1 more than last year. The requested budget is \$50,115 more than the FY21 local contribution. MCPS Finance staff note the total requested local contribution amount has remained the same since the Superintendent's original recommendation in December 2020 (prior to the release of the State's Budget Reconciliation and Financing Act (BRFA) 2021 which mandates the \$1 increase to receive the Hold Harmless Grants).

Blueprint Revision Related to MOE. The 2021 General Assembly passed revisions (HB1372) to the Blueprint for Maryland's Future in part to address the pandemic's effect on the September 30, 2020 enrollment count and the subsequent impacts on future funding. Specifically, if per pupil funding is to be determined by the "3-year moving average enrollment" and includes the 2020-2021 school year (impacted by COVID-19), then it should be calculated by "the sum of the full-time equivalent for the 4 prior school years minus the 2020-2021 school year full-time equivalent enrollment divided by three."

The FY23 MOE calculation is modified to allow the use of either the September 30, 2021 full-time enrollment count or the 3-year moving average enrollment, whichever is greater. **Therefore, exceeding MOE in FY22 would not increase funding requirements in future years.**

This revision is a result of The Maryland Department of Legislative Services' (DLS) analysis: *Any decision to fund local schools above the required level in fiscal 2022 will lock counties into an inflated per pupil requirement for future years, given the low student count in the current school year. Given this dilemma, some counties may choose to fund at or near the per pupil MOE requirement, rather than the local appropriation amount required by the BRFA for a school system to receive a hold harmless grant, resulting in some school systems not receiving the hold harmless grant in fiscal 2022.*

4. COVID-19 Relief Funding

Due to the COVID-19 pandemic, MCPS has been awarded federal and state relief funding. Table 3 below provides the Committee with a summary of the awarded and projected funding. A full description of each award can be found on ©87. MCPS will continue to submit supplemental appropriations for the use of these funds. The Committee does not need to make a recommendation related to the relief funding at this time.

Table 3. MCPS COVID-19 Relief Funding

COVID 19 Relief Funding	MCPS Total Received	Description
GEER I*	\$1,607,162	<ul style="list-style-type: none"> One-to-one access to all students for both Chromebooks and MiFi devices
ESSER I*	\$22,769,001	<ul style="list-style-type: none"> Extend access to interventions, special education services, assistive technology tools, and increased tech options for students with disabilities Purchase supplemental instructional materials and assessments for ESOL students to attain proficiency in English, reading/language arts, and math Technology equity of access for all staff/students
Governor's Broadband	\$1,117,512	<ul style="list-style-type: none"> 15,000 MiFi devices
CARES-Technology	\$18,344,404	<ul style="list-style-type: none"> Provide device and wireless access to students for equitable access to synchronous and asynchronous instruction
CARES-Tutoring	\$13,241,438	<ul style="list-style-type: none"> Online tutoring model for elementary, middle, and high school students to address learning loss due to the pandemic
GEER I-Competitive*	\$343,841	<ul style="list-style-type: none"> Professional development to district leadership, administrators, teachers, and paraprofessionals to maximize student learning and instructional impact because of the pandemic
GEER II	\$995,984	<ul style="list-style-type: none"> First-year, Administrators, Supporting Services, and Teachers (F.A.S.T) Track to Recovery Program for first-year employees in the most highly impacted elementary schools
Applied for Grant but Not Yet Awarded		
ESSER II	\$112,233,764	<ul style="list-style-type: none"> Academic and enrichment tutoring Enrichment programs for secondary low-income, racial/ethnic minority students, and women Expanded strategic partnerships (e.g. STEM opportunities with the KID Museum) Technology support Professional development for literacy, math, and social emotional learning Longer-term intensive mental health supports Salaries for a four-week summer school program Regular COVID-19 surveillance testing & portable air cleaners
Grant Application Not Yet Received		
ESSER III	\$252,061,100	<ul style="list-style-type: none"> 20% must be used to address learning loss The full list of potential eligible activities can be found here: https://oese.ed.gov/files/2021/03/FINAL_ARP-ESSER-FACT-SHEET.pdf Examples include mitigating the risk of the coronavirus, technology, and mental health supports
Total	\$422,714,206	

*These funding awards included a mandate to allocate a portion of the received funds through the Equitable Services for Non-Public Schools. The totals reflected in the chart are what MCPS received (not the total grant award amount).

- 5. Public Testimony.** During the April budget public hearings, 18 individuals testified with a majority of individuals advocating for the full funding of the MCPS budget. Additional issues mentioned include comments on equitable funding/learning, school resources officers, ballfields, and cell towers.

B. Revenue Summary

Table 5 below shows the FY20 actual and FY21 approved MCPS operating budget by revenue along with the FY22 BOE request and FY22 County Executive recommendation.

Table 5. FY20 Actual –FY21 Requested MCPS Operating Budget by Revenue Source

Source	FY20 Actual		FY21 Approved*		FY22 BOE Request		FY22 CE Rec	
	\$	%	\$	%	\$	%	\$	%
County	1,726,825,241	64.5%	1,752,612,120	63.6%	1,752,662,235	63.0%	1,752,662,235	63.0%
Fund Balance	25,000,000	0.9%	25,000,000	0.9%	25,000,000	0.9%	25,000,000	0.9%
State	763,383,130	28.5%	798,259,622	29.0%	822,232,792	29.6%	822,232,792	29.6%
Federal	86,010,905	3.2%	83,806,189	3.0%	83,978,035	3.0%	83,978,035	3.0%
Other Sources	5,129,540	0.2%	13,881,204	0.5%	12,281,204	0.4%	12,281,204	0.4%
Enterprise Funds	69,913,900	2.6%	80,928,149	2.9%	82,588,149	3.0%	82,588,149	3.0%
Special Funds	1,799,775	0.1%	1,769,775	0.1%	1,769,775	0.1%	1,769,775	0.1%
Grand Total	2,678,062,491	100.0%	2,756,257,059	100.0%	2,780,512,190	100.0%	2,780,512,190	100.0%
Tax-Supported Total	2,500,962,036	93.4%	2,563,107,999	93.0%	2,584,707,485	93.0%	2,534,935,412	91.2%

*Includes \$750,000 restorative justice supplemental

1. Local Contribution

The Board's requested County contribution of \$1.753 billion represents 63% of the total request. The proportion of local funding has remained around 63-64.5% in recent years. Montgomery County contributes one of the highest proportions of local funding for public schools in the State. The chart below presents the most recently available data from the Department of Legislative Services' *Overview of Maryland Local Governments Finances and Demographic Information 2019* report.

Exhibit 7.5
Local Funding for Public Schools in Fiscal 2019

County	2018 Total Enrollment	Local Appropriation	Per Pupil	Ranking by Per Pupil Funding	
Allegany	8,070.0	\$30,424,308	\$3,770	1.	Worcester \$13,528
Anne Arundel	81,010.0	687,140,500	8,482	2.	Montgomery 10,807
Baltimore City	75,180.0	278,412,181	3,703	3.	Howard 10,603
Baltimore	110,012.0	816,970,718	7,426	4.	Kent 9,572
Calvert	15,499.0	126,367,666	8,153	5.	Talbot 9,251
Caroline	5,517.0	14,436,087	2,617	6.	Anne Arundel 8,482
Carroll	24,827.0	192,391,000	7,749	7.	Calvert 8,153
Cecil	14,684.0	82,463,528	5,616	8.	Carroll 7,749
Charles	26,319.0	182,148,600	6,921	9.	Queen Anne's 7,584
Dorchester	4,549.0	19,252,162	4,232	10.	Garrett 7,496
Frederick	41,456.0	272,386,838	6,571	11.	Baltimore 7,426
Garrett	3,662.0	27,449,975	7,496	12.	Charles 6,921
Harford	36,878.0	245,815,645	6,666	13.	Harford 6,666
Howard	56,594.0	600,053,881	10,603	14.	Frederick 6,571
Kent	1,800.0	17,228,878	9,572	15.	St. Mary's 6,092
Montgomery	158,107.0	1,708,627,645	10,807	16.	Prince George's 5,982
Prince George's	127,646.0	763,562,900	5,982	17.	Cecil 5,616
Queen Anne's	7,501.0	56,884,381	7,584	18.	Washington 4,518
St. Mary's	17,044.0	103,825,525	6,092	19.	Dorchester 4,232
Somerset	2,731.0	9,881,620	3,618	20.	Allegany 3,770
Talbot	4,396.0	40,668,750	9,251	21.	Baltimore City 3,703
Washington	21,810.0	98,530,760	4,518	22.	Somerset 3,618
Wicomico	14,903.0	44,164,012	2,963	23.	Wicomico 2,963
Worcester	6,408.0	86,685,293	13,528	24.	Caroline 2,617
Total	866,603.0	\$6,505,772,853	\$7,507		

Source: Maryland State Department of Education; Local School Budgets; Department of Legislative Services

2. Fund Balance

The Board requested and the County Executive recommended that \$25.0 million in fund balance be appropriated for the FY22 budget.

The fund balance reflects savings achieved by the school system and funds not spent in a given fiscal year. MCPS is prohibited by State law from ending the year in deficit; as a result, MCPS ends each year with some surplus. These funds cannot be spent by MCPS until the Council appropriates them. Typically, the Council re-appropriates fund balance as a resource for the following year's budget as part of the annual appropriation resolution. The fund balance appropriation is not part of MOE, in that it does not affect the per pupil amount nor can it be counted toward the County's MOE contribution.

MCPS' most recent financial report reflects conditions as of February 28, 2021 and projects a total FY21 available balance of \$27.4 million ©96. While several factors may still affect the ultimate year-end amount, MCPS will achieve sufficient fund balance to meet the \$25.0 million target for use in the FY22 budget.

3. State Aid

The Governor's FY22 operating budget increased State Aid by \$23.9 million over the FY21 level for a FY22 total of \$822.2 million. MCPS is still awaiting final details from the General Assembly's final budget allocations which could impact State totals. A summary of major State revenue amounts by category of aid from the Governor's budget is provided in table below.

Table 6. Major State Revenue by Category of Aid

Category	Funding Level	Change from FY21
Foundation Grant	\$384,201,699	(\$3,833,932)
Geographic Cost of Education Index	\$39,382,053	(\$594,861)
Limited English Proficiency	\$77,169,168	(\$4,791,071)
Compensatory Education	\$133,783,552	(\$14,786,128)
Students with Disabilities-Formula	\$44,369,539	(\$133,296)
Students with Disabilities-Reimbursement	\$19,050,700	(\$151,427)
Transportation	\$42,164,380	(\$5,461,967)

The Governor also included \$20.1 million for Supplemental Instruction/Tutoring expenditures. MCPS is awaiting guidance from the State on how to utilize these funds.

The Blueprint for Maryland's Future. The Governor's budget also includes \$31.3 million (a \$3.1 million increase) in restricted and unrestricted State Aid in support of Blueprint programs funded in FY20 and FY21. The table below summarizes the funding allotments in the FY22 budget.

Table 7. Blueprint for Maryland's Future Funding

Category	Funding Level
Concentration of Poverty*	\$4,727,827
Supplemental Pre-Kindergarten**	\$6,512,918
Teacher Salary Incentive	\$8,109,168
Students with Disabilities	\$9,132,868
Transitional Supplemental Instruction	\$2,735,361
Mental Health Coordinator	\$83,333

*Increase of \$746,499 from FY21. ** Increase of \$3,149,980 from FY21.

Hold Harmless Grants. The Budget Reconciliation and Financing Act of 2021 includes the following provision that in order for a local education agency (LEA) to receive a one-time education aid grant (Hold Harmless Grants) is contingent upon the county appropriating at least \$1 more in the FY22 local contribution than in FY21:

SECTION 10. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, a one-time education aid grant for a county for fiscal year 2022 authorized under § 5-219(±) of the Education Article, as enacted by Section 1 of this Act, is contingent on the county's appropriation of local funds to the county board of education operating budget for fiscal year 2022 exceeding the local appropriation for fiscal year 2021.

The provision is included to address the decline in the official enrollment count and the subsequent negative impacts on funding levels from both the State and the County related to MOE. Specifically, the Hold Harmless Grants are an incentive to counties to exceed the FY21 local contribution amount. Otherwise, school systems could see a significant decrease in funding for the following school year which may have a substantially higher enrollment count as the county, state, and nation rebounds and reopens from the pandemic. Montgomery County is 1 of 12 counties that could provide a lower total appropriation than FY21 and still meet MOE in FY22.

MCPS is eligible to receive \$29.7 million in Hold Harmless Grants: 1) Declining Enrollment (\$23.8 million) and 2) Disabled Student Transportation (\$5.9 million). MCPS expects to utilize the Declining Enrollment grant towards the 2.5 Year Plan discussed in Section D. The Transportation grant will restore funding lost in transportation aid.

The Board's request exceeds the FY21 local contribution amount by \$50,115. The requested funding level did not change as a result of the release of the Governor's FY22 budget or BRFA and was originally recommended in the Superintendent's budget in December.

State Aid Categorization. The Executive's tax-supported total recommendation (\$2,535.9 billion) reflects a decrease of 1.1% from FY21. This is due to a technical adjustment from OMB that categorized the Hold Harmless Grants (\$29.7 million) in the Grant Fund rather than unrestricted State Aid.

At the time of this staff report publication, MCPS notes they are awaiting final State Aid guidance from the Maryland State Department of Education (MSDE) to determine unrestricted and restricted State Aid amounts. Therefore, final totals for the Grant Fund and Current Fund may have to be adjusted based on the final State guidance. If additional information is provided after the Committee's review, Council staff will share it during the full Council review.

C. Compensation and Benefits

This section reviews pay adjustments, retirement costs, and active and retiree group insurance benefit costs included in the Board's FY22 budget request, as summarized in the table below.

The Council reviewed compensation and benefits for all agencies on April 27. As part of the discussion on long-term compensation sustainability, the Council asked that staff continue to review benefit plans, costs, and funding across all County-funded agencies. In particular, the Council supported a review of MCPS benefit provisions in the context of the Kirwan legislation.

MCPS FY21 Approved and FY22 Requested Tax Supported Compensation Costs

Agency	FY21 Approved	FY22 Request	% Change
Wages and Social Security	\$1,756,670,217	\$1,767,631,639	0.6%
Retirement	\$67,305,483	\$68,148,409	1.3%
State Retirement Pension Shift	\$55,308,257	\$55,080,931	(0.4%)

Active Employee Group Insurance	\$261,996,281	\$276,463,862	5.5%
Retiree Group Insurance Pay-As-You-Go Funding*	\$29,138,436	\$29,138,436	(0.1%)
Total MC Request	\$2,170,418,674	\$2,196,463,277	1.2%
OPEB Pre-Funding**	\$69,358,879	\$73,048,269	5.3%
Total All Funding	\$2,239,777,553	\$2,269,511,546	1.3%

*An additional \$27.2 million is funded from MCPS' portion of the Consolidated Retiree Health Benefits Trust

**Funded outside of MCPS' budget

The Board transmitted a letter on March 31, 2021 (©108) providing detailed information on the group insurance and pension fund expenditures within State Category 12, Fixed Charges.

1. Pay Adjustments

The Board of Education recently completed FY21 negotiations with its employee bargaining units. If ratified, the agreements will provide a 2.0% GWA for all represented employees. The agreements include service increments ("steps") for eligible employees ranging from 1.5% to 5.5% (with an average of approximately 3.5%). In addition, the agreements include longevity increases for eligible employees. Upon ratification of the agreement, the FY21 pay increases would become effective on May 3, 2021. MCPS and its employee bargaining units have not yet begun negotiations for FY22.

2. Retirement Benefits

MCPS provides a core pension benefit for employees in permanent positions who are not eligible for a State pension as well as a supplemental benefit for all permanent employees. MCPS is the sole school district in the State of Maryland to provide a pension supplement. The Board of Education budget assumes no changes to MCPS employee retirement plan benefits in FY22.

For FY22, the cost of the funding MCPS pension benefits will be \$68.2 million (over and above the local contribution to the State Teacher's Pension Plan). In 2012 the Maryland General Assembly shifted a portion of the annual funding requirement for the State-run teacher pension system to the counties. The shift of pension costs to the counties was phased in over four years (FY13 through FY16). Beginning in FY16, the County's teachers' pension contribution was counted in the Maintenance of Effort calculation. For FY22, the amount of the local contribution to the State pension fund is \$61.7 million (\$55.1 million in tax supported funds and \$6.6 million in grant funds).

In February 2016, the Office of Legislative Oversight issued a report that presents options to reduce MCPS pension costs. The Education Committee reviewed the OLO report and has urged MCPS to adopt retirement cost control measures, particularly in respect to the pension supplement, to preserve resource for initiatives that directly affect the classroom.

3. Group Insurance

Active employees. The Board of Education’s FY22 request is lowered by \$26.3 million due to drawing down on its group insurance fund balance. Absent this action, the projected tax supported request for active employee group insurance benefits would be around \$302.8 million. MCPS continues to provide a health premium cost share split substantially different than the cost share split for County Government. **For the past several years, the Council has encouraged MCPS to align its cost share for active employees with that of County Government. If MCPS did so, it would result in estimated annual savings in the range of \$25 million.** MCPS’ cost share structure continues to include credits of 1% each for completing a biometric screening and a health risk assessment, but during FY21 the tobacco user surcharge of 25% was eliminated.

Retiree Pay-As-You-Go Funding. MCPS’ FY22 tax supported request is lowered by \$9.0 million due to drawing down on its group insurance fund balance. Absent this action, the projected tax supported request for active employee group insurance benefits would be around \$38.1 million.

OPEB Pre-Funding. The Executive recommends \$73.0 million in tax supported OPEB pre-funding for MCPS in FY22, fully meeting the actuarily determined contribution. The recommended OPEB pre-funding in FY22 includes an additional \$1.8 million in non-tax supported contributions.

Group insurance fund balance. MCPS maintains separate fund accounts for active and retired employees. The table below shows the FY20 year-end balance for each fund as well as the FY21 projected year-end balance. Each fund ended FY20 well above the Council’s 5% policy target, although active employee expenditures are currently projected to end FY21 below the target.

Table 11. Actual FY20 Year-End Fund Balances

Agency	FY20 Year-End Fund Balance		Future Fund Balance Projections
	\$'s	% of Expend.	
MCPS: Active Employees	\$31.6 million	9.1%	• Projected FY21 year-end fund balance of \$10.6 million or 2.9%.
MCPS: Retired Employees	\$30.9 million	24.0%	• Projected FY21 year-end fund balance of \$35.2 million or 26.9%.

D. Racial Equity and Social Justice ©93

Council staff and OMB analysts are working together, along with agency staff, to establish a baseline on racial equity and social justice analysis during the annual budget review process. Council staff has summarized MCPS’ efforts and their chapter-by-chapter equity overview. It is important to note that the Committee has also previously requested a comprehensive review of MCPS’ programs and actions to increase equity within the school system. For example, the joint

HHS and E&C Committee received a briefing from key stakeholders on increasing the racial/ethnic and linguistic diversity of behavioral health professionals both in MCPS and the County. Council staff will continue to work with MCPS to provide future briefings on MCPS' equity measures.

Montgomery County Public Schools is committed to an “All Means All”¹ approach for student success, impacting all students placed in the public-school system, their families, and the surrounding community. As MCPS notes, they have “long been committed to addressing the predictability in racialized outcomes for students and families...[resulting in] increase[d] access and opportunities for students of color and other traditionally marginalized students.” Importantly, MCPS has established the “All In: Equity and Achievement Framework” as a guide to address disparities by reviewing student outcomes holistically to focus resources and support to closing gaps in opportunity and achievement for all students.

The framework is comprised of three main components: 1) Evidence of Learning; 2) the Equity Accountability Model; and 3) Equitable Access to Resources.

Evidence of Learning (EOL). This component focuses on measuring student progress through classroom, district, and external state-mandated categories to assess student learning. MCPS notes their goal is for every student to attain success in 2 out of 3 category measures. In turn, the measures support the School Improvement Planning (SIP) process which is a continuous improvement model that uses data to identify strategies focusing on student not meeting the measures and ensuring continued progress for those who are meeting the measures. Specifically, this component helps MCPS answer the following questions:

- Are our children learning?
- Are they learning enough?
- How do we know?
- If not, why not?

Equity Accountability Model (EAM). This component provides detailed and focused assessments of school success and publicly monitors and reports all students' performance, specifically on MCPS identified focus groups: Non-FARMS Black or African American; Non-Farms Hispanic/Latino; FARMS White/Asian/All Other Student Groups; FARMS Black or African American; and FARMS Hispanic/Latino.

The model is comprised of the following components:

- Academic Achievement
- Graduation Rate
- Academic Progress
- Limited English Proficiency
- Students with Disabilities
- Culture and Equity
- Priority Focus

¹ <https://www.montgomeryschoolsmd.org/evidence-of-learning-framework/all-in-equity-and-achievement-framework.aspx>

Equitable Access to Resources (EAR). This component examines the system resource allocation and how it impacts the likelihood that student outcomes are predictable by race or income. The EAR consists of the following focus areas:

- School Funding
- Teacher Quality
- Instructional Time and Attention
- Access to Rigorous and Empowering Content
- Diverse and Inclusive Schools and Classrooms
- Whole Child Approach
- School Leadership Quality

Antiracism System Audit. MCPS has launched this audit to substantially examine school culture, workforce diversity, work conditions, PreK-12 curriculum, the equity accountability framework, and community engagement to identify systematic barriers to equitable outcomes for students, staff, and families. The review began at the end of 2020 and the final report is expected May 2022.

Additional Measures. MCPS collects qualitative data through school surveys, focus groups, Study Circles, school climate surveys, and student forums. This data is used to guide school improvement, curricular upgrades, such as the piloted pilot of the LGBTQ+ course in county high schools. In addition, prior to the launch of the Antiracist Systemwide Audit, focus groups were used to engage students, staff, and community in conversations about what they would like the audit to address and how their stakeholders would like to engage in the audit process. This data is being used to engage stakeholders throughout the audit process.

Chapter Overview. In addition, MCPS staff prepared an attachment as part of their budget that provides a chapter-by-chapter overview on how each of the 11 budget chapters in the MCPS budget promotes racial equity and social justice in the school district ©22.

Each chapter positively impacts equity by...

- **Chapter 1, Schools:** Ensuring each school is staffed to support students to level the playing field and provide them with access to the curriculum and opportunities to learn.
- **Chapter 2, Teaching, Learning, and Schools:** Collaborating with the Board, MCPS central services and school-based staff, and key community stakeholders to develop programs that offer targeted support, equitable access, the well-being of students and staff, and outreach to families.
- **Chapter 3, Curriculum and Instructional Programs:** Continually evaluating and selecting curricular materials that are responsive and reflective to our diverse students. The focus will be on increasing access and opportunities for traditionally marginalized students.
- **Chapter 4, Special Education:** Collaborating with MCPS central services and school-based staff to provide technical support, develop trainings, analyze and evaluate staffing and education models, and more.

- **Chapter 5, Student Services and Engagement:** Addressing the impacts of poverty and system and institutional racism, trauma of immigration, effects of disciplinary consequences, and lack of access to adequate and appropriate physical and mental health, disproportionately impact Black or African American and Hispanic/Latino students and families living in poverty and less affluent communities.
- **Chapter 6, Engagement, Innovation, and Operations:** Providing resources and support to engage with diverse audiences.
- **Chapter 7, Operations:** Ensuring every student has access to a safe and nurturing learning environment; safe and reliable transportation; instructional materials; and high-quality nutritious meals.
- **Chapter 8, Technology Support and Infrastructure:** Using technology that will help address issues such as inadequate Internet services and addressing the “homework gap” between those students who have access and those who do not have access.
- **Chapter 9, Human Capital Management:** Building a diverse workforce prepared to meet the unique needs of today’s diverse learners.
- **Chapter 10, Finance:** Formulating and submitting the official operating budget as well as allocating the funds appropriated to meet the staffing guidelines included in the budget.
- **Chapter 11, Administration and Oversight:** Implementing the “All Means All” approach to ensure all students receive a high-quality public education.

E. Expenditure and Programmatic Adjustments

The Board’s requested budget increased by \$24.3 million and encompasses 1) expenditures adjustments for two plans related to the effects of the COVID-19 health pandemic and 2) accelerators adjustments for key bodies of work.

1. **2.5 Year Plan for Moving from Thinking about the Number of Students to the Level of Need Among Students.** The Board’s requested FY22 operating budget is centered on four areas of support to meet the level of need among students and to continue to provide a strong academic program for all students, especially after the learning loss as a result of the pandemic.

The four areas of support are: (1) mitigate learning disruption across schools; (2) focus on most poverty impacted schools; (3) well-being support; and (4) digital learning and support. At this time, MCPS is dedicating \$30 million for the plan in unrestricted revenue from both state and local contributions. MCPS is still determining the short and long-term spending plans, but the table below provides a summary funding by support area.

Table 12. 2.5 Year Plan Support Areas, Funding, and Description

Support Area	Allocated Funding	Potential Uses
Mitigating Learning Disruption Across Schools	\$10,780,110	<ul style="list-style-type: none"> • Summer programs, online tutoring/homework help • Equity Hubs • Supports for ESLO and special education students
Focus on Most Poverty Impacted Schools	\$9,538,890	<ul style="list-style-type: none"> • Wrap-around services • Pilots for Innovative Models (e.g. Extended-year schools) • Kirwan-type work to improve public education quality
Well-Being	\$6,211,961	<ul style="list-style-type: none"> • Be Well 365 • Athletics/extracurriculars • Psychological and social work supports
Digital Learning and Support	\$3,469,039	<ul style="list-style-type: none"> • Internet-ready equipment • Adult learning • Virtual Learning Academy

- 2. Continuity of Learning Plan.** MCPS created this one-time account in FY21 totaling \$58.0 million to support teaching and learning requirements (professional development/technology) as a result of the health pandemic. Funding came from savings as a result of unfilled teaching positions and reduced bus fuel and building utilities.

In the requested FY22 budget, the Board has allocated \$13.1 million of the original \$58.0 million account to restore funding to an array of programs and educator positions. An additional \$2.9 million is dedicated to the new 2.5-year plan discussed above.

Table 13. Restored Funding from the Continuity of Learning Plan

Item Restored	FTE	Salaries/Amount	Benefits
Classroom Teachers	64.0	\$6,426,736	\$1,744,216
Physical Ed Teacher	0.9	\$50,118	\$13,602
Art Teacher	0.9	\$50,118	\$13,602
General Music Teacher	0.9	\$50,118	\$13,602
Financial Assistant V	1.0	\$69,885	\$28,080
Substitute Teachers		\$100,157	\$7,662
Textbooks		\$85,458	
Media Center Materials		\$44,560	
Instructional Materials		\$212,824	
Extracurricular Activities		\$191,925	
Curriculum		\$3,250,000	
Outdoor Ed Programs		\$556,567	
Student Transportation		\$141,974	
Subtotal		\$11,230,440	\$1,820,764

- 3. Adjustments for Accelerators for Key Bodies of Work.** The budget includes \$4.1 million and 22.0 FTE positions dedicated to changes related to accelerator needs for key bodies of work. The table below summarizes the adjustments. Additional information on the changes by chapter can be found on ©30.

Table 14. Adjustments to Accelerators for Key Bodies of Work

Chapter	\$/FTE
Chapter 1, Schools	\$1,553,421 1.0 instructional specialist
Instructional Specialist for Extensions Program/ Coordinator to Supervisor Realignment	\$143,421/ 1.0 FTE
Security costs in high school athletic events	\$200,000
High school athletics transportation account	\$500,000
Systemwide field maintenance account	\$690,000
Testing materials needed for psychologists	\$20,000
Chapter 3, Curriculum and Instructional Programs	\$183,863 1.0 supervisor position
Supervisor position in the Department of College and Career Readiness and Districtwide Programs (work-based learning)	\$183,863/ 1.0 FTE
Chapter 6, Engagement, Innovation, and Operations	\$341,657 3.0 FTEs
Instructional specialist for the Partnerships Unit (career-based learning opportunities)	\$135,007/ 1.0 FTE
Communication manager (support the development and implementation of systemwide innovation planning and programs)	\$112,256/ 1.0 FTE
Administrative secretary II (support Dept. of Communications)	\$94,394/ 1.0 FTE
Chapter 7, Operations	\$551,206 11.0 FTEs
Restores 10 building service worker positions to support additional square footage	\$448,411/ 10.0 FTEs
Procurement buyer for increased demands on procurement unit	\$102,785/ 1.0 FTE
Chapter 8, Technology Support and Infrastructure	\$1,517,831 6.0 FTEs
Fortinet (supports MCPS firewalls)	\$734,059
iBoss (cloud-based web content filtering service)	\$249,541
3.0 MCPS Help Desk and 3.0 Information Technology System Specialists	\$534,231/ 6.0 FTEs

F. Council Staff Recommendations

Council staff recommends approval of the Executive's recommended budget.

This packet contains:

Board of Education Request
County Executive Recommendation
MCPS Responses to Council Staff Questions
Monthly Financial Report
Category 12 Transmittal

Circle Page #s:

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MONTGOMERY COUNTY BOARD OF EDUCATION

850 Hungerford Drive ♦ Room 123 ♦ Rockville, Maryland 20850

March 1, 2021



The Honorable Marc Elrich, County Executive
Executive Office Building
101 Monroe Street, 2nd Floor
Rockville, Maryland 20850

The Honorable Tom Hucker, President,
and Members of the Montgomery County Council
Stella B. Werner Council Office Building
100 Maryland Avenue, 6th Floor
Rockville, Maryland 20850

Dear Mr. Elrich, Mr. Hucker, and Councilmembers:

I am pleased to submit the Montgomery County Board of Education's Fiscal Year (FY) 2022 Operating Budget Request for Montgomery County Public Schools (MCPS). This budget request is a result of extensive internal and external feedback along with a thorough analysis of our programs and our outcomes.

The Board of Education (Board) is requesting an operating budget of \$2,780,512,190 for MCPS for FY 2022. This is an increase of \$24,255,131, or 0.9 percent, compared to the current FY 2021 Operating Budget. This budget continues our focus on students, classrooms, and schools. The budget was developed during the time that the Novel Coronavirus SARS-CoV-2 (COVID-19) has impacted our school district in ways not previously experienced. Due to the effects of the COVID-19 pandemic, this has been an extremely challenging operating budget to formulate.

The MCPS tax-supported operating budget (excluding grants and enterprise funds) for FY 2022 is \$2,564,636,667, an increase of \$1,528,668, or less than 1.0 percent, compared to the current FY 2021 tax-supported budget. This budget assumes Montgomery County will continue to fund \$27,200,000 of MCPS retiree health benefits costs from the County's Consolidated Other Post-Employment Benefits Trust Fund.

State law requires the county to provide, at a minimum, the same amount per student as the previous year based on the Maintenance of Effort law. The impact of COVID-19 on our school district requires us to request more than the minimum funding level required by the State law. This additional investment is essential if we are to mitigate the impact of the COVID-19 pandemic on teaching and learning, particularly to address learning loss resulting from virtual instruction and support the social, emotional, psychological, and physical well-being of students and staff.

Governor Lawrence J. Hogan Jr.'s FY 2022 budget submitted to the Maryland General Assembly on January 20, 2021, reflected a total of \$822,232,792 in state aid for MCPS. This is a net increase of \$23,973,170 across state aid categories compared to FY 2021. The Governor's budget included funding for continuation of *Blueprint for Maryland's Future*-like programs whose funding expire at the end of FY 2021, as well as a new supplemental instruction/tutoring grant, and hold harmless funding grants for declining enrollment and transportation of students with disabilities. The two hold harmless grants total \$29,701,255. According to Section 10 of the *Budget and Reconciliation Financing Act of 2021*, this hold harmless funding is contingent on Maryland counties providing more in local funding in FY 2022 compared to FY 2021.

This FY 2022 Operating Budget also assumes that it will be funded partially by end-of-year MCPS fund balance. The amount projected to be available to fund the FY 2022 Operating Budget is \$25,000,000. This is the same amount used to fund FYs 2019, 2020, and 2021 budgets.

The Board's budget includes targeted, strategic accelerators for key bodies of work totaling 22.0 Full-time Equivalent positions and \$4,147,978. Highlights of the strategic accelerators include resources for the following: (1) increased funding for security, transportation, and field maintenance for athletics while also addressing issues of equity; (2) increased staffing to support consultation on more restrictive placements in the extensions program; (3) staff to support work-based learning programs such as internships and partnerships; (4) staff in the MCPS Partnerships Unit to assist with public/private partnerships for students; (5) building service workers to address increased space across the district; and (6) funding for network security including firewalls and web-content filters; and staff in the MCPS Help Desk.

The FY 2022 Operating Budget for MCPS includes \$30,000,000 in support of a 2.5-year plan that prioritizes how we strategically utilize our resources to support the needs of our students, staff, and community because of the COVID-19 pandemic. It is centered on our four areas of support to improve the level of need among our students and continues to provide a strong academic program for all students. These four areas of support are: (1) mitigate learning disruption across schools; (2) focus on the most poverty-impacted schools; (3) well-being support; and (4) digital learning and support. This process includes engaging multiple and diverse stakeholders through the establishment of workgroups for each of the four focus areas.

This FY 2022 Operating Budget request was developed through a variety of collaborations. The Board held two public hearings on January 11 and 19, 2021, and heard testimony from a significant number of individuals. The Board held four work sessions on the budget on January 14, January 21, January 25, and February 16, 2021. Board members spent a great number of hours analyzing the budget and submitted a number of formal questions to MCPS staff that eventually led to the Board's tentatively adopted budget request on February 23, 2021.

The Honorable Marc Elrich
The Honorable Tom Hucker and
Members of the County Council

3

March 1, 2021

This budget was prepared and submitted during a world-wide pandemic that impacts teaching and learning across our school district. Still, it is designed to advance equity and excellence for all students in MCPS. The Board of Education looks forward to working with you in the coming weeks and months to fund an operating budget for MCPS for FY 2022 that meets the needs of all our students.

Sincerely,


Brenda Wolff
President

BW:JRS:DKM:tpk

Enclosure



FY 2022 Operating Budget

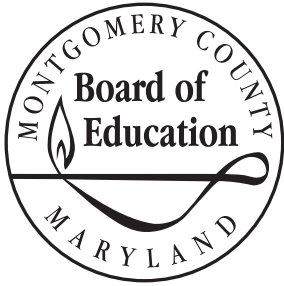
Montgomery County Public Schools, Rockville, Maryland

Tentatively Adopted by the Board of Education
February 2021

Fiscal and School Year Ending June 30, 2022

Jack R. Smith, Ph.D.
Superintendent of Schools

www.montgomeryschoolsmd.org/budget



VISION

We inspire learning by providing the greatest public education to each and every student.

MISSION

Every student will have the academic, creative problem solving, and social emotional skills to be successful in college and career.

CORE PURPOSE

Prepare all students to thrive in their future.

CORE VALUES

*Learning
Relationships
Respect
Excellence
Equity*

Board of Education

Ms. Brenda Wolff
President

Ms. Karla Silvestre
Vice President

Dr. Judith R. Docca

Mrs. Shebra L. Evans

Ms. Lynne Harris

Mrs. Patricia B. O'Neill

Mrs. Rebecca K. Smondrowski

Mr. Nicholas W. Asante
Student Member

Montgomery County Public Schools (MCPS) Administration

Jack R. Smith, Ph.D.
Superintendent of Schools

Monifa B. McKnight, Ed.D.
Deputy Superintendent

Karen Stratman
Chief of Staff

Derek G. Turner
Chief of Engagement, Innovation, and Operations

Janet S. Wilson, Ph.D.
Chief of Teaching, Learning, and Schools

850 Hungerford Drive
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MONTGOMERY COUNTY BOARD OF EDUCATION

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The FY 2022 Operating Budget for MCPS includes \$30,000,000 in support of a 2.5-year plan that prioritizes how we strategically utilize our resources to support the needs of our students, staff, and community because of the COVID-19 pandemic. It is centered on our four areas of support to improve the level of need among our students and continues to provide a strong academic program for all students. These four areas of support are: (1) mitigate learning disruption across schools; (2) focus on the most poverty-impacted schools; (3) well-being support; and (4) digital learning and support. This process includes engaging multiple and diverse stakeholders through the establishment of workgroups for each of the four focus areas.

