



Committee: E&C
Committee Review: Completed
Staff: Essie McGuire, Senior Legislative Analyst
Purpose: To make preliminary decisions – straw vote expected
Keywords: #MCPS

AGENDA ITEM #3
 May 12, 2023
Worksession

SUBJECT

Montgomery County Public Schools FY24 Operating Budget

EXPECTED ATTENDEES

- Karla Silvestre, President, Montgomery County Board of Education
- Dr. Monifa B. McKnight, Superintendent of Schools, MCPS
- Dr. Patrick Murphy, Deputy Superintendent, MCPS
- Brian Hull, Chief Operating Officer, MCPS
- Rob Reilly, Associate Superintendent, Office of Finance, MCPS
- Thomas Klausing, Executive Director of Finance, MCPS
- Ivón Alfonso-Windsor, Supervisor of the Budget Unit, MCPS
- Rich Harris, Fiscal and Policy Analyst, Office of Management and Budget

FY24 BOARD OF EDUCATION REQUEST AND COUNTY EXECUTIVE RECOMMENDATION

Montgomery County Public Schools Operating Budget by Funding Source

| Source | FY23 Approved | | FY24 Sup Request | | FY24 BOE Request | | FY24 CE Rec | |
|---------------------|---------------|--------|------------------|--------|------------------|--------|---------------|--------|
| | \$ | % | \$ | % | \$ | % | \$ | % |
| County | 1,839,071,460 | 63.0% | 2,063,662,456 | 65.4% | 2,069,797,141 | 64.4% | 2,062,389,035 | 64.3% |
| Fund Balance | 35,000,000 | 1.2% | 25,000,000 | 0.8% | 25,000,000 | 0.8% | 25,000,000 | 0.8% |
| State | 863,758,576 | 29.6% | 878,758,576 | 27.8% | 933,283,780 | 29.0% | 933,283,780 | 29.1% |
| Federal | 88,647,344 | 3.0% | 88,393,005 | 2.8% | 88,393,005 | 2.7% | 88,393,005 | 2.8% |
| Other Sources | 11,291,137 | 0.4% | 12,791,137 | 0.4% | 12,791,137 | 0.4% | 12,791,137 | 0.4% |
| Enterprise Funds | 80,489,335 | 2.8% | 84,951,835 | 2.7% | 84,951,835 | 2.6% | 84,951,835 | 2.6% |
| Special Funds | 1,769,775 | 0.1% | 1,822,775 | 0.1% | 1,822,775 | 0.1% | 1,681,286 | 0.1% |
| Grand Total | 2,920,027,627 | 100.0% | 3,155,379,784 | 100.0% | 3,216,039,673 | 100.0% | 3,208,490,078 | 100.0% |
| Tax-Supported Total | 2,738,317,513 | 93.8% | 2,967,908,509 | 94.1% | 3,028,308,398 | 94.2% | 3,020,900,292 | 94.2% |

Montgomery County Public Schools FY23-24 Change Summary

| MCPS | FY23 Approved | FY24 BOE Request | Change from FY23 Approved | FY24 CE Rec | Change from FY23 Approved |
|---------------------|-----------------|------------------|---------------------------|-----------------|---------------------------|
| Total Appropriation | \$2,920,027,627 | \$3,216,039,673 | 10.1% | \$3,208,490,078 | 9.9% |
| County Contribution | \$1,839,071,460 | \$2,069,797,141 | 12.5% | \$2,062,389,035 | 12.1% |
| Tax Supported Total | \$2,738,317,513 | \$3,028,308,398 | 10.6% | \$3,020,900,292 | 10.3% |
| Total FTEs | 23,989.62 | 24,529.32 | 539.46 | | |

COMMITTEE RECOMMENDATIONS

- The Education and Culture (E&C) Committee recommended reducing the County contribution by \$22.3 million associated with accumulated fund balance. This recommendation removes the assumption of this amount in future savings, essentially reducing the appropriation by the amount that MCPS would be assuming to carry over unspent into the next fiscal year.
- The E&C Committee placed a total of \$201,017,575 on the reconciliation list for MCPS operating budget funding, approximately equivalent to 9 increments of \$22.3 million each. The funding was placed in two tranches:
 - \$156,417,575 was identified as High Priority. This amount is equivalent to 7 increments of \$22.3 million each.
 - \$44,600,000 was identified as Priority. This amount is equivalent to 2 increments of \$22.3 million each.

Changes reflecting \$156.4 million (7 increments of \$22.3m):

| | Increase over FY23 (1 Yr inc) | |
|--------------------------|--------------------------------------|-------|
| FY24 County Contribution | \$156,417,575 | 8.51% |
| FY24 Tax Supported | \$215,682,779 | 7.88% |

Changes reflecting \$201 million (9 increments of \$22.3m):

| | Increase over FY23 (1 Yr inc) | |
|--------------------------|--------------------------------------|--------|
| FY24 County Contribution | \$201,017,575 | 10.93% |
| FY24 Tax Supported | \$260,282,779 | 9.51% |

- The E&C Committee recognized the addition of Federal funds for Title I (\$18.5 million) and Individuals with Disabilities Education Act (IDEA) funding (\$4.9 million). The additional Federal allocations do not impact the tax-supported funding levels, but will increase the total MCPS FY24 appropriation and provide important services for students.
- The total appropriations for MCPS under both scenarios within the Committee recommendation and including the additional Federal Aid above the Board of Education's assumptions are as follows:

| <i>Seven Increments</i> | |
|--------------------------------|-----------------|
| FY24 County Contribution | \$1,995,489,035 |
| FY24 Tax Supported Total | \$2,954,000,292 |
| FY24 Grand Total | \$3,165,007,511 |
| <i>Nine Increments</i> | |
| FY24 County Contribution | \$2,040,089,035 |
| FY24 Tax Supported Total | \$2,998,600,292 |
| FY24 Grand Total | \$3,209,607,511 |

- The Committee also recommended approval of the Board's requested FY24 appropriation for the Technology Modernization Capital Improvements Program project.