This FY 2022 Operating Budget request was developed through a variety of collaborations. The Board held two public hearings on January 11 and 19, 2021, and heard testimony from a significant number of individuals. The Board held four work sessions on the budget on January 14, January 21, January 25, and February 16, 2021. Board members spent a great number of hours analyzing the budget and submitted a number of formal questions to MCPS staff that eventually led to the Board's tentatively adopted budget request on February 23, 2021.

The Honorable Marc Elrich
The Honorable Tom Hucker and
Members of the County Council

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March 1, 2021

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Sincerely,


Brenda Wolff
President

BW:JRS:DKM:tpk


Enclosure

Office of the Superintendent of Schools
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

February 23, 2021

MEMORANDUM

To: Members of the Board of Education

From: Jack R. Smith, Superintendent of Schools 

Subject: Tentative Adoption of the Fiscal Year 2022 Operating Budget

Executive Summary

On January 11 and January 19, 2021, the Board of Education held public hearings on the Superintendent's Recommended Fiscal Year (FY) 2022 Operating Budget. In addition, on January 14, January 21, January 25, and February 16, 2021, the Board held work sessions, two more than in past years, on the operating budget for Montgomery County Public Schools (MCPS). Today, I am submitting to the Board my amended Recommended FY 2022 Operating Budget totaling \$2,780,512,190 for MCPS. This is an increase of \$24,255,131, or 0.9 percent, compared to the current FY 2021 budget. The FY 2022 tax-supported budget (excluding grants and enterprise funds) is \$2,564,636,667, an increase of \$1,528,668 or less than 1.0 percent compared to the current FY 2021 tax-supported budget. The change in the tax-supported budget is small this year because a portion of the state aid increase for FY 2022 is in restricted grants, which are not part of the tax-supported budget. The amended budget of \$2,780,512,190 is an increase of \$67,601,280 compared to the \$2,712,910,910 that I recommended to the Board on December 18, 2020. This change includes \$750,000 for a supplemental appropriation beginning in FY 2021 for Restorative Justice training anticipated to be acted on by the Montgomery County Council on February 23, 2021.

This revision to my Recommended FY 2022 Operating Budget includes a revenue adjustment of an additional \$67,601,280 compared to what was included in my initial budget recommendation. This reflects the \$69,221,280 of additional state aid included in the FY 2022 budget for MCPS that Governor Lawrence J. Hogan, Jr. presented on January 20, 2021, to the Maryland General Assembly. These formulas are based on MCPS' enrollment and wealth of Montgomery County relative to other school districts and counties in the state in addition to the City of Baltimore. In addition, updated revenue estimates for FY 2022 include miscellaneous adjustments of \$1,620,000 including changes in projections for revenue from summer school, outdoor education, and interest earned from banks.

My December 2020 budget recommendation reflected a total of \$40,418,494 more than the minimum level required by the state's Maintenance of Effort (MOE) law. The *Budget Reconciliation and Financing Act of FY 2021* (BRFA) associated with Governor Hogan's FY 2022 budget included language that requires the county to provide more local funding in FY 2022 than the previous year in order to receive \$29,701,255 in hold harmless grants offered by the state. My amended FY 2022 Operating Budget assumes the county will meet this provision and provide MCPS with a local contribution of \$1,752,662,235, or \$50,115 more than FY 2021 so that MCPS may receive the \$29,701,255 in hold harmless grants.

On the expenditure side of the budget, this amended FY 2022 Operating Budget reflects an increase of \$67,601,280 and 22.0 Full-time Equivalent (FTE) positions compared to the budget recommendation in December 2020. This includes the continuation of a supplemental appropriation of \$750,000 for Restorative Justice training.

Following is a summary chart that reflects the revisions to the Recommended FY 2022 Operating Budget as amended.

Montgomery County Public Schools FY 2022 Operating Budget					
	FY 2021 Current Budget	FY 2022 Recmd. Budget	FY 2022 Amended Budget	Change, FY 2022 Amended from FY 2022 Recmd.	FY 2022 Recmd. Changes from FY 2021
Total Expenditures	\$2,756,257,059	\$2,712,910,910	\$2,780,512,190	\$67,601,280	\$24,255,131
Local Revenue	1,752,612,120 *	1,752,662,235	1,752,662,235 *	-	50,115
State Revenue	798,259,622	753,011,512	822,232,792	69,221,280	23,973,170
Fund Balance	25,000,000	25,000,000	25,000,000	-	-
Fed/Other Revenue	180,385,317	182,237,163	180,617,163	(1,620,000)	231,846
Total Revenue	\$2,756,257,059	\$2,712,910,910	\$2,780,512,190	\$67,601,280	\$24,255,131

*Includes County Council introduced FY 2021 supplemental appropriation of \$750,000 for Restorative Justice training.

The details of the revisions to the revenue and expenditures in the Recommended FY 2022 Operating Budget as amended follow.

Revenue Adjustments

State Revenue

On January 20, 2021, Governor Hogan submitted his FY 2022 budget to the Maryland General Assembly. Based on the Governor's FY 2022 budget, a total of \$822,232,792 in state revenue is anticipated for MCPS in FY 2022. This is an increase of \$23,973,170 compared to FY 2021. My initial recommended FY 2022 budget had included an estimate of \$753,011,512 in state revenue, a decrease of \$45,248,110 less than FY 2021 including programs directly funded through

restricted grants. My December 2020 budget recommendation that preceded the Governor's budget released in January 2021 was based on the estimated funding from the state aid formulas. In addition, in the December 2020 budget recommendation, we had reflected no funding from the state for the *Blueprint for Maryland's Future* legislation as the provisions of that legislation expire after FY 2021.

It always is difficult to predict with much accuracy the amount of state aid because the formulas not only are based on our school district's enrollment compared to the rest of the school districts in the state but also our county's wealth relative to the rest of the counties in the state and the City of Baltimore. In addition, we are not privy to what initiatives the Governor will include in the state education budget.

The Governor's FY 2022 budget provides MCPS a total increase of \$23,973,170 (3.0 percent) for FY 2022. It provides funding for the continuation of *Blueprint*-like programs along with hold harmless grants for declining student enrollment and for disabled student transportation. The Governor's FY 2022 budget also has a new grant for supplemental instruction and tutoring for struggling learners.

The following is a summary of the major state revenue amounts by category of aid for MCPS:

Foundation Grant: The Governor's FY 2022 budget provides \$384,201,699, a decrease of \$3,833,932 (-1.0 percent) compared to FY 2021, for the Foundation Grant, which is distributed based on enrollment and wealth. The Foundation Grant is the largest source of state aid.

Geographic Cost of Education Index (GCEI): The Governor's FY 2022 budget provides \$39,382,053 for GCEI, a decrease of \$594,861 (-1.5 percent) from FY 2021.

Limited English Proficiency: The Governor's FY 2022 budget provides \$77,169,168, a decrease of \$4,791,071 (-5.8 percent) compared to FY 2021, to support students with Limited English Proficiency.

Compensatory Education: The Governor's FY 2022 budget provides \$133,783,552, a decrease of \$14,786,128 (-10.0 percent) compared to FY 2021, in compensatory education revenue directed to the education of students who are economically disadvantaged. The *Bridge to Excellence in Public Schools Act of 2002* directs this aid according to the number of students eligible to receive Free and Reduced-price Meals System services.

Students with Disabilities-Formula: The Governor's FY 2022 budget provides \$44,369,539, a decrease of \$133,296 (-0.3 percent) compared to FY 2021, to support students with disabilities.

Students with Disabilities-Reimbursement: Working with the MCPS Office of Special Education, the recommended FY 2022 operating budget included estimated revenue totaling \$19,050,700, a decrease of \$151,427 (-0.8 percent) compared to FY 2021. This is for funding that MCPS receives from the state for supporting students placed in nonpublic special education schools.

Transportation: The Governor's FY 2022 budget provides \$42,164,380, a decrease of \$5,461,967 (-11.5 percent) compared to FY 2021, for the transportation of students to and from school as well as aid for transporting students with disabilities.

The Blueprint for Maryland's Future: The Governor's FY 2022 budget includes \$31,301,475 in both restricted and unrestricted state aid in support of programs that were funded in FY 2020 and FY 2021 from the *Blueprint for Maryland's Future* legislation. This is an increase of \$3,896,479 compared to the amount of Blueprint funding in the current FY 2021 Operating Budget. This funding includes the following: Concentration of Poverty, \$4,727,827, an increase of \$746,499; Supplemental Pre-Kindergarten, \$6,512,918, an increase of \$3,149,980; Teacher Salary Incentive, \$8,109,168; Students with Disabilities, \$9,132,868; Transitional Supplemental Instruction, \$2,735,361; and Mental Health Coordinator, \$83,333.

In addition, the Governor's FY 2022 budget included \$20,070,818 for Supplemental Instruction/Tutoring, \$23,822,255 for the Hold Harmless grant for Declining Enrollment, and \$5,879,000 for the Hold Harmless grant for Disabled Student Transportation to restore funding lost in the transportation aid mentioned previously.

Our official September 2020 enrollment decrease of 3,647.75 FTE students was 18.5 percent of the statewide decrease of 19,702.75 FTE students. Only Dorchester County had an increase of eligible students, albeit only 21 more students than the prior year.

Local Revenue

Section 10 of the BRFA introduced by the Governor and under consideration by the Maryland General Assembly includes the following:

SECTION 10. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, a one-time education aid grant for a county for fiscal year 2022 authorized under § 5-219(f) of the Education Article, as enacted by Section 1 of this Act, is contingent on the county's appropriation of local funds to the county board of education operating budget for fiscal year 2022 exceeding the local appropriation for fiscal year 2021.

Under the terms of the MOE law, the county could reduce the local contribution by \$39,769,806 for FY 2022 based on lower enrollment on September 30, 2020, compared to the prior year. However, Section 10 of the BRFA requires that for MCPS to receive \$23,822,255 for the Declining

Enrollment Hold Harmless Grant and \$5,879,000 for the Disabled Student Transportation Hold Harmless Grant, MCPS must receive more in local contribution than it received in FY 2021.

My Recommended FY 2022 Operating Budget as amended assumes that the county will not want MCPS to be ineligible for a total of \$29,701,255 in two hold harmless grants from the state; therefore, this amended budget includes \$50,115 more than the local contribution that the county provided to MCPS in FY 2021.

MCPS Fund Balance

The FY 2022 Operating Budget that I recommended to the Board of Education in December 2020 reflected that \$25,000,000 of the budget would be funded from the MCPS end-of-year fund balance. We continue to include this amount of funding from FY 2021 to fund the FY 2022 Operating Budget.

Expenditure Adjustments

Continuity of Learning Plan

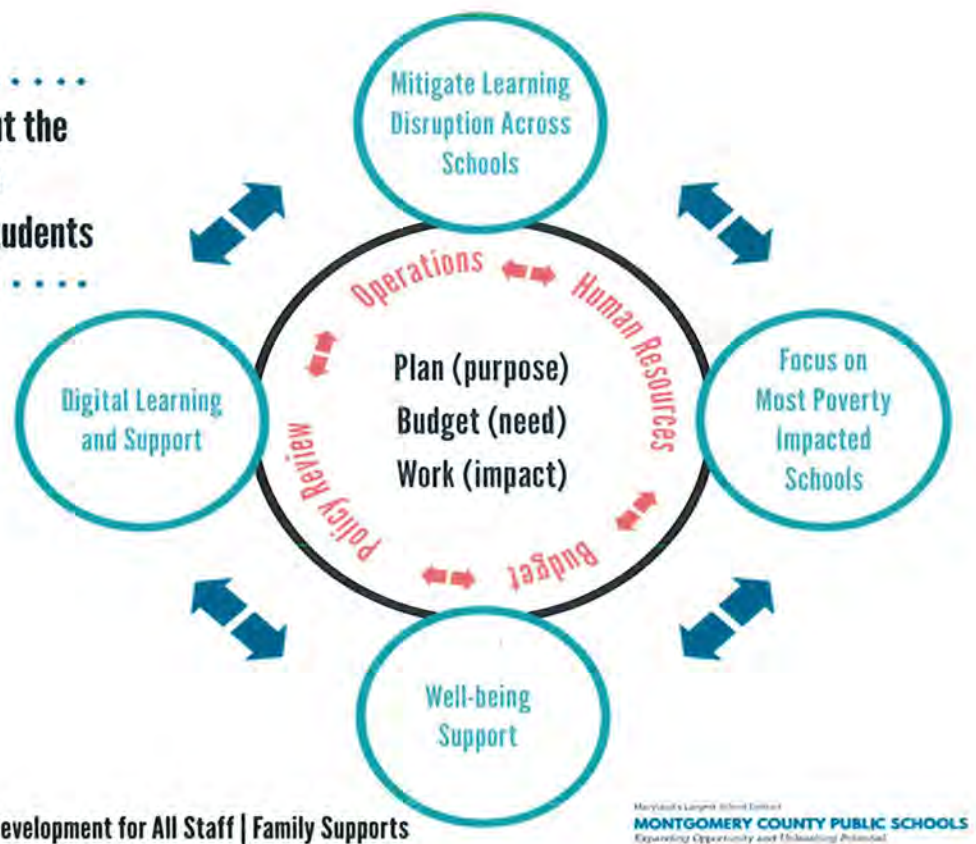
The Continuity of Learning Plan is a one-time account created in FY 2021 totaling approximately \$58.0 million to support teaching and learning requirements because of the Novel Coronavirus SARS-CoV-2 (COVID-19) pandemic. It was established from the salaries and benefits for unfilled teaching positions as well as administrative positions and savings from bus fuel and building utilities. In FY 2021, this Continuity of Learning account is being used to provide additional support for students, professional development for teachers and staff, and technology needs of the school district. To support the funding level of the FY 2022 Operating Budget, \$15,923,520 is used to restore funding for student transportation, Outdoor Education programs, as well as 66.7 general education teacher positions and 35.0 paraeducator positions in elementary, middle, and high schools.

2.5 Year Plan for Moving from Thinking about the Number of Students to the Level of Need Among Students

The MCPS FY 2022 Operating Budget lays out the strategies we will use to achieve our goals and matches them with the investments needed to implement the strategy. In effect, our operating budget reflects our strategic plan in numbers. This amended FY 2022 Operating Budget is centered on our four areas of support to improve the level of need among our students and continue to provide a strong academic program for all students. These four areas of support are: (1) mitigate learning disruption across schools; (2) focus on most poverty impacted schools; (3) well-being support; and (4) digital learning and support, as reflected in the following graphic.

THE PLAN:

Moving from thinking about the
number of students to the
level of need among our students



– January 2021 - September 2023 –

Excellence in Equity | Professional Development for All Staff | Family Supports

Maryland's Largest School District
MONTGOMERY COUNTY PUBLIC SCHOOLS
Expanding Opportunity and Unleashing Potential

After the submission of my Recommended FY 2022 Operating Budget and following the public hearings with the Board of Education and the budget work sessions, I am amending the Recommended FY 2022 Operating Budget to include an additional \$30,000,000 for changes related to a plan that prioritizes how we strategically utilize our resources to support the needs of our students, staff, and community as a result of the COVID-19 pandemic. This funding will be braided together with funding from the federal and state governments to flesh out the full scope of the work to be done in the next two and one-half years. The priority work areas in this plan are a direct reflection of the budget priorities that the members of the Board of Education discussed on October 19, 2020, and expressed by the community at our public hearings on the operating budget in January 2021. The four priorities are not new to MCPS. They touch more of our students; therefore, we must rethink, reimagine, and innovate based on the impact across all parts of our community.

In support of this plan, the following changes are included in the FY 2022 Operating Budget as amended:

- To support our Mitigating Learning Disruption Across Schools strategy, an increase of \$10,780,110 is included. Examples of the strategy include the following:

- Summer programs to support rigorous instructional, enrichment, and interest-based learning experiences.
 - A no-cost student online tutoring and homework help service that began with the second semester February 1, 2021. TutorMe.com, a secure, online resource will offer on-demand assistance on any subject for student in Grades 3– 12.
 - Equity Hub work.
 - Compacted curriculum will continue to build around developing students' critical and creative thinking skills, as well as essential academic success skills, so that students are well prepared for a lifetime of learning.
 - Course sequence and the academic impact.
 - Ensure that all students have the opportunity and support to rise to challenges and engage in high levels of rigor.
 - In Evidence of Learning, we continue to ask the questions, are our students learning and are they learning enough? We are using multiple measures to monitor student progress through classroom, district, and external assessments so we know students are progressing with the goal of being college- and career-ready.
 - Compensatory education for special education students.
 - English for Speakers of Other Languages supports.
- To support our Focus on Most Poverty Impacted Schools strategy, an increase of \$9,538,890 is included. Examples of this strategy include the following:
 - Kirwan-type work to continue to improve the quality of public education and benefit students, which will in turn benefit the State's economy and quality of life for all Marylanders.
 - Wraparound services that include service delivery that utilizes child and family teams to create and implement individualized plans of care that are driven by the strengths and needs of the participants and their families.
 - Pilots for Innovative Models and Strategies from establishing two extended-year schools to two-way immersion to the exploration of community schools; MCPS is looking for innovative ways to achieve equity and excellence.
 - Enriched and accelerated learning opportunities.
 - Differentiated and innovative staffing recruitment, hiring, retention, and professional development.
- To support our Well-being Support strategy, an increase of \$6,211,961 is included. Examples of this strategy include the following:
 - Be Well 365: For students to focus on learning, we must ensure they have the support to build academic and social resilience and are able to manage emotions and become positive members of the community.

- Support and learning for students mean support of family understanding and engagement in their student's learning.
 - Psychological and social work supports are committed to the academic success and to the physical, social, and psychological well-being of every one of our students and staff.
 - Athletics and extracurricular activities.
- To support our Digital Learning and Support strategy, an increase of \$3,469,039 is included. Examples of this strategy include the following:
 - Focus on increasing access to internet-ready equipment.
 - Low-cost internet services and connectivity.
 - Adult learning.
 - Virtual Learning Academy to meet the needs of students who do not wish to return to learning in traditional classrooms. The academy will provide students access to the same high quality rigorous coursework and critical social-emotional supports as those attending fully in-person.
 - Virtual Back-to-School Nights and Parent Meetings.
 - Our infrastructure, applications, and tools must all meet the demands of these opportunities.

Process for engagement in support of 2.5 year plan— This process begins with engaging multiple and diverse stakeholders from the beginning of the plan's development through work groups aligned to the four areas. These encompass students; association representatives including school-based and central services staff members and executive leadership; community partners; and MCPS executive leadership. Throughout the plan development, a feedback loop will be utilized to ensure that all stakeholders have consistent opportunities to ask questions, make suggestions, and revise the plan based on the areas of focus. Effective collaboration will protect the interest that we have in ensuring that ALL students achieve success following the COVID-19 pandemic.

Adjustments for Accelerators for Key Bodies of Work

After the submission of my recommended FY 2022 Operating Budget in December 2020, and following the submission of Governor Hogan's FY 2022 budget to the Maryland General Assembly on January 20, 2021, I am amending the budget to include \$4,147,978 and 22.0 FTE positions for changes related to accelerators needed for key bodies of work in FY 2022. This includes the following changes.

- To support our schools budgeted in Chapter 1 of the FY 2022 Operating Budget, an increase of \$1,553,421 and 1.0 instructional specialist FTE position is included. This includes \$30,238 for benefits that are budgeted in Chapter 10.

- \$143,421 and 1.0 instructional specialist position to support consultation process for students moving to more restrictive placements in the Extensions program and realign a coordinator position to a supervisor position.
- \$200,000 to cover actual security costs in high schools for athletic events.
- \$500,000 to establish a high school athletics transportation account that streamlines transportation costs into one funding source and provide the service, when requested, to address issues of equity.
- \$690,000 to establish a systemwide field maintenance account, starting with stadium fields in high schools, to address issues of equity.
- \$20,000 for additional testing materials needed for psychologists.
- In support of Curriculum and Instructional Programs, Chapter 3, an increase of \$183,863 and 1.0 FTE supervisor position in the Department of College and Career Readiness and Districtwide Programs is included to support work-based learning programs such as internships and partnerships. This includes \$31,021 for benefits that are budgeted in Chapter 10.
- For Engagement, Innovation, and Operations, Chapter 6, an increase of \$341,657 and 3.0 FTE positions are included. This includes \$88,051 for benefits that are budgeted in Chapter 10.
 - \$135,007 and 1.0 instructional specialist FTE position is included for the Partnerships Unit to assist with increasing the expansion of public/private partnerships for students, staff, and parents/guardians, and the Summer RISE program. The focus will be on career-based learning opportunities addressing some of the needs specified in the Education Strategy Group external review on career readiness. This includes \$28,819 for benefits that are budgeted in Chapter 10.
 - \$112,256 and 1.0 communication manager FTE position is included to support the development and implementation of systemwide innovation planning and programs, provide leadership and vision to development and manage programs and services aligned to the strategic plan and district programs, and consult with other offices and the Board of Education to identify and provide appropriate strategies to advance system priorities and goals. This includes \$32,176 for benefits that are budgeted in Chapter 10.
 - \$94,394 and 1.0 administrative secretary II FTE position to support the Department of Communications staff in handling increases in the volume of work experienced in the department. This includes \$27,056 for benefits that are budgeted in Chapter 10.
- For Operations, Chapter 7, an increase of \$551,206 and 11.0 FTE positions are included. This includes \$157,993 for benefits that are budgeted in Chapter 10.

- \$448,411 and 10.0 building service worker FTE positions are included to restore positions previously eliminated and support the additional square footage of space across the district. This includes \$128,529 for benefits that are budgeted in Chapter 10.
- \$102,785 and 1.0 procurement buyer FTE position is included for the increased demands on the Procurement Unit (active bids increasing 57 percent during the course of the last three years and purchase orders increasing by 26 percent). This includes \$29,464 for benefits that are budgeted in Chapter 10.
- For Technology Support and Infrastructure, an increase of \$1,517,831 and 6.0 positions are included. This includes \$734,059 for Fortinet, which supports MCPS firewalls and next generation services including web content filtering, and \$249,541 for iBoss, a cloud-based web content filtering service. Also, \$534,231 is included for 3.0 positions for the MCPS Help Desk and 3.0 information technology systems specialists for laptop support. This includes \$153,127 for benefits that are budgeted in Chapter 10.

Operating Budget Requirement Included in Montgomery County Bill 44-20

On December 1, 2020, the Montgomery County Council unanimously enacted Bill 44-20, *Racial Equity and Social Justice – Impact Statements – Advisory Committee Amendment*. Among other purposes, the bill requires the county executive to explain how each management initiative or program that would be funded in the county executive’s annual recommended operating and capital budgets, including the recommended operating and capital budgets for the County Board of Education, or in a supplemental appropriation, promotes racial equity and social justice. To meet the requirement of Bill 44-20, an attachment to this memorandum provides a description how each of the 11 chapters of the MCPS Operating Budget promotes racial equity and social justice in MCPS in support of our 208 schools and approximately 160,000 students.

Conclusion

The amended FY 2022 Operating Budget that I am recommending to the Board for adoption is the result of extensive internal and external feedback on the budget I recommended on December 18, 2020. This budget continues to be centered on our core purpose of preparing all students to thrive in their future and graduate with a deep academic knowledge and preparation for the ideas in the complex world and workplace of tomorrow. At the same time, this budget has been developed during the time that the COVID-19 pandemic has impacted our school district in ways we have not seen in our lifetime. Due the effects of the COVID-19 pandemic, this has been an extremely challenging operating budget to formulate.

Recommended Resolution

WHEREAS, The superintendent of schools presented the Recommended Fiscal Year 2022 Operating Budget of \$2,712,910,910 to the Board of Education on December 18, 2020; and

WHEREAS, The Recommended Fiscal Year 2022 Operating Budget includes the Fiscal Year 2022 Special Education Staffing Plan; and

WHEREAS, The Superintendent's Recommended Fiscal Year 2022 Operating Budget as amended includes a local contribution request of \$1,752,662,235, no change to the amount in the Recommended Fiscal Year 2022 Operating Budget; and

WHEREAS, The Governor's Fiscal Year 2022 operating budget presented to the Maryland General Assembly on January 20, 2021, reflects an increase of \$69,221,280 in state aid to the Recommended Fiscal Year 2022 Operating Budget as amended from the December 18, 2020, budget recommendation; and

WHEREAS, A Montgomery County Public Schools fund balance of \$25,000,000 remains the now estimated amount to be available for appropriation in Fiscal Year 2022; and

WHEREAS, Adjustments for key bodies of work result in an increase of \$4,147,978 and 22.0 Full-time Equivalent positions; and

WHEREAS, Adjustments for the multi-year plan for moving from thinking about the number of students to the level of need amount our students result in an increase of \$30,000,000; now therefore be it

Resolved, That the Montgomery County Board of Education approve the Fiscal Year 2022 Special Education Staffing Plan as outlined in the Superintendent's Recommended Fiscal Year 2022 Operating Budget; and be it further

Resolved, That upon final approval of the Fiscal Year 2022 Operating Budget in June 2021, the Special Education Staffing Plan will be submitted to the Maryland State Department of Education; and be it further

Resolved, That the Montgomery County Board of Education adopt the Superintendent's Recommended Fiscal Year 2022 Operating Budget as amended totaling \$2,780,512,190 as follows:

Montgomery County Public Schools
 FY 2022 Operating Budget Tentatively Adopted by the Board of Education
 February 23, 2021

Category	Superintendent's Recommended FY 2022 Operating Budget	County Council FY 2021 Appropriation*	Superintendent's Amended FY 2022 Operating Budget	Board's Tentatively Adopted FY 2022 Operating Budget
1 Administration	\$57,153,926		\$58,223,428	\$58,223,428
2 Mid-level Administration	156,936,974		159,182,885	159,182,885
3 Instructional Salaries	1,058,903,653		1,087,218,995	1,087,218,995
4 Textbooks and Instructional Supplies	34,999,012		36,890,480	36,890,480
5 Other Instructional Costs	21,302,421		25,708,393	25,708,393
6 Special Education	378,699,088		381,774,268	381,774,268
7 Student Personnel Services	16,285,426	696,702	19,128,470	19,128,470
8 Health Services	1,001,600		1,001,600	1,001,600
9 Student Transportation	117,505,403		118,784,508	118,784,508
10 Operation of Plant and Equipment	145,598,427		151,570,666	151,570,666
11 Maintenance of Plant	42,166,177		42,970,456	42,970,456
12 Fixed Charges	597,018,150	53,298	612,727,321	612,727,321
14 Community Services	982,729		982,729	982,729
37 MCPS Television Special Revenue Fund	1,769,775		1,769,775	1,769,775
51 Real Estate Fund	4,967,149		4,957,216	4,957,216
61 Food Service Fund	61,899,980		61,899,980	61,899,980
71 Field Trip Fund	3,074,182		3,074,182	3,074,182
81 Entrepreneurial Activities	12,646,838		12,646,838	12,646,838
Total	\$2,712,910,910	\$750,000	\$2,780,512,190	\$2,780,512,190

* Anticipated supplemental appropriation in FY 2021 from County Council for Restorative Justice training to be voted on 2/23/2021.

Attachment

JRS:DKM:tpk

Montgomery County Public Schools

Racial Equity and Social Justice

On December 1, 2020, the Montgomery County Council unanimously approved Bill 44-20, which includes a requirement that the county executive explain how each management initiative or program that would be funded from the county executive's annual recommended operating and capital budgets for the Board of Education promotes racial equity and social justice. The following reflects a chapter-by-chapter overview how each of the 11 budget chapters in the Montgomery County Public Schools (MCPS) operating budget promotes racial equity and social justice in the school district.

Chapter 1, Schools

General education staffing allocations are based on projected enrollment and staffing guidelines, which are reviewed and applied to all positions identified in the operating budget yearly. The equity aspect of staffing is operationalized in several important ways:

- Collaboration with central partners (Office of Finance, Office of Human Resources and Development, Office of Teaching, Learning, and Schools (OTLS)-School Support and Improvement, OTLS-Curriculum and Instructional Programs, OTLS-Special Education, and OTLS-Student and Family Support and Engagement) regularly to discuss the specific school and student needs. We discuss/identify anomalies, continuity of positions, and schools' unique needs.
- Yearly staffing retreats are held to conduct school-by-school analysis based on projected enrollment and potential programmatic changes to consider the impact on the school. Schools that may need staffing adjustments or reconsideration of the classroom teacher formula are identified. Recommendations are identified for chief approval based on the needs of students/staff.
- A Google survey has been developed throughout the year for principals to submit staffing and the rationale. Central services partners (associates, directors, chief) meet biweekly during staffing season to holistically review requests and make recommendations for additional staffing based on student needs.
- Staffing analysis is used to understand the school staffing story and discuss the current use of human resources/materials to maximize staffing where needed most. A rubric is used to determine allocation of staffing by considering multiple data points: instructional programming to address learning needs; data sources; course requests; and articulation.
- English for Speakers of Other Languages (ESOL) is designed as an additive model. We look at the language assets students bring to school and design staffing allocations based on the student's language proficiency level.
- Special education staffing allocations are based on projected enrollment and staffing guidelines, which are reviewed and applied to all positions identified in the operating budget yearly to meet the identified needs of students with disabilities.

- Special education staff conducts yearly staffing meetings to analyze special education staffing allocations and to discuss the current use of human resources, trend enrollment, facilities use, and Maryland Online Individualized Education Program data as well as information provided by principals regarding school and community needs in order to maximize staffing where it is needed.
- Federal Title I funds are allocated to schools to fund supplemental staffing such as parent community coordinators; a Restorative Justice Teacher Liaison; Student Support Focus Teacher; ESOL focus teacher(s); Special Education focus teacher; and Science, Technology, Engineering, and Mathematics Focus Teacher. Title I funding also is allocated to assign a 0.5 Primary Talent Development Coach (PTD) to each Title I school. PTDs focus on coaching teachers and modeling lessons that promote language development through divergent and critical thinking skills; enrichment and acceleration; and utilizing equitable practices that support teaching and learning for marginalized students.

Our efforts will positively impact equity in our 208 schools and services provided to students by ensuring that they are staffed to support students to level the playing field and provide them with access to the curriculum and opportunities to learn.

Chapter 2, Teaching, Learning, and Schools

OTLS has leadership and oversight of teaching and learning, student and family support, school leadership, and data analysis and reporting. The mission of OTLS is to create opportunities for every student to achieve at the highest levels and eliminate barriers to learning through the development and implementation of curriculum, programs, and services. To better understand where the district and each school should focus its efforts, the district monitors performance data for specific focus groups of students who have not experienced the same level of access, opportunity, or success as other students.

The [MCPS Equity Accountability Model \(EAM\)](#) was designed to be more instructive and informative on how we identify students that are achieving and those that are not. Our [Evidence of Learning \(EOL\) Framework](#) gauges how well students are prepared to advance to the next level: primary to intermediate; intermediate to middle school; and middle school to high school.

Based on the data from EAM, EOL and other progress measures, OTLS collaborates with the Board of Education, MCPS central services and school based staff, and key community stakeholders to develop programs that offer targeted support, equitable access, well-being of students and staff, and outreach to families.

Chapter 3, Curriculum and Instructional Programs

Two main outcomes of the Office of Curriculum and Instructional Programs (OCIP) office is to improve student achievement through culturally relevant and responsive instructional materials and provide access and opportunities to all students into rigorous courses and academic programs. OCIP uses report card data, district assessments, and external standardized assessments such as Measures of Academic Progress and the SAT to monitor academic achievement

and participation of students in our focus groups (African American, Latino, and all students impacted by poverty), as well as students in our monitoring groups (White and Asian students not in poverty).

Staff in the Department of pre-K–12 Curriculum works with a variety of internal and external stakeholders, including students, to develop, evaluate and select curricular resources. Our goal is for students to see themselves in the resources through gender, race, ethnicity, and orientation. Curriculum Advisory teams meet quarterly to provide the district further feedback on existing and future resources.

Additionally, in the Department of College and Career Readiness and Districtwide Programs, programs have been developed, expanded, and enhanced in large part to positively impact marginalized students. Participation data demonstrate an increase in all subgroups, particularly in our focus groups. As we work to increase special programs and participation of all students, we must be mindful of the potential impact on local schools. As such, we are working to ensure all local schools have strong academic programs that will allow families to have multiple options both at the home school and across the district.

The work of OCIP will favorably impact equity and social justice by continually evaluating and selecting curricular materials that are responsive and reflective to our diverse students. The focus will be on increasing access and opportunities for traditionally marginalized students to provide access and opportunities for students to engage in rigorous courses and academic programs.

Chapter 4, Special Education

OTLS-Special Education provides, implements, and monitors the delivery of a seamless continuum of services for students with disabilities from birth to age 21 to prepare them for career, college, and community readiness. The Office of Special Education (OSE) supports and collaborates with students, families, staff and community members, and multiple organizations across Montgomery County with a focus on learning, accountability, and results for students receiving special education services. OSE develops, coordinates, and enhances efforts to align general and special education instruction and monitors a broad continuum of special education service models. OSE operationalizes the equity aspect in several important ways:

- OSE analyzes and evaluates the impact of staffing models to determine the appropriate class size to strategically increase students' instructional time and teacher attention to respond to the unique needs of diverse learners as well as address the needs of highly impacted schools.
- The office collaborates with OTLS-School Support and Improvement to support schools and families with special education processes, strategies, and concerns.
- It provides training opportunities for teachers, administrators, and parents/guardians to enhance their understanding of how Individualized Education Program (IEP) goals are written and monitored. Specific differentiated Professional Learning Opportunities (PLOs) are provided to novice special education teachers to both shelter and develop them as they gain experience in MCPS.

- OSE collaborates with the OCIP and OTLS-School Support and Improvement to deliver PLOs for staff members working with, and supporting, students receiving special education services on interventions used in the Multi-Tiered System of Supports focused on building strong foundational reading/mathematics skills and developing healthy emotional and behavioral coping skills.
- The office provides PLOs for general and special education teachers and other staff members in comprehensive schools to emphasize collaborative planning, co-teaching models, and the use of nonviolent crisis intervention techniques to meet the needs of the diverse learners in our classrooms.
- It provides technical support to families to build their understanding of their procedural safeguards under the *Individuals with Disabilities Education Act* and *Section 504 of the Rehabilitation Act of 1973*. IEP and other special education-related documents are translated into a variety of languages, and oral translation services are provided to families.
- OSE monitors Maryland State Performance Plan Indicators to ensure that all required state targets are met for the annual report card data and oversees implementation of any improvement plans. These indicators include identification and discipline of students with disabilities by race/ethnicity and disability code.
- The office monitors restraint and seclusion state reporting data for disproportionate trends related to race/ethnicity, disability, grade levels, special education programs, and gender. It partners with the Equity Initiatives Unit to provide implicit bias components in the mandatory training for the use of restraint/seclusion to address any disproportionate trends.
- OSE ensures that IEP services to students in nonpublic programs are delivered in compliance with all federal and state regulations by reviewing the continuum of placement from least to more restrictive based upon the unique needs of the student. The OSE Central Placement Unit also plays a key role in identifying opportunities to expand services in public programs to prevent students with disabilities from having to enter more restrictive nonpublic programs.
- The office collaborates with the Office of Student and Family Support and Engagement (OSFSE) in analyzing data to identify funding sources to address disproportionality in data points. This collaboration includes participating in monthly suspension work group meetings geared toward addressing districtwide and school-based data trends on disproportionate suspensions by race/ethnicity, gender, and students with disabilities and development of diversion programs to address the school-to-prison pipeline.
- MCPS implements the Positive Behavioral Intervention System through the lens of equity and culturally responsive practices, resulting in perspectives, instruction, and interventions that promote equal access to learning and success for all students.

Chapter 5, Student Services and Engagement

The mission of OSFSE is to assure that all MCPS students attend schools equipped with physical, social, and psychological programs that support their availability and preparation for learning. The majority of the budget for OSFSE, more than 90 percent, is concentrated on staff who are focused on providing students and their families wide-ranging resources for academic, social emotional, and socioeconomic supports.

In total, OSFSE supports every student in the school system. However, many of the needs addressed by OSFSE, including impacts of poverty and systematic and institutional racism, trauma of immigration, effects of disciplinary consequences, and lack of access to adequate and appropriate physical and mental health, disproportionately impact Black or African American and Hispanic/Latino students and families living in poverty and less affluent communities. Staff and resources are directed to address specific needs of students, often by collaborating internally with school-based administrators and teachers, as well as externally with community partners such as the Department of Health and Human Services, the Collaboration Council for Children, Youth and Families, local faith-based organizations, mental health and substance use organizations, and food and clothing agencies.

New programs in the OSFSE budget include expanding access to mental health and providing enhanced wrap-around services through community schools. In winter 2021, we entered into a new partnership with the Jewish Social Services Agency to provide school-based mental health services for students attending schools where other comparable services are not available. MCPS has identified 16 community schools based on student participation of 75 percent or more in the Free and Reduced-price Meals System, which were previously funded by the Maryland State Department of Education Concentration in Poverty/*Blueprint for Maryland's Future* grant. We will continue to manage the community schools model, collaborating with the school leaders to provide school-based health centers and staffing, wrap-around services, and enhanced family engagement.

OSFSE has led the work in restorative justice in the district thus far, supported by grant funding and expanded by the local budget. At the crux of the restorative justice work is building a collective knowledge around an anti-bias, anti-racist philosophy. Ongoing staff training continues on cultivating an anti-bias, anti-racist lens to co-create learning environments undergirded by intentionally engaging with the full continuum of using restorative practices that include [culturally sustaining pedagogy](#). This mindset is to serve as a foundation for the work of OSFSE and its relationship with students and families, and also that of our schools as a district and in each building.

Chapter 6, Engagement, Innovation, and Operations

The Office of Engagement, Innovation, and Operations is committed to providing resources and support to engage with our diverse audiences. This includes interpretation and translation services; communications in multiple languages and across multiple platforms; and the implementation of new and innovative techniques to engage with communities that historically have been underserved by the school system.

Chapter 7, Operations

The Office of Operations is committed to ensuring that every student in MCPS has access to a safe and nurturing learning environment in their school building; to safe and reliable transportation to educational opportunities; to instructional materials to support learning; and to high quality,

nutritious meals. Operations departments work to provide resources equitably to sustain the operational infrastructure needed to support teaching and learning in all school communities.

Chapter 8, Technology Support and Infrastructure

The Office of Technology and Innovation is committed to using technology that will help address issues such as inadequate Internet service, devices or other resources, to address access and the “homework gap” that exists between those students who have access at home and those who do not have access. From programs that provide Internet access at no cost for all students who need it, to implementing a no-cost one-to-one Chromebook program, we believe that MCPS is closing this gap by providing access and tools to all students who need these services.

Chapter 9, Human Capital Management

The Office of Human Resources and Development (OHRD) is committed to the recruitment, hiring, and development of a diverse instructional and operational workforce in support of the success of all students. In the last year, OHRD has engaged with a work group of representatives from various community groups and employees who were charged with reimagining OHRD. Looking specifically at talent acquisition and recruitment, onboarding, talent development and recruitment, this work group analyzed historical data and researched best practices to develop recommendations for OHRD enhancement and improvement. Many recommendations from this work group have been put into action immediately and others are in the planning stages, including:

- OHRD has two staff members whose work now is focused on strategic recruitment to build the diversity of our applicants.
- Feedback tools have been developed and utilized to gather input on the hiring process from both those who chose to join the MCPS team and those who did not.
- Hiring and staffing demographic data have been analyzed by school and office to identify successes and opportunities for support.
- OHRD has collaborated with the MCPS Equity Initiatives Unit to develop training modules that will be accessible by all OHRD staff and hiring teams across the system focused on Recognizing and Interrupting Unconscious Bias in the Hiring Process.
- Strategies to conduct exit interviews as employees resign or retire will be used to collect feedback about each individual’s experiences throughout the employment cycle.
- The leadership development program will be expanded to support the identification and development of leaders from all employee associations.
- Professional development will be streamlined to ensure that quality learning and training opportunities are available to all employees, both novice and veteran, ensuring that professional learning is focused, meaningful, impactful, and easily accessible.

The work of OHRD will continue to evolve, focused on building a diverse workforce that is prepared to meet the unique needs of today’s diverse learners. As the system’s human capital leaders, OHRD is best equipped to identify how each employee fits into the organization’s goals and to place each employee in position to deliver positive results in service to our students and their academic and social emotional success.

Chapter 10, Finance

School Safety and Security is committed to its role in producing a work environment in every office, division, and school that creates an environment acknowledging and addressing the complexities around race, diversity, and inclusion, and how these factors impact an individual's physical, psychological, and emotional well-being. Ensuring that we have a healthy work environment fundamentally benefits our students and staff. This allows them to benefit from staff that are able to maximize student learning experiences when they feel a part of a positive work environment and allows the district's adults to model for students how to engage in healthy, respectful, and inclusive relationships at work, at home, and throughout their community.

Additionally, School Safety and Security leaders are working to develop linkages to the projects and long-term goals of OSFSE in the areas of student and staff well-being, and seeking to tie their work to MCPS' growing need for the expansion of restorative justice and discipline management practices that result in service referrals whenever possible, hereby maximizing students' time in classroom and academic activities.

The Office of Finance promotes racial equity and social justice by supporting MCPS leadership and the school district in the formulation and submission of the annual MCPS operating budget to the county executive and County Council. In addition, the office assists in allocating these resources each year to the schools and offices of MCPS. Equity is exhibited throughout the staffing guidelines that are included in the annual operating budget document.

Chapter 11, Administration and Oversight

Discrimination in any form will not be tolerated. It impedes MCPS' ability to discharge its responsibilities to all students and staff, and to achieve our community's long-standing efforts to create, foster, and promote equity, inclusion, and acceptance for all.

The Board of Education recognizes that equity extends beyond meeting the letter of the law. Equity also requires proactive steps to identify and redress implicit biases and structural and institutional barriers that too often have resulted in identifiable groups of students and staff being unjustifiably or disproportionately excluded from or underrepresented in key educational program areas and sectors of the workforce, as well as over-identified in student discipline actions. Continued vigilance is necessary to end identified inequities that students and staff experience because of their actual or perceived personal characteristics.

Race, ethnicity, and culture play a powerful role in teaching, leading, and learning. For many years, MCPS has worked actively to provide a rigorous, meaningful education to students; yet the fact remains that not all students achieve at the same high levels. Several years ago, the superintendent of schools introduced the "All Means All" approach. The MCPS equity journey claims, boldly, that a public education must serve all students and this belief is central to district values, strategic planning, and budgeting. Applying an anti-racist/anti-bias lens across the administration of all of the district's programming encourages both staff and students to see themselves as part of a system that provides access to opportunity to all that it serves, and to foster the expression of new ideas and approaches offered by any stakeholder.

Fiscal Year 2022 Superintendent's Recommended Budget Significant Changes

Chapter 1 — Schools

The Fiscal Year (FY) 2022 recommended budget for this chapter is \$1,480,716,847, a decrease of \$51,790,687 from the current FY 2021 budget. An explanation of the significant changes follow.

K-12 Budget – Elementary, Middle, and High Schools

Enrollment Changes — 8.425 positions; \$298,944

Elementary Schools

- Decrease of 36.8 teacher positions
- Decrease of 0.5 media specialist positions
- Decrease of 0.5 media assistant position
- Decrease of 4.0 paraeducator positions

Middle Schools

- Increase of 2.0 assistant principal positions
- Decrease of 1.0 assistant school administrator position
- Increase of 4.0 teacher positions
- Decrease of 1.0 secretary position
- Increase of 2.5 school counselor positions
- Increase of 1.0 lunch hour aides positions
- Decrease of a 0.125 media assistant position

High Schools

- Decrease of 1.0 assistant administrator position
- Increase of 33.1 teacher positions
- Increase of 3.0 school counselor positions
- Increase of 4.5 secretary positions
- Increase of a 1.0 media assistant position
- Increase of 0.5 paraeducator positions
- Increase of 0.25 English composition assistant positions

Realignments — 66.7 positions; \$751,451

- Realignment of funds from Continuity of Learning to support virtual learning in FY 2021 to restore 66.7 general education teacher positions in elementary, middle, and high schools
- Realignment of \$542,771 from Continuity of Learning to Chapter 3, Curriculum and Instructional Programs to restore funding for Outdoor Education

New School: Gaithersburg Elementary School #8 Opening FY 2023 — 1.0 position; \$89,348

- Increase of 0.5 elementary school principal position
- Increase of 0.5 school administrative secretary position

Grant Change — .5 position; \$1,178,942

- Due to the projected loss of funding for the *Blueprint for Maryland's Future*, Transitional Supplemental Instruction grant, the following positions are moving from the grant to the local budget:
 - 1.0 instructional specialist position to Chapter 3, Curriculum and Instructional Programs to support students struggling with literacy
 - 43.6 paraeducator positions to the Elementary Schools budget
- Revenue increase to the Head Start grant, which adds a 0.5 Head Start teacher position

Other — \$499,836

- Applying an inflation factor of 2.0 percent increases the budget for textbooks, media center materials, and instructional materials by \$443,836
- Increase of \$56,000 due to a rate increase in the negotiated contract with PowerSchool – Instructional Data Management Platform

Continuity of Learning – \$43,328,369

The Continuity of Learning account is a one-time account created in FY 2021 totaling approximately \$58.0 million to support teaching and learning requirements as a result of the COVID-19 pandemic. This account was established from the salaries and benefits for unfilled teaching positions not needed due to lower enrollment as well as administrative positions and savings from bus fuel and building utilities. For FY 2022, this account is reduced or realigned to restore funding for student transportation, Outdoor Education programs, as well as 66.7 general education teacher positions in elementary, middle, and high schools.

English for Speakers of Other Languages (ESOL)

Enrollment Changes — 4.6 positions; \$264,702

- Increase of 4.6 ESOL teacher positions to meet the needs of the current ESOL population

In addition to the ESOL resources reflected in this chapter, other resources can be found in Chapter 5, Student Services and Engagement – Bilingual Assessment Team, International Admissions and Enrollment, School Counseling, and Student, Family, and School Services. Those resources include 34.0 ESOL parent community coordinator positions, 8.0 ESOL counselor positions, 4.0 intake specialist positions, and ESOL transition counselor positions.

Special Education

Growth — 111.964 positions; \$5,290,793

- Increase of 16.8 special education teacher positions
- Increase of 76.814 special education paraeducator positions
- Increase of 15.6 speech pathologist positions
- Increase of 2.45 occupational therapist positions
- Increase of a 0.3 auditory development specialist position
- Increase of \$339,427 for part-time salaries to support critical staffing, substitute teachers, and special education paraeducator substitute salaries

Realignments — \$208,506

- Funds from contractual services realigned from chapter 4, Special Education, to support critical staffing part-time salaries

Grant Changes — 1.000 positions; \$2,685,567

- 75.0 special education teacher positions are shifted from grant to local as a result of the projected loss of funding from the *Blueprint for Maryland's Future* grant
- A 1.0 speech pathologist position is shifted from the IDEA grant to local as a result of a reduction in funding
- Decrease of a 1.0 resource teacher position from the *Individuals with Disabilities Education Act* (IDEA) grant as a result of a reduction in funding

Salaries and Benefits

A decrease of \$10,498,487 is projected for the salaries and benefits accounts for FY 2022. This reduction is a result of lapse and turnover of position savings.

Chapter 2 — Teaching, Learning, and Schools

The FY 2022 recommended budget for this chapter is \$38,646,103, an increase of \$52,596 from the current FY 2021 budget. An explanation of the significant changes follow.

Realignments — 1.0 positions; \$43,000

- A 1.0 coordinator position realigned from chapter 4, Special Education, to support a grant coordinator position
- \$95,520 for non-position funds realigned to chapter 4, Special Education, to support the work of the coordinator of paraeducator programs

Grant Changes/Shifts — 1.0 position; \$95,596

- A 1.0 social services assistant position, employee benefits, and non-position funds added to the Head Start grant due to revenue increase

Chapter 3 — Curriculum and Instructional Programs

The FY 2022 recommended budget for this chapter is \$24,731,915, an increase of \$1,048,929 from the current FY 2021 budget. An explanation of the significant changes follow.

Realignments — 1.2 positions; \$796,924

- Funds from Continuity of Learning realigned to Outdoor Education to restore funding to level prior to operational adjustments due to the pandemic
- Funds to support the *Interages* program realigned to this chapter from chapter 5, Student Services and Engagement
- A 1.0 director II position realigned to the Department of English Learner and Multilingual Education from chapter 2, Teaching, Learning, and Schools
- Funds realigned within this chapter to increase the physical education Pre-K–12 content specialist by 0.2 position in the Department of Pre-K–12 Curriculum.

Grant Shift — 1.0 position; \$236,150

- A 1.0 instructional specialist position and funding for contractual services shifted from the *Blueprint for Maryland's Future*, Transitional Supplemental Instructional grant to local funding in the Department of Pre-K–12 Curriculum from chapter 1, Schools, due to the projected loss of funding for the *Blueprint for Maryland's Future*.

Rate Change — \$15,855

- Funds added to the budget for contractual services and building rental for the use of out-of-county Outdoor Education facilities.

Chapter 4 — Special Education

The FY 2022 recommended budget for this chapter is \$104,627,705, an increase of \$1,433,388 from the current FY 2021 budget. An explanation of the significant changes follow.

Growth — 5.2 positions; \$815,641

- \$409,023 added for tuition for students served in nonpublic schools
- 2.0 psychologist 12-month positions and a 1.0 elementary program specialist position are added to Autism Programs
- 1.2 teacher positions are added to the Infants and Toddlers Program
- A 1.0 social worker position is added to the Bridge Program

Realignments — (0.6) position; \$162,817

- Contractual speech services and occupational/physical therapy part-time salaries realigned to chapter 1, Schools, to support critical staffing salaries.
- A 1.0 coordinator position is realigned to chapter 2, Teaching, Learning, and Schools, to support grants management.
- A 1.0 paraeducator program coordinator position realigned from the Equity Initiatives Unit in chapter 11, Administration and Oversight. Additionally, to support the work of this position, \$95,520 for stipends and program supplies realigned from chapter 2, Teaching, Learning, and Schools.
- 1.6 fiscal assistant IV positions are realigned to a 1.0 fiscal assistant V position and to part-time funds to meet other program needs

Rate Change — \$780,564

- \$778,045 added for rate increases in tuition for students served in nonpublic schools
- \$2,519 added for rate change in telecommunication expenses due to rate increases

Chapter 5 — Student Services and Engagement

The FY 2022 recommended budget for this chapter is \$30,679,743, a decrease of \$1,650,734 from the current FY 2021 budget. An explanation of the significant changes follow.

Realignments — 2.0 positions; \$143,755

- Funds to support the *Interages* program are realigned to chapter 3, Curriculum and Instructional Programs, where the funds are managed.

Grant Changes/Shifts — 10.45 positions; (\$1,519,219)

- A 1.0 social worker position added to continue the work of the mental health coordinator, due to the projected loss of funding from the *Blueprint for Maryland's Future* - Mental Health Coordinator grant.
- A 0.8 instructional specialist position (mindfulness coordinator) shifted from the *Individuals with Educational Disabilities* grant to local, as funding through the grant will not be available in FY 2022.
- 2.0 social worker 10-month positions, 5.5 central services teacher positions, and 1.375 parent community coordinator positions are shifted from grant to local due of the projected loss of funding from the *Blueprint for Maryland's Future* grant – Concentration of Poverty. To continue and enhance support for additional Community Schools, an additional 8.4 central services teacher positions and a 0.25 parent community coordinator position has been added to the budget.

Rate Change — \$12,240

- Funds added for contractual services to support increases in rates for mobile phones.

Chapter 6 — Engagement, Innovation, and Operations

The FY 2022 recommended budget for this chapter is \$6,353,713. There are no significant changes to this chapter.

Chapter 7 — Operations

The FY 2022 recommended budget for this chapter is \$373,196,687, an increase of \$2,629,992 from the current FY 2021 budget. An explanation of the significant changes follow.

Realignments — \$141,974

- \$141,974 for student transportation is restored from the Continuity of Learning

Enrollment and New Space — 4.5 positions; \$1,088,481

- 19 buses added to support transportation needs for Choice Programs
- 4.5 Building services positions, custodial supplies, and utilities related to an increase of 103,060 square footage in buildings

Enterprise/Grant Shifts — \$1,660,000

- Field Trip Fund increases by \$160,000 in appropriation to cover potential increases in revenue
- Food Services Fund increases by \$1,500,000 in appropriation to cover potential increases in revenue

Rate Change — (\$260,463)

- Decrease of \$758,036 in the Department of Facilities Management for electricity, natural gas, and water and sewer expenses due to changes in rates
- The Department of Transportation budget reflects a reduction of \$2,439,335 in lease payments in buses purchased in prior years and an offsetting increase of \$2,936,908 for the lease/purchase of 119 buses to replace those that have reached the end of their normal service life for a net increase of \$497,573

Chapter 8 —Technology Support and Infrastructure

The FY 2022 recommended budget for this chapter is \$35,648,205, an increase of \$863,897 from the current FY 2021 budget. An explanation of the significant changes follow.

Realignments — \$4,374

- 2.0 IT systems specialist positions realigned to 2.0 IT systems engineer positions, to facilitate an advanced skill set for the work of the Department of Technology Integration and Learning Management Systems
- Funds from various non-position accounts are realigned to contractual services in the Department of Infrastructure and Operations to support iBoss Web Content Filtering
- Funds realigned from various accounts within the office of Technology and Innovation to support KnowBe4 Security Awareness Training Platform

Rate Change/Other — \$859,523

- Rate increases for internet telephone provider fees and telecommunication expenses as a result of the impact of the COVID-19 pandemic on technology needs

Chapter 9 — Human Capital Management

The FY 2022 recommended budget for this chapter is \$18,475,624. There are no significant changes to this chapter.

Chapter 10 — Finance

The FY 2022 recommended budget for this chapter is \$591,673,326, an increase of \$4,877,330 from the current FY 2021 budget. An explanation of the significant changes follow.

Growth/New School — \$2,206,742

- Employee benefits for system wide enrollment growth and new school for 135.68 positions and non-position salaries

Grant Changes and Shifts — \$2,660,483

- Increase in employee benefits due to employee salaries currently on the *Blueprint for Maryland's Future* grants being shifted to tax-supported budget, due to the projected loss of the *Blueprint for Maryland's Future*

Realignments — 3.1 positions; \$10,105

- Funds realigned from supporting services part-time salaries to support 2.6 security patrols and monitors positions
- Funds realigned from contractual services in the Office of Finance to Budget Unit to support the addition of a 0.5 IT Systems Engineer position to provide technical support on new Business HUB and Budget application

The budget for this chapter includes \$568,912,990 for all employee related benefits.

Chapter 11 — Administration and Oversight

The FY 2022 recommended budget for this chapter is \$8,161,042, an increase of \$60,860 from the current FY 2021 budget. An explanation of the significant changes follow.

Realignments — 1.0 position; \$60,860

- A 1.0 paraeducator program coordinator position realigned from the Equity Initiatives Unit to chapter 4, Special Education, to support program needs

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FY 2022 Operating Budget
Adopted by Board of Education on
February 23, 2021

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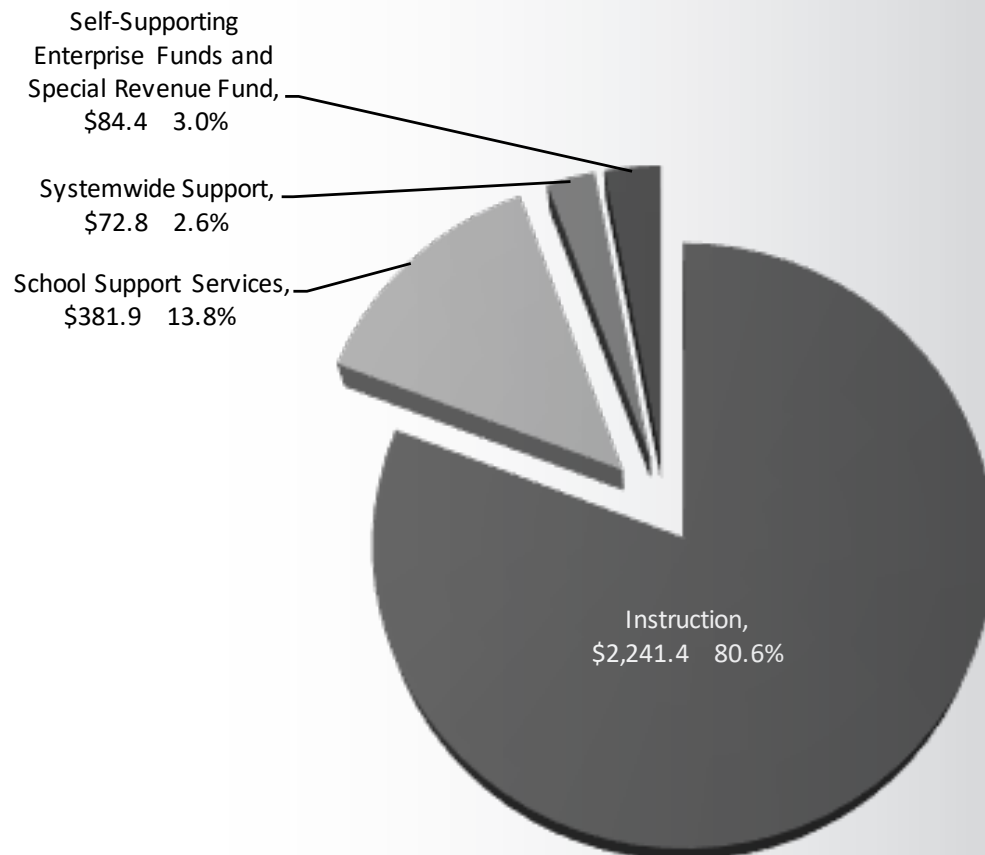
TABLE 1
SUMMARY OF RESOURCES
BY OBJECT OF EXPENDITURE

OBJECT OF EXPENDITURE	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2021 CURRENT	FY 2022 BUDGET	FY 2022 CHANGE
POSITIONS					
Administrative	745.250	758.550	756.550	760.050	3.500
Business/Operations Admin.	96.750	96.750	96.750	96.750	
Professional	13,499.086	13,763.586	13,764.586	13,890.698	126.112
Supporting Services	8,566.287	8,777.604	8,778.604	8,889.108	110.504
TOTAL POSITIONS	22,907.373	23,396.490	23,396.490	23,636.606	240.116
01 SALARIES & WAGES					
Administrative	\$103,912,524	\$107,182,687	\$106,990,157	\$107,409,558	\$419,401
Business/Operations Admin.	9,976,043	10,198,213	10,198,213	10,119,123	(79,090)
Professional	1,163,998,016	1,189,603,002	1,189,720,574	1,218,383,618	28,663,044
Supporting Services	389,390,024	407,412,265	407,487,223	423,868,850	16,381,627
TOTAL POSITION DOLLARS	1,667,276,607	1,714,396,167	1,714,396,167	1,759,781,149	45,384,982
OTHER SALARIES					
Administrative	521,522	260,112	260,112	375,112	115,000
Professional	59,392,157	118,914,793	119,591,495	66,975,421	(52,616,074)
Supporting Services	33,059,798	35,265,467	35,285,467	34,796,006	(489,461)
TOTAL OTHER SALARIES	92,973,477	154,440,372	155,137,074	102,146,539	(52,990,535)
TOTAL SALARIES AND WAGES	1,760,250,084	1,868,836,539	1,869,533,241	1,861,927,688	(7,605,553)
02 CONTRACTUAL SERVICES	58,459,995	60,327,789	60,327,789	64,468,578	4,140,789
03 SUPPLIES & MATERIALS	75,980,075	75,443,360	75,443,360	82,119,176	6,675,816
04 OTHER					
Local/Other Travel	1,753,940	2,427,004	2,427,004	2,392,702	(34,302)
Insur & Employee Benefits	620,642,773	606,134,775	606,188,073	623,380,347	17,192,274
Utilities	37,323,333	43,065,463	43,065,463	42,890,810	(174,653)
Miscellaneous	66,652,330	76,963,741	76,963,741	79,919,624	2,955,883
TOTAL OTHER	726,372,376	728,590,983	728,644,281	748,583,483	19,939,202
05 EQUIPMENT	24,748,157	22,308,388	22,308,388	23,413,265	1,104,877
GRAND TOTAL AMOUNTS	\$2,645,810,687	\$2,755,507,059	\$2,756,257,059	\$2,780,512,190	\$24,255,131

WHERE THE MONEY GOES

Total Expenditures = \$2,780,512,190

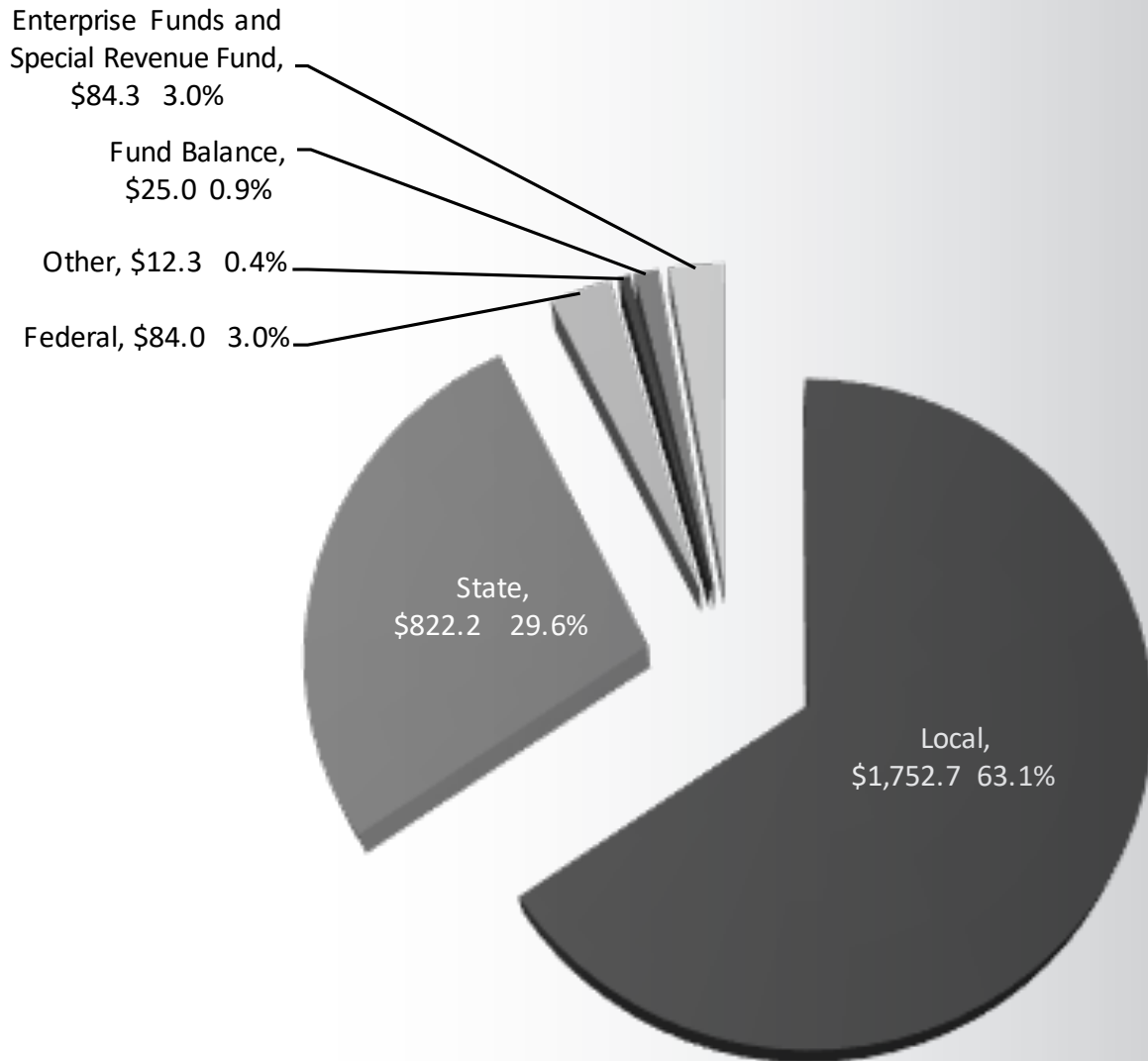
(Dollars in Millions on Chart)



WHERE THE MONEY COMES FROM

Total Revenue = \$2,780,512,190

(Dollars in Millions on Chart)



**TABLE 2
BUDGET REVENUE BY SOURCE**

SOURCE	FY 2020 ACTUAL**	FY 2020 BUDGET	FY 2021 CURRENT*	FY 2022 ESTIMATED
CURRENT FUND				
From the County:	\$1,726,807,241	\$1,726,807,241	1,752,612,120	1,752,662,235
Programs financed through local Grants	18,000			
Total from the County	1,726,825,241	1,726,807,241	1,752,612,120	1,752,662,235
From the State:				
Bridge to Excellence				
Foundation Grant	368,197,235	368,197,235	388,035,631	384,201,699
Geographic Cost of Education Index	38,902,207	38,902,207	39,976,914	39,382,053
Limited English Proficient	76,846,546	76,846,546	81,960,239	77,169,168
Compensatory Education	143,060,602	143,060,602	148,569,680	133,783,552
Students with Disabilities - Formula	42,511,183	42,511,232	44,502,835	44,369,539
Students with Disabilities - Reimbursement	17,955,550	18,445,511	19,202,127	19,050,700
Transportation	46,449,499	46,449,499	47,626,347	42,164,380
Miscellaneous	181,458	200,000	180,000	180,000
Blueprint for Maryland's Future Initiatives - State Aid	10,482,238	10,482,238	11,472,106	14,622,086
Blueprint for Maryland's Future Initiatives - Grants	11,929,432	13,942,226	15,932,890	16,679,389
Supplemental Instruction/Tutoring Grant				20,070,818
Hold-harmless Grants				29,701,255
Programs financed through State Grants	6,867,180	800,853	800,853	858,153
Total from the State	763,383,130	759,838,149	798,259,622	822,232,792
From the Federal Government:				
Impact Aid	119,553	100,000	120,000	100,000
Programs financed through Federal Grants	85,891,352	81,966,414	83,686,189	83,878,035
Total from the Federal Government	86,010,905	82,066,414	83,806,189	83,978,035
From Other Sources:				
Tuition and Fees				
D.C. Welfare	318,285	240,000	250,000	150,000
Nonresident Pupils	341,269	530,000	350,000	300,000
Summer School	1,447,092	1,600,000	1,650,000	1,000,000
Outdoor Education	453,940	700,000	700,000	500,000
Miscellaneous - Interest Income	1,888,138	300,000	900,000	300,000
Programs financed through Private Grants	680,816	6,731,204	10,031,204	10,031,204
Total from Other Sources	5,129,540	10,101,204	13,881,204	12,281,204
Fund Balance	25,000,000	25,000,000	25,000,000	25,000,000
Total Current Fund	2,606,348,816	2,603,813,008	2,673,559,135	2,696,154,266
ENTERPRISE & SPECIAL FUNDS				
School Food Service Fund:				
State	2,226,240	2,243,044	1,961,392	1,961,392
National School Lunch, Special Milk and Free Lunch Programs	42,396,670	38,276,538	40,852,540	41,982,540
Sale of Meals and other	12,966,604	17,588,383	17,586,048	17,956,048
Total School Food Service Fund	57,589,514	58,107,965	60,399,980	61,899,980

**TABLE 2
BUDGET REVENUE BY SOURCE**

SOURCE	FY 2020 ACTUAL**	FY 2020 BUDGET	FY 2021 CURRENT*	FY 2022 ESTIMATED
Real Estate Management Fund:				
Rental fees	3,340,553	3,966,407	4,967,149	4,967,149
Total Real Estate Management Fund	3,340,553	3,966,407	4,967,149	4,967,149
Field Trip Fund:				
Fees	1,334,742	2,736,949	2,914,182	3,074,182
Total Field Trip Fund	1,334,742	2,736,949	2,914,182	3,074,182
Entrepreneurial Activities Fund:				
Fees	7,649,091	10,150,669	12,646,838	12,646,838
Total Entrepreneurial Activities Fund	7,649,091	10,150,669	12,646,838	12,646,838
Total Enterprise Funds	69,913,900	74,961,990	80,928,149	82,588,149
Instructional Television Special Revenue Fund:				
Cable Television Plan	1,799,775	1,799,775	1,769,775	1,769,775
Total Instructional Special Revenue Fund	1,799,775	1,799,775	1,769,775	1,769,775
GRAND TOTAL	\$2,678,062,491	\$2,680,574,773	2,756,257,059	2,780,512,190
Tax - Supported Budget	FY 2020 BUDGET	FY 2020 CURRENT		
Grand Total	\$2,678,062,491	\$2,680,574,773	\$2,756,257,059	2,780,512,190
Less:				
Grants	(105,386,780)	(103,440,697)	(110,451,136)	(111,446,781)
Enterprise Funds	(69,913,900)	(74,961,990)	(80,928,149)	(82,588,149)
Special Revenue Fund	(1,799,775)	(1,799,775)	(1,769,775)	(1,769,775)
Grand Total - Tax-Supported Budget	\$2,500,962,036	\$2,500,372,311	2,563,107,999	2,584,707,485

*The FY 2021 Current Budget includes a \$750,000 supplemental appropriation for Restorative Justice approved by the County Council on February 23, 2021.

**The actual column refers to revenue received during the fiscal year. In some cases, this may not include total amount of revenue awarded if the revenue spans over a multiyear funding period, which is the case for many MCPS budgeted grants.

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 (Budgeted)	FY 2020 ACTUAL *	FY 2021 BUDGET	FY 2021 CURRENT	FY 2022 ESTIMATED
FEDERAL AID: EVERY STUDENT SUCCEEDS ACT (ESSA)				
Title I - A (941/942)	\$ 32,001,451	\$ 28,577,342	\$ 28,577,342	\$ 28,577,342
Title I - D				
Neglected and Delinquent Youth (937)	77,375	92,050	92,050	92,050
Total Title I	32,078,826	28,669,392	28,669,392	28,669,392
Title II - A				
Skillful Teaching and Leading Program (915)	3,955,757	3,955,757	3,955,757	3,955,757
Total Title II	3,955,757	3,955,757	3,955,757	3,955,757
Title III				
English Language Acquisition (927)	3,091,955	3,080,270	3,080,270	3,080,270
Title IV - A				
Student Support and Academic Enrichment (925)	2,198,157	2,068,305	2,068,305	2,068,305
Title VII				
American Indian Education (903)	21,369	21,369	21,369	25,091
SUBTOTAL	41,346,064	37,795,093	37,795,093	37,798,815
OTHER FEDERAL, STATE, AND LOCAL AID				
Blueprint for Maryland's Future - State				
Concentration of Poverty (924)	1,990,664	3,981,328	3,981,328	
Special Education (922)	9,132,868	9,132,868	9,132,868	
Transitional Supplemental Instruction (920)	2,735,361	2,735,361	2,735,361	
Mental Health Coordinator (928)	83,333	83,333	83,333	
Head Start Child Development (931/932)				
Federal	4,040,006	3,870,476	3,870,476	4,115,900
Individuals with Disabilities Education (902/907/913)				
Federal	33,187,643	34,461,038	34,461,038	34,461,038
Infants and Toddlers - Passthrough from Montgomery County				
Department of Health and Human Services (930)				
Federal	622,884	662,884	662,884	605,584
State	400,853	400,853	400,853	458,153
Judith P. Hoyer Child Care Centers				
State (904/905)	500,000	400,000	400,000	400,000
Medical Assistance Program (939)				
Federal	4,609,714	5,117,501	5,117,501	5,117,501
National Institutes of Health (NIH) (908)				
Federal	298,512	298,512	298,512	298,512
Provision for Future Supported Projects (999)				
Other	6,731,204	10,031,204	10,031,204	10,031,204
Carl D. Perkins Career & Technical Ed. Improvement (950/951)				
Federal	1,480,685	1,480,685	1,480,685	1,480,685
SUBTOTAL	65,813,727	72,656,043	72,656,043	56,968,577
TOTAL	\$ 107,159,791	\$ 110,451,136	\$ 110,451,136	\$ 94,767,392
Summary of Funding Sources				
Federal	\$ 85,585,508	\$ 83,686,189	\$ 83,686,189	\$ 83,878,035
State	14,843,079	16,733,743	16,733,743	858,153
County				
Other	6,731,204	10,031,204	10,031,204	10,031,204
GRAND TOTAL	\$ 107,159,791	\$ 110,451,136	\$ 110,451,136	\$ 94,767,392

*The actual column refers to total revenue awarded in the fiscal year. In some cases, this includes revenue that spans over multiyear funding periods, which is the case for many MCPS budgeted grants.