SUMMARY OF KEY ISSUES

- The E&C Committee held three worksessions to review the Board of Education's requested FY24 Operating Budget for Montgomery County Public Schools (MCPS). Throughout the budget review, the Committee focused the discussion through the following lens:
 - What are the mechanisms by which we will measure success?
 - *Current state:* Where are we?
 - *Evaluation:* What is working and not working?
 - *Next steps:* Where do we go from here?
- At its first MCPS Operating Budget review worksession on April 19, the Committee received a fiscal overview of the budget request; reviewed revenues and expenditures, including Federal relief funding; discussed positions and vacancies; and reviewed the Technology Modernization Capital Improvements Project, including technology initiatives and supports for staff and students. *Staff report for this worksession is attached; full packet with attachments can be accessed [HERE](#); the staff report memo is attached at circles 7-26.*
- At its second worksession on April 26, the Committee focused on budgeted supports for math and literacy instruction; Evidence of Learning (EOL) and other performance data; and related FY24 requested accelerators. *Staff report for this worksession is attached; full packet with attachments can be accessed [HERE](#); the staff report memo is attached at circles 27-35.*
- At its third worksession on May 4, the Committee received several updates, including special education services and the Anti-Racist Audit; discussed positions and staffing; reviewed salary schedule comparison data; and made a funding recommendation for Council consideration. *Staff report for this worksession is attached; full packet with attachments can be accessed [HERE](#); the staff report memo is attached at circles 36-52.*
- The Committee had extensive discussion of MCPS fund balance, acknowledging that the Council's Reserve and Select Fiscal Policies resolution states that "The Council should not budget any reserve for the MCPS Current Fund." The Committee also discussed that MCPS will necessarily end each fiscal year with unspent appropriation to ensure a positive year-end balance, as required by State law. Additional background information regarding MCPS fund balance can be found on circles 12 and 49.
- The Board of Education's FY24 budget request adds a total of 539.46 FTE. Table 5 of the Board's budget classifies all the positions in the school system each budget year. The table below shows the changes in the various Table 5 position categories from FY18 through the FY24 request as well as the one year change from FY23 to the FY24 request. Additional description of the new positions can be found on circle 1.

| Item # | Position | FY24 | | | FY23-FY24 | FY18-FY24 | FY23-FY24 | FY18-FY24 |
|--------------|-----------------------------------|-------------------|-------------------|-------------------|----------------|------------------|-------------|--------------|
| | | FY18 | FY23 (Requested) | | Change | Change | %Change | %Change |
| 1 | Executive | 17.000 | 21.000 | 21.000 | 0.000 | 4.000 | 0.0% | 23.5% |
| 2 | Administrative | 198.750 | 230.750 | 253.750 | 23.000 | 55.000 | 10.0% | 27.7% |
| 3 | Business/Operations Administrator | 90.750 | 99.250 | 98.500 | (0.750) | 7.750 | -0.8% | 8.5% |
| 4 | Other Professional | 169.500 | 215.600 | 240.500 | 24.900 | 71.000 | 11.5% | 41.9% |
| 5 | Principal/Assistant Principal | 514.500 | 553.500 | 558.000 | 4.500 | 43.500 | 0.8% | 8.5% |
| 6 | Teacher | 11,572.529 | 12,197.014 | 12,474.714 | 277.700 | 902.185 | 2.3% | 7.8% |
| 7 | Special Education Specialist | 509.148 | 549.600 | 568.952 | 19.352 | 59.804 | 3.5% | 11.7% |
| 8 | Media Specialist | 198.200 | 204.000 | 205.500 | 1.500 | 7.300 | 0.7% | 3.7% |
| 9 | Counselor | 496.500 | 580.100 | 583.000 | 2.900 | 86.500 | 0.5% | 17.4% |
| 10 | Psychologist | 115.409 | 147.034 | 147.034 | 0.000 | 31.625 | 0.0% | 27.4% |
| 11 | Social Worker | 20.030 | 46.500 | 45.000 | (1.500) | 24.970 | -3.2% | 124.7% |
| 12 | Pupil Personnel Worker | 53.000 | 55.400 | 55.400 | 0.000 | 2.400 | 0.0% | 4.5% |
| 13 | Instructional Aide and Assistant | 2,704.947 | 3,112.082 | 3,216.941 | 104.859 | 511.994 | 3.4% | 18.9% |
| 14 | Secretarial/Clerical/Data Support | 977.500 | 1,017.650 | 1,011.650 | (6.000) | 34.150 | -0.6% | 3.5% |
| 15 | IT Systems Specialist | 108.000 | 128.000 | 134.000 | 6.000 | 26.000 | 4.7% | 24.1% |
| 16 | Security | 240.000 | 263.000 | 278.725 | 15.725 | 38.725 | 6.0% | 16.1% |
| 17 | Cafeteria | 568.323 | 577.948 | 581.073 | 3.125 | 12.750 | 0.5% | 2.2% |
| 18 | Building Services | 1,403.700 | 1,493.000 | 1,520.000 | 27.000 | 116.300 | 1.8% | 8.3% |
| 19 | Facilities Management/Maintenance | 367.000 | 331.500 | 341.500 | 10.000 | (25.500) | 3.0% | -6.9% |
| 20 | Supply/Property Management | 53.500 | 56.500 | 58.500 | 2.000 | 5.000 | 3.5% | 9.3% |
| 21 | Transportation | 1,690.153 | 1,807.341 | 1,814.341 | 7.000 | 124.188 | 0.4% | 7.3% |
| 22 | Other Support Personnel | 231.125 | 302.250 | 321.250 | 19.000 | 90.125 | 6.3% | 39.0% |
| Total | | 22,299.564 | 23,989.019 | 24,529.329 | 540.311 | 2,229.765 | 2.3% | 10.0% |