TABLE 4
SUMMARY OF STUDENT ENROLLMENT - FY 2019 THROUGH FY 2022

DESCRIPTION	(1) FY 2019 ACTUAL 9/30/2018	(2) FY 2020 ACTUAL 9/30/2019	(3) FY 2021 ACTUAL 9/30/2020	(4) FY 2021 BUDGET 9/30/2020	(5) FY 2022 PROJECTED* 9/30/2021	CHANGE COLUMN (5) LESS COLUMN (4)	
						#	%
ENROLLMENT							
PRE-KINDERGARTEN	2,338	2,326	1,670	2,395	2,326	(69)	-2.9%
HEAD START	640	644	406	648	641	(7)	-1.1%
KINDERGARTEN	11,316	11,495	10,332	11,564	10,823	(741)	-6.4%
GRADES 1-5	60,421	60,437	58,421	60,605	59,189	(1,416)	-2.3%
SUBTOTAL ELEMENTARY	74,715	74,902	70,829	75,212	72,979	(2,233)	-3.0%
GRADES 6-8	36,489	37,637	37,299	38,030	37,729	(301)	
SUBTOTAL MIDDLE	36,489	37,637	37,299	38,030	37,729	(301)	-0.8%
GRADES 9-12	49,315	50,432	50,361	51,402	51,839	437	
SUBTOTAL HIGH	49,315	50,432	50,361	51,402	51,839	437	0.9%
ALTERNATIVE PROGRAMS	116	126	110	140	126	(14)	
SUBTOTAL ALTERNATIVE PROGRAMS	116	126	110	140	126	(14)	-10.0%
SUBTOTAL PRE-K - GRADE 12	160,635	163,097	158,599	164,784	162,673	(2,111)	-1.3%
SPECIAL EDUCATION							
PEP ITINERANT	80	100	40	124	140	16	12.9%
PRE-KINDERGARTEN (PEP)	1,521	1,610	1,480	1,673	1,628	(45)	-2.7%
SPECIAL CENTERS**	444	460	445	460	449	(11)	-2.4%
SUBTOTAL SPECIAL EDUCATION	2,045	2,170	1,965	2,257	2,217	(40)	-1.8%
GRAND TOTAL	162,680	165,267	160,564	167,041	164,890	(2,151)	-1.3%

NOTE: Grade enrollments include special education students.

*Based on final enrollment projections

**Special centers enrollment numbers include Kindergarten through Grade 12.

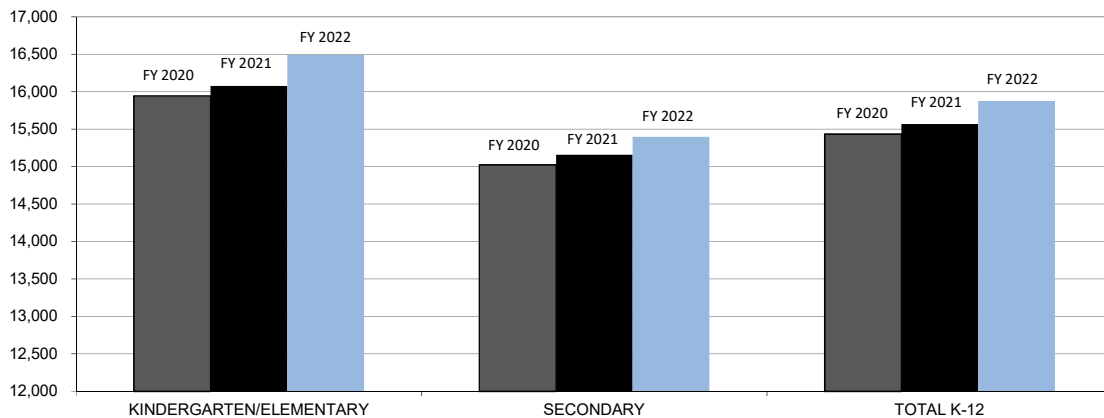
**TABLE 5
ALLOCATION OF STAFFING**

	POSITIONS	BUDGET FY 2017	BUDGET FY 2018	BUDGET FY 2019	BUDGET FY 2020	CURRENT FY 2021	REQUEST FY 2022	FY 21 - FY 22 CHANGE
1	Executive	17.000	17.000	17.000	19.000	18.000	18.000	-
2	Administrative - (directors, supervisors, program coordinators, executive assistants)	197.600	198.750	182.250	184.250	191.550	194.550	3.000
3	Business/Operations Administrator - (leadership positions supervised by directors and supervisors)	86.650	90.750	95.750	96.750	96.750	96.750	-
4	Other Professional - (12-month instructional/evaluation specialists)	185.400	169.500	163.100	164.500	202.400	207.400	5.000
5	Principal/Assistant Principal	503.500	514.500	528.500	542.000	547.000	547.500	0.500
6	Teacher	11,481.264	11,572.529	11,686.139	11,884.964	12,079.414	12,169.214	89.800
7	Special Education Specialist - (speech pathologists, physical/occupational therapists)	503.008	509.148	511.608	521.758	529.908	547.950	18.042
8	Media Specialist	196.500	198.200	198.200	199.200	198.700	198.200	(0.500)
9	Counselor	486.000	496.500	504.500	519.500	531.500	541.500	10.000
10	Psychologist	115.034	115.409	120.534	124.534	132.034	134.034	2.000
11	Social Worker	15.830	20.030	24.230	30.230	35.230	37.000	1.770
12	Pupil Personnel Worker	53.000	53.000	52.400	54.400	55.400	55.400	-
13	Instructional Aide and Assistant - (paraeducators, media assistants, lunch-hour aides, parent assistants, instructional data assistants)	2,764.814	2,704.947	2,762.101	2,852.111	2,954.265	3,030.394	76.129
14	Secretarial/Clerical/Data Support - (secretarial, clerical, personnel/transportation/fiscal/other lower grade program/data assistants)	967.850	977.500	973.750	982.550	993.300	997.675	4.375
15	IT Systems Specialist	108.000	108.000	121.500	119.500	125.000	125.000	-
16	Security - (includes all positions except those in lines 2,3,14 above)	232.000	240.000	242.000	244.000	249.000	254.600	5.600
17	Cafeteria - (Includes all positions except those in lines 2,3,14,15 above)	564.323	568.323	571.323	576.823	580.073	580.073	-
18	Building Services - (includes all positions except those in lines 2,3,14 above)	1,379.700	1,403.700	1,403.700	1,419.000	1,435.500	1,450.000	14.500
19	Facilities Management/Maintenance - (includes all positions except those in lines 2,3,14,15 above)	352.000	367.000	368.000	367.500	356.500	355.500	(1.000)
20	Supply/Property Management - (includes all positions except those in lines 2, 3,14,15 above)	51.500	53.500	53.500	53.500	55.500	56.500	1.000
21	Transportation - (includes all positions except those in lines 2,3 14,15 above)	1,693.153	1,690.153	1,700.153	1,713.278	1,787.341	1,787.341	-
22	Other Support Personnel - (business, technology human resources,communications, printing, and other support staff)	226.375	231.125	230.625	238.025	242.125	252.025	9.900
	TOTAL	22,180.501	22,299.564	22,510.863	22,907.373	23,396.490	23,636.606	240.116

**TABLE 6
COST PER STUDENT BY GRADE SPAN**

	KINDERGARTEN/ ELEMENTARY	SECONDARY	TOTAL K-12*	AMOUNT EXCLUDED*	TOTAL BUDGET**
FY 2020 BUDGET					
EXPENDITURES	1,133,846,178	1,328,005,560	2,461,851,738	218,723,035	2,680,574,773
STUDENTS 9/30/19	71,109	88,384	159,493		
COST PER STUDENT	15,945	15,025	15,435		
FY 2021 BUDGET					
EXPENDITURES	1,160,305,044	1,364,674,517	2,524,979,561	230,527,498	2,755,507,059
STUDENTS 9/30/20	72,169	90,032	162,201		
COST PER STUDENT	16,078	15,158	15,567		
FY 2022 BUDGET					
EXPENDITURES	1,154,443,681	1,387,835,567	2,542,279,248	238,232,942	2,780,512,190
STUDENTS 9/30/21	70,012	90,143	160,155		
COST PER STUDENT	16,489	15,396	15,874		

**COST PER STUDENT BY GRADE
FY 2020 THROUGH FY 2022**



Notes:

Enrollment figures used to calculate cost per student excludes students in Prekindergarten/Head Start.

**Operating budget funds used in the calculation excludes amounts for Summer School, Community Services, Tuition for Students with Disabilities in Private Placement, Prekindergarten, Infants and Toddlers, and Enterprise Funds.

**TABLE 7
STATE CATEGORY SUMMARY**

STATE CATEGORY	FY 2020 ACTUAL*	FY 2021 BUDGET	FY 2021 CURRENT	FY 2022 BUDGET	FY 2021 CHANGE
FTE					
Category 1, Administration	364.875	370.375	370.375	382.250	11.875
Category 2, Mid-level Administration	1,700.200	1,716.450	1,716.450	1,726.150	9.700
Category 3, Instructional Salaries	12,005.889	12,215.596	12,215.596	12,292.513	76.917
Category 4, Textbooks & Instructional Supplies	-	-	-	-	-
Category 5, Other Instructional Costs	-	-	-	-	-
Category 6, Special Education	4,284.418	4,414.290	4,414.290	4,522.654	108.364
Category 7, Student Personnel Services	118.140	151.115	151.115	165.275	14.160
Category 8, Health Services	-	-	-	-	-
Category 9, Student Transportation	1,759.778	1,833.841	1,833.841	1,833.841	-
Category 10, Operation of Plant & Equipment	1,653.000	1,681.500	1,681.500	1,700.600	19.100
Category 11, Maintenance of Plant	369.000	359.000	359.000	359.000	-
Category 12, Fixed Charges	-	-	-	-	-
Category 14, Community Service	5.750	5.750	5.750	5.750	-
Category 37, MCPS TV Special Revenue Fund	13.500	13.500	13.500	13.500	-
Category 51, Real Estate Fund	12.000	11.000	11.000	11.000	-
Category 61, Food Service Fund	604.323	607.573	607.573	607.573	-
Category 71, Field Trip Fund	4.500	4.500	4.500	4.500	-
Category 81, Entrepreneurial Activities	12.000	12.000	12.000	12.000	-
GRAND TOTAL, FTE	22,907.373	23,396.490	23,396.490	23,636.606	240.116
AMOUNT					
Category 1, Administration	\$56,002,455	\$57,147,645	\$57,147,645	\$58,223,428	\$1,075,783
Category 2, Mid-level Administration	154,186,301	156,453,505	156,453,505	159,182,885	2,729,380
Category 3, Instructional Salaries	1,036,247,907	1,109,986,450	1,109,986,450	1,087,218,995	(22,767,455)
Category 4, Textbooks & Instructional Supplies	31,591,476	31,817,982	31,817,982	36,890,480	5,072,498
Category 5, Other Instructional Costs	20,829,415	21,052,219	21,052,219	25,708,393	4,656,174
Category 6, Special Education	360,470,355	375,271,849	375,271,849	381,774,268	6,502,419
Category 7, Student Personnel Services	12,270,907	15,809,669	16,506,371	19,128,470	2,622,099
Category 8, Health Services	624	2,381,456	2,381,456	1,001,600	(1,379,856)
Category 9, Student Transportation	108,798,873	117,715,284	117,715,284	118,784,508	1,069,224
Category 10, Operation of Plant & Equipment	140,242,708	145,793,929	145,793,929	151,570,666	5,776,737
Category 11, Maintenance of Plant	40,094,921	42,689,669	42,689,669	42,970,456	280,787
Category 12, Fixed Charges	609,897,379	595,706,749	595,760,047	612,727,321	16,967,274
Category 14, Community Service	824,584	982,729	982,729	982,729	-
Category 37, MCPS TV Special Revenue Fund	1,725,802	1,769,775	1,769,775	1,769,775	-
Category 51, Real Estate Fund	3,674,332	4,967,149	4,967,149	4,957,216	(9,933)
Category 61, Food Service Fund	59,351,635	60,399,980	60,399,980	61,899,980	1,500,000
Category 71, Field Trip Fund	1,527,869	2,914,182	2,914,182	3,074,182	160,000
Category 81, Entrepreneurial Activities	8,073,144	12,646,838	12,646,838	12,646,838	-
GRAND TOTAL, AMOUNT	\$2,645,810,687	\$2,755,507,059	\$2,756,257,059	\$2,780,512,190	\$24,255,131

*The actual column refers to total revenue awarded in the fiscal year. In some cases, this includes revenue that spans over multiyear funding periods, which is the case for many MCPS budgeted grants.

Montgomery County Public Schools

FY 2022 Operating Budget

Summary of Negotiations

The bargaining units for MCPS are the Montgomery County Education Association (MCEA), representing certificated non-administrative employees; Service Employees International Union (SEIU) Local 500, representing supporting services employees; and the Montgomery County Association of Administrators and Principals/Montgomery County Business and Operations Administrators (MCAAP/MCBOA), representing certificated and non-certificated administrators and non-certificated supervisory employees in separate units. The two MCAAP units are covered in a single contract for both units. The Board of Education approved the negotiated agreements for the period of September 1, 2020, through June 30, 2023 for MCAAP/MCBOA and SEIU on January 12, 2021, and for MCEA on February 23, 2021.

The Code of Maryland Regulations (COMAR) requires each local school system to submit an annual special education staffing plan to the Maryland State Department of Education (MSDE). The plan must demonstrate public input and be approved by the local Board of Education prior to its submission to MSDE. The locally approved staffing plan is submitted to MSDE annually by July 1 with the local application for federal funds. MSDE reviews the staffing plan and advises the local agency if there is a need for additional information or revisions. If revisions are required, the local agency must submit the revised staffing plan by September 30. The required elements of the staffing plan include the following:

- Evidence of public input
- Evidence of maintenance of effort within the meaning of 34 CFR §300.231, Maintenance of Effort, and COMAR 13A.02.05, Maintenance of Effort
- Staffing patterns of service providers of special education and related services
- The number and type of service providers needed to provide a free, appropriate public education (FAPE) for each student in the least restrictive environment (LRE)
- Local accountability and monitoring
- Evaluation of the local staffing plan for effectiveness
- Strategies to resolve concerns over staffing plans
- Evaluation of the local staffing plan for effectiveness
- Steps to secure public input in the development of the staffing plan
- Information on how the public agency will use the staffing plan to monitor the assignment of staff to ensure that personnel and other resources are available to provide FAPE to each student with a disability in the LRE.

The following resolution is recommended for your consideration:

WHEREAS, The Maryland State Department of Education (MSDE) requires each local school system to submit an annual staffing plan; and

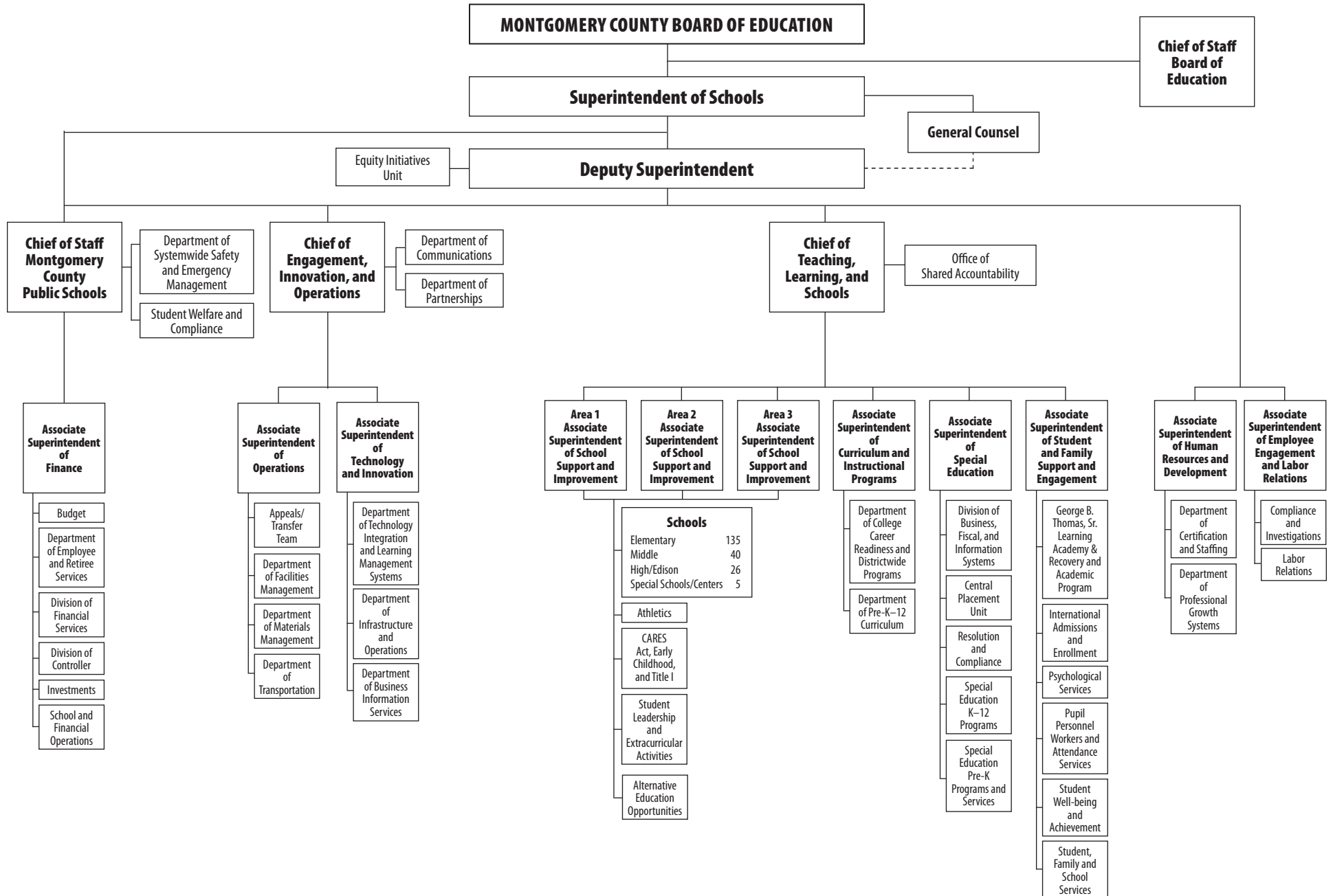
WHEREAS, The Special Education Staffing Committee composed of parents, teachers, principals, special education staff, and special education advocates held meetings in June of 2020 and January of 2021 with recommendations submitted to the Department of Special Education; and

WHEREAS, The FY 2022 Recommended Operating Budget includes all of the staffing plan elements required by the Maryland State Department of Education; now therefore be it

Resolved, That the Board of Education approve the FY 2022 Special Education Staffing Plan as included in the FY 2022 Recommended Operating Budget; and be it further

Resolved, That upon final approval of the FY 2022 Operating Budget in June 2021, the Special Education Staffing Plan will be submitted to MSDE.

MONTGOMERY COUNTY PUBLIC SCHOOLS ORGANIZATION—FY 2022



APPENDIX A**Administrative and Supervisory
Salary Schedule** Effective July 1, 2021—June 30, 2022 (Fiscal Year Basis)

Salary Steps	N-11*	M	N	O	P	Q
1	\$96,859	\$98,658	\$104,520	\$110,735	\$117,321	\$124,305
2	\$99,738	\$101,589	\$107,627	\$114,029	\$120,814	\$128,005
3	\$102,705	\$104,607	\$110,829	\$117,420	\$124,410	\$131,817
4	\$105,761	\$107,718	\$114,126	\$120,916	\$128,113	\$135,742
5	\$108,906	\$110,921	\$117,520	\$124,515	\$131,929	\$139,787
6	\$112,148	\$114,221	\$121,019	\$128,221	\$135,858	\$143,951
7	\$115,486	\$117,617	\$124,621	\$132,040	\$139,905	\$148,244
8	\$118,923	\$121,118	\$128,330	\$135,973	\$144,075	\$152,660
9	\$122,464	\$124,725	\$132,151	\$140,023	\$148,368	\$157,211
10	\$126,114	\$128,436	\$136,089	\$141,414	\$149,842	\$158,774

*The salary of employees assigned to 11-month positions. All other salaries are for 12-month positions.

APPENDIX A

Business and Operations Administrators Salary Schedule Effective July 1, 2021—June 30, 2022 (Fiscal Year Basis)

Salary Steps	G	H	I	J	K
1	\$71,097	\$75,305	\$79,764	\$84,495	\$89,507
2	\$73,200	\$77,535	\$82,129	\$87,002	\$92,164
3	\$75,368	\$79,832	\$84,566	\$89,584	\$94,900
4	\$77,600	\$82,198	\$87,074	\$92,242	\$97,720
5	\$79,901	\$84,636	\$89,657	\$94,982	\$100,622
6	\$82,269	\$87,146	\$92,318	\$97,802	\$103,613
7	\$84,708	\$89,734	\$95,060	\$100,709	\$106,693
8	\$87,221	\$92,396	\$97,884	\$103,702	\$109,866
9	\$89,810	\$95,141	\$100,792	\$106,784	\$113,134
10	\$92,476	\$97,966	\$103,788	\$109,958	\$116,499
11	\$95,221	\$100,876	\$106,872	\$113,229	\$119,965
12	\$98,048	\$103,873	\$110,050	\$116,596	\$123,535

APPENDIX A

Teacher and Other Professional Salary Schedule Effective July 1, 2021—June 30, 2022 (Fiscal Year Basis)

Grade Step	BA	MA/MEQ	MA/MEQ+30	MA/MEQ+60
1	\$50,503	\$55,537	\$57,139	\$58,590
2	\$51,268	\$56,452	\$58,813	\$60,266
3	\$52,775	\$58,587	\$61,039	\$62,547
4	\$54,329	\$60,803	\$63,350	\$64,917
5	\$55,927	\$63,107	\$65,751	\$67,378
6	\$57,544	\$64,997	\$67,744	\$69,434
7	\$59,740	\$67,481	\$70,334	\$72,089
8	\$62,019	\$70,060	\$73,023	\$74,844
9	\$64,388	\$72,738	\$75,814	\$77,706
10	\$66,848	\$75,519	\$78,713	\$80,678
11		\$78,407	\$81,724	\$83,765
12		\$81,407	\$84,851	\$86,971
13		\$84,523	\$88,099	\$90,300
14		\$87,756	\$91,472	\$93,756
15		\$90,373	\$94,201	\$96,555
16		\$93,071	\$97,013	\$99,437
17		\$95,847	\$99,907	\$102,404
18		\$98,707	\$102,890	\$105,463
19–24		\$101,656	\$105,962	\$108,611
25		\$103,931	\$108,336	\$111,043

The salary of employees assigned to 12-month positions will be 117.5 percent of the salary of the step/grade (B/D) for which employee would qualify if employed in a 10-month position.

APPENDIX A

Supporting Services Hourly Rate Schedule Effective July 1, 2021—June 30, 2022 (Fiscal Year Basis)

Grade Step	1	2	3	4	5	6	7	8	9	10–12	13–16	17
6	\$15.32	\$15.72	\$16.13	\$16.53	\$16.91	\$17.62	\$18.32	\$18.71	\$19.08	\$19.46	\$19.83	\$20.23
7	\$15.72	\$16.13	\$16.53	\$16.91	\$17.62	\$18.32	\$19.15	\$19.46	\$19.88	\$20.25	\$20.66	\$21.06
8	\$16.13	\$16.53	\$16.91	\$17.62	\$18.32	\$19.15	\$19.88	\$20.25	\$20.65	\$21.06	\$21.49	\$21.91
9	\$16.53	\$16.91	\$17.62	\$18.32	\$19.15	\$19.88	\$20.71	\$21.12	\$21.55	\$21.97	\$22.41	\$22.85
10	\$16.91	\$17.62	\$18.32	\$19.15	\$19.88	\$20.71	\$21.66	\$22.15	\$22.58	\$23.01	\$23.47	\$23.93
11	\$17.62	\$18.32	\$19.15	\$19.88	\$20.71	\$21.66	\$22.71	\$23.22	\$23.65	\$24.11	\$24.59	\$25.08
12	\$18.32	\$19.15	\$19.88	\$20.71	\$21.66	\$22.71	\$23.96	\$24.43	\$24.88	\$25.35	\$25.85	\$26.37
13	\$19.15	\$19.88	\$20.71	\$21.66	\$22.71	\$23.96	\$25.07	\$25.53	\$26.00	\$26.55	\$27.07	\$27.61
14	\$19.88	\$20.71	\$21.66	\$22.71	\$23.96	\$25.07	\$26.30	\$26.81	\$27.34	\$27.86	\$28.42	\$28.99
15	\$20.71	\$21.66	\$22.71	\$23.96	\$25.07	\$26.30	\$27.60	\$28.19	\$28.77	\$29.35	\$29.93	\$30.53
16	\$21.66	\$22.71	\$23.96	\$25.07	\$26.30	\$27.60	\$28.97	\$29.55	\$30.10	\$30.69	\$31.30	\$31.91
17	\$22.71	\$23.96	\$25.07	\$26.30	\$27.60	\$28.97	\$30.41	\$31.04	\$31.67	\$32.25	\$32.89	\$33.55
18	\$23.96	\$25.07	\$26.30	\$27.60	\$28.97	\$30.41	\$31.87	\$32.48	\$33.16	\$33.83	\$34.50	\$35.19
19	\$25.07	\$26.30	\$27.60	\$28.97	\$30.41	\$31.87	\$33.47	\$34.11	\$34.82	\$35.50	\$36.21	\$36.93
20	\$26.30	\$27.60	\$28.97	\$30.41	\$31.87	\$33.47	\$35.12	\$35.87	\$36.55	\$37.28	\$38.02	\$38.77
21	\$27.60	\$28.97	\$30.41	\$31.87	\$33.47	\$35.12	\$36.81	\$37.55	\$38.32	\$39.08	\$39.86	\$40.64
22	\$28.97	\$30.41	\$31.87	\$33.47	\$35.12	\$36.81	\$38.50	\$39.27	\$40.08	\$40.87	\$41.67	\$42.52
23	\$30.41	\$31.87	\$33.47	\$35.12	\$36.81	\$38.50	\$40.30	\$41.13	\$41.96	\$42.78	\$43.64	\$44.50
24	\$31.87	\$33.47	\$35.12	\$36.81	\$38.50	\$40.30	\$42.21	\$43.04	\$43.87	\$44.81	\$45.71	\$46.61
25	\$33.47	\$35.12	\$36.81	\$38.50	\$40.30	\$42.21	\$44.16	\$45.06	\$45.92	\$46.86	\$47.80	\$48.74
26	\$35.12	\$36.81	\$38.50	\$40.30	\$42.21	\$44.16	\$46.23	\$47.14	\$48.08	\$49.01	\$49.99	\$50.98
27	\$36.81	\$38.50	\$40.30	\$42.21	\$44.16	\$46.23	\$48.35	\$49.39	\$50.35	\$51.32	\$52.34	\$53.39
28	\$38.50	\$40.30	\$42.21	\$44.16	\$46.23	\$48.35	\$50.62	\$51.60	\$52.64	\$53.70	\$54.78	\$55.86
29	\$40.30	\$42.21	\$44.16	\$46.23	\$48.35	\$50.62	\$53.05	\$54.12	\$55.17	\$56.27	\$57.39	\$58.53
30	\$42.21	\$44.16	\$46.23	\$48.35	\$50.62	\$53.05	\$55.57	\$56.68	\$57.84	\$59.03	\$60.19	\$61.41

State Budget Categories

State law requires all counties and Baltimore City to appropriate and record expenditures for education in accordance with standardized state budget categories. This is so the Maryland State Department of Education may collect and compare data on local education spending from across the state. These state budget categories are based generally on broad functional classifications such as administration, instructional costs, special education, and student transportation.

Below are summaries of the types of expenditures in each of the state categories of expenditure and the percent of each category to the total operating budget.

Category 1—Administration (2.1 percent)

Administration includes activities associated with the general direction and control of the school district and includes such activities as establishing and administering policy, providing fiscal and business services, and central information systems and supporting each of the other instructional and supporting services programs. Administration includes expenditures for the Board of Education, executive staff units, evaluation and supporting services, administrators, supervisors, and human resources. These expenditures affect the district as a whole and are not confined to a single school building.

Category 2—Mid-level Administration (5.7 percent)

Mid-level Administration includes supervision of district-wide and school-level instructional programs and activities. It includes all school-based administration, including the office of the principal. Mid-level Administration includes school business and clerical activities, graduation expenses, curriculum development, supervision of guidance and psychological services, supervision of career and technology programs, and educational media services. Mid-level Administration also includes central district school support and improvement activities.

Category 3—Instructional Salaries (39.1 percent)

Instructional Salaries includes expenditures for teaching students in general education settings. It includes most activities that occur on a regular basis at the school level or for the benefit of the instructional program. Instructional Salaries includes all salary expenditures for providing these activities, including salaries for teachers, paraeducators, school aides, teaching specialists, resource teachers, psychologists, school counselors, media staff, part-time salaries, substitutes, and stipends but does not include employee benefits. Salaries for staff involved in professional development activities also are included in this category.

Category 4—Textbooks and Instructional Supplies (1.3 percent)

Textbooks and Instructional Supplies includes all supplies and materials used in support of Instruction. This category includes

books, media materials, computer materials, art and music supplies, science and laboratory supplies, and physical education supplies. This category also includes supplies used for extracurricular activities.

Category 5—Other Instructional Costs (0.9 percent)

Other Instructional Costs includes all other expenditures for instruction, including contractual services, contractual copier maintenance, reimbursement for out-of-county tuition, consultants, equipment, school furniture, local travel, facilities rental, and miscellaneous expenditures related to instruction.

Category 6—Special Education (13.7 percent)

Special Education includes instructional activities for students with disabilities. Special education includes expenditures for students in public schools and for tuition and other expenditures for students in nonpublic institutions. This category includes instructional salaries, textbooks and instructional supplies, and other instructional costs for special education students. This category also includes school administrative expenditures for schools dedicated to special education and professional development activities related to special education instruction.

Category 7—Student Personnel Services (0.6 percent)

Student Personnel Services includes activities designed to improve student attendance at school and to prevent or solve student problems in the home, school, and community. This category includes pupil personnel workers and school social workers. This category also includes international student services, student affairs, and court liaison.

Category 8—Student Health Services (0.1 percent)

Student Health Services includes physical and mental health activities that are not instructional and that provide students with appropriate medical, dental, and nursing services. In Montgomery County, nearly all student health services are provided by the Department of Health and Human Services, Division of School Health Services.

Category 9—Student Transportation (4.3 percent)

Student Transportation includes activities concerned with the conveyance of students between home, school, and school activities. Included are vehicle operation services, monitoring services, vehicle servicing and maintenance services, transportation training, and other student transportation services. This category does not include vehicle operations related to other school support activities.

Category 10—Operation of Plant and Equipment (5.5 percent)

Operation of Plant and Equipment includes activities concerned with keeping the physical plant open, comfortable, and safe for use. These activities include cleaning and regular upkeep of plant and equipment in schools, grounds, and other facilities; utilities expenditures, including telecommunications, materials management, and security services.

Category 11—Maintenance of Plant (1.5 percent)

Maintenance of Plant includes activities concerned with keeping the grounds, buildings, fixed equipment (other than student transportation assets, and furniture and movable equipment) in their original condition of completeness or efficiency through repair, scheduled and preventive maintenance, or replacement of property.

Category 12—Fixed Charges (22.0 percent)

Fixed Charges, primarily used for employee benefits expenditures, are charges of a generally recurrent nature that are not readily allocable to other expenditure categories. The following are included:

- Board contributions to employee retirement and social security
- Employee insurance benefits (health, life, accident, disability, etc.)
- Fidelity insurance, personal liability insurance, and judgments
- Interest on current loans
- Tuition reimbursement

Category 13—Food Service (0 percent)

Food Service includes activities concerned with providing food to students and staff in schools. For budgetary purposes, MCPS chooses to allocate food service expenditures to the Food Service Fund (Category 61).

Category 14—Community Services (0.1 percent)

Community Services are activities that are provided for the community or some segment of the community and do not include public school activities and adult education programs. These services generally are provided to adults rather than to school-aged children. These services do not include parent support or engagement activities for the benefit of school instruction.

Category 37—MCPS Television Special Revenue Fund (0.1 percent)

Through the MCPS Television Special Revenue Fund, MCPS is receiving revenue from the Montgomery County Cable TV Fund as part of the county Cable Television Plan. The majority of the Cable TV Fund revenue comes from license fees. This revenue is used to support MCPS television services.

Category 51—Real Estate Fund (0.2 percent)

The Real Estate Fund is used to manage real estate lease revenues and expenditures as an enterprise activity. Revenue for the fund comes from real estate lease rentals, mainly from former schools.

Category 61—Food Service Fund (2.2 percent)

The Food Service Fund provides all food service and nutrition programs for schools and other customers as an enterprise activity. Revenue for the fund comes from federal and state food aid programs and from the sale of meals to students and other customers.

Category 71—Field Trip Fund (0.1 percent)

The Field Trip Fund provides transportation services for school field trips and external customers on a cost-recovery basis as an enterprise activity. Revenue for the fund comes from reimbursements by students and other customers.

Category 81—Entrepreneurial Activities Fund (0.5 percent)

The Entrepreneurial Activities Fund provides entrepreneurial activities that earn outside revenue to help defray system costs. Revenue for the fund comes from sales of goods and services to external customers, including other government agencies and non-profit organizations. Entrepreneurial activities do not compete with commercial firms or engage in any activities unrelated to the instructional program. Entrepreneurial activities include warehouse services, printing, sales of curriculum materials, sales of science kits, and other entrepreneurial development activities.

The following tables display actual, budgeted, and recommended funding by state budget category.