This report contains:

Chart of New Positions in the FY24 BOE-Requested MCPS Budget
 MCPS Accelerator tables
 ESSER III Budget by Program tables
 April 19 E&C Committee Worksession Staff Report
 April 26 E&C Committee Worksession Staff Report
 May 4 E&C Committee Worksession Staff Report

© #1
 © #2-4
 © #5-6
 © #7-26
 © #27-35
 © #36-52

Alternative format requests for people with disabilities. If you need assistance accessing this report you may [submit alternative format requests](#) to the ADA Compliance Manager. The ADA Compliance Manager can also be reached at 240-777-6197 (TTY 240-777-6196) or at adacompliance@montgomerycountymd.gov

New Positions in the FY24 Board of Education Requested MCPS Operating Budget

| FY24 Additional Positions | |
|--|--|
| POSITIONS | Description |
| Administrative | 1.0 director II position; 4.0 director I positions; 16.0 coordinator positions; 1.0 team leader position funded through realignments and accelerators |
| Other Professional | 1.0 pupil personnel worker position due to enrollment growth; 2.0 evaluation specialists to support program evaluation; 21.4 instructional specialist positions to support the ELD program, math and literacy, strategic initiatives; 2.0 tech implementation specialists to support the technology needs |
| Principal/Assistant Principal | 4.0 assistant principal positions and 0.5 principal position (0.5 principal was budgeted in FY23 for the new schools/half year) resulting from enrollment growth and new schools |
| Teacher | 78.5 general ed teacher positions; 85.6 special ed teacher positions; 3.6 Early Childhood and Title I teacher positions; 5.0 consulting teacher and counselor positions; 16 community school specialist positions; 64 ELD teacher positions; and 25 athletic trainer positions. These positions are a result of enrollment growth across all areas, expansion of community schools, and support needed for athletic programs |
| Special Education Specialist | 15.825 Speech pathologist positions; 1.4 physical therapist positions, and 2.125 Occupational therapist positions resulting from enrollment growth |
| Media Specialist | 1.5 media specialist positions due to enrollment growth |
| Counselor | 2.9 counselor positions due to enrollment growth |
| Instructional Support | 0.5 lunch hour aides; 1.0 dual enrollment assistant; 21.1125 general education paraeducator positions; 92.2715 special ed paraeducator positions; 1.75 English Comp Assistant; 3.625 head start paraeducator to support enrollment and program growth |
| IT Systems Specialist | 6.0 IT systems specialists to support the tech support and repair of all the additional equipment systemwide |
| Security | 14.1250 security assistants and team leaders as a result of enrollment growth/accelerators |
| Food Services | 1.0 operations assistant, 1.0 buyer's assistant, 2.625 cafeteria workers; 0.75 cafeteria manager; and 1.0 IT systems technician to support enrollment growth and program needs through the Enterprise Funds |
| Building Services | 20.0 building service managers and workers; 6.0 preventive maintenance workers; 1.0 maintenance and operations trainer; resulting from growth, new space and training needs for equipment maintenance and repair |
| Facilities Management/Maintenance | 10.0 plumbers and mechanical and electrical technicians |
| Supply/Property Management | 1.0 contract administrator |
| Transportation | 1.0 transportation staff assistant; 1.0 transportation dispatcher; 2.0 bus route supervisor; 1.0 transportation cluster manager; 1.0 automotive technician; transportation safety trainer. These positions are a result of growth and an accelerator request for the West Farm Depot split. |
| Other Support Personnel | 3.0 background screening specialist, 1.0 professional growth consultant, 2.0 staffing specialist; 1.0 data support specialist, 1.0 communication support specialist, 8.5 wellness trainers. These positions are proposed to be funded through realignments and accelerators. |

MCPS Accelerator Tables

Math & Literacy Instructional Accelerators

| Accelerator | FTE Workyears | Amount |
|---|----------------------|---------------------|
| Elementary and Middle School Math Support (2 math supervisors, 2 ES and 1 MS IS, 12 math instructional coaches) | 17.0 | \$1,792,553 |
| English language development (2 coaches and 40 teachers) | 42.0 | \$3,375,486 |
| 8 Academic Opportunity Specialists | 8.0 | \$1,174,424 |
| Literacy and Math Summer Institute | | \$1,555,160 |
| Stipends for Multi-Classroom Leadership Program | | \$107,650 |
| Teacher stipends to build post-CCR support pathway courses, RFP to purchase high quality, effective secondary interventions | | \$2,026,913 |
| TOTAL | 67.0 | \$10,032,186 |

Blueprint

| Accelerator | FTE Workyears | Amount |
|---|----------------------|---------------------|
| Dual Enrollment Fees for Blueprint for Maryland's Future | | \$2,730,959 |
| AP and IB exams funding for increased student participation | | \$3,397,401 |
| Additional Preschool Education Program (PEP) inclusive classrooms | 33.7 | \$2,138,756 |
| College Tracks expanded to five additional schools | | \$1,800,000 |
| Coordinator position to support Blueprint financial reporting and financial systems | 1.0 | \$148,739 |
| Blueprint coordination positions | 4.0 | \$543,036 |
| TOTAL | 38.7 | \$10,758,891 |

Human Resources

| Accelerator | FTE Workyears | Amount |
|---|---------------|--------------------|
| One Professional Development Day for SEIU employees | | \$1,329,414 |
| One coordinator position for district operations professional learning | 1.0 | \$148,739 |
| 3 Consulting counselors, 2 consulting teachers, 1 IS for Skillful Teacher, 1 professional growth consultant, 1 staffing coordinator and 1 staffing specialist, 1 coordinator for EOC/ADA/grievances | 10.0 | \$1,408,728 |
| Referral bonus for MCPS employees | | \$269,125 |
| Coordinator for job classification services | 1.0 | \$130,774 |
| Two background screening specialist positions | 2.0 | \$140,708 |
| Coordinator for the recruitment, hiring, and retention of diverse and qualified administrators | 1.0 | \$148,739 |
| Consulting Services for Professional Growth System | | \$300,000 |
| Professional part-time services | | \$86,120 |
| Two coordinator positions for Appeals and Labor Relations | 2.0 | \$297,478 |
| Professional part-time support for school transformation | | \$53,825 |
| TOTAL | 17.0 | \$4,313,650 |

Operations

| Accelerator | FTE Workyears | Amount |
|--|---------------|-------------|
| Six ITSS's for increased IT demand | 6.0 | \$538,474 |
| Human Capital Management (HCM) Project (<i>Continuation of Enterprise Resource Planning {ERP} System</i>) | | \$2,557,198 |
| Technology support for hotspots, Amazon Web Services, Zoom | | \$3,696,690 |
| Chromebooks | | \$4,820,687 |
| Upgrade software for application for tracking buses by MCPS and families | | \$1,500,000 |
| Additional Transportation Department positions (<i>including depot, operations managers, dispatch, bus route supervisor</i>) | 5.0 | \$506,996 |
| Additional Facilities Management Department positions (<i>including HVAC, building services, other maintenance</i>) | 21.0 | \$1,894,341 |

| | | |
|---|-------------|---------------------|
| Secretarial Support for Department of Safety and Security | 1.0 | \$61,586 |
| 10 security assistants for schools | 10.0 | \$515,550 |
| Non-salary positions for summer months to support school/office moves and supply orders | | \$312,078 |
| Fiscal specialist for focus on elementary schools | 1.0 | \$122,820 |
| Director I position in Communications | 1.0 | \$166,978 |
| Fiscal assistant and contract administrator | 2.0 | \$172,997 |
| TOTAL | 47.0 | \$16,866,395 |

Programmatic

| Accelerator | FTE Workyears | Amount |
|--|----------------------|--------------------|
| Planning for expansion of Innovative Calendar Elementary Schools | | \$263,388 |
| Support for current Two Way Immersion (TWI) schools | 2.9 | \$209,897 |
| Academic Support and Innovative Calendar School (ICS) Coordinator for TWI and ICS | 1.0 | \$158,333 |
| Expand IB Diploma Program to additional elementary, middle, and high schools and 1 Accelerated and Enriched Instructional Specialist | 5.0 | \$463,757 |
| Support for Administration of 504 plans | 3.0 | \$931,169 |
| Add 25 Athletic trainers and 1 coordinator for district-wide athletics program | 26.0 | \$2,113,464 |
| OCIP support for Dual Enrollment, Early and Middle College Programs and Tutoring | 1.0 | \$141,467 |
| Coordinator for multiple tutoring programs | 1.0 | \$148,739 |
| Resources to establish a Parent Resource Room for Students with Disabilities | 2.0 | \$236,938 |
| Implementation of literacy at birth/literacy for young mothers' program | | \$100,000 |
| TOTAL | 41.9 | \$4,767,152 |