Category 1
Administration
Summary of Resources
By Object of Expenditure

OBJECT OF EXPENDITURE	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2021 CURRENT	FY 2022 BUDGET	FY 2022 CHANGE
POSITIONS					
Administrative	72.750	74.750	74.750	75.750	1.000
Business/Operations Admin.	18.750	19.750	19.750	19.750	
Professional	13.500	13.500	13.500	13.500	
Supporting Services	259.875	262.375	262.375	273.250	10.875
TOTAL POSITIONS	364.875	370.375	370.375	382.250	11.875
01 SALARIES & WAGES					
Administrative	\$10,864,866	\$11,076,182	\$11,076,182	\$11,221,147	\$144,965
Business/Operations Admin.	2,079,456	2,177,683	2,177,683	2,112,047	(65,636)
Professional	1,664,164	1,670,746	1,670,746	1,670,746	
Supporting Services	20,687,615	21,763,631	21,763,631	23,043,907	1,280,276
TOTAL POSITION DOLLARS	35,296,101	36,688,242	36,688,242	38,047,847	1,359,605
OTHER SALARIES					
Administrative					
Professional	663,355	1,234,400	1,214,400	989,508	(224,892)
Supporting Services	830,021	1,545,761	1,565,761	1,639,191	73,430
TOTAL OTHER SALARIES	1,493,376	2,780,161	2,780,161	2,628,699	(151,462)
TOTAL SALARIES AND WAGES	36,789,477	39,468,403	39,468,403	40,676,546	1,208,143
02 CONTRACTUAL SERVICES	16,872,594	15,615,259	15,615,259	15,646,703	31,444
03 SUPPLIES & MATERIALS	1,459,714	1,018,753	1,018,753	1,010,050	(8,703)
04 OTHER					
Local/Other Travel	180,168	291,661	291,661	271,561	(20,100)
Insur & Employee Benefits					
Utilities					
Miscellaneous	142,993	452,415	452,415	446,171	(6,244)
TOTAL OTHER	323,161	744,076	744,076	717,732	(26,344)
05 EQUIPMENT	557,509	301,154	301,154	172,397	(128,757)
GRAND TOTAL AMOUNTS	\$56,002,455	\$57,147,645	\$57,147,645	\$58,223,428	\$1,075,783

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

OBJECT OF EXPENDITURE	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2021 CURRENT	FY 2022 BUDGET	FY 2022 CHANGE
POSITIONS					
Administrative	610.000	619.000	617.000	619.500	2.500
Business/Operations Admin.	27.000	27.000	27.000	27.000	
Professional	66.000	66.900	67.900	69.100	1.200
Supporting Services	997.200	1,003.550	1,004.550	1,010.550	6.000
TOTAL POSITIONS	1,700.200	1,716.450	1,716.450	1,726.150	9.700
01 SALARIES & WAGES					
Administrative	\$84,518,793	\$86,864,904	\$86,672,374	\$86,970,150	\$297,776
Business/Operations Admin.	2,639,435	2,600,429	2,600,429	2,600,429	
Professional	7,632,330	7,890,985	8,008,557	8,108,679	100,122
Supporting Services	53,478,039	53,918,768	53,993,726	55,882,230	1,888,504
TOTAL POSITION DOLLARS	148,268,597	151,275,086	151,275,086	153,561,488	2,286,402
OTHER SALARIES					
Administrative	521,522	260,112	260,112	375,112	115,000
Professional	1,550,286	1,243,616	1,243,616	1,356,590	112,974
Supporting Services	1,358,360	2,088,426	2,088,426	1,979,800	(108,626)
TOTAL OTHER SALARIES	3,430,168	3,592,154	3,592,154	3,711,502	119,348
TOTAL SALARIES AND WAGES	151,698,765	154,867,240	154,867,240	157,272,990	2,405,750
02 CONTRACTUAL SERVICES	1,563,166	946,339	946,339	1,275,881	329,542
03 SUPPLIES & MATERIALS	592,846	181,216	181,216	180,155	(1,061)
04 OTHER					
Local/Other Travel	91,079	144,163	144,163	139,312	(4,851)
Insur & Employee Benefits					
Utilities					
Miscellaneous	240,445	314,547	314,547	314,547	
TOTAL OTHER	331,524	458,710	458,710	453,859	(4,851)
05 EQUIPMENT					
GRAND TOTAL AMOUNTS	\$154,186,301	\$156,453,505	\$156,453,505	\$159,182,885	\$2,729,380

Category 3
Instructional Salaries
Summary of Resources
By Object of Expenditure

OBJECT OF EXPENDITURE	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2021 CURRENT	FY 2022 BUDGET	FY 2022 CHANGE
POSITIONS					
Administrative	3.000	4.000	4.000	4.000	
Business/Operations Admin.					
Professional	10,882.756	11,071.756	11,071.756	11,145.348	73.592
Supporting Services	1,120.133	1,139.840	1,139.840	1,143.165	3.325
TOTAL POSITIONS	12,005.889	12,215.596	12,215.596	12,292.513	76.917
01 SALARIES & WAGES					
Administrative	\$263,170	\$526,980	\$526,980	\$526,980	
Business/Operations Admin.					
Professional	935,182,305	949,215,526	949,215,526	977,390,579	28,175,053
Supporting Services	45,086,875	45,963,527	45,963,527	46,146,978	183,451
TOTAL POSITION DOLLARS	980,532,350	995,706,033	995,706,033	1,024,064,537	28,358,504
OTHER SALARIES					
Administrative					
Professional	49,149,822	106,295,636	106,295,636	55,065,313	(51,230,323)
Supporting Services	6,565,735	7,984,781	7,984,781	8,089,145	104,364
TOTAL OTHER SALARIES	55,715,557	114,280,417	114,280,417	63,154,458	(51,125,959)
TOTAL SALARIES AND WAGES	1,036,247,907	1,109,986,450	1,109,986,450	1,087,218,995	(22,767,455)
02 CONTRACTUAL SERVICES					
03 SUPPLIES & MATERIALS					
04 OTHER					
Local/Other Travel					
Insur & Employee Benefits					
Utilities					
Miscellaneous					
TOTAL OTHER					
05 EQUIPMENT					
GRAND TOTAL AMOUNTS	\$1,036,247,907	\$1,109,986,450	\$1,109,986,450	\$1,087,218,995	(22,767,455)

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

OBJECT OF EXPENDITURE	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2021 CURRENT	FY 2022 BUDGET	FY 2022 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	31,591,476	31,817,982	31,817,982	36,890,480	5,072,498
04 OTHER					
Local/Other Travel					
Insur & Employee Benefits					
Utilities					
Miscellaneous					
TOTAL OTHER					
05 EQUIPMENT					
GRAND TOTAL AMOUNTS	\$31,591,476	\$31,817,982	\$31,817,982	\$36,890,480	\$5,072,498

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

OBJECT OF EXPENDITURE	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2021 CURRENT	FY 2022 BUDGET	FY 2022 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	11,082,985	10,905,427	10,905,427	15,596,330	4,690,903
03 SUPPLIES & MATERIALS					
04 OTHER					
Local/Other Travel	890,558	1,135,229	1,135,229	1,136,205	976
Insur & Employee Benefits					
Utilities					
Miscellaneous	4,604,153	6,432,704	6,432,704	6,440,999	8,295
TOTAL OTHER	5,494,711	7,567,933	7,567,933	7,577,204	9,271
05 EQUIPMENT	4,251,719	2,578,859	2,578,859	2,534,859	(44,000)
GRAND TOTAL AMOUNTS	\$20,829,415	\$21,052,219	\$21,052,219	\$25,708,393	\$4,656,174

Category 6
Special Education
Summary of Resources
By Object of Expenditure

OBJECT OF EXPENDITURE	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2021 CURRENT	FY 2022 BUDGET	FY 2022 CHANGE
POSITIONS					
Administrative	35.500	36.800	36.800	35.800	(1.000)
Business/Operations Admin.	1.000	1.000	1.000	1.000	
Professional	2,460.800	2,507.300	2,507.300	2,545.650	38.350
Supporting Services	1,787.118	1,869.190	1,869.190	1,940.204	71.014
TOTAL POSITIONS	4,284.418	4,414.290	4,414.290	4,522.654	108.364
01 SALARIES & WAGES					
Administrative	\$5,029,194	\$5,244,039	\$5,244,039	\$5,133,514	(\$110,525)
Business/Operations Admin.	98,048	99,774	99,774	99,774	
Professional	210,649,102	219,148,064	219,148,064	219,288,772	140,708
Supporting Services	71,502,633	77,201,616	77,201,616	82,161,228	4,959,612
TOTAL POSITION DOLLARS	287,278,977	301,693,493	301,693,493	306,683,288	4,989,795
OTHER SALARIES					
Administrative					
Professional	5,941,937	6,159,085	6,159,085	5,644,454	(514,631)
Supporting Services	8,088,213	10,068,338	10,068,338	11,773,881	1,705,543
TOTAL OTHER SALARIES	14,030,150	16,227,423	16,227,423	17,418,335	1,190,912
TOTAL SALARIES AND WAGES	301,309,127	317,920,916	317,920,916	324,101,623	6,180,707
02 CONTRACTUAL SERVICES	7,492,786	3,748,621	3,748,621	3,035,030	(713,591)
03 SUPPLIES & MATERIALS	3,870,841	2,212,141	2,212,141	2,074,223	(137,918)
04 OTHER					
Local/Other Travel	385,838	493,759	493,759	467,283	(26,476)
Insur & Employee Benefits					
Utilities					
Miscellaneous	47,353,337	50,767,538	50,767,538	51,969,735	1,202,197
TOTAL OTHER	47,739,175	51,261,297	51,261,297	52,437,018	1,175,721
05 EQUIPMENT	58,426	128,874	128,874	126,374	(2,500)
GRAND TOTAL AMOUNTS	\$360,470,355	\$375,271,849	\$375,271,849	\$381,774,268	\$6,502,419

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

OBJECT OF EXPENDITURE	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2021 CURRENT	FY 2022 BUDGET	FY 2022 CHANGE
POSITIONS					
Administrative	8.000	8.000	8.000	8.000	
Business/Operations Admin.					
Professional	73.030	101.130	101.130	114.100	12.970
Supporting Services	37.110	41.985	41.985	43.175	1.190
TOTAL POSITIONS	118.140	151.115	151.115	165.275	14.160
01 SALARIES & WAGES					
Administrative	\$1,139,711	\$1,171,573	\$1,171,573	\$1,171,573	
Business/Operations Admin.					
Professional	8,541,951	11,304,744	11,304,744	11,551,905	247,161
Supporting Services	2,088,666	2,404,532	2,404,532	4,479,580	2,075,048
TOTAL POSITION DOLLARS	11,770,328	14,880,849	14,880,849	17,203,058	2,322,209
OTHER SALARIES					
Administrative					
Professional	65,119	152,256	848,958	718,698	(130,260)
Supporting Services	338,425	642,131	642,131	622,131	(20,000)
TOTAL OTHER SALARIES	403,544	794,387	1,491,089	1,340,829	(150,260)
TOTAL SALARIES AND WAGES	12,173,872	15,675,236	16,371,938	18,543,887	2,171,949
02 CONTRACTUAL SERVICES	42,572	15,025	15,025	55,025	40,000
03 SUPPLIES & MATERIALS	18,035	38,503	38,503	438,503	400,000
04 OTHER					
Local/Other Travel	36,428	80,905	80,905	91,055	10,150
Insur & Employee Benefits					
Utilities					
Miscellaneous					
TOTAL OTHER	36,428	80,905	80,905	91,055	10,150
05 EQUIPMENT					
GRAND TOTAL AMOUNTS	\$12,270,907	\$15,809,669	\$16,506,371	\$19,128,470	\$2,622,099

Category 8
Health Services
Summary of Resources
By Object of Expenditure

OBJECT OF EXPENDITURE	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2021 CURRENT	FY 2022 BUDGET	FY 2022 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		2,381,456	2,381,456	1,000,000	(1,381,456)
03 SUPPLIES & MATERIALS	624			1,600	1,600
04 OTHER					
Local/Other Travel					
Insur & Employee Benefits					
Utilities					
Miscellaneous					
TOTAL OTHER					
05 EQUIPMENT					
GRAND TOTAL AMOUNTS	\$624	\$2,381,456	\$2,381,456	\$1,001,600	(\$1,379,856)

Category 9
Student Transportation
Summary of Resources
By Object of Expenditure

OBJECT OF EXPENDITURE	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2021 CURRENT	FY 2022 BUDGET	FY 2022 CHANGE
POSITIONS					
Administrative	2.000	2.000	2.000	2.000	
Business/Operations Admin.	14.750	14.750	14.750	14.750	
Professional					
Supporting Services	1,743.028	1,817.091	1,817.091	1,817.091	
TOTAL POSITIONS	1,759.778	1,833.841	1,833.841	1,833.841	
01 SALARIES & WAGES					
Administrative	\$309,008	\$309,060	\$309,060	\$309,060	
Business/Operations Admin.	1,648,885	1,690,932	1,690,932	1,690,932	
Professional					
Supporting Services	68,492,570	74,233,583	74,233,583	75,012,688	779,105
TOTAL POSITION DOLLARS	70,450,463	76,233,575	76,233,575	77,012,680	779,105
OTHER SALARIES					
Administrative					
Professional	382,230	1,612,659	1,612,659	1,572,659	(40,000)
Supporting Services	9,951,634	6,435,257	6,435,257	4,844,868	(1,590,389)
TOTAL OTHER SALARIES	10,333,864	8,047,916	8,047,916	6,417,527	(1,630,389)
TOTAL SALARIES AND WAGES	80,784,327	84,281,491	84,281,491	83,430,207	(851,284)
02 CONTRACTUAL SERVICES	1,414,075	1,724,859	1,724,859	1,724,859	
03 SUPPLIES & MATERIALS	7,952,706	11,509,512	11,509,512	11,509,512	
04 OTHER					
Local/Other Travel	51,383	54,522	54,522	54,522	
Insur & Employee Benefits					
Utilities					
Miscellaneous	2,351,119	3,745,121	3,745,121	4,378,108	632,987
TOTAL OTHER	2,402,502	3,799,643	3,799,643	4,432,630	632,987
05 EQUIPMENT	16,245,263	16,399,779	16,399,779	17,687,300	1,287,521
GRAND TOTAL AMOUNTS	\$108,798,873	\$117,715,284	\$117,715,284	\$118,784,508	\$1,069,224

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

OBJECT OF EXPENDITURE	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2021 CURRENT	FY 2022 BUDGET	FY 2022 CHANGE
POSITIONS					
Administrative	5.000	5.000	5.000	7.000	2.000
Business/Operations Admin.	17.000	17.000	17.000	16.000	(1.000)
Professional					
Supporting Services	1,631.000	1,659.500	1,659.500	1,677.600	18.100
TOTAL POSITIONS	1,653.000	1,681.500	1,681.500	1,700.600	19.100
01 SALARIES & WAGES					
Administrative	\$629,856	\$752,996	\$752,996	\$992,905	\$239,909
Business/Operations Admin.	1,798,373	1,817,205	1,817,205	1,708,769	(108,436)
Professional					
Supporting Services	82,205,718	81,948,320	81,948,320	86,311,863	4,363,543
TOTAL POSITION DOLLARS	84,633,947	84,518,521	84,518,521	89,013,537	4,495,016
OTHER SALARIES					
Administrative					
Professional	798,792	1,437,520	1,437,520	860,787	(576,733)
Supporting Services	2,968,577	2,439,125	2,439,125	2,283,834	(155,291)
TOTAL OTHER SALARIES	3,767,369	3,876,645	3,876,645	3,144,621	(732,024)
TOTAL SALARIES AND WAGES	88,401,316	88,395,166	88,395,166	92,158,158	3,762,992
02 CONTRACTUAL SERVICES	4,961,617	4,778,267	4,778,267	5,855,204	1,076,937
03 SUPPLIES & MATERIALS	3,538,978	3,538,291	3,538,291	3,538,291	
04 OTHER					
Local/Other Travel	88,685	89,544	89,544	89,744	200
Insur & Employee Benefits					
Utilities	37,323,333	43,065,463	43,065,463	42,890,810	(174,653)
Miscellaneous	4,653,521	5,344,276	5,344,276	6,462,924	1,118,648
TOTAL OTHER	42,065,539	48,499,283	48,499,283	49,443,478	944,195
05 EQUIPMENT	1,275,258	582,922	582,922	575,535	(7,387)
GRAND TOTAL AMOUNTS	\$140,242,708	\$145,793,929	\$145,793,929	\$151,570,666	\$5,776,737

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

OBJECT OF EXPENDITURE	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2021 CURRENT	FY 2022 BUDGET	FY 2022 CHANGE
POSITIONS					
Administrative	5.000	5.000	5.000	5.000	
Business/Operations Admin.	5.000	5.000	5.000	6.000	1.000
Professional					
Supporting Services	359.000	349.000	349.000	348.000	(1.000)
TOTAL POSITIONS	369.000	359.000	359.000	359.000	
01 SALARIES & WAGES					
Administrative	\$612,388	\$689,072	\$689,072	\$665,336	(\$23,736)
Business/Operations Admin.	454,869	589,399	589,399	684,381	94,982
Professional					
Supporting Services	21,708,603	22,801,124	22,801,124	23,534,157	733,033
TOTAL POSITION DOLLARS	22,775,860	24,079,595	24,079,595	24,883,874	804,279
OTHER SALARIES					
Administrative					
Professional	235,334	250,311	250,311	240,311	(10,000)
Supporting Services	1,080,614	1,643,431	1,643,431	1,109,939	(533,492)
TOTAL OTHER SALARIES	1,315,948	1,893,742	1,893,742	1,350,250	(543,492)
TOTAL SALARIES AND WAGES	24,091,808	25,973,337	25,973,337	26,234,124	260,787
02 CONTRACTUAL SERVICES	5,462,886	5,450,310	5,450,310	5,470,310	20,000
03 SUPPLIES & MATERIALS	4,152,709	4,832,691	4,832,691	4,832,691	
04 OTHER					
Local/Other Travel	20	2,752	2,752	2,752	
Insur & Employee Benefits					
Utilities					
Miscellaneous	4,464,427	4,884,539	4,884,539	4,884,539	
TOTAL OTHER	4,464,447	4,887,291	4,887,291	4,887,291	
05 EQUIPMENT	1,923,071	1,546,040	1,546,040	1,546,040	
GRAND TOTAL AMOUNTS	\$40,094,921	\$42,689,669	\$42,689,669	\$42,970,456	\$280,787

Category 12
Fixed Charges
Summary of Resources
By Object of Expenditure

OBJECT OF EXPENDITURE	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2021 CURRENT	FY 2022 BUDGET	FY 2022 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					
Local/Other Travel					
Insur & Employee Benefits	607,804,054	592,688,345	592,741,643	609,708,917	16,967,274
Utilities					
Miscellaneous	2,093,325	3,018,404	3,018,404	3,018,404	
TOTAL OTHER	609,897,379	595,706,749	595,760,047	612,727,321	16,967,274
05 EQUIPMENT					
GRAND TOTAL AMOUNTS	\$609,897,379	\$595,706,749	\$595,760,047	\$612,727,321	\$16,967,274

Category 14
Community Services
Summary of Resources
By Object of Expenditure

OBJECT OF EXPENDITURE	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2021 CURRENT	FY 2022 BUDGET	FY 2022 CHANGE
POSITIONS					
Administrative					
Business/Operations Admin.					
Professional	2,000	2,000	2,000	2,000	
Supporting Services	3,750	3,750	3,750	3,750	
TOTAL POSITIONS	5,750	5,750	5,750	5,750	
01 SALARIES & WAGES					
Administrative					
Business/Operations Admin.					
Professional	237,916	241,112	241,112	241,112	
Supporting Services	189,722	199,646	199,646	199,646	
TOTAL POSITION DOLLARS	427,638	440,758	440,758	440,758	
OTHER SALARIES					
Administrative					
Professional	1,257	3,274	3,274	3,274	
Supporting Services	23,092	31,448	31,448	31,448	
TOTAL OTHER SALARIES	24,349	34,722	34,722	34,722	
TOTAL SALARIES AND WAGES	451,987	475,480	475,480	475,480	
02 CONTRACTUAL SERVICES	224,095	337,925	337,925	337,925	
03 SUPPLIES & MATERIALS	35,598	35,598	35,598	35,598	
04 OTHER					
Local/Other Travel	7,254	17,356	17,356	17,356	
Insur & Employee Benefits					
Utilities					
Miscellaneous	105,650	116,370	116,370	116,370	
TOTAL OTHER	112,904	133,726	133,726	133,726	
05 EQUIPMENT					
GRAND TOTAL AMOUNTS	\$824,584	\$982,729	\$982,729	\$982,729	

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

OBJECT OF EXPENDITURE	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2021 CURRENT	FY 2022 BUDGET	FY 2022 CHANGE
POSITIONS					
Administrative	1.000	1.000	1.000	1.000	
Business/Operations Admin.					
Professional					
Supporting Services	12.500	12.500	12.500	12.500	
TOTAL POSITIONS	13.500	13.500	13.500	13.500	
01 SALARIES & WAGES					
Administrative	\$155,088	\$154,141	\$154,141	\$154,141	
Business/Operations Admin.					
Professional					
Supporting Services	1,046,367	1,130,774	1,130,774	1,130,774	
TOTAL POSITION DOLLARS	1,201,455	1,284,915	1,284,915	1,284,915	
OTHER SALARIES					
Administrative					
Professional					
Supporting Services	27,732	20,221	20,221	20,221	
TOTAL OTHER SALARIES	27,732	20,221	20,221	20,221	
TOTAL SALARIES AND WAGES	1,229,187	1,305,136	1,305,136	1,305,136	
02 CONTRACTUAL SERVICES	7,590	9,180	9,180	9,180	
03 SUPPLIES & MATERIALS	102,057	60,526	60,526	60,526	
04 OTHER					
Local/Other Travel	638	1,800	1,800	1,800	
Insur & Employee Benefits	384,705	389,033	389,033	389,033	
Utilities					
Miscellaneous	1,625	4,100	4,100	4,100	
TOTAL OTHER	386,968	394,933	394,933	394,933	
05 EQUIPMENT					
GRAND TOTAL AMOUNTS	\$1,725,802	\$1,769,775	\$1,769,775	\$1,769,775	

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

OBJECT OF EXPENDITURE	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2021 CURRENT	FY 2022 BUDGET	FY 2022 CHANGE
POSITIONS					
Administrative	1.000	1.000	1.000		(1.000)
Business/Operations Admin.					
Professional					
Supporting Services	11.000	10.000	10.000	11.000	1.000
TOTAL POSITIONS	12.000	11.000	11.000	11.000	
01 SALARIES & WAGES					
Administrative		\$128,988	\$128,988		(\$128,988)
Business/Operations Admin.					
Professional					
Supporting Services	458,349	507,014	507,014	626,069	119,055
TOTAL POSITION DOLLARS	458,349	636,002	636,002	626,069	(9,933)
OTHER SALARIES					
Administrative					
Professional					
Supporting Services	14,663	66,276	66,276	66,276	
TOTAL OTHER SALARIES	14,663	66,276	66,276	66,276	
TOTAL SALARIES AND WAGES	473,012	702,278	702,278	692,345	(9,933)
02 CONTRACTUAL SERVICES	2,452,603	2,247,405	2,247,405	2,247,405	
03 SUPPLIES & MATERIALS	11,541	43,304	43,304	43,304	
04 OTHER					
Local/Other Travel	433	3,493	3,493	3,493	
Insur & Employee Benefits	189,344	264,444	264,444	264,444	
Utilities					
Miscellaneous	547,399	1,701,525	1,701,525	1,701,525	
TOTAL OTHER	737,176	1,969,462	1,969,462	1,969,462	
05 EQUIPMENT		4,700	4,700	4,700	
GRAND TOTAL AMOUNTS	\$3,674,332	\$4,967,149	\$4,967,149	\$4,957,216	(\$9,933)

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

OBJECT OF EXPENDITURE	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2021 CURRENT	FY 2022 BUDGET	FY 2022 CHANGE
POSITIONS					
Administrative	2.000	2.000	2.000	2.000	
Business/Operations Admin.	13.000	12.000	12.000	12.000	
Professional					
Supporting Services	589.323	593.573	593.573	593.573	
TOTAL POSITIONS	604.323	607.573	607.573	607.573	
01 SALARIES & WAGES					
Administrative	\$390,450	\$264,752	\$264,752	\$264,752	
Business/Operations Admin.	1,232,119	1,193,879	1,193,879	1,193,879	
Professional					
Supporting Services	21,428,619	24,207,458	24,207,458	24,207,458	
TOTAL POSITION DOLLARS	23,051,188	25,666,089	25,666,089	25,666,089	
OTHER SALARIES					
Administrative					
Professional					
Supporting Services	1,059,274	871,090	871,090	871,090	
TOTAL OTHER SALARIES	1,059,274	871,090	871,090	871,090	
TOTAL SALARIES AND WAGES	24,110,462	26,537,179	26,537,179	26,537,179	
02 CONTRACTUAL SERVICES	974,313	1,708,313	1,708,313	1,708,313	
03 SUPPLIES & MATERIALS	22,030,556	18,851,184	18,851,184	20,151,184	1,300,000
04 OTHER					
Local/Other Travel	5,806	93,897	93,897	93,897	
Insur & Employee Benefits	11,808,418	12,282,750	12,282,750	12,482,750	200,000
Utilities					
Miscellaneous	94,336	182,202	182,202	182,202	
TOTAL OTHER	11,908,560	12,558,849	12,558,849	12,758,849	200,000
05 EQUIPMENT	327,744	744,455	744,455	744,455	
GRAND TOTAL AMOUNTS	\$59,351,635	\$60,399,980	\$60,399,980	\$61,899,980	\$1,500,000

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

OBJECT OF EXPENDITURE	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2021 CURRENT	FY 2022 BUDGET	FY 2022 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.	24,858	28,912	28,912	28,912	
Professional					
Supporting Services	339,165	327,612	327,612	327,612	
TOTAL POSITION DOLLARS	364,023	356,524	356,524	356,524	
OTHER SALARIES					
Administrative					
Professional					
Supporting Services	665,389	1,385,009	1,385,009	1,420,009	35,000
TOTAL OTHER SALARIES	665,389	1,385,009	1,385,009	1,420,009	35,000
TOTAL SALARIES AND WAGES	1,029,412	1,741,533	1,741,533	1,776,533	35,000
02 CONTRACTUAL SERVICES	35,730	209,638	209,638	259,638	50,000
03 SUPPLIES & MATERIALS	306,767	731,666	731,666	781,666	50,000
04 OTHER					
Local/Other Travel		138	138	138	
Insur & Employee Benefits	155,960	229,602	229,602	254,602	25,000
Utilities					
Miscellaneous					
TOTAL OTHER	155,960	229,740	229,740	254,740	25,000
05 EQUIPMENT		1,605	1,605	1,605	
GRAND TOTAL AMOUNTS	\$1,527,869	\$2,914,182	\$2,914,182	\$3,074,182	\$160,000

Category 81
Entrepreneurial Activities
Summary of Resources
By Object of Expenditure

OBJECT OF EXPENDITURE	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2021 CURRENT	FY 2022 BUDGET	FY 2022 CHANGE
POSITIONS					
Administrative					
Business/Operations Admin.					
Professional	1.000	1.000	1.000	1.000	
Supporting Services	11.000	11.000	11.000	11.000	
TOTAL POSITIONS	12.000	12.000	12.000	12.000	
01 SALARIES & WAGES					
Administrative					
Business/Operations Admin.					
Professional	90,248	131,825	131,825	131,825	
Supporting Services	677,083	804,660	804,660	804,660	
TOTAL POSITION DOLLARS	767,331	936,485	936,485	936,485	
OTHER SALARIES					
Administrative					
Professional	604,025	526,036	526,036	523,827	(2,209)
Supporting Services	88,069	44,173	44,173	44,173	
TOTAL OTHER SALARIES	692,094	570,209	570,209	568,000	(2,209)
TOTAL SALARIES AND WAGES	1,459,425	1,506,694	1,506,694	1,504,485	(2,209)
02 CONTRACTUAL SERVICES	5,872,983	10,249,765	10,249,765	10,246,775	(2,990)
03 SUPPLIES & MATERIALS	315,627	571,993	571,993	571,393	(600)
04 OTHER					
Local/Other Travel	15,650	17,785	17,785	23,584	5,799
Insur & Employee Benefits	300,292	280,601	280,601	280,601	
Utilities					
Miscellaneous					
TOTAL OTHER	315,942	298,386	298,386	304,185	5,799
05 EQUIPMENT	109,167	20,000	20,000	20,000	
GRAND TOTAL AMOUNTS	\$8,073,144	\$12,646,838	\$12,646,838	\$12,646,838	

FISCAL YEAR 2022 OPERATING BUDGET TIMELINE

Superintendent Presents Recommended Fiscal Year 2022 Operating Budget	December 18, 2021
Sign-up for Board of Education Public Hearings	December 2020 through January 2021
Board of Education Public Hearings	January 11 & 19, 2021
Board of Education Work Sessions	January 14, 21, 25 & February 16, 2021
Board of Education Action	February 23, 2021
Board of Education Budget Transmittal to County Executive/Council (Required by March 1, 2021)	March 1, 2021
County Executive Submits Proposed FY 2022 Operating Budget to County Council	March 15, 2021
County Council Budget Public Hearings	April 2021
County Council Work Sessions	April–May 2021
County Council Budget Action	May 20, 2021
Final Board of Education Action to Adopt FY 2022 Operating Budget	June 10, 2021

OPERATING BUDGET DOCUMENTS

The documents listed below enable the reader to understand the MCPS budget and how resources are used.

Budget in Brief—Provides detailed summary information on the operating budget and changes proposed in the Superintendent's Recommended Operating Budget.

Superintendent's Recommended Operating Budget—Shows budget resources by office, department, and other units. It includes references to the units that carry out each program, describes in detail the work of each unit, shows all budget changes, and includes an overview of major functions, a glossary of budget terms, and a section describing how to understand the budget.

The Operating Budget Preliminarily Adopted by the Board of Education—Shows summary budget information, including changes to the Superintendent's Recommended Operating Budget made by the Board of Education.

The Operating Budget Summary—Includes information based on the final budget appropriated by the County Council and adopted by the Board of Education.

Personnel Complement—Provides a detailed listing of all positions requested in the budget. The Superintendent's Recommended Operating Budget and the Operating Budget Summary include personnel complements organized by unit, respectively.

Budgeted Staffing Guidelines—The Superintendent's Recommended Operating Budget, and the Operating Budget Summary includes budgeted staffing guidelines for general education and special education. These guidelines govern the allocation of personnel resources by school and special education disability.

Schools at a Glance—Provides a variety of information for each school, including programs that are implemented at each school and personnel expenditures budgeted for each school. A separate document, Special Education at a Glance, is published to show special education resources at each school.

All of these publications are available on the MCPS website at www.montgomeryschoolsmd.org/departments/budget/



Maryland's Largest School District

MONTGOMERY COUNTY PUBLIC SCHOOLS

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Montgomery County Public Schools

RECOMMENDED FY22 BUDGET

\$2,780,512,190

FULL TIME EQUIVALENTS

23,636.61

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 2020-2021 school year (FY21), 160,294 students in prekindergarten classes through Grade 12 attend 208 separate public educational facilities. For the 2021-22 school year (FY22), enrollment is estimated to be 164,175 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 FY22 budget is \$2,780.5 million, an increase of \$25.0 million, or 0.9% over the original FY21 Approved budget of \$2,755.5 million. Due to declining enrollment in FY22 as a result of the COVID-19 pandemic, this recommended budget exceeds the amount required by the State's Maintenance of Effort (MOE) law by \$40.2 million.

The County Executive's recommended budget funds 100% of the Board of Education's (BOE) request.

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 FY21.

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;
- 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 or organizations are provided by Community Use of Public Facilities; and
- the Maryland-National Capital Park and Planning Commission provides maintenance to MCPS ballfields.

In addition to the total recommended in the Operating Budget for public schools, MCPS's Capital Improvements Program (CIP) requires county funding. Approximately \$17.7 million in FY22 Current Revenue: General and \$65.5 million in Recordation Tax are

recommended in the FY22-26 Biennial CIP. The debt service requirement for the MCPS capital program is estimated at \$153.9 million in FY22.

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

Additional County Support for MCPS in FY22	
MCPS Budget (in millions)	\$2,780.5
Additional County funding (not included in MCPS budget)	
• Debt service on school construction bonds	\$153.9
• Pre-funding retiree health benefits	\$73.0
• Support services	\$85.6
• Technology modernization	\$14.5
Total additional County funding	\$327.1
Total expenditures for MCPS	\$3,107.6
Sources: County Executive Recommended FY22 Operating and Capital Budgets	

The recommended budget includes the County's contribution of \$1,752.7 million plus \$25.0 million in carryover funds (63.9 percent of all recommended funding); State Aid and grants of \$822.2 million (29.6 percent); federal grants and aid of \$84.0 million (3.0 percent); and tuition, fees, and private grants of \$12.3 million (0.4 percent). The recommended appropriation for the fee-supported enterprise funds is \$82.6 million (3.0 percent) and for the special revenue fund is \$1.8 million (0.1 percent).

Tax Supported Funding for the Public Schools

For FY22, the total tax-supported portion of the County Executive's recommendation (excluding grants, enterprise funds, and special revenue funds) is \$2,534.9 million, a decrease of \$27.4 million, or 1.1 percent, from the FY21 Approved operating budget, driven mainly by an especially high amount of State grants in FY22. The tax-supported portion of the recommendation includes a FY22 local contribution of \$1,752.7 million, plus carryover of \$25.0 million, for a total local contribution of \$1,777.7 million.

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. This requirement increases when enrollment grows, and decreases and enrollment declines. The County Executive's recommendation for local funding exceeds the MOE requirement and represents a total increase of \$0.8 million from the FY21 local contribution. In FY22, if the County were to fund MCPS at the minimum required MOE level, County funding would decrease by \$39.9 million.