ESSER III Budget by Program

End Date 9/30/2024

Updated as of 3/31/2023

| Program | FTE | Budget (in Millions) | Actual Expenditures & Encumbrance (in Millions) | Funds Available (in Millions) | Description |
|--|-----------|----------------------|---|----------------------------------|---|
| Athletics | | \$ 0.6 | \$ 0.3 | \$ 0.3 | Funds for athletic trainers to support increased cost in FY23 as a result of labor shortage. |
| Food Services | | 6.0 | - | 6.0 | Funds for reimbursement of student meals to support the Enterprise Fund during the pandemic. In addition, the funding supports Montgomery Virtual Academy student meals that are not reimbursed through the Federal program. |
| Mental Health/Counseling* | 43.0 | 25.4 | 8.3 | 17.1 | Funds for social workers, Restorative Justice coaches, instructional specialists, mindfulness room stipends, and telehealth services. |
| Operations/Facilities | | 22.4 | 15.6 | 6.8 | Funds for HVAC infrastructure. |
| Professional Development | | 23.8 | 4.2 | 19.6 | Funds for antiracist, equity, and social-emotional learning professional development. |
| Retention and Recruiting | | 28.3 | 28.3 | - | Funds were spent in Dec. 2021 , for one-time retention and recruitment bonus of \$1,100 to all employees. |
| School Innovation | | 1.0 | 0.1 | 0.9 | Funds for school-based innovative programs for underserved student groups. |
| Special Education | | 17.8 | 0.4 | 17.4 | Funds for special education compensatory services during the school year and summer months. |
| Strategic Partnerships | | 10.5 | 0.3 | 10.2 | Funds for out-of-school time and community partnerships. |
| Substitute Pilot Program | | 0.8 | 0.8 | - | FY22 funding to establish a permanent substitute pilot program. |
| Summer School | | 28.6 | 15.2 | 13.4 | Funds for FY 24 and 25 summer school programs. |
| Support for Newcomers | | 0.2 | - | 0.2 | Currently supported through the operating budget. Funds will be realigned to support the summer school programs. |
| Support to most poverty impacted schools | | 17.6 | 13.1 | 4.5 | Funds for assistant school administrators and fully-released teachers for single administrator schools, and enrichment activities such as stipends and transportation. |
| Technology | | 20.0 | 9.8 | 10.2 | Funds for digital learning hardware and software licensing. |
| Tutoring | | 13.0 | - | 13.0 | Funds for tutoring services. Currently spending ESSER II and ARP Tutoring grant, which end before ESSER III. Will transition to ESSER III once all other funds are spent, which is expected to take place in the Fall of FY24. |
| Virtual Academy | | 15.9 | 14.7 | 1.2 | Montgomery Virtual Academy is currently funded through the operating budget, but there is a small reserve to support additional staffing needs, as a result of the fluctuating enrollment in Montgomery Virtual Academy until a base line trend is established. |
| Wellness Programs - contract tracing | | 0.3 | 0.3 | - | Spent in FY22 to support contact tracing activities. |
| Benefits | | 20.0 | 11.4 | 8.6 | Benefits for position and non-positions items described above. |
| Grand Total | 43 | \$ 252.2 | \$ 122.8 | \$ 129.4 | |

* Includes social workers and restorative justice specialists

ESSER II Budget by Program

End Date 9/30/2023

Updated as of 3/31/2023

| Program | FTE | Budget (in Millions) | Actual Expenditures & Encumbrance (in Millions) | Funds Available (in Millions) | Description |
|--|----------|----------------------|---|----------------------------------|---|
| Classroom Monitors | | \$ 5.0 | \$ 5.0 | \$ - | |
| Curriculum | | 2.1 | 1.9 | 0.20 | |
| Operations - HVAC | | 5.0 | 4.7 | 0.30 | Funds for HVAC infrastructure. |
| Professional Development | | 13.5 | 10.8 | 2.70 | Funds for antiracist and equity professional development |
| Special Education | | 11.9 | 11.9 | - | |
| Strategic Partnerships | | 3.7 | 3.2 | 0.50 | Funds for out-of-school time. |
| Summer School | | 21.4 | 20.8 | 0.60 | Funds for FY 24 summer school programs. |
| Targeted Support and Improvement Schools | | 0.1 | 0.1 | - | |
| Technology | | 19.2 | 17.3 | 1.90 | Funds for digital learning hardware and software licensing. |
| Tutoring | | 25.0 | 20.9 | 4.10 | Funds for high dosage tutoring. |
| Benefits | | 5.3 | 4.9 | 0.4 | |
| Grand Total | 0 | \$ 112.2 | \$ 101.5 | \$ 10.7 | |

M E M O R A N D U M

April 14, 2023

TO: Education and Culture Committee

FROM: Essie McGuire, Senior Legislative Analyst

SUBJECT: Worksession – Montgomery County Public Schools FY24 Operating Budget

PURPOSE: To begin Committee review of MCPS FY24 Operating Budget request

Expected Attendees:

- Karla Silvestre, President, Montgomery County Board of Education
- Dr. Monifa B. McKnight, Superintendent of Schools, MCPS
- Dr. Patrick Murphy, Deputy Superintendent, MCPS
- Brian Hull, Chief Operating Officer, MCPS
- Rob Reilly, Associate Superintendent, Office of Finance, MCPS
- Thomas Klausing, Executive Director of Finance, MCPS
- Ivón Alfonso-Windsor, Supervisor of the Budget Unit, MCPS
- Rich Harris, Fiscal and Policy Analyst, Office of Management and Budget

OVERVIEW OF FY24 OPERATING BUDGET REVIEW STRUCTURE

Today the Education and Culture Committee will hold its first worksession to review the Board of Education's Requested FY24 Operating Budget for Montgomery County Public Schools (MCPS). Committee Chair Jawando has outlined the approach that the Committee will take to reviewing the budget request over the course of three scheduled Committee worksessions focusing on MCPS.

Throughout the budget review, the Chair intends to focus the discussion through the following lens:

- What are the mechanisms by which we will measure success?
 - *Current state:* Where are we?
 - *Evaluation:* What is working and not working?
 - *Next steps:* Where do we go from here?

| April 19 | April 26 | May 4 |
|--|---|--|
| Overview Fiscal Summary of Revenues and Expenditures Tech Mod CIP | Math and Literacy Focus *Accelerators *Base Budget Elements | Staff Statistical Profile Info Support Services Restorative Justice Updates and Follow up |

In addition, the E&C Committee will meet jointly with the Health and Human Services (HHS) Committee to review items that fall under the jurisdiction of both Committees. These include Pre-Kindergarten and Early Childhood Services, School Health Services, Linkages to Learning, and other joint programs (*this is not a complete list*).

The Government Operations and Fiscal Policy (GO) Committee reviews compensation and benefit adjustments and recommendations for all agencies. The GO Committee began its review on April 14, 2023, and the staff report, including summary information regarding MCPS, can be found at https://www.montgomerycountymd.gov/council/Resources/Files/agenda/cm/2023/20230414/20230414_GO1.pdf.

Council President's Approach to the FY24 Operating Budget

Council President Glass sent a memorandum to his colleagues outlining his intended approach for the Committees and Council to reviewing additions in the FY24 Operating Budget above the FY23 approved funding level. This memorandum is attached on circles 98-100. Council staff highlights the following aspects that are particularly relevant to the E&C Committee review:

- All tax supported additions, whether originated by the Executive or Councilmembers, are to be placed on the reconciliation list.
- Items on the reconciliation list must be identified as “high priority” or “priority”; items can be split with funding in both categories.
- Committees should work to identify other base budget reductions to the extent possible.

For MCPS, this approach would indicate that any increase in local funding above FY23 up to the full amount of increased local funding requested (\$223.3 million) would be placed on the reconciliation list. **Council staff suggests that the Committee conduct its planned review of the MCPS budget request as outlined above and return to the question of a funding recommendation in the last worksession.**

Local Contribution and the Property Tax Increase

The County Executive's budget proposes a 10% property tax increase to generate an additional \$223.3 million in FY24. The Executive's proposed 10-cent tax increase would be the County's first property tax increase since FY17, with each 1-cent of the increase equivalent to \$22.3 million in revenue.

The Executive's recommendation allocates the full amount of this proposed tax increase to support the requested increase in local funding for MCPS. A provision in State law allows local counties to exceed Charter limits on taxes for the purpose of funding the local school system. For Montgomery County, only 6 affirmative votes (rather than the unanimous vote requirement in the Charter) would be needed for the \$0.10 (or other amount) increase to the property tax rate, as long as all revenues generated from the increase are used solely to fund MCPS. A unanimous vote of the Council can set an increased property tax rate for any operating budget purpose.

It is also important to note, however, that under Section 305 of the County Charter, 8 votes would be needed to exceed the spending affordability guidelines for the aggregate operating budget and 7 votes would be needed to increase the aggregate operating budget at a rate exceeding the CPI calculation under Section 305. The 7- and 8-vote requirements related to expenditures under

Section 305 are unaffected by the State law, and the Executive's proposed budget exceeds spending affordability guidelines.

Ultimately, the Committee's recommendation for the local contribution amount for MCPS will move forward to the Council for consideration as part of the reconciliation of expenditures and revenues for the budget as a whole.

This staff report contains the following sections:

- I. **Overview of MCPS FY24 Request:** including the Board of Education's request, the County Executive's recommendation, and Maintenance of Effort;
- II. **Overview of Revenues:** including County contribution, fund balance, State Aid, and Federal ESSER funding
- III. **Racial Equity and Social Justice:** including summary of MCPS Racial Equity and Social Justice Statements;
- IV. **Overview of Expenditures:** including accelerators, positions, and Blueprint expenditures; and
- V. **Technology Modernization CIP Project:** including the Board's FY24 funding request.

I. OVERVIEW OF MCPS FY24 OPERATING BUDGET REQUEST

The Board of Education's Adopted FY24 Budget Request is attached on © 1-56; the document consists of the following elements:

- The budget letter from the Board President to the County Executive and the Council President; © 3-6
- The Board's February 23 approval resolution, which provides details on the revenue and expenditure assumptions; © 7-14
- Summary fiscal tables; © 17-26
- Salary schedules; © 30-34 and
- The budget breakdown by State funding category. © 35-54

The Executive's recommendation is attached at © 57-66.

- The Board of Education requested a total FY24 Operating Budget for MCPS of \$3,216,039,398. This is an increase of \$296,012,046 or 10.1% over the approved FY23 Operating Budget. The tax-supported budget excludes grants and enterprise funds; the Board's tax-supported request is \$3,028,990,885, an increase of \$289,990,885 or 10.6% over the FY23 approved tax-supported budget.
- The Board's request increases the local contribution from the County by \$230,725,681 over the approved FY23 local contribution. The Board's request is \$272.3 million over the required Maintenance of Effort (MOE) level; MOE would actually be a decrease for FY24 of \$41.5 million. This is due largely to State legislative changes designed to reset per pupil spending following the steps taken to hold systems' funding levels during pandemic related enrollment fluctuations.

- The Board projects FY24 enrollment to be 157,469 in grades K-12, which is 1,629 students more than the actual current school year (September 30, 2022) enrollment of 155,840. Last year, the budget process projected more students in the current school year than the ultimate actual enrollment. MCPS enrollment has begun to increase again following the reduced levels during the pandemic, and is projected to continue to increase over the coming years.
- Board documents summarize the following breakdown of the requested \$296 million total funding increase:

| | |
|----------------------------|-----------------|
| Salaries and Benefits | \$203.5 million |
| Accelerators | \$47 million |
| Inflation and Rate Changes | \$24.1 million |
| Enrollment and New Space | \$21.4 million |

- The Board added a total of \$47 million for “accelerators”, or new initiatives and elements to enhance or improve key priorities. Board documents describe the accelerators as “needed in support of literacy and mathematics outcomes for students across the district, as well as resources to support the recruitment and retention of a high-quality workforce and a safe and inclusive school climate.” Accelerators focus on supports for math and literacy instruction; supports in human resources and development; and additional school security. These accelerators will be more fully discussed in the second and third worksessions.
- The Board’s budget adds a total of 539.46 FTE, for a requested FY24 total of 24,529.39 FTE. Of this total, 382.56 FTE are added in the categories of Teacher and Instructional Support.