Fiscal Summary

The County Executive's total recommended budget, from all funding sources, is \$2,780.5 million and funds 100% 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 2021, the Montgomery County Council approved FY22 Spending Affordability Guidelines (SAG) of \$2,550.7 million for the tax-supported funds of MCPS. The BOE requested \$2,534.9 million in tax-supported funds, \$15.8 million below the SAG guideline. The County Executive's recommendation is similarly \$15.8 million below 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 FY22 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:



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 FY20	Budget FY21	Estimate FY21	Recommended FY22	%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	2,500,372,311	2,562,357,999	2,544,246,120	2,534,935,412	-1.1 %
Current Fund MCPS Expenditures	2,500,372,311	2,562,357,999	2,544,246,120	2,534,935,412	-1.1 %
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	21,649.85	22,257.28	22,257.28	22,399.34	0.6 %
REVENUES					
Basic State Aid	368,197,235	388,035,631	388,035,631	384,201,699	-1.0 %
Federal Revenues	119,553	120,000	120,000	100,000	-16.7 %
Foster Care/Miscellaneous	181,458	200,000	180,000	180,000	-10.0 %
GCEI - Geographic Cost of Education Index	38,902,207	39,976,914	39,976,914	39,382,053	-1.5 %
Kirwan Commission	10,482,238	11,472,106	11,472,106	14,622,086	27.5 %
Students With Disabilities	60,466,733	63,704,962	66,828,474	63,420,239	-0.4 %
Thornton Legislation	219,907,148	230,529,919	230,529,919	210,952,720	-8.5 %
Transportation	46,449,499	47,626,347	47,626,347	42,164,380	-11.5 %
Tuition-Other Sources	4,448,724	3,830,000	3,850,000	2,250,000	-41.3 %
Current Fund MCPS Revenues	749,154,795	785,495,879	788,619,391	757,273,177	-3.6 %

BUDGET SUMMARY

	Actual FY20	Budget FY21	Estimate FY21	Recommended FY22	%Chg Bud/Rec
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	99,320,453	110,451,136	110,451,136	161,218,854	46.0 %
Grant Fund MCPS Expenditures	99,320,453	110,451,136	110,451,136	161,218,854	46.0 %
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	570.94	570.94	570.94	588.70	3.1 %
REVENUES					
Federal Grants	85,891,352	83,686,189	83,686,189	83,878,035	0.2 %
Private Grants	680,816	10,031,204	10,031,204	10,031,204	—
State Grants	12,748,285	16,733,743	16,733,743	67,309,615	302.2 %
Grant Fund MCPS Revenues	99,320,453	110,451,136	110,451,136	161,218,854	46.0 %
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	59,351,635	60,399,980	60,399,980	61,899,980	2.5 %
Food Service Fund Expenditures	59,351,635	60,399,980	60,399,980	61,899,980	2.5 %
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	604.32	607.57	607.57	607.57	—
REVENUES					
Federal Food	42,396,670	40,852,540	40,852,540	41,982,540	2.8 %
Miscellaneous: Investment Income	136,436	0	0	0	—
Sale of Meals	12,830,168	17,586,048	17,586,048	17,956,048	2.1 %
State Food	2,226,240	1,961,392	1,961,392	1,961,392	—
Food Service Fund Revenues	57,589,514	60,399,980	60,399,980	61,899,980	2.5 %
REAL ESTATE FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—

BUDGET SUMMARY

	Actual FY20	Budget FY21	Estimate FY21	Recommended FY22	%Chg Bud/Rec
Real Estate Fund Personnel Costs	0	0	0	0	—
Operating Expenses	3,674,332	4,967,149	4,967,149	4,967,149	—
Real Estate Fund Expenditures	3,674,332	4,967,149	4,967,149	4,967,149	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	12.00	11.00	11.00	11.00	—
REVENUES					
Real Estate Fund	3,340,553	4,967,149	4,967,149	4,967,149	—
Real Estate Fund Revenues	3,340,553	4,967,149	4,967,149	4,967,149	—

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	1,527,869	2,914,182	2,914,182	3,074,182	5.5 %
Field Trip Fund Expenditures	1,527,869	2,914,182	2,914,182	3,074,182	5.5 %

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	1,334,742	2,914,182	2,914,182	3,074,182	5.5 %
Field Trip Fund Revenues	1,334,742	2,914,182	2,914,182	3,074,182	5.5 %

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	8,073,144	12,646,838	4,426,838	12,646,838	—
Entrepreneurial Activities Fund Expenditures	8,073,144	12,646,838	4,426,838	12,646,838	—

PERSONNEL

Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	12.00	12.00	12.00	12.00	—

REVENUES

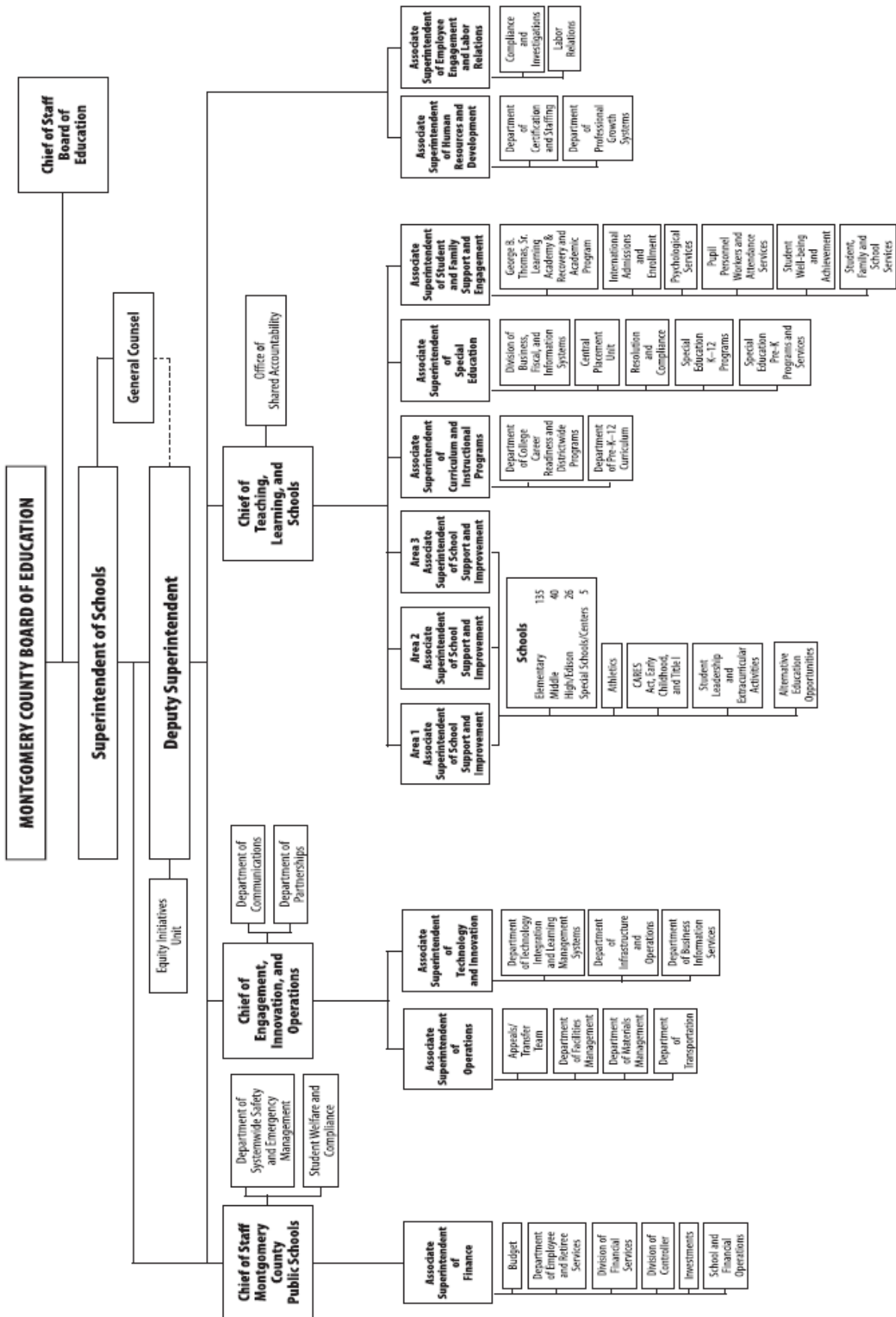
Entrepreneurial Activities Fee	1,977,505	2,446,838	2,446,838	2,446,838	—
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BUDGET SUMMARY

	Actual FY20	Budget FY21	Estimate FY21	Recommended FY22	%Chg Bud/Rec
Entrepreneurial Activities Fund Revenues	1,977,505	2,446,838	2,446,838	2,446,838	—
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	1,748,614	1,769,775	1,769,775	1,769,775	—
Instructional Television Fund Expenditures	1,748,614	1,769,775	1,769,775	1,769,775	—
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	2,674,068,358	2,755,507,059	2,729,175,180	2,780,512,190	0.9 %
Total Full-Time Positions	0	0	0	0	—
Total Part-Time Positions	0	0	0	0	—
Total FTEs	22,867.11	23,476.79	23,476.79	23,636.61	0.7 %
Total Revenues	912,717,562	966,675,164	969,798,676	990,880,180	2.5 %

MCPS BUDGETS FY95-FY22					
County Fiscal Year	Total Budget	Budgeted Enrollment	County Funding	Per Pupil	As Percent of Total
85	\$399,916,181	91,704	\$330,035,065	\$4,361	82.5%
86	\$436,875,791	92,871	\$361,788,973	\$4,704	82.8%
87	\$475,866,930	94,460	\$398,053,264	\$5,038	83.6%
88	\$519,622,140	96,271	\$434,582,576	\$5,397	83.6%
89	\$577,957,669	98,519	\$488,062,505	\$5,866	84.4%
90	\$642,553,932	100,259	\$545,768,528	\$6,409	84.9%
91	\$702,260,084	103,732	\$601,407,797	\$6,770	85.6%
92	\$712,896,646	107,140	\$603,939,300	\$6,654	84.7%
93	\$738,767,864	110,037	\$622,732,456	\$6,714	84.3%
94*	\$793,907,907	113,429	\$666,557,884	\$6,999	84.0%
95	\$830,010,147	117,082	\$695,512,609	\$5,940	83.8%
96	\$878,160,420	120,291	\$718,938,647	\$5,977	81.9%
97	\$915,141,097	122,505	\$740,984,871	\$6,049	81.0%
98	\$958,416,196	125,035	\$765,835,476	\$6,125	79.9%
99	\$1,034,768,530	127,852	\$820,833,423	\$6,420	79.3%
00	\$1,105,644,145	130,689	\$870,940,869	\$6,664	78.8%
01	\$1,216,096,599	134,180	\$959,754,838	\$7,153	78.9%
02	\$1,323,625,477	136,832	\$1,029,703,651	\$7,525	77.8%
03	\$1,412,161,822	138,891	\$1,079,188,698	\$7,770	76.4%
04	\$1,501,381,116	139,203	\$1,136,392,169	\$8,164	75.7%
05	\$1,609,382,533	139,337	\$1,217,214,553	\$8,736	75.6%
06	\$1,713,736,154	139,387	\$1,296,325,112	\$9,300	75.6%
07	\$1,851,496,287	137,798	\$1,384,725,787	\$10,049	74.8%
08	\$1,985,017,619	137,745	\$1,456,912,582	\$10,577	73.4%
09	\$2,066,683,294	137,763	\$1,531,482,602	\$11,117	74.1%
10	\$2,200,577,000	140,500	\$1,573,754,447	\$11,201	71.5%
11	\$2,104,188,040	143,309	\$1,425,385,344	\$9,946	67.7%
12	\$2,086,786,613	146,497	\$1,387,101,480	\$9,468	66.5%
13	\$2,160,029,595	149,018	\$1,436,513,701	\$9,640	66.5%
14	\$2,225,421,052	151,289	\$1,475,223,045	\$9,751	66.3%
15	\$2,276,763,984	153,852	\$1,515,027,760	\$9,847	66.5%
16	\$2,318,388,936	156,447	\$1,540,794,230	\$9,849	66.5%
17	\$2,457,473,761	159,016	\$1,650,794,230	\$10,381	67.2%
18	\$2,528,825,122	161,470	\$1,683,943,316	\$10,429	66.6%
19	\$2,612,644,776	163,294	\$1,712,627,645	\$10,488	65.6%
20	\$2,680,574,773	164,477	\$1,726,807,241	\$10,499	64.4%
21	\$2,755,507,059	160,294	\$1,751,862,120	\$10,929	63.6%
22 CE Rec	\$2,780,512,190	164,175	\$1,752,662,235	\$10,676	63.0%

MONTGOMERY COUNTY PUBLIC SCHOOLS ORGANIZATION—FY 2022



Montgomery County Council Questions and Answers
on MCPS FY 2022 Operating Budget

1. Please breakdown all federal funding allocations (past and present/future) by dollar amount and purpose (short description appreciated).

Montgomery County Public Schools (MCPS) has received or is expected to receive funding from three pieces of legislation signed into law since COVID-19 was declared a national emergency. These include the *Coronavirus Aid, Relief, and Economic Security (CARES) Act*, the *Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act*, and the *American Rescue Plan*. The following table reflects the funding awarded or expected to be awarded to MCPS.

Federal COVID-19 Pandemic-Related Funding for MCPS

	Grant Award Amount	Less Equitable Services for Non- Public Schools	MCPS Total
GEER I	\$ 1,748,276	\$ 141,114	\$ 1,607,162
ESSER I	24,768,196	1,999,195	22,769,001
Governor's Broadband	1,117,512	n/a	1,117,512
Technology	18,344,404	n/a	18,344,404
Tutoring	13,241,438	n/a	13,241,438
GEER I - Competitive	374,031	30,190	343,841
ESSER II*	112,233,764	n/a	112,233,764
GEER II	995,984	n/a	995,984
ESSER III**	252,061,100	n/a	252,061,100
Total	\$ 424,884,705	\$ 2,170,499.0	\$ 422,714,206

*Applied for but not yet awarded.

**Grant application not yet received.

MCPS has been awarded \$1,748,276 (less \$141,113.67 set aside for equitable services for non-public schools in the county) for the Governor's Emergency Education Relief (**GEER**) grant which focuses on investments in technology infrastructure that will improve capacity to provide high quality, accessible distance education or remote learning. This GEER grant funding is being used to help meet the MCPS goal of providing one-to-one access to all students, which includes both an end user device (via Chromebook) and internet access (via MiFi device).

MCPS has been awarded \$24,768,196 (less \$1,999,194.98 set aside for equitable services for non-public schools in the county) for the Elementary and Secondary school Emergency Relief (**ESSER**) grant which may be used for any of the 12 purposes listed in section 18003(d) of the CARES Act. MCPS is using ESSER funds to extend access to interventions, special education services, assistive technology tools, and increased technology options for students with disabilities during remote learning. MCPS is also using ESSER funds to purchase supplemental instructional materials and assessments to support the instruction of English for Speakers of Other Languages students, and to support efforts to increase the number of English learners attaining proficiency in academic English, reading/language arts, and mathematics. Finally, MCPS is using ESSER funds to ensure equity of access, including internet and devices, for all staff and students who need them to effectively engage in remote learning experiences. This includes the purchase of Chromebooks and MiFi devices for distribution across the district.

From the Governor's Office of Rural Broadband, MCPS has also been awarded a grant of \$1,117,512 from the CARES Act for the **Broadband** for Underserved Students Grant. This funding is for the acquisition of more than 15,000 MiFi devices for the district. With more than one-third of our students eligible for Free and Reduced-price Meal System services, these MiFi devices will help ensure equity in terms of the availability of broadband internet service.

Section 5001 of the CARES Act established the Coronavirus Relief Fund for the federal Department of the Treasury to provide funding for specific uses to state and local governments because of COVID-19. MCPS has been awarded a **technology**-related grant of \$18,344,404 to implement distance learning programs necessary because of school closures due to the COVID-19 pandemic. This funding has been used to provide devices and wireless access to students who need such support to ensure that all students have equitable access to synchronous and asynchronous instruction and other learning opportunities.

From the same Coronavirus Relief Fund, MCPS was awarded \$13,241,438 to implement **tutoring** activities for the learning loss associated with time away from direct instruction because of school closures due to the COVID-19 pandemic. With this funding, MCPS elementary, middle, and high schools were offered tutoring opportunities in an online model for students, including those provided by MCPS summer school programs. The goal of the tutoring grant funding is to maximize student engagement, address learning recovery, and accelerate learning to achieve grade-level standards.

Under the **GEER Innovative Approaches to Connecting with Students – Competitive Grant**, MCPS was awarded \$374,031 (less \$30,190.37 set aside for equitable services for non-public schools in the county). This funding has been used to implement professional development that will be offered to MCPS stakeholders including district leadership, administrators, teachers, and paraprofessionals with the goal of maximizing student learning and instructional impact because of COVID-19. The instruction will also be delivered to other stakeholders such as family members and community partners.

MCPS has applied to MSDE for \$112,233,764 for the **ESSER II** grant included in CRRSA. In addition to the same 12 uses from ESSER I, ESSER II provides for three additional uses that are facilities-related expenses in response to the effects of the COVID-19 pandemic. This funding will be used to identify students for participation in academic and enrichment tutoring programs. MCPS will also use the funding to continue to implement districtwide leadership and enrichment programs for secondary low-income students, racial and ethnic minority students, and young women. MCPS will use the funding for expanding strategic partnerships including the KID Museum to implement a districtwide Science, Technology, Engineering, and Mathematics initiative to broaden students to hands-on project-based learning experiences. Also, with this funding, MCPS will provide technology to support teaching and learning for remote and in-person learning. The funding will also support professional development for literacy and mathematics, social emotional learning curriculum, and other areas. The funding will be used to provide longer-term intensive mental health supports to students. ESSER II will also support professional part-time salaries and stipends for a four week summer school program across all grade levels. The funding will be used for regular COVID-19 surveillance testing to help identify asymptomatic students and staff. In addition to filter, operational, and other modifications to the whole building systems, MCPS is purchasing portable air cleaners with ESSER II funding for installation in identified classrooms, multi-occupant offices, health rooms, and areas that will be used as isolation rooms for those experiencing symptoms while at school.

The purpose of the **GEER II** grant totaling \$995,984 is to innovatively reimagine the support and professional development provided to first year employees in its most highly impacted elementary schools through the First-year, Administrators, Supporting Services, and Teachers (F.A.S.T.) Track to Recovery Program. The F.A.S.T. Track to Recovery Program takes an innovative and unique approach to addressing academic learning loss due to school closures from COVID-19 by investing in onboarding and inducting new employees within MCPS.

MCPS is waiting for MSDE to release the grant application for **ESSER III**.

2. Please identify additional fund balance not yet allocated, if any (originally \$34 million) for FY21.

At this time, there is no additional fund balance projected. If there are any changes to our anticipated spending, we will share the information as soon as it is available. For reference, we have attached the February 28, 2021, Monthly Financial Report.

3. Please explain the purpose/allocation of the requested \$50,115 over the FY21 local contribution (versus \$1 to meet BRFA state requirements).

The request of \$50,115 over the FY 2021 local contribution aligned with the FY 2022 Superintendent's Recommended Budget is based on our initial request and was not adjusted for the Board of Education budget.

4. Please specify/breakdown the allocation of the restored funding from the continuity of learning plan (\$15,923,520) by line item & dollar amount.

In the FY 2022 Superintendent's Recommended Budget, funding from the continuity of learning plan was repurposed; \$13,051,204 was reallocated to restore positions and funding to specific programs, and the remaining \$2,872,316 was an expenditure reduction to help offset the projected state and local revenue loss projected at the time. The funding allocated to MCPS from the Governor's budget, restored the \$2,872,316 which is a portion of the \$30 million identified to fund the 2.5 Year Plan that is currently in the final development stages. The breakdown of the \$13,051,204 is the following:

	<u>FTE</u>	<u>Salaries/Amount</u>	<u>Benefits</u>
Classroom Teachers (ES/MS/HS)	64.000	6,426,736	1,744,216
Physical Education Teacher	0.900	50,118	13,602
Art Teacher	0.900	50,118	13,602
General Music Teacher	0.900	50,118	13,602
Financial Assistant V	1.000	69,885	28,080
Substitute Teachers		100,157	7,662
Textbooks - ES/MS/HS		85,458	
Media Center Materials -ES/MS/HS		44,560	
Instructional Materials - ES/MS/HS		212,824	
Extracurricular Activities		191,925	
Curriculum		3,250,000	
Outdoor Education Programs		556,567	
Student Transportation		141,974	
Subtotal		11,230,440	1,820,764

5. What is the **source** of funds for the \$4,147,978 and 22.0 FTE positions related to the accelerators?

The source of revenue for the accelerators included in the Board of Education's FY 2022 Operating Budget is the additional state aid such as the Hold Harmless grants. At the time of the Superintendent's Recommended Budget, the accelerators were not included in the budget due to the uncertain economic outlook. While these are classified as accelerators, it is not a request for additional funding, they are funded from the unrestricted revenue from the state such as the Hold Harmless grants.

6. What is the funding **source** (fed, state, local) breakdown for the \$30 million Level of Need Among Students Plan?

The \$30 million for the 2.5 Year Plan is being funded by unrestricted revenue in the FY 2022 Operating Budget. The vast majority of funding in the MCPS Operating Budget comes from unrestricted revenue that comes from state aid and the local contribution by Montgomery County. The \$30 million for the 2.5 Year Plan will come from this unrestricted revenue. We are currently developing short and long-term spending plans and will provide additional details in the coming weeks.

7. Please clarify the changes (if any) in funding between the Governor's transmitted Blueprint-like programs versus true Blueprint programs now that the veto has been overturned.

The following table reflects the funding that MCPS has received in FY 2021 for the *Blueprint for Maryland's Future* and what the governor's FY 2022 budget has proposed for *Blueprint-like* programs.

	FY 2021 <u>Current</u>	FY 2022 Governor's <u>Budget</u>	Change, FY 2022 Governor's Budget from FY 2021 <u>Current</u>
Blueprint Funding:			
Concentration of Poverty	3,981,328	4,727,827	746,499
			3,149,980
Supplemental Pre-Kindergarten	3,362,938	6,512,918	
Teacher Salary Incentive	8,109,168	8,109,168	-
Students with Disabilities	9,132,868	9,132,868	-
Transitional Supplemental Instruction	2,735,361	2,735,361	-
Mental Health Coordinator	83,333	83,333	-
Total	27,404,996	31,301,475	3,896,479

8. Please identify the restricted State Aid funding amounts/allocations.

The Maryland General Assembly has not posted the FY 2022 state budget that was passed. Moreover, we have not received from the Maryland Department of Education (MSDE) the allocation of aid/grants from the state by Local Education Agency. When that information is available, we will share it with County Council staff.

9. Please note the identified potential uses for the Governor's supplemental instruction and tutoring for struggling learners grant.

Similar to our answer to question 8, we have requested MSDE to provide guidance on what directions or restrictions there are for the transitional supplemental instruction funding that was included in the governor's FY 2022 budget. When we receive the details, we will share this information with County Council staff.

10. Please identify how the funding for the Declining Enrollment Hold Harmless grant will be used, if specific purposes are already known.

Assuming that this grant will be unrestricted, the funding will be used in FY 2022 to support the requirements of our 2.5 Year Plan as well as the negotiated compensation agreements effective May 3, 2021.

Racial Equity Questions: All departments and agencies are being asked the following three questions to create a baseline as the Council advances our racial equity and social justice analysis work. I know the MCPS budget includes several pages on racial equity efforts but wanted to include these here in case any person wanted to add or respond to these questions specifically. Otherwise, I will pull from the pages for my responses.

1. Does your department use quantitative and qualitative data to track program access and/or service outcomes for different population groups?

Montgomery County Public Schools uses various quantitative and qualitative data to track the impact of our programs to track access and outcomes by our demographic groups. Our All In: Equity and Achievement Framework is one of the quantitative measurements used to ensure our students' success. The framework consists of three components Evidence of Learning, Equity Accountability Model, and Equitable Access to Resources. The Evidence of Learning Framework helps to answer the following questions:

- Are our children learning?
- Are they learning enough?
- How do we know?
- If not, why not?

Multiple measures, including external state-mandated measures, district measures, and classroom measures, are used to monitor students' academic progress with the goal of every student attaining success in 2 out of 3 category measures. These measures support the school improvement process to address gaps in access, opportunities, and equitable outcomes for students.

The Equity Accountability Model (EAM) provides a detailed and focused assessment of school success and publicly monitors and reports all students' performance. The EAM reports performance for specific focus groups who have not experienced the same level of access, opportunity, and equitable outcomes as other students. The EAM consists of the following components.

- Academic Achievement
- Graduation Rate
- Academic Progress
- Limited English Proficiency
- Students with Disabilities
- Culture and Equity
- Priority Focus

The last component of our Equity and Achievement Framework is the Equitable Access to Resources (EAR). The EAR examines how well the system and schools are using staff, time, and money as measured by student outcomes, emphasizing the performance of focus groups. The data helps the district to examine resource allocation to ensure outcomes are not predictable by race. The EAR consists of the following focus areas.

- School Funding
- Teacher Quality
- Instructional Time and Attention
- Access to Rigorous and Empowering Content
- Diverse and Inclusive Schools and Classrooms
- Whole Child Approach
- School Leadership Quality

The All In: Equity and Achievement Framework enables the district to look at student outcomes holistically to focus resources and support to reduce predictability in outcomes by personal characteristics.

Qualitative data is gathered in various ways by the district and schools, including school surveys, focus groups, Study Circles, and school climate surveys, student forums. This data is used to guide school improvement, curricular upgrades, such as the piloted pilot of the LGBTQ+ course in county high schools. Prior to the launch of the Antiracist Systemwide, Audit focus groups were used to engage students, staff, and community in conversations about what they would like the audit to address and how their stakeholders would like to engage in the audit process. This data is being used to engage stakeholders throughout the audit process.

2. Which community residents will potentially benefit the most from your program proposal or be burdened by your program proposal?

MCPS has long been committed to addressing the predictability in racialized outcomes for students and families. As a result, we have been able to increase access and opportunities for our students of color and other traditionally marginalized students. We recognize that our work is not complete, and outcomes are predictable by race. Our continued focus on equity and antiracism will benefit our students of color to increase equitable educational outcomes and increase inclusiveness among our students, staff, and families.

3. How does the program promote racial equity?

MCPS is guided by our five core values of learning, relationships, respect, excellence, and equity, and these are aligned to every aspect of our efforts as a system. We use our equity and antiracist lens to integrate our practices and procedures through our All In: Equity and Achievement Framework, engaging our stakeholders in meaningful ways, using our Evidence of Equity questions, and holistically examining our system with our Antiracism Systemwide Audit to continue to create a school system that works each of our students and families.

Office of the Superintendent of Schools
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

April 20, 2021

MEMORANDUM

To: Members of the Board of Education

From: Jack R. Smith, Superintendent of Schools

Subject: Monthly Financial Report

This financial report reflects the actual financial condition of Montgomery County Public Schools (MCPS) for Fiscal Year (FY) 2021 as of February 28, 2021, and projections through June 30, 2021, based on program requirements and estimates made by primary and secondary account managers. A summary of the financial condition is provided and the attached tables and charts include additional details as follows:

- Attachment 1 presents budgeted and projected revenues along with a brief explanation for change.
- Attachment 2 details expenditure information by state category and object of expense. The report displays authorized (budgeted) expenditures, actual year-to-date expenditures and encumbrances, and the projected year-end balance including a brief explanation.
- Attachment 3 details by state category, the cumulative expenditures and encumbrances, projected expenditures, and projected surplus or deficit.
- Attachment 4 compares financial monitoring projections by month for FY 2016 through FY 2021.
- Attachment 5 details by state category, expenditures and encumbrances by month, and the percentage of the category's budget.

Summary of MCPS Fiscal Condition and End-of-Year Projection

The MCPS Operating Budget appropriation approved by the Board of Education for FY 2021 totaled \$2,755,507,059. This was an increase of \$74,932,286 (2.8 percent) more than the final FY 2020 Operating Budget of \$2,680,574,773. The FY 2021 appropriation includes \$25,000,000 of MCPS fund balance used for the FY 2021 Operating Budget. As a result of savings realized at the end of FY 2020 along with the use of fund balance to fund the FY 2021 Operating Budget, the beginning fund balance in FY 2021 is \$3,014,609. Factors impacting the amount of carryforward in FY 2021 include savings from lapse and turnover of positions in FY 2020. In addition, MCPS had a revenue surplus of \$714,724 during FY 2020.

At this time, budgeted revenues for FY 2021 are projected to have a deficit of \$3,425,000, a change of \$1,138,000 compared to the amount projected last month. This is due to the impact of the COVID-19 pandemic on the school district including decreased summer school and non-resident tuition, the suspension of outdoor education, and reduced interest earned from banks. Expenses are projected to have a balance of \$29,287,000, the same amount as projected last month. Based on revenue and expenditure projections as of February 28, 2021, along with the FY 2021 beginning fund balance, the need for \$1,514,609 for the non-spendable reserve, and \$25,000,000 to be used to fund the FY 2022 Operating Budget, the fund balance at the start of FY 2022 would be \$2,362,000, a decrease of \$1,138,000 since last month's report.

	As of February 28, 2021
FY 2020 End-of-Year Fund Balance	\$28,014,609
Amount Used to Fund FY 2021 Budget	25,000,000
Start of FY 2021 Fund Balance	3,014,609
FY 2021 Projected Revenue Deficit	(3,425,000)
FY 2021 Projected Expenditure Balance	29,287,000
Projected Non-spendable Reserve Adjustment	(1,514,609)
Projected amount for Funding FY 2022 Budget	(25,000,000)
FY 2022 Projected Start-of-Year Fund Balance as of 7/1/21	\$2,362,000

MCPS staff is implementing the Continuity of Learning plan, which includes funds to support tutoring for students, professional development for staff, and technology devices for students and staff. In addition, the plan also includes funds to ensure staff and student environmental safety by providing Heating, Ventilation, and Air Conditioning system maintenance/upgrades and air purifiers for schools and central services facilities, as well as personal protective equipment and supplies. The projected total cost of the Continuity of Learning plan is \$58.0 million.

During the adoption of the FY 2021 Operating Budget, it was noted that an increased number of transfers among state budget categories was more likely this fiscal year based on the uncertainty that the COVID-19 pandemic would have on the school district. Following discussions with County Council staff, it was agreed that MCPS would prepare and send one categorical transfer submission to the county executive and the County Council following the close of the fiscal year as has been the convention in past years.

MCPS Employees Group Insurance Trust Fund Balance Update

The MCPS Employees Group Insurance Trust Fund began FY 2021 with a \$62.5 million fund balance (combined for both active employees and retirees). During FY 2020, claims continued to be lower than projected due mainly to deferred health care resulting from the COVID-19 pandemic. It is anticipated that much of the deferred health care experienced between March and June 2020 will emerge during the end of FY 2021 and beginning of FY 2022. Expenditure claims, while factoring in remaining projections for the year, have increased at a trend rate of 4.3 percent, similar to the increase experienced in FY 2020. At this time, MCPS is projecting

a combined net loss of \$16.7 million in FY 2021 between both the active employees and retirees trust fund, reducing the balance from \$62.5 million to \$45.8 million. Our actuary, Aon, indicates that 2.0 percent of expected increases related to COVID-19 pandemic-related claims may begin to surface toward the end of this fiscal year and into FY 2022. Employee participation in wellness incentives continues to increase, with an expectation of a positive effect on the plan's long-term cost growth rate, as more employees actively promote their own health and wellness. With the support of our healthcare consultants, MCPS is continuing to work to achieve its goal of bringing the trust fund balance to a target of between \$15 and \$25 million.

JRS:DKM:tpk

Attachments

MONTGOMERY COUNTY PUBLIC SCHOOLS
FY 2021 Monthly Financial Report and Year-end Projections
As of February 28, 2021

ATTACHMENT 1

REVENUE

Source	FY 2021 Original Budget	FY 2021 Revised Budget (a)	Projection		Current Report Variance Over (Under) Revised Budget	Explanation for Change
			As of 2/28/2021	As of 1/31/2021		
County	\$ 1,751,862,120	\$ 1,752,612,120 (d)	\$ 1,752,612,120	\$ 1,751,862,120	\$ -	County Council approved a \$750,000 supplemental appropriation for restorative justice training.
State	781,525,879	781,525,879	780,088,879	781,388,879	(1,437,000)	The state revenue has a decrease of \$1,300,000 related to non public placement reimbursement from the state due to the impact of the COVID-19 pandemic.
Federal	120,000	120,000	120,000	120,000	-	
Other	3,850,000	3,850,000	1,862,000	1,700,000	(1,988,000)	Other revenue increased by \$162,000 due to CPD Fees collection.
Appropriated fund balance	25,000,000	56,400,537 (b)	56,400,537	56,400,537	-	
Subtotal	2,562,357,999	2,594,508,536	2,591,083,536	2,591,471,536	(3,425,000)	
Food Services	60,399,980	60,402,724	60,402,724	60,402,724	-	
Real Estate Management	4,967,149	4,967,714	4,967,714	4,967,714	-	
Field Trip	2,914,182	2,914,182	2,914,182	2,914,182	-	
Entrepreneurial Activities	12,646,838	12,680,915	12,680,915	12,680,915	-	
Instructional Television	1,769,775	1,792,587	1,792,587	1,792,587	-	
Supported Projects	110,451,136	199,133,694 (c)	199,133,694	199,133,694	-	
Total	\$ 2,755,507,059	\$ 2,876,400,352	\$ 2,872,975,352	\$ 2,873,363,352	\$ (3,425,000)	

Notes:

- (a) Revised budget includes carryover of prior-year encumbrances.
- (b) Includes \$31,400,537.06 for prior-year encumbrances.
- (c) Includes \$53,856,897 carried forward from FY 2020 and \$34,825,661 for supported projects.
- (d) Includes a supplemental appropriation of \$750,000 from County Council for restorative justice training.

MONTGOMERY COUNTY PUBLIC SCHOOLS
FY 2021 Monthly Financial Report and Year-end Projections
As of February 28, 2021

EXPENDITURES

Category		Authorized Expenditures	Actual Year-to-Date Expenditures 2/28/2021	Expenditures and Encumbrances 2/28/2021	Projected Expenditures 6/30/2021	Current Report Projected Year-end Balance	Prior Report Projected Year-end Balance	Change Compared to Prior Month	Explanation
01	Administration	\$62,955,591	\$36,691,542	\$54,743,810	\$7,511,781	\$700,000	\$500,000	\$200,000	Category 1, Administration, reflects a projected surplus of \$700,000. This is an increase of \$200,000 from the amount reported to the Board in the January financial report. The increase in the end-of-year balance is the result of additional savings due to higher than anticipated lapse and turnover.
	Salaries and Wages	39,302,151	23,230,991	36,577,386					
	Contractual Services	21,519,933	12,843,458	17,465,086					
	Supplies and Materials	1,128,500	344,279	422,978					
	Other	702,049	249,008	251,275					
	Equipment	302,958	23,806	27,086					
02	Mid-level Administration	\$155,304,364	\$92,805,627	\$149,372,363	\$5,432,001	\$500,000	\$200,000	\$300,000	Category 2, Mid-level Administration, reflects a projected surplus of \$500,000. This is an increase of \$300,000 from the amount reported to the Board in the January financial report. The increase in the end-of-year balance is the result of additional savings due higher than anticipated lapse and turnover, and additional projected non-position salary savings.
	Salaries and Wages	152,796,924	91,813,874	148,003,709					
	Contractual Services	1,823,108	886,344	1,247,819					
	Supplies and Materials	228,815	47,147	62,137					
	Other	455,518	58,262	58,698					
	Equipment	0	0	-					
03	Instructional Salaries	\$1,078,940,440	\$591,206,833	\$987,253,074	\$65,737,366	\$25,950,000	\$20,500,000	\$5,450,000	Category 3 has a projected surplus of \$25,950,000, an increase of \$5,450,000 from last month's projection. The projected surplus is the result of savings in position salaries due to vacancies and greater than anticipated salary lapse and turnover savings. Also, there are additional savings in non-position accounts due to a spending decrease for temporary part-time salaries, including professional and support services part-time salaries, and substitute teachers.
	Salaries and Wages	1,078,940,440	591,206,833	987,253,074					
04	Textbooks and Supplies	\$42,947,117	\$33,927,213	56,242,781	\$4,004,337	(\$17,300,000)	(\$8,000,000)	(\$9,300,000)	Category 4, Textbooks and Instructional Supplies, reflects a projected end-of-year deficit of \$17,300,000. This is \$9,300,000 more than the amount reported to the Board in the January 31, 2021, financial report. This deficit is based on additional expenditures for technology, curriculum roll-out, and other supplies such as personal protection equipment needed for the return to in-person instruction.
	Supplies and Materials	42,947,117	33,927,213	56,242,781					

MONTGOMERY COUNTY PUBLIC SCHOOLS
FY 2021 Monthly Financial Report and Year-end Projections
As of February 28, 2021