County Executive’s Recommendation

The County Executive recommended a total MCPS FY24 Operating Budget of \$3,208,490,078, which is an increase of \$288.5 million or 9.9% above the approved FY23 funding level. The Executive recommended 99.8% of the Board of Education’s request, \$7,549,595 less than the Board’s requested budget.

The Executive’s recommended County contribution is \$2,062,389,035, which is \$223,317,575 above the approved FY23 local contribution and \$7.4 million less than the Board of Education requested for the County contribution.

Related County Support. The County Executive includes a summary chart of additional County support for MCPS in the recommended FY23 budget. The Council began tracking this related funding several years ago 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 FY24 total of \$364.5 million in additional County support for the school system above the MCPS local appropriation.

Additional County Support for MCPS in FY24

| | |
|---|------------------------|
| Debt Service on school construction bonds | \$150.0 million |
| Pre-funding retiree health benefits | \$62.3 million |
| Support Services | \$125.6million |
| Technology Modernization | \$26.7 million |
| Total | \$364.5 million |

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; Technology and Enterprise Business Solutions; Community use of Public Facilities; and the Maryland-National Capital Park and Planning Commission.

Maintenance of Effort

Maryland law sets a minimum funding level for public education, known as the Maintenance of Effort (MOE) law. The MOE law requires local jurisdictions to fund school systems at the same amount per pupil as the prior year; funding then increases or decreases relative to enrollment changes. MOE only impacts local funds and does not consider other funding sources. Any increase to the County contribution of new dollars above MOE adds to the base calculation for the next year and increases the per pupil amount, which then cannot be reduced (absent a waiver).

This law went through many changes following the recessionary period of FY10-13; and has again recently gone through many changes related to the pandemic experience.¹ The many recent legislative formula revisions have sought to mitigate the impact on school systems of declining official enrollment counts as a result of the COVID-19 pandemic.

For FY23 and FY24, the MOE requirement was outlined in State legislation; the FY24 requirement reduces the amount of funding used in the calculation and appears intended to provide local jurisdictions flexibility to reset per pupil amounts without the additional funding that was required during the pandemic. As a result, the FY24 MOE for MCPS is \$1.797 billion; this amount is a decrease of \$41.5 million from the approved FY23 County contribution.

The FY24 MOE calculation under the required legislative assumptions results in a per pupil amount of \$11,465. If the Executive's recommended \$223.3 million increase in the County contribution is approved, the FY24 per pupil amount would increase to \$13,261 as the new MOE per pupil required funding level going forward. Based on MCPS' enrollment projections, the new per pupil contribution level could require \$21.6 million in additional funding for MCPS in FY25.

¹ The Council staff report for the E&C Committee MCPS FY23 Operating Budget review contains a comprehensive history of changes to the MOE requirements throughout the pandemic and can be accessed at https://www.montgomerycountymd.gov/council/Resources/Files/agenda/cm/2022/20220420/20220420_EC1.pdf

II. OVERVIEW OF REVENUES

The table below shows the MCPS Operating Budget by revenue source, from FY21 through the Board of Education's FY24 request.

| Source | FY21 Actual | | FY 22 Approved | | FY23 Approved | | FY24 BOE Request | |
|---------------------|----------------------|--------|----------------------|--------|----------------------|--------|----------------------|--------|
| | \$ | % | \$ | % | \$ | % | \$ | % |
| County | 1,752,612,120 | 63.6% | 1,752,662,235 | 63.0% | 1,839,071,460 | 63.0% | 2,069,797,141 | 64.4% |
| Fund Balance | 25,000,000 | 0.9% | 25,000,000 | 0.9% | 35,000,000 | 1.2% | 25,000,000 | 0.8% |
| State | 798,259,622 | 29.0% | 822,232,792 | 29.6% | 863,758,576 | 29.6% | 933,283,780 | 29.0% |
| Federal | 83,806,189 | 3.0% | 83,978,035 | 3.0% | 88,647,344 | 3.0% | 88,393,005 | 2.7% |
| Other Sources | 13,881,204 | 0.5% | 12,281,204 | 0.4% | 11,291,137 | 0.4% | 12,791,137 | 0.4% |
| Enterprise Funds | 80,928,149 | 2.9% | 82,588,149 | 3.0% | 80,489,335 | 2.8% | 84,951,835 | 2.6% |
| Special Funds | 1,769,775 | 0.1% | 1,769,775 | 0.1% | 1,769,775 | 0.1% | 1,822,775 | 0.1% |
| Grand Total | 2,756,257,059 | 100.0% | 2,780,512,190 | 100.0% | 2,920,027,627 | 100.0% | 3,216,039,673 | 100.0% |
| Tax-Supported Total | 2,563,107,999 | 93.0% | 2,584,707,485 | 93.0% | 2,738,317,513 | 93.8% | 3,028,308,398 | 94.2% |

The Board's requested County Contribution of \$2.069 billion represents 64.4% of the total request. The proportion of local funding has remained around 63-64% in recent years. Montgomery County contributes one of the highest proportions of local funding for public schools in the State.

History of Actual Local Contribution Amounts Over MOE. The table below provides the Council's approved amount over MOE for the FY18-FY24 (recommended) period. As shown in the table, the recommended increase is the highest amount over MOE that could be potentially approved in recent local action.