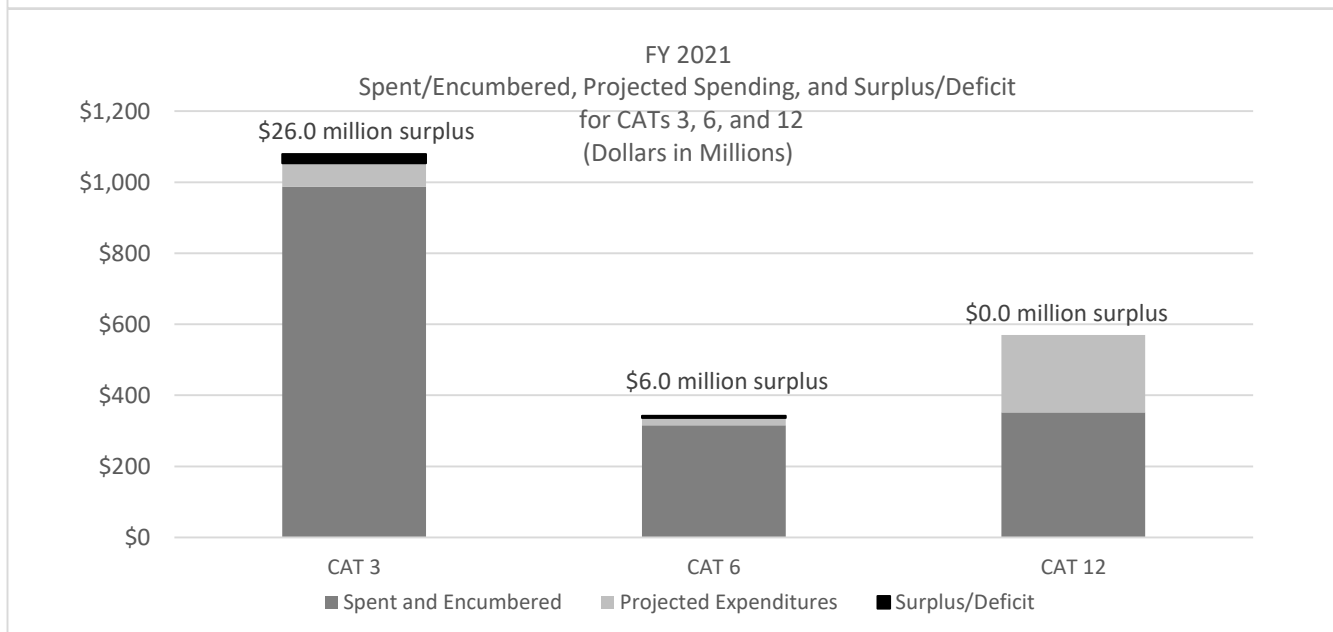
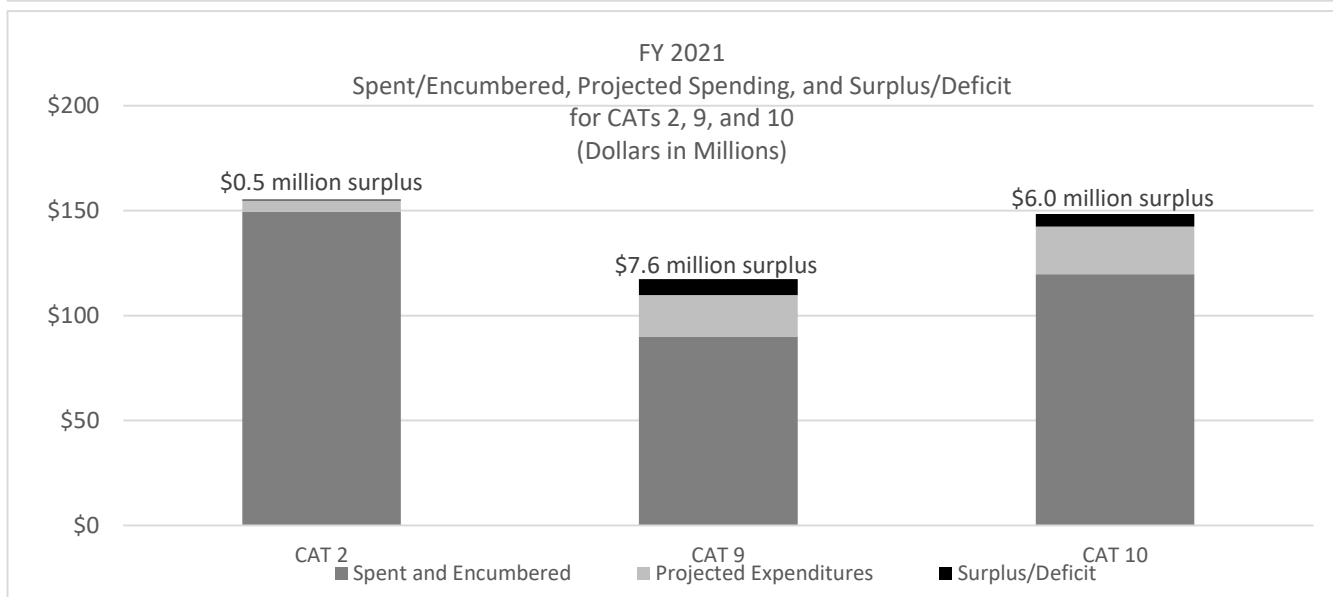
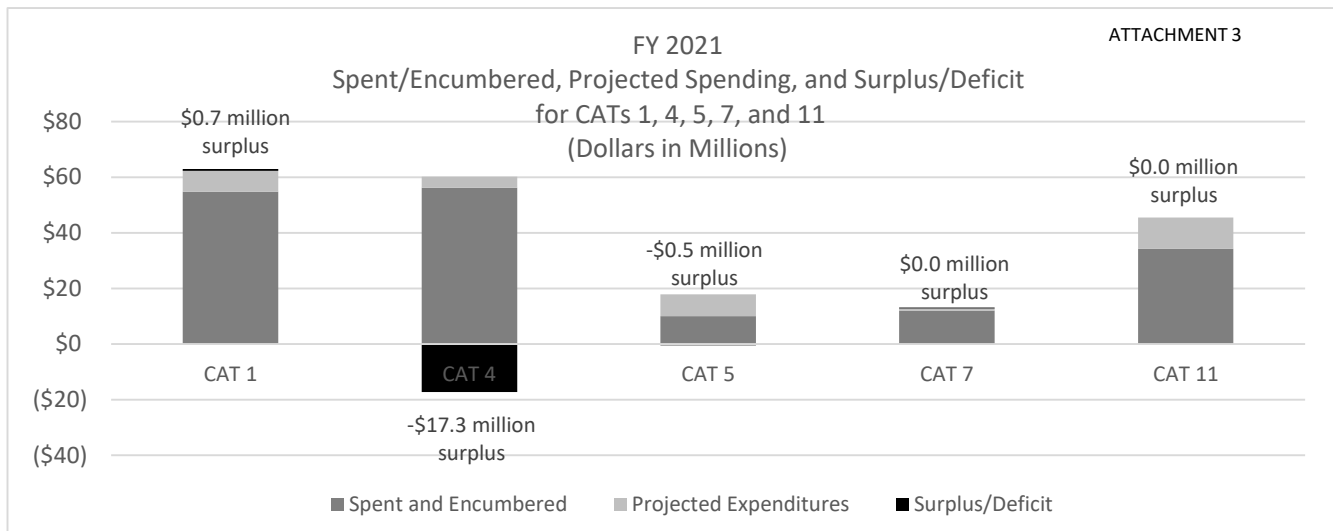
EXPENDITURES

Category	Authorized Expenditures	Actual Year-to-Date Expenditures 2/28/2021	Expenditures and Encumbrances 2/28/2021	Projected Expenditures 6/30/2021	Current Report Projected Year-end Balance	Prior Report Projected Year-end Balance	Change Compared to Prior Month	Explanation
05 Other Instructional Costs	\$17,353,520	\$7,911,406	\$10,035,447	\$7,818,073	(\$500,000)	(\$500,000)	\$0	
Contractual Services	8,334,937	6,379,692	8,088,212					
Other	6,426,829	758,711	1,072,411					
Equipment	2,591,754	773,002	874,825					
06 Special Education	\$342,216,311	\$188,370,927	\$315,475,160	\$20,741,151	\$6,000,000	\$6,000,000	\$0	
Salaries and Wages	284,781,942	157,554,561	264,562,951					
Contractual Services	3,411,615	2,374,358	4,287,272					
Supplies and Materials	2,734,766	1,437,436	1,706,195					
Other	51,117,741	26,886,075	44,777,671					
Equipment	170,247	118,498	141,071					
07 Student Personnel Services	\$13,124,245	\$7,454,299	11,986,071	\$788,175	\$350,000	-	\$350,000	Category 7 has a projected surplus of \$350,000, an increase of \$350,000 from last month's projection. The projected surplus is the result of savings in position salaries due to vacancies and greater than anticipated salary lapse and turnover savings.
Salaries and Wages	12,986,154	7,454,345	11,975,242					
Contractual Services	17,325	(2,557)	3,805					
Supplies and Materials	39,861	2,213	6,726					
Other	80,905	298	298					
Equipment								
08 Health Services	-	-	-	-	-	-	-	
Salaries and Wages	-	-	-					
Supplies and Materials	-	-	-					
09 Student Transportation	\$117,379,858	\$60,626,610	\$90,013,168	\$19,779,690	\$7,587,000	\$4,587,000	\$3,000,000	Category 9, Transportation, reflects a projected surplus of \$7,587,000. This is an increase of \$3,000,000 from the amount reported to the Board in the January financial report. The increase in the end-of-year balance is the result of reduced bus operations over the first three quarters of the fiscal year and revised projections for the fourth quarter of the fiscal year.
Salaries and Wages	84,281,491	45,092,513	74,423,378					
Contractual Services	1,454,270	690,351	690,846					
Supplies and Materials	11,635,757	1,357,891	1,362,869					
Other	3,522,248	42,970	62,470					
Equipment	16,486,092	13,442,886	13,473,606					
10 Operation of Plant & Equipment	\$148,423,102	\$82,485,154	\$119,708,107	\$22,714,995	\$6,000,000	\$6,000,000	\$0	
Salaries and Wages	88,395,166	53,571,560	84,835,256					
Contractual Services	5,329,204	3,993,779	4,965,946					
Supplies and Materials	3,791,096	3,194,283	7,195,253					
Other	48,615,605	20,814,079	21,157,681					
Equipment	2,292,031	911,454	1,553,971					

MONTGOMERY COUNTY PUBLIC SCHOOLS
FY 2021 Monthly Financial Report and Year-end Projections
As of February 28, 2021

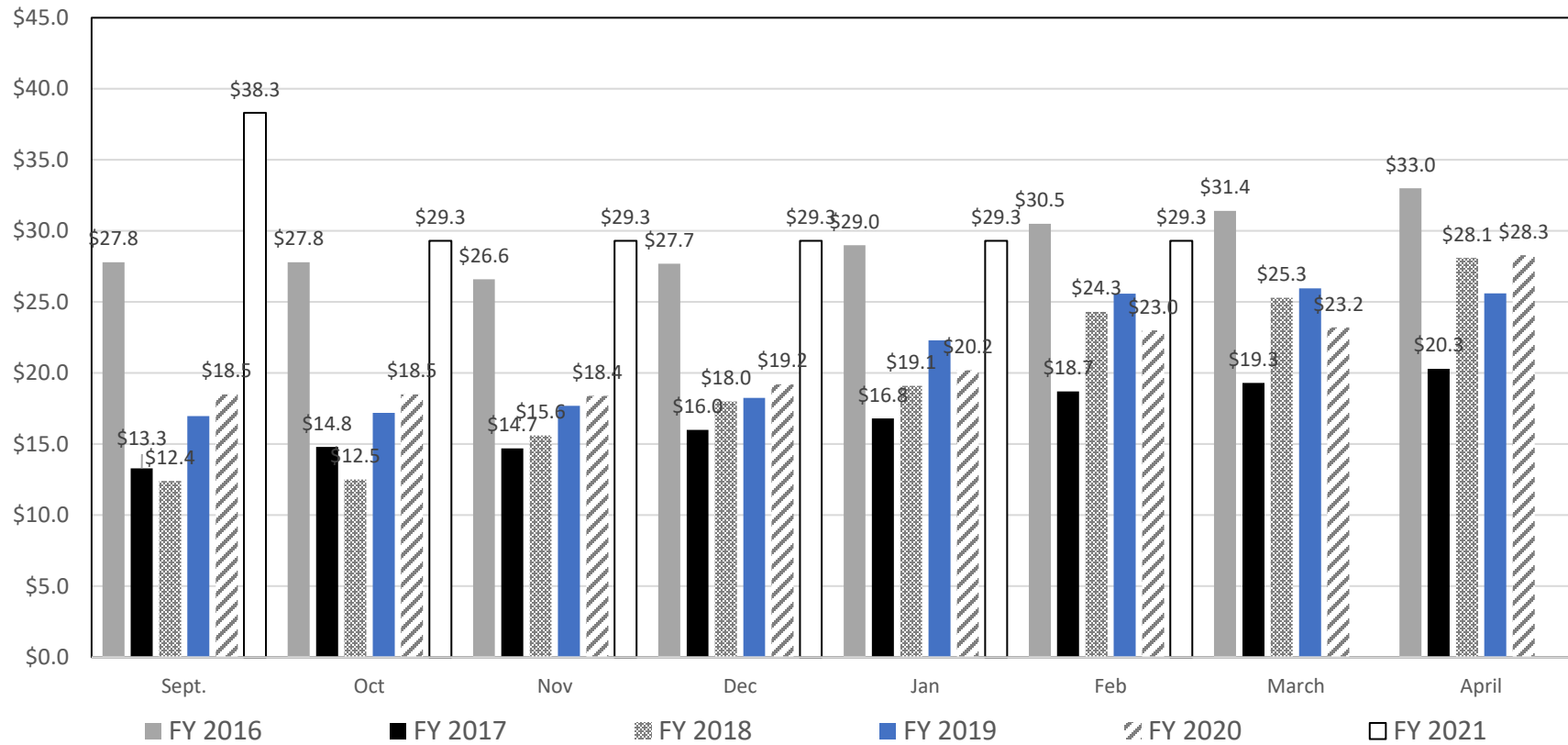
EXPENDITURES

Category	Authorized Expenditures	Actual Year-to-Date Expenditures 2/28/2021	Expenditures and Encumbrances 2/28/2021	Projected Expenditures 6/30/2021	Current Report Projected Year-end Balance	Prior Report Projected Year-end Balance	Change Compared to Prior Month	Explanation
11 Maintenance of Plant	\$45,446,728	\$23,473,947	\$34,275,060	\$11,171,668	-	-	\$0	
Salaries and Wages	25,973,338	13,820,438	22,009,406					
Contractual Services	6,638,922	2,238,980	3,362,523					
Supplies and Materials	5,142,957	2,305,372	2,551,231					
Other	5,451,946	1,745,486	2,589,959					
Equipment	2,239,565	3,363,673	3,761,941					
12 Fixed Charges	\$570,015,159	\$351,527,678	\$352,233,189	\$217,781,970	-	-	\$0	
Other	570,015,159	351,527,678	352,233,189					
14 Community Services	\$402,100	\$126,494	\$202,085	\$200,015			-	
Subtotal	\$2,594,508,536	\$1,476,607,731	2,181,540,316	\$383,681,220	29,287,000	29,287,000	\$0	
61 Food Services	60,402,724	25,399,693	33,911,946	26,490,778.63			-	
51 Real Estate Management	4,967,714	2,152,871	3,191,805	1,775,908.52			-	
71 Field Trip	2,914,182	286,072	420,939	2,493,243.38			-	
81 Entrepreneurial Activities	12,680,915	1,127,114	1,434,745	11,246,170.30			-	
37 Instructional Television	1,792,587	1,022,528	1,487,449	305,138.45			-	
Supported Projects	199,133,694	105,021,103	142,254,524	56,879,170			-	
Total	\$2,876,400,352	\$1,611,617,111	\$2,364,241,723	\$482,871,629	\$29,287,000	\$29,287,000	\$0	



MCPS Financial Monitoring Projections FY 2016-2021

In Millions of Dollars



Montgomery County Public Schools
FY 2021 Operating Budget Spent and Encumbered by State Category (CAT) by Month

	September 25% of Year Completed	October 33.3% of Year Completed	November 41.7% of Year Completed	December 50% of Year Completed	January 58.3% of Year Completed	February 66.7% of Year Completed	March 75% of Year Completed	April 83.3% of Year Completed	May 91.7% of Year Completed
CAT 1, Administration - Budget	\$62,955,591	\$62,955,591	\$62,955,591	\$62,955,591	\$62,955,591	\$62,955,591			
Spent for Month	\$13,998,322	\$18,975,830	\$23,158,012	\$29,148,904	\$32,919,929	\$36,691,542			
Spent/Encumbered for Month	\$49,544,241	\$51,870,041	\$52,501,174	\$52,208,086	\$54,277,484	\$54,743,810			
Month Spent % of Budget	22.2%	30.1%	36.8%	46.3%	52.3%	58.3%			
Cumulative Spent/Encumb. % of Budget	78.7%	82.4%	83.4%	82.9%	86.2%	87.0%			
CAT 2, Mid-level administration - Budget	\$155,304,364	\$155,304,364	\$155,304,364	\$155,304,364	\$155,304,364	\$155,304,364			
Spent for Month	\$27,534,324	\$39,379,594	\$51,274,189	\$69,236,050	\$80,907,646	\$92,805,627			
Spent/Encumbered for Month	\$148,177,191	\$148,212,709	\$148,733,526	\$149,079,962	\$149,138,780	\$149,372,363			
Month Spent % of Budget	17.7%	25.4%	33.0%	44.6%	52.1%	59.8%			
Cumulative Spent/Encumb. % of Budget	95.4%	95.4%	95.8%	96.0%	96.0%	96.2%			
CAT 3, Instructional Salaries - Budget	\$1,078,940,440	\$1,078,940,440	\$1,078,940,440	\$1,078,940,440	\$1,078,940,440	\$1,078,940,440			
Spent for Month	\$101,718,285	\$183,563,978	\$273,668,727	\$410,351,510	\$499,508,328	\$591,206,833			
Spent/Encumbered for Month	\$980,960,923	\$974,933,077	\$976,217,268	\$980,108,360	\$981,887,144	\$987,253,074			
Month Spent % of Budget	9.4%	17.0%	25.4%	38.0%	46.3%	54.8%			
Cumulative Spent/Encumb. % of Budget	90.9%	90.4%	90.5%	90.8%	91.0%	91.5%			
CAT 4, Textbooks and Supplies - Budget	\$42,947,117	\$42,947,117	\$42,947,117	\$42,961,017	\$42,947,117	\$42,947,117			
Spent for Month	\$21,443,082	\$25,940,528	\$27,117,059	\$29,569,719	\$31,131,027	\$33,927,213			
Spent/Encumbered for Month	\$27,979,957	\$29,587,168	\$32,742,587	\$33,074,673	\$47,186,924	\$56,242,781			
Month Spent % of Budget	49.9%	60.4%	63.1%	68.8%	72.5%	79.0%			
Cumulative Spent/Encumb. % of Budget	65.1%	68.9%	76.2%	77.0%	109.9%	131.0%			
CAT 5, Other Instructional Costs - Budget	\$17,353,520	\$17,353,520	\$17,353,520	\$17,353,520	\$17,353,520	\$17,353,520			
Spent for Month	\$2,576,131	\$3,071,891	\$3,678,034	\$5,196,983	\$5,626,089	\$7,911,406			
Spent/Encumbered for Month	\$3,878,067	\$4,593,610	\$5,447,611	\$6,586,732	\$7,083,829	\$10,035,447			
Month Spent % of Budget	14.8%	17.7%	21.2%	29.9%	32.4%	45.6%			
Cumulative Spent/Encumb. % of Budget	22.3%	26.5%	31.4%	38.0%	40.8%	57.8%			
CAT 6, Special Education - Budget	\$342,216,311	\$342,216,311	\$342,216,311	\$342,216,311	\$342,216,311	\$342,216,311			
Spent for Month	\$27,408,302	\$58,381,458	\$89,817,100	\$130,908,959	\$159,489,742	\$188,370,927			
Spent/Encumbered for Month	\$307,775,916	\$309,522,211	\$309,998,063	\$311,142,528	\$313,818,203	\$315,475,160			
Month Spent % of Budget	8.0%	17.1%	26.2%	38.3%	46.6%	55.0%			
Cumulative Spent/Encumb. % of Budget	89.9%	90.4%	90.6%	90.9%	91.7%	92.2%			

Montgomery County Public Schools
FY 2021 Operating Budget Spent and Encumbered by State Category (CAT) by Month

	September 25% of Year Completed	October 33.3% of Year Completed	November 41.7% of Year Completed	December 50% of Year Completed	January 58.3% of Year Completed	February 66.7% of Year Completed	March 75% of Year Completed	April 83.3% of Year Completed	May 91.7% of Year Completed
CAT 7, Student Personnel Svcs. - Budget	\$12,427,543	\$12,427,543	\$12,427,543	\$12,427,543	\$12,427,543	\$13,124,245			
Spent for Month	\$2,250,957	\$3,212,328	\$4,181,242	\$5,592,530	\$6,521,599	\$7,454,299			
Spent/Encumbered for Month	\$11,673,573	\$11,924,503	\$11,981,488	\$11,933,833	\$11,891,320	\$11,986,071			
Month Spent % of Budget	18.1%	25.8%	33.6%	45.0%	52.5%	56.8%			
Cumulative Spent/Encumb. % of Budget	93.9%	96.0%	96.4%	96.0%	95.7%	91.3%			
CAT 8, Health Services - Budget	\$0	\$0	\$0	\$0	\$0	\$0			
Spent for Month	\$0	\$0	\$0	\$0	\$0	\$0			
Spent/Encumbered for Month	\$0	\$0	\$0	\$0	\$0	\$0			
Month Spent % of Budget	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Cumulative Spent/Encumb. % of Budget	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
CAT 9, Student Transportation - Budget	\$117,379,858	\$117,379,858	\$117,379,858	\$117,379,858	\$117,379,858	\$117,379,858			
Spent for Month	\$23,162,473	\$30,393,645	\$37,388,096	\$47,839,217	\$53,844,203	\$60,626,610			
Spent/Encumbered for Month	\$89,733,619	\$89,989,909	\$89,720,663	\$89,953,418	\$89,970,549	\$90,013,168			
Month Spent % of Budget	19.7%	25.9%	31.9%	40.8%	45.9%	51.6%			
Cumulative Spent/Encumb. % of Budget	76.4%	76.7%	76.4%	76.6%	76.6%	76.7%			
CAT 10, Operation of Plant/Equip. - Budget	\$148,423,102	\$148,423,102	\$148,423,102	\$148,423,102	\$148,423,102	\$148,423,102			
Spent for Month	\$27,724,497	\$36,805,841	\$45,791,709	\$59,968,606	\$70,038,367	\$82,485,154			
Spent/Encumbered for Month	\$100,019,849	\$101,626,855	\$104,680,354	\$112,083,173	\$114,430,799	\$119,708,107			
Month Spent % of Budget	18.7%	24.8%	30.9%	40.4%	47.2%	55.6%			
Cumulative Spent/Encumb. % of Budget	67.4%	68.5%	70.5%	75.5%	77.1%	80.7%			
CAT 11, Maintenance of Plant - Budget	\$45,446,728	\$45,446,728	\$45,446,728	\$45,446,728	\$45,446,728	\$45,446,728			
Spent for Month	\$7,922,318	\$10,846,647	\$13,295,661	\$17,368,860	\$21,062,019	\$23,473,947			
Spent/Encumbered for Month	\$30,846,259	\$30,817,423	\$33,264,563	\$33,698,878	\$34,136,859	\$34,275,060			
Month Spent % of Budget	17.4%	23.9%	29.3%	38.2%	46.3%	51.7%			
Cumulative Spent/Encumb. % of Budget	67.9%	67.8%	73.2%	74.2%	75.1%	75.4%			
CAT 12, Fixed Charges - Budget	\$569,961,861	\$569,961,861	\$569,961,861	\$569,961,861	\$569,961,861	\$570,015,159			
Spent for Month	\$150,703,228	\$186,322,443	\$221,949,240	\$303,426,051	\$311,638,072	\$351,527,678			
Spent/Encumbered for Month	\$150,703,228	\$186,322,443	\$221,949,240	\$304,399,651	\$312,611,673	\$352,233,189			
Month Spent % of Budget	26.4%	32.7%	38.9%	53.2%	54.7%	61.7%			
Cumulative Spent/Encumb. % of Budget	26.4%	32.7%	38.9%	53.4%	54.8%	61.8%			

Montgomery County Public Schools
FY 2021 Operating Budget Spent and Encumbered by State Category (CAT) by Month

	September 25% of Year Completed	October 33.3% of Year Completed	November 41.7% of Year Completed	December 50% of Year Completed	January 58.3% of Year Completed	February 66.7% of Year Completed	March 75% of Year Completed	April 83.3% of Year Completed	May 91.7% of Year Completed
CAT 14, Community Services - Budget	\$402,100	\$402,100	\$402,100	\$402,100	\$402,100	\$402,100			
Spent for Month	\$35,938	\$51,725	\$67,671	\$92,003	\$109,655	\$126,494			
Spent/Encumbered for Month	\$201,167	\$198,118	\$198,118	\$199,432	\$201,032	\$202,085			
Month Spent % of Budget	8.9%	12.9%	16.8%	22.9%	27.3%	31.5%			
Cumulative Spent/Encumb. % of Budget	50.0%	49.3%	49.3%	49.6%	50.0%	50.3%			
Total Budget, without Enterprise Funds	\$2,593,758,536	\$2,593,758,536	\$2,593,758,536	\$2,593,772,436	\$2,593,758,536	\$2,594,508,536			
Spent for Month	\$406,477,857	\$596,945,908	\$791,386,741	\$1,108,699,392	\$1,272,796,676	\$1,476,607,731			
Spent/Encumbered for Month	\$1,901,493,989	\$1,939,598,067	\$1,987,434,655	\$2,084,468,727	\$2,116,634,596	\$2,181,540,315			
Month Spent % of Budget	15.7%	23.0%	30.5%	42.7%	49.1%	56.9%			
Cumulative Spent/Encumb. % of Budget	73.3%	74.8%	76.6%	80.4%	81.6%	84.1%			

MONTGOMERY COUNTY PUBLIC SCHOOLS

Expanding Opportunity and Unleashing Potential

OFFICE OF THE SUPERINTENDENT OF SCHOOLS

April 23, 2021

The Honorable Tom Hucker, President
Montgomery County Council
Stella B. Werner Council Office Building
100 Maryland Avenue, 6th Floor
Rockville, Maryland 20850

Dear Mr. Hucker:

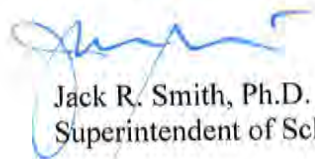
Pursuant to Section 5-105 (b) (4) of the Annotated Code of Maryland, I am submitting the monthly financial report for Montgomery County Public Schools as of February 28, 2021, and projections through June 30, 2021. This report includes for each category of appropriation the following information:

- Actual expenditures
- Encumbrances
- Projected expenditures for the remainder of Fiscal Year 2021
- Projected surpluses and deficits by state category
- Explanations of surplus or deficits by state category

The revenue chart (Attachment 1 of the Enclosure) provides revenue information by source for the original and revised budget, an end-of-year projection along with an explanation of each projected change. The expenditure chart (Attachment 2 of the Enclosure) provides expenditure information by state category and displays authorized (budgeted) expenditures, actual year-to-date expenditures, encumbrances, and the projected expenditures for the remainder of the fiscal year. Attachments 3, 4, and 5 provide additional information on the operating budget.

If you or your staff have any questions or need further explanation of particular items, please contact Mr. Daniel K. Marella, associate superintendent of finance, via e-mail. Thank you for your consideration.

Sincerely,



Jack R. Smith, Ph.D.
Superintendent of Schools

JRS:DKM:jp

Enclosure

Copy to:
Members of the County Council
Members of the Board of Education

Mr. Marella
Ms. Webb

Office of the Superintendent of Schools
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

April 20, 2021

MEMORANDUM

To: Members of the Board of Education
From: Jack R. Smith, Superintendent of Schools
Subject: Monthly Financial Report

This financial report reflects the actual financial condition of Montgomery County Public Schools (MCPS) for Fiscal Year (FY) 2021 as of February 28, 2021, and projections through June 30, 2021, based on program requirements and estimates made by primary and secondary account managers. A summary of the financial condition is provided and the attached tables and charts include additional details as follows:

- Attachment 1 presents budgeted and projected revenues along with a brief explanation for change.
- Attachment 2 details expenditure information by state category and object of expense. The report displays authorized (budgeted) expenditures, actual year-to-date expenditures and encumbrances, and the projected year-end balance including a brief explanation.
- Attachment 3 details by state category, the cumulative expenditures and encumbrances, projected expenditures, and projected surplus or deficit.
- Attachment 4 compares financial monitoring projections by month for FY 2016 through FY 2021.
- Attachment 5 details by state category, expenditures and encumbrances by month, and the percentage of the category's budget.

Summary of MCPS Fiscal Condition and End-of-Year Projection

The MCPS Operating Budget appropriation approved by the Board of Education for FY 2021 totaled \$2,755,507,059. This was an increase of \$74,932,286 (2.8 percent) more than the final FY 2020 Operating Budget of \$2,680,574,773. The FY 2021 appropriation includes \$25,000,000 of MCPS fund balance used for the FY 2021 Operating Budget. As a result of savings realized at the end of FY 2020 along with the use of fund balance to fund the FY 2021 Operating Budget, the beginning fund balance in FY 2021 is \$3,014,609. Factors impacting the amount of carryforward in FY 2021 include savings from lapse and turnover of positions in FY 2020. In addition, MCPS had a revenue surplus of \$714,724 during FY 2020.

At this time, budgeted revenues for FY 2021 are projected to have a deficit of \$3,425,000, a change of \$1,138,000 compared to the amount projected last month. This is due to the impact of the COVID-19 pandemic on the school district including decreased summer school and non-resident tuition, the suspension of outdoor education, and reduced interest earned from banks. Expenses are projected to have a balance of \$29,287,000, the same amount as projected last month. Based on revenue and expenditure projections as of February 28, 2021, along with the FY 2021 beginning fund balance, the need for \$1,514,609 for the non-spendable reserve, and \$25,000,000 to be used to fund the FY 2022 Operating Budget, the fund balance at the start of FY 2022 would be \$2,362,000, a decrease of \$1,138,000 since last month's report.

	As of February 28, 2021
FY 2020 End-of-Year Fund Balance	\$28,014,609
Amount Used to Fund FY 2021 Budget	25,000,000
Start of FY 2021 Fund Balance	3,014,609
FY 2021 Projected Revenue Deficit	(3,425,000)
FY 2021 Projected Expenditure Balance	29,287,000
Projected Non-spendable Reserve Adjustment	(1,514,609)
Projected amount for Funding FY 2022 Budget	(25,000,000)
FY 2022 Projected Start-of-Year Fund Balance as of 7/1/21	\$2,362,000

MCPS staff is implementing the Continuity of Learning plan, which includes funds to support tutoring for students, professional development for staff, and technology devices for students and staff. In addition, the plan also includes funds to ensure staff and student environmental safety by providing Heating, Ventilation, and Air Conditioning system maintenance/upgrades and air purifiers for schools and central services facilities, as well as personal protective equipment and supplies. The projected total cost of the Continuity of Learning plan is \$58.0 million.

During the adoption of the FY 2021 Operating Budget, it was noted that an increased number of transfers among state budget categories was more likely this fiscal year based on the uncertainty that the COVID-19 pandemic would have on the school district. Following discussions with County Council staff, it was agreed that MCPS would prepare and send one categorical transfer submission to the county executive and the County Council following the close of the fiscal year as has been the convention in past years.

MCPS Employees Group Insurance Trust Fund Balance Update

The MCPS Employees Group Insurance Trust Fund began FY 2021 with a \$62.5 million fund balance (combined for both active employees and retirees). During FY 2020, claims continued to be lower than projected due mainly to deferred health care resulting from the COVID-19 pandemic. It is anticipated that much of the deferred health care experienced between March and June 2020 will emerge during the end of FY 2021 and beginning of FY 2022. Expenditure claims, while factoring in remaining projections for the year, have increased at a trend rate of 4.3 percent, similar to the increase experienced in FY 2020. At this time, MCPS is projecting

a combined net loss of \$16.7 million in FY 2021 between both the active employees and retirees trust fund, reducing the balance from \$62.5 million to \$45.8 million. Our actuary, Aon, indicates that 2.0 percent of expected increases related to COVID-19 pandemic-related claims may begin to surface toward the end of this fiscal year and into FY 2022. Employee participation in wellness incentives continues to increase, with an expectation of a positive effect on the plan's long-term cost growth rate, as more employees actively promote their own health and wellness. With the support of our healthcare consultants, MCPS is continuing to work to achieve its goal of bringing the trust fund balance to a target of between \$15 and \$25 million.

JRS:DKM:tpk

Attachments

MONTGOMERY COUNTY PUBLIC SCHOOLS
FY 2021 Monthly Financial Report and Year-end Projections
As of February 28, 2021

ATTACHMENT 1

REVENUE

Source	FY 2021 Original Budget	FY 2021 Revised Budget (a)	Projection		Current Report Variance Over (Under) Revised Budget	Explanation for Change
			As of 2/28/2021	As of 1/31/2021		
County	\$ 1,751,862,120	\$ 1,752,612,120 (d)	\$ 1,752,612,120	\$ 1,751,862,120	\$ -	County Council approved a \$750,000 supplemental appropriation for restorative justice training.
State	781,525,879	781,525,879	780,088,879	781,388,879	(1,437,000)	The state revenue has a decrease of \$1,300,000 related to non public placement reimbursement from the state due to the impact of the COVID-19 pandemic.
Federal	120,000	120,000	120,000	120,000	-	
Other	3,850,000	3,850,000	1,862,000	1,700,000	(1,988,000)	Other revenue increased by \$162,000 due to CPD Fees collection.
Appropriated fund balance	25,000,000	56,400,537 (b)	56,400,537	56,400,537	-	
Subtotal	2,562,357,999	2,594,508,536	2,591,083,536	2,591,471,536	(3,425,000)	
Food Services	60,399,980	60,402,724	60,402,724	60,402,724	-	
Real Estate Management	4,967,149	4,967,714	4,967,714	4,967,714	-	
Field Trip	2,914,182	2,914,182	2,914,182	2,914,182	-	
Entrepreneurial Activities	12,646,838	12,680,915	12,680,915	12,680,915	-	
Instructional Television	1,769,775	1,792,587	1,792,587	1,792,587	-	
Supported Projects	110,451,136	199,133,694 (c)	199,133,694	199,133,694	-	
Total	<u>\$ 2,755,507,059</u>	<u>\$ 2,876,400,352</u>	<u>\$ 2,872,975,352</u>	<u>\$ 2,873,363,352</u>	<u>\$ (3,425,000)</u>	

Notes:

- (a) Revised budget includes carryover of prior-year encumbrances.
- (b) Includes \$31,400,537.06 for prior-year encumbrances.
- (c) Includes \$53,856,897 carried forward from FY 2020 and \$34,825,661 for supported projects.
- (d) Includes a supplemental appropriation of \$750,000 from County Council for restorative justice training.

MONTGOMERY COUNTY PUBLIC SCHOOLS
FY 2021 Monthly Financial Report and Year-end Projections
As of February 28, 2021

EXPENDITURES

Category	Authorized Expenditures	Actual Year-to-Date Expenditures 2/28/2021	Expenditures and Encumbrances 2/28/2021	Projected Expenditures 6/30/2021	Current Report Projected Year-end Balance	Prior Report Projected Year-end Balance	Change Compared to Prior Month	Explanation
01 Administration	\$62,955,591	\$36,691,542	\$54,743,810	\$7,511,781	\$700,000	\$500,000	\$200,000	Category 1, Administration, reflects a projected surplus of \$700,000. This is an increase of \$200,000 from the amount reported to the Board in the January financial report. The increase in the end-of-year balance is the result of additional savings due to higher than anticipated lapse and turnover.
Salaries and Wages	39,302,151	23,230,991	36,577,386					
Contractual Services	21,519,933	12,843,458	17,465,086					
Supplies and Materials	1,128,500	344,279	422,978					
Other	702,049	249,008	251,275					
Equipment	302,958	23,806	27,086					
02 Mid-level Administration	\$155,304,364	\$92,805,627	\$149,372,363	\$5,432,001	\$500,000	\$200,000	\$300,000	Category 2, Mid-level Administration, reflects a projected surplus of \$500,000. This is an increase of \$300,000 from the amount reported to the Board in the January financial report. The increase in the end-of-year balance is the result of additional savings due higher than anticipated lapse and turnover, and additional projected non-position salary savings.
Salaries and Wages	152,796,924	91,813,874	148,003,709					
Contractual Services	1,823,108	886,344	1,247,819					
Supplies and Materials	228,815	47,147	62,137					
Other	455,518	58,262	58,698					
Equipment	0	0	-					
03 Instructional Salaries	\$1,078,940,440	\$591,206,833	\$987,253,074	\$65,737,366	\$25,950,000	\$20,500,000	\$5,450,000	Category 3 has a projected surplus of \$25,950,000, an increase of \$5,450,000 from last month's projection. The projected surplus is the result of savings in position salaries due to vacancies and greater than anticipated salary lapse and turnover savings. Also, there are additional savings in non-position accounts due to a spending decrease for temporary part-time salaries, including professional and support services part-time salaries, and substitute teachers.
Salaries and Wages	1,078,940,440	591,206,833	987,253,074					
04 Textbooks and Supplies	\$42,947,117	\$33,927,213	\$56,242,781	\$4,004,337	(\$17,300,000)	(\$8,000,000)	(\$9,300,000)	Category 4, Textbooks and Instructional Supplies, reflects a projected end-of-year deficit of \$17,300,000. This is \$9,300,000 more than the amount reported to the Board in the January 31, 2021, financial report. This deficit is based on additional expenditures for technology, curriculum roll-out, and other supplies such as personal protection equipment needed for the return to in-person instruction.
Supplies and Materials	42,947,117	33,927,213	56,242,781					

MONTGOMERY COUNTY PUBLIC SCHOOLS
FY 2021 Monthly Financial Report and Year-end Projections
As of February 28, 2021

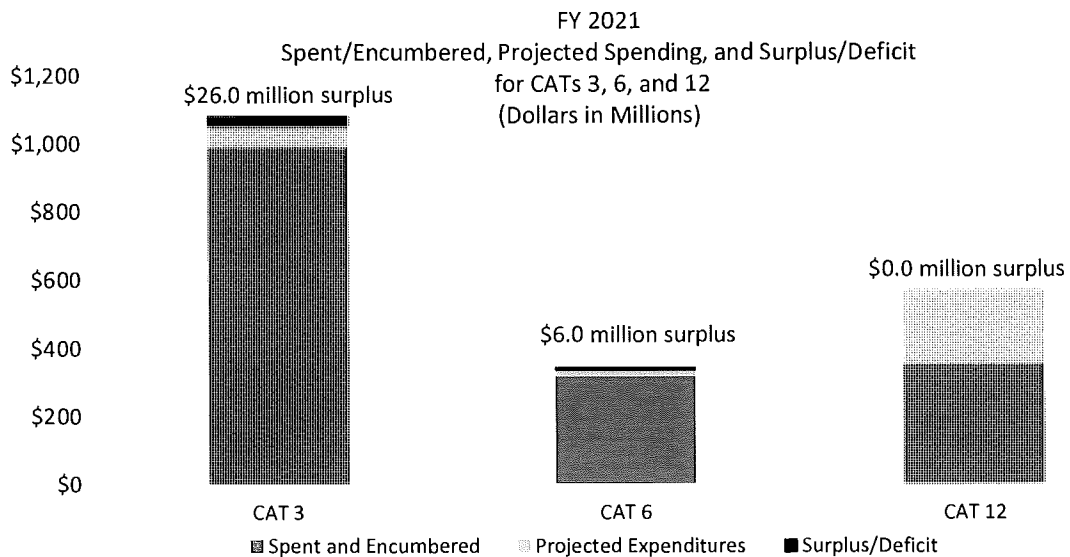
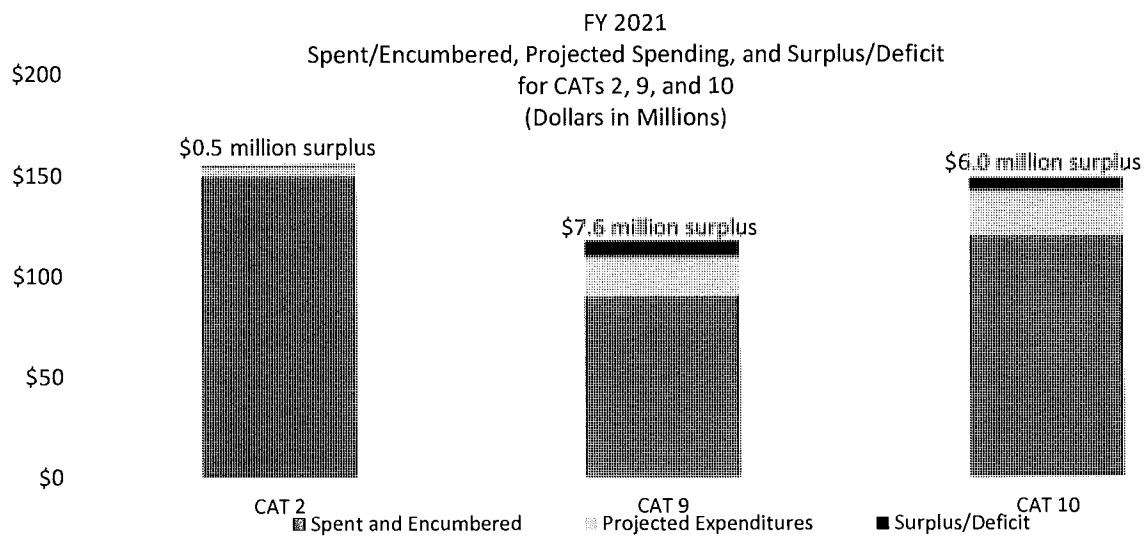
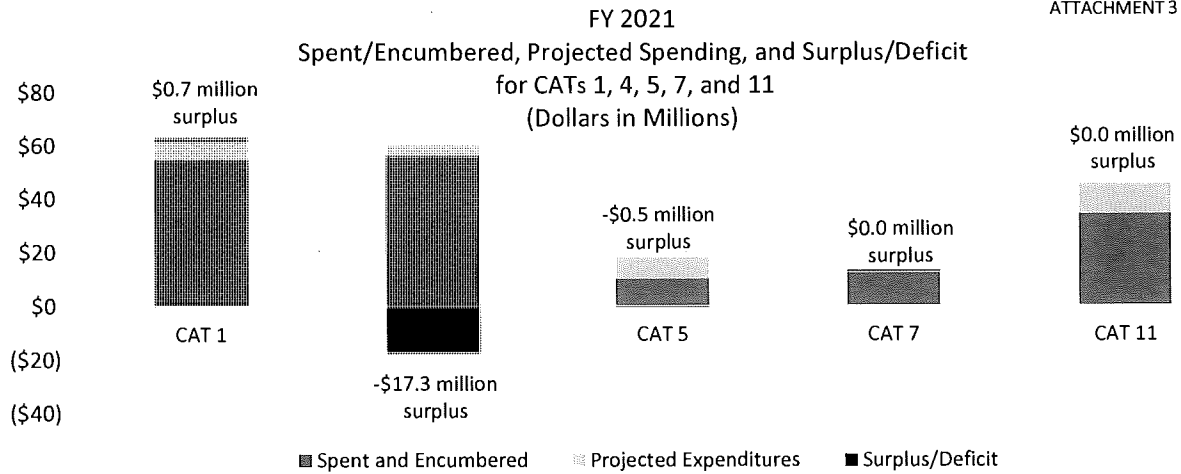
EXPENDITURES

Category	Authorized Expenditures	Actual Year-to-Date Expenditures 2/28/2021	Expenditures and Encumbrances 2/28/2021	Projected Expenditures 6/30/2021	Current Report Projected Year-end Balance	Prior Report Projected Year-end Balance	Change Compared to Prior Month	Explanation
05 Other Instructional Costs	\$17,353,520	\$7,911,406	\$10,035,447	\$7,818,073	(\$500,000)	(\$500,000)	\$0	
Contractual Services	8,334,937	6,379,692	8,088,212					
Other	6,426,829	758,711	1,072,411					
Equipment	2,591,754	773,002	874,825					
06 Special Education	\$342,216,311	\$188,370,927	\$315,475,160	\$20,741,151	\$6,000,000	\$6,000,000	\$0	
Salaries and Wages	284,781,942	157,554,561	264,562,951					
Contractual Services	3,411,615	2,374,358	4,287,272					
Supplies and Materials	2,734,766	1,437,436	1,706,195					
Other	51,117,741	26,886,075	44,777,671					
Equipment	170,247	118,498	141,071					
07 Student Personnel Services	\$13,124,245	\$7,454,299	11,986,071	\$788,175	\$350,000	-	\$350,000	Category 7 has a projected surplus of \$350,000, an increase of \$350,000 from last month's projection. The projected surplus is the result of savings in position salaries due to vacancies and greater than anticipated salary lapse and turnover savings.
Salaries and Wages	12,986,154	7,454,345	11,975,242					
Contractual Services	17,325	(2,557)	3,805					
Supplies and Materials	39,861	2,213	6,726					
Other	80,905	298	298					
Equipment								
08 Health Services	-	-	-	-	-	-	-	
Salaries and Wages	-	-	-					
Supplies and Materials	-	-	-					
09 Student Transportation	\$117,379,858	\$60,626,610	\$90,013,168	\$19,779,690	\$7,587,000	\$4,587,000	\$3,000,000	Category 9, Transportation, reflects a projected surplus of \$7,587,000. This is an increase of \$3,000,000 from the amount reported to the Board in the January financial report. The increase in the end-of-year balance is the result of reduced bus operations over the first three quarters of the fiscal year and revised projections for the fourth quarter of the fiscal year.
Salaries and Wages	84,281,491	45,092,513	74,423,378					
Contractual Services	1,454,270	690,351	690,846					
Supplies and Materials	11,635,757	1,357,891	1,362,869					
Other	3,522,248	42,970	62,470					
Equipment	16,486,092	13,442,886	13,473,606					
10 Operation of Plant & Equipment	\$148,423,102	\$82,485,154	\$119,708,107	\$22,714,995	\$6,000,000	\$6,000,000	\$0	
Salaries and Wages	88,395,166	53,571,560	84,835,256					
Contractual Services	5,329,204	3,993,779	4,965,946					
Supplies and Materials	3,791,096	3,194,283	7,195,253					
Other	48,615,605	20,814,079	21,157,681					
Equipment	2,292,031	911,454	1,553,971					

MONTGOMERY COUNTY PUBLIC SCHOOLS
FY 2021 Monthly Financial Report and Year-end Projections
As of February 28, 2021

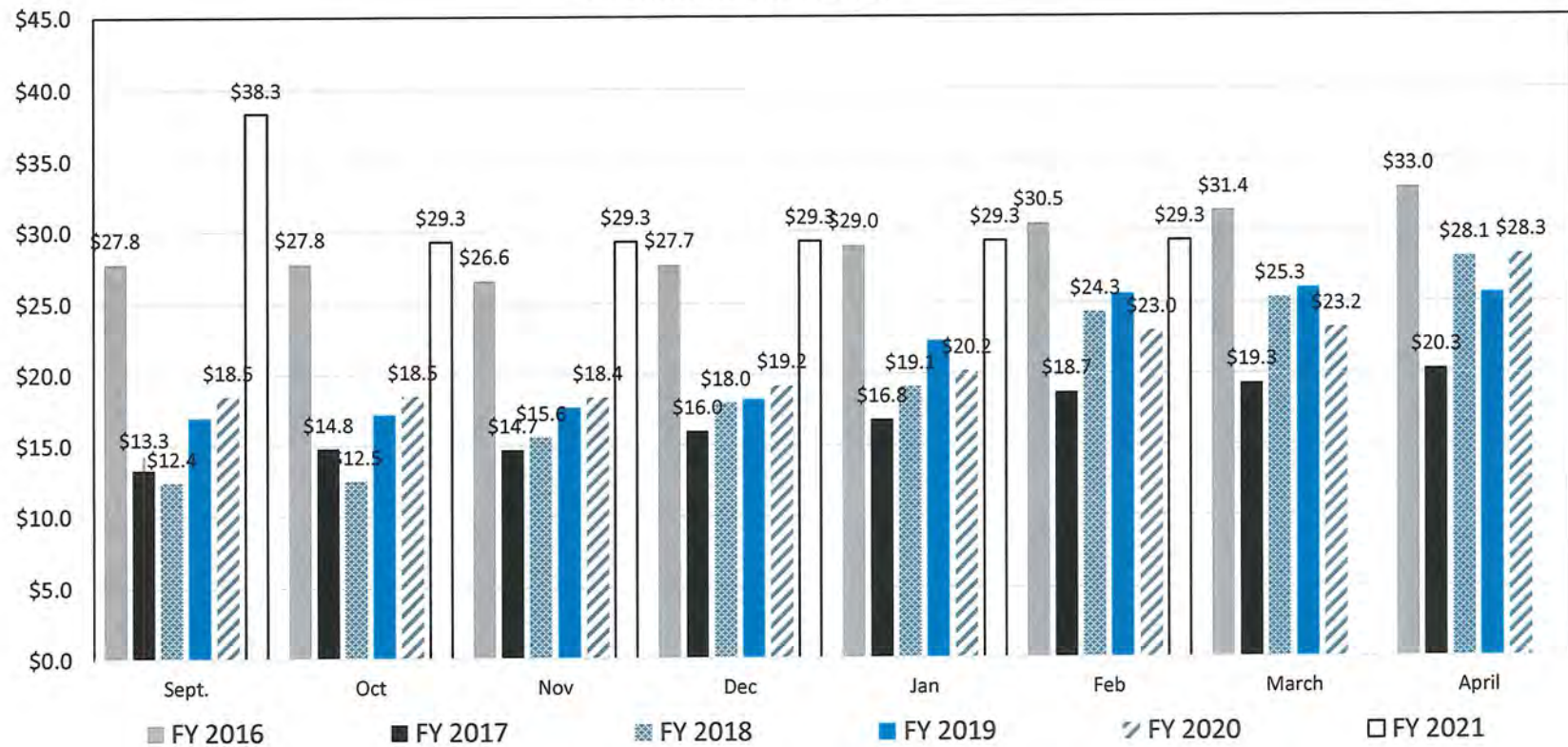
EXPENDITURES

Category	Authorized Expenditures	Actual Year-to-Date Expenditures 2/28/2021	Expenditures and Encumbrances 2/28/2021	Projected Expenditures 6/30/2021	Current Report Projected Year-end Balance	Prior Report Projected Year-end Balance	Change Compared to Prior Month	Explanation
11 Maintenance of Plant	\$45,446,728	\$23,473,947	\$34,275,060	\$11,171,668	-	-	\$0	
Salaries and Wages	25,973,338	13,820,438	22,009,406					
Contractual Services	6,638,922	2,238,980	3,362,523					
Supplies and Materials	5,142,957	2,305,372	2,551,231					
Other	5,451,946	1,745,486	2,589,959					
Equipment	2,239,565	3,363,673	3,761,941					
12 Fixed Charges	\$570,015,159	\$351,527,678	\$352,233,189	\$217,781,970	-	-	\$0	
Other	570,015,159	351,527,678	352,233,189					
14 Community Services	\$402,100	\$126,494	\$202,085	\$200,015			-	
Subtotal	\$2,594,508,536	\$1,476,607,731	2,181,540,316	\$383,681,220	29,287,000	29,287,000	\$0	
61 Food Services	60,402,724	25,399,693	33,911,946	26,490,778.63			-	
51 Real Estate Management	4,967,714	2,152,871	3,191,805	1,775,908.52			-	
71 Field Trip	2,914,182	286,072	420,939	2,493,243.38			-	
81 Entrepreneurial Activities	12,680,915	1,127,114	1,434,745	11,246,170.30			-	
37 Instructional Television	1,792,587	1,022,528	1,487,449	305,138.45			-	
Supported Projects	199,133,694	105,021,103	142,254,524	56,879,170			-	
Total	\$2,876,400,352	\$1,611,617,111	\$2,364,241,723	\$482,871,629	\$29,287,000	\$29,287,000	\$0	



MCPS Financial Monitoring Projections FY 2016-2021

In Millions of Dollars



Montgomery County Public Schools
FY 2021 Operating Budget Spent and Encumbered by State Category (CAT) by Month

	September 25% of Year Completed	October 33.3% of Year Completed	November 41.7% of Year Completed	December 50% of Year Completed	January 58.3% of Year Completed	February 66.7% of Year Completed	March 75% of Year Completed	April 83.3% of Year Completed	May 91.7% of Year Completed
CAT 1, Administration - Budget	\$62,955,591	\$62,955,591	\$62,955,591	\$62,955,591	\$62,955,591	\$62,955,591			
Spent for Month	\$13,998,322	\$18,975,830	\$23,158,012	\$29,148,904	\$32,919,929	\$36,691,542			
Spent/Encumbered for Month	\$49,544,241	\$51,870,041	\$52,501,174	\$52,208,086	\$54,277,484	\$54,743,810			
Month Spent % of Budget	22.2%	30.1%	36.8%	46.3%	52.3%	58.3%			
Cumulative Spent/Encumb. % of Budget	78.7%	82.4%	83.4%	82.9%	86.2%	87.0%			
CAT 2, Mid-level administration - Budget	\$155,304,364	\$155,304,364	\$155,304,364	\$155,304,364	\$155,304,364	\$155,304,364			
Spent for Month	\$27,534,324	\$39,379,594	\$51,274,189	\$69,236,050	\$80,907,646	\$92,805,627			
Spent/Encumbered for Month	\$148,177,191	\$148,212,709	\$148,733,526	\$149,079,962	\$149,138,780	\$149,372,363			
Month Spent % of Budget	17.7%	25.4%	33.0%	44.6%	52.1%	59.8%			
Cumulative Spent/Encumb. % of Budget	95.4%	95.4%	95.8%	96.0%	96.0%	96.2%			
CAT 3, Instructional Salaries - Budget	\$1,078,940,440	\$1,078,940,440	\$1,078,940,440	\$1,078,940,440	\$1,078,940,440	\$1,078,940,440			
Spent for Month	\$101,718,285	\$183,563,978	\$273,668,727	\$410,351,510	\$499,508,328	\$591,206,833			
Spent/Encumbered for Month	\$980,960,923	\$974,933,077	\$976,217,268	\$980,108,360	\$981,887,144	\$987,253,074			
Month Spent % of Budget	9.4%	17.0%	25.4%	38.0%	46.3%	54.8%			
Cumulative Spent/Encumb. % of Budget	90.9%	90.4%	90.5%	90.8%	91.0%	91.5%			
CAT 4, Textbooks and Supplies - Budget	\$42,947,117	\$42,947,117	\$42,947,117	\$42,961,017	\$42,947,117	\$42,947,117			
Spent for Month	\$21,443,082	\$25,940,528	\$27,117,059	\$29,569,719	\$31,131,027	\$33,927,213			
Spent/Encumbered for Month	\$27,979,957	\$29,587,168	\$32,742,587	\$33,074,673	\$47,186,924	\$56,242,781			
Month Spent % of Budget	49.9%	60.4%	63.1%	68.8%	72.5%	79.0%			
Cumulative Spent/Encumb. % of Budget	65.1%	68.9%	76.2%	77.0%	109.9%	131.0%			
CAT 5, Other Instructional Costs - Budget	\$17,353,520	\$17,353,520	\$17,353,520	\$17,353,520	\$17,353,520	\$17,353,520			
Spent for Month	\$2,576,131	\$3,071,891	\$3,678,034	\$5,196,983	\$5,626,089	\$7,911,406			
Spent/Encumbered for Month	\$3,878,067	\$4,593,610	\$5,447,611	\$6,586,732	\$7,083,829	\$10,035,447			
Month Spent % of Budget	14.8%	17.7%	21.2%	29.9%	32.4%	45.6%			
Cumulative Spent/Encumb. % of Budget	22.3%	26.5%	31.4%	38.0%	40.8%	57.8%			
CAT 6, Special Education - Budget	\$342,216,311	\$342,216,311	\$342,216,311	\$342,216,311	\$342,216,311	\$342,216,311			
Spent for Month	\$27,408,302	\$58,381,458	\$89,817,100	\$130,908,959	\$159,489,742	\$188,370,927			
Spent/Encumbered for Month	\$307,775,916	\$309,522,211	\$309,998,063	\$311,142,528	\$313,818,203	\$315,475,160			
Month Spent % of Budget	8.0%	17.1%	26.2%	38.3%	46.6%	55.0%			
Cumulative Spent/Encumb. % of Budget	89.9%	90.4%	90.6%	90.9%	91.7%	92.2%			

Montgomery County Public Schools
FY 2021 Operating Budget Spent and Encumbered by State Category (CAT) by Month

	September 25% of Year Completed	October 33.3% of Year Completed	November 41.7% of Year Completed	December 50% of Year Completed	January 58.3% of Year Completed	February 66.7% of Year Completed	March 75% of Year Completed	April 83.3% of Year Completed	May 91.7% of Year Completed
CAT 7, Student Personnel Svcs. - Budget	\$12,427,543	\$12,427,543	\$12,427,543	\$12,427,543	\$12,427,543	\$13,124,245			
Spent for Month	\$2,250,957	\$3,212,328	\$4,181,242	\$5,592,530	\$6,521,599	\$7,454,299			
Spent/Encumbered for Month	\$11,673,573	\$11,924,503	\$11,981,488	\$11,933,833	\$11,891,320	\$11,986,071			
Month Spent % of Budget	18.1%	25.8%	33.6%	45.0%	52.5%	56.8%			
Cumulative Spent/Encumb. % of Budget	93.9%	96.0%	96.4%	96.0%	95.7%	91.3%			
CAT 8, Health Services - Budget	\$0	\$0	\$0	\$0	\$0	\$0			
Spent for Month	\$0	\$0	\$0	\$0	\$0	\$0			
Spent/Encumbered for Month	\$0	\$0	\$0	\$0	\$0	\$0			
Month Spent % of Budget	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Cumulative Spent/Encumb. % of Budget	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
CAT 9, Student Transportation - Budget	\$117,379,858	\$117,379,858	\$117,379,858	\$117,379,858	\$117,379,858	\$117,379,858			
Spent for Month	\$23,162,473	\$30,393,645	\$37,388,096	\$47,839,217	\$53,844,203	\$60,626,610			
Spent/Encumbered for Month	\$89,733,619	\$89,989,909	\$89,720,663	\$89,953,418	\$89,970,549	\$90,013,168			
Month Spent % of Budget	19.7%	25.9%	31.9%	40.8%	45.9%	51.6%			
Cumulative Spent/Encumb. % of Budget	76.4%	76.7%	76.4%	76.6%	76.6%	76.7%			
CAT 10, Operation of Plant/Equip. - Budget	\$148,423,102	\$148,423,102	\$148,423,102	\$148,423,102	\$148,423,102	\$148,423,102			
Spent for Month	\$27,724,497	\$36,805,841	\$45,791,709	\$59,968,606	\$70,038,367	\$82,485,154			
Spent/Encumbered for Month	\$100,019,849	\$101,626,855	\$104,680,354	\$112,083,173	\$114,430,799	\$119,708,107			
Month Spent % of Budget	18.7%	24.8%	30.9%	40.4%	47.2%	55.6%			
Cumulative Spent/Encumb. % of Budget	67.4%	68.5%	70.5%	75.5%	77.1%	80.7%			
CAT 11, Maintenance of Plant - Budget	\$45,446,728	\$45,446,728	\$45,446,728	\$45,446,728	\$45,446,728	\$45,446,728			
Spent for Month	\$7,922,318	\$10,846,647	\$13,295,661	\$17,368,860	\$21,062,019	\$23,473,947			
Spent/Encumbered for Month	\$30,846,259	\$30,817,423	\$33,264,563	\$33,698,878	\$34,136,859	\$34,275,060			
Month Spent % of Budget	17.4%	23.9%	29.3%	38.2%	46.3%	51.7%			
Cumulative Spent/Encumb. % of Budget	67.9%	67.8%	73.2%	74.2%	75.1%	75.4%			
CAT 12, Fixed Charges - Budget	\$569,961,861	\$569,961,861	\$569,961,861	\$569,961,861	\$569,961,861	\$570,015,159			
Spent for Month	\$150,703,228	\$186,322,443	\$221,949,240	\$303,426,051	\$311,638,072	\$351,527,678			
Spent/Encumbered for Month	\$150,703,228	\$186,322,443	\$221,949,240	\$304,399,651	\$312,611,673	\$352,233,189			
Month Spent % of Budget	26.4%	32.7%	38.9%	53.2%	54.7%	61.7%			
Cumulative Spent/Encumb. % of Budget	26.4%	32.7%	38.9%	53.4%	54.8%	61.8%			

Montgomery County Public Schools
FY 2021 Operating Budget Spent and Encumbered by State Category (CAT) by Month

	September 25% of Year Completed	October 33.3% of Year Completed	November 41.7% of Year Completed	December 50% of Year Completed	January 58.3% of Year Completed	February 66.7% of Year Completed	March 75% of Year Completed	April 83.3% of Year Completed	May 91.7% of Year Completed
CAT 14, Community Services - Budget	\$402,100	\$402,100	\$402,100	\$402,100	\$402,100	\$402,100			
Spent for Month	\$35,938	\$51,725	\$67,671	\$92,003	\$109,655	\$126,494			
Spent/Encumbered for Month	\$201,167	\$198,118	\$198,118	\$199,432	\$201,032	\$202,085			
Month Spent % of Budget	8.9%	12.9%	16.8%	22.9%	27.3%	31.5%			
Cumulative Spent/Encumb. % of Budget	50.0%	49.3%	49.3%	49.6%	50.0%	50.3%			
Total Budget, without Enterprise Funds	\$2,593,758,536	\$2,593,758,536	\$2,593,758,536	\$2,593,772,436	\$2,593,758,536	\$2,594,508,536			
Spent for Month	\$406,477,857	\$596,945,908	\$791,386,741	\$1,108,699,392	\$1,272,796,676	\$1,476,607,731			
Spent/Encumbered for Month	\$1,901,493,989	\$1,939,598,067	\$1,987,434,655	\$2,084,468,727	\$2,116,634,596	\$2,181,540,315			
Month Spent % of Budget	15.7%	23.0%	30.5%	42.7%	49.1%	56.9%			
Cumulative Spent/Encumb. % of Budget	73.3%	74.8%	76.6%	80.4%	81.6%	84.1%			



MONTGOMERY COUNTY BOARD OF EDUCATION

850 Hungerford Drive ♦ Room 123 ♦ Rockville, Maryland 20850

March 31, 2021



The Honorable Tom Hucker
President, Montgomery County Council
Stella B. Werner Office Building
100 Maryland Avenue
Rockville, Maryland 20850

Dear Mr. Hucker:

As requested in then-County Council President Roger Berliner's memorandum of January 18, 2012, this letter provides the information regarding State Expenditure Category 12 for Montgomery County Public Schools (MCPS). The Board of Education's Fiscal Management Committee closely monitors the expenditures in this category as we do with all expenditures through our monthly financial monitoring process and financial reports to the Board. I look forward to working with you, councilmembers, Board members, and the superintendent of schools to continue to address the fiscal challenges we face.

1. A written summary of the Board's current strategy to achieve a desired pension funding level ("funded ratio") and the short- and long-term effects of this strategy on the Category 12 budget.

On January 14, 2014, the Board of Education authorized maintaining the contribution rate to the pension fund at or exceeding the actuarial rate percentage until the funded ratio of the plan reached 80 percent of the actuarial value of assets. This action was prudent to improve the ability of the plan to satisfy its liabilities. It also was expected to have a positive impact on future contribution rates once the 80 percent funding level was attained. A series of difficult budget environments prevented implementation of the strategy beginning with Fiscal Year (FY) 2016.

Then, on December 13, 2016, the superintendent of schools recommended to the Board of Education that we resume the funding strategy of contribution levels that would increase the funding ratio even if future actuarial studies were to recommend reductions in contribution rates until the point in time where a 90 percent actuarial funding ratio was achieved. A higher funding ratio benefits the pension fund in two ways during capital markets downturns. One, a larger cushion protects the pension fund from reducing to a funding level that would be considered critical and/or endangered. Two, financial downturns typically place upward pressure on employer contributions and that pressure would be greater if the funding ratio were to start at reduced levels. Essentially, the Board is attempting to protect Category 12 expenditures from future spikes in difficult economic periods. During the long term, contributed dollars should compound over time with investment gains in the portfolio. This will reduce future Category 12 expenditures by limiting pressure on the employer contribution

level. The superintendent of schools is managing and building the MCPS budget with this strategy in mind as much as possible given the fiscal limitations of funding.

2. Estimates of the amount of the annual employer contributions to the MCPS Pension fund for the next five fiscal years.

The estimated annual required contributions to the MCPS Pension fund are expected to be the following amounts:

Amount

FY 2021	\$64.8 million
FY 2022	\$66.7 million
FY 2023	\$65.4 million
FY 2024	\$68.1 million
FY 2025	\$71.1 million
FY 2026	\$73.1 million

3. A description of the major factors (e.g., salary adjustments, changes in workforce size, investment performance, plan modifications, actuarial assumptions) that affect estimated pension fund contributions over the next five years.

The calculation of the annual employer contribution is primarily based on actuarial work performed by the MCPS actuary, GRS Retirement Consulting. The actuary's estimate of the percentage of salary that is required to be contributed each year is applied to the anticipated salaries to be paid from the MCPS Operating Budget, then adjusted based on the goals expressed in the first part of this letter. The percentage contribution is based on a number of assumptions including:

- **Salary adjustments:** Actuarial assumptions include pay increases for the next three years of 3.5 percent per year. It is important to note these are assumptions only. No additional salary increases have been negotiated or agreed upon. If the salary change is a different percentage, then pension costs will be impacted.
- **Changes in workforce size:** The number of MCPS employees increased by 720 members from those included in the actuarial valuation as of July 1, 2019 (23,464 to 24,184).
- **Investment Performance:** The assumed FY 2021 investment return for the pension fund will be 7.00 percent, which is the same rate as the prior valuation. The actuaries have recommended a review of the investment return assumption prior to the next valuation, as market conditions continue to be volatile.
- **Plan Modifications:** The pension plan changes effective July 1, 2011, are amortized over a 30-year closed period, which is consistent with the method used to incorporate the impact of the July 1, 2006, changes.

- **Actuarial Assumptions:** MCPS' actuary completed an experience study during 2019. Experience studies typically are performed every five years. Findings from this experience study included retirees living longer, employees retiring later, and inflation that has been less than previous periods. MCPS adopted the revised assumptions starting with the FY 2019 actuarial valuation, and there were no changes in the actuarial assumptions in the July 1, 2020 valuation.

4. A comparison of current fiscal year budgeted versus actual revenues and expenditures to date for the Active Employee and Retiree Group Insurance Funds.

The comparison of current fiscal year budgeted versus actual revenue and expenditures as of January 31, 2021, is enclosed for active employees and retirees (Enclosures A and B, respectively).

5. The projected year-end balance for the Active Employee and Retiree Group Insurance Funds. This should include an accompanying explanation of the factors causing the variation (e.g., claims experience, plan enrollment) if the projected balance in either fund differs from what was assumed at the beginning of the fiscal year.

The following FY 2021 figures for the two funds are based on revenues and expenses as of January 31, 2021.

Active employees

Beginning fund balance	\$31.5 million
Projected change to fund balance	<u>-20.9 million</u>
Projected ending fund balance	\$10.6 million

Retirees

Beginning fund balance	\$30.9 million
Projected change to fund balance	<u>+ 4.3 million</u>
Projected ending fund balance	\$35.2 million

The active fund balance is projected to decrease by \$20.9 million, leaving a balance of \$10.6 million at the end of FY 2021. The retiree fund balance is projected to increase by \$4.3 million by the end of FY 2021, which will result in a fund balance of \$35.2 million.

The MCPS Group Insurance Trust Fund for both active and retired employees began FY 2021 with a \$62.4 million fund balance. This balance was a result of experiencing lower claims costs than expected during FY 2020, as expenditure trend increases experienced a four percent increase more than the prior year. The expenditure increases realized within the trust fund were less than the six percent rate applied in developing the FY 2020 budget. As a result, additional fund balance was

generated during the course of FY 2020, increasing by approximately \$7.3 million from \$55.1 million to \$62.4 million. In recognition of the large balance, MCPS acted to reduce the MCPS FY 2021 Operating Budget by an additional \$5.0 million, after amounts of \$2.2 million already had been included in the budget for increases due to enrollment growth in the MCPS Employee Benefits Program. The overall net change to the budget in FY 2021 was a reduction of \$2.8 million. By reducing the budget appropriation, the expectation at the time was for the fund to generate a net loss in FY 2021 in an effort to gradually reduce the fund balance to a more appropriate reserve level. At this time, MCPS is projecting a combined net loss of \$16.6 million in FY 2021 between both the actives and retirees trust fund, reducing the balance from \$62.4 million to \$45.8 million. With the support of our health consultants, MCPS is continuing to work to achieve its goal to reduce the fund balance to a target of between \$15.0 and \$25.0 million.

The members of the Board of Education, the superintendent of schools, and MCPS staff are prepared to work with the County Council and Council staff to provide additional clarification as needed.

Sincerely,



Brenda Wolff
President

BW:JRS:DKM:tpk

Enclosures

Copy to:

Members of the Montgomery County Council
Members of the Board of Education
Dr. Smith
Dr. McKnight
Ms. Stratman
Mr. Turner
Dr. Wilson
Ms. Williams
Mr. Marella
Mr. Klausing
Ms. Webb

MCPS Employee Benefit Trust Fund

Enclosure A

Schedule of FY 2021 Budgetary Expenditures for the Active Employee Trust Account

As of June 30, 2021 (Actual Through January 31, 2021)

	FY21 Budget	YTD Actual Expense	Projected Remaining	FY21 Total	Variance Gain/(loss)
Revenue:					
County Appropriation	261,996,281	180,000,000	81,996,281	261,996,281	-
Enterprise Funds	9,245,150	1,467,025	5,136,194	6,603,219	(2,641,931)
Capital Projects	1,175,000	307,240	652,778	960,018	(214,982)
Supported Programs	9,575,000	1,575,937	5,319,444	6,895,381	(2,679,619)
Employee Payments	54,245,000	22,032,166	30,136,113	52,168,279	(2,076,721)
Optional Life	690,000	304,742	383,333	688,075	(1,925)
Investment Earnings	500,000	3,092	277,272	280,364	(219,636)
Rebates/ Recoveries/Other	14,250,000	10,162,446	4,750,000	14,912,446	662,446
Total Revenue	351,676,431	215,852,648	128,651,415	344,504,063	(7,172,368)
Expenditures:					
Premiums:					
MetLife Life	3,500,000	1,805,397	1,519,368	3,324,765	175,235
Dental	1,525,000	682,599	699,925	1,382,524	142,476
Kaiser Permanente Health Plan	45,500,000	26,685,099	19,075,608	45,760,707	(260,707)
CareFirst Blue Choice HMO	3,850,000	1,422,487	1,829,479	3,251,966	598,034
CareFirst Blue Choice POS	4,000,000	1,465,971	1,896,455	3,362,426	637,574
Benefit Strategy (COBRA)	150,000	127,979	40,355	168,334	(18,334)
CareMark, Inc.	225,000	108,611	96,984	205,595	19,405
Claims:		-	-	-	-
Carefirst Dental PPO	16,500,000	6,610,164	7,072,046	13,682,210	2,817,790
CareFirst HMO	85,000,000	43,658,150	41,246,200	84,904,350	95,650
CareFirst POS	113,000,000	72,144,500	47,532,496	119,676,996	(6,676,996)
Prescription	85,000,000	51,367,127	36,115,751	87,482,878	(2,482,878)
Carefirst Vision	625,000	288,304	258,165	546,469	78,531
Administrative Expenses:	1,725,000	1,587,104	76,770	1,663,874	61,126
Total Expenditures	360,600,000	207,953,492	157,459,602	365,413,094	(4,813,094)

MCPS Employee Benefit Trust Fund

Enclosure B

Schedule of FY 2021 Budgetary Expenditures for the Retired Employee Trust Account

As of June 30, 2021 (Actual Through January 31, 2021)

	FY21 Budget	YTD Actual Expense	Projected Remaining	FY21 Total	Variance Gain/(loss)
Revenue:					
County Appropriation	29,138,436	20,000,000	9,138,436	29,138,436	-
Retiree Withholdings	43,215,000	23,754,548	18,125,000	41,879,548	(1,335,452)
Investment Earnings	300,000	1,912	2,500	4,412	(295,588)
Rebates/ EGWP Subsidies	38,200,000	20,480,142	16,000,000	36,480,142	(1,719,858)
OPEB Shift to Trust Fund	27,200,000	-	27,200,000	27,200,000	-
Total Revenue	138,053,436	64,236,602	70,465,936	134,702,538	(3,350,898)
Expenditures:					
Premiums:					
MetLife Life	4,300,000	2,508,557	1,791,847	4,300,404	(404)
Dental	562,856	233,739	262,189	495,928	66,928
Kaiser Permanente Health Plan	9,600,000	5,620,552	3,992,071	9,612,623	(12,623)
Care First HMO	1,400,000	422,166	683,870	1,106,036	293,964
Care First POS	2,750,000	1,042,096	1,207,535	2,249,631	500,369
Benefit Strategies Cobra	3,000	1,260	1,400	2,660	340
CareMark, Inc.	1,050,000	1,921,574	430,590	2,352,164	(1,302,164)
Claims:					
Carefirst Dental	5,080,000	2,187,717	2,167,394	4,355,111	724,889
CareFirst HMO	18,000,000	7,137,289	6,739,834	13,877,123	4,122,877
CareFirst POS	27,000,000	14,005,597	11,979,011	25,984,608	1,015,392
Prescription	70,000,000	37,774,261	28,019,054	65,793,315	4,206,685
Carefirst Vision	68,000	27,322	28,692	56,014	11,986
Administrative Expenses:	220,500	212,321	-	212,321	8,179
Total Expenditures	140,034,356	73,094,451	57,303,487	130,397,938	9,636,418