FY18-24 Amount over MOE

| Fiscal Year | Amount Over MOE |
|-------------------|----------------------|
| FY18 | \$21,186,180 |
| FY19 | \$18,584,588 |
| FY20 | \$8,701,199 |
| FY21 | \$750,000 |
| FY22 | \$1,935,063 |
| FY23 | \$86,409,225 |
| FY24 (Rec) | \$264,837,878 |

Monthly Financial Report and MCPS Fund Balance

The MCPS Operating Budget 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.

The Board's request for FY24 includes an assumption that \$25 million will be available at the end of FY23 for reappropriation as a resource for the FY24 Operating Budget. The latest Monthly

Financial Report reflects revenue and expenditure conditions as of January 31, 2023, and projects an expenditure surplus of \$20 million at the end of FY23. The report also notes that additional unappropriated fund balance is available from the prior year, and identifies a portion of those funds as available to make up the total \$25 million assumption for reappropriation in FY24.

| <i>From the 3/7/23 Monthly Financial Report: As of January 31, 2023</i> | |
|---|--------------|
| FY 2022 End-of-Year Fund Balance | \$44,978,579 |
| Amount Used to Fund FY 2023 Budget | (35,000,000) |
| Start of FY 2023 Fund Balance | 9,978,579 |
| FY 2023 Supplemental Appropriation for Teacher Device Choice Pilot Technology Program | (750,000) |
| FY 2023 Projected Revenue Deficit | (286,506) |
| FY 2023 Projected Expenditure Balance | 20,005,000 |
| Projected Amount for Funding FY 2024 Budget | (25,000,000) |
| FY 2024 Projected Start-of-Year Fund Balance as of 7/1/23 | \$3,947,073 |

The table below shows the expenditure status by State funding category. The March 7 report identifies a deficit in one category, Category 11, Maintenance of Plant. The report cites increased costs in Heating, Ventilation, and Air Conditioning (HVAC) repairs as the reason for the projected deficit.

| # | Category Name | Authorized Expenditures | Expenditures and Encumbrances | Percent Exp/Enc | Current Report Projected Year End Balance | Percent of total |
|----|-----------------------------|-------------------------|-------------------------------|-----------------|---|------------------|
| 01 | Administration | 74,426,692 | 65,305,786 | 87.75% | 1,025,000 | 1.38% |
| 02 | Mid-level Administration | 167,204,269 | 161,710,799 | 96.71% | 850,000 | 0.51% |
| 03 | Instructional Salaries | 1,109,401,321 | 1,067,771,738 | 96.25% | 12,250,000 | 1.10% |
| 04 | Textbooks and Supplies | 45,181,593 | 24,872,330 | 55.05% | 500,000 | 1.11% |
| 05 | Other Instructional Costs | 25,383,464 | 8,960,477 | 35.30% | 100,000 | 0.39% |
| 06 | Special Education | 367,586,856 | 344,700,768 | 93.77% | 5,250,000 | 1.43% |
| 07 | Student Personnel Services | 14,954,732 | 14,587,690 | 97.55% | 150,000 | 1.00% |
| 08 | Health Services | 2,656,878 | 2,396,104 | 90.18% | 10,000 | 0.38% |
| 09 | Student Transportation | 131,013,052 | 112,233,022 | 85.67% | 0 | 0.00% |
| 10 | Operation of Plant & Equipm | 160,582,705 | 134,396,125 | 83.69% | 0 | 0.00% |
| 11 | Maintenance of Plant | 44,181,445 | 40,897,406 | 92.57% | -150,000 | -0.34% |
| 12 | Fixed Charges | 613,581,160 | 330,948,628 | 53.94% | 0 | 0.00% |

The table below shows the amounts of fund balance reappropriated in the last several fiscal years. Council staff notes that the ending fund balance in each year is larger than the amount re-appropriated, as fiscal conditions continue to change in ending the fiscal year and as the system is required by law to end the year with a positive balance.

| Fiscal Year | Fund Balance Re-Appropriated |
|-------------|------------------------------|
| FY13 | \$17,000,000 |
| FY14 | \$26,972,451 |

| | |
|------|--------------|
| FY15 | \$38,172,451 |
| FY16 | \$33,162,633 |
| FY17 | \$33,162,633 |
| FY18 | \$22,783,303 |
| FY19 | \$25,000,000 |
| FY20 | \$25,000,000 |
| FY21 | \$25,000,000 |
| FY22 | \$25,000,000 |
| FY23 | \$25,000,000 |
| FY24 | \$25,000,000 |

The school system began to accrue large fund balances of unspent operating budget appropriation in the recessionary years beginning in FY10. This was due in large part to savings plans that were instituted across all county agencies during the recession; funds saved by the school system then were available to support MCPS priorities in the next year when new revenues were extremely limited.

The Council's Reserve and Select Fiscal Policies resolution states that "The Council should not budget any reserve for the MCPS Current Fund." While MCPS will necessarily end each fiscal year with unspent appropriation to ensure a positive year-end balance, it may be necessary to revisit the practice of intentionally carrying over a significant amount of funds from year to year.

State Aid

MCPS received a total allocation of \$933,283,780 in State Aid, an increase of \$69.5 million over the approved FY23 State Aid level. The Superintendent's recommended budget submitted in December 2022 estimated an increase in State Aid of \$15 million; as a result, the Board of Education had additional State revenue of \$54.5 million to factor into its February budget action.

It is difficult to accurately predict State Aid prior to the Governor's budget and MSDE allocations in January. Superintendents must make reasonable estimates for their December budgets based on available information; but many factors such as relative wealth calculations statewide among the jurisdictions are highly variable. In some years the Board has decreased State Aid to deal with; in other years increases are realized as was the case in FY24 budget development.

The Board's FY24 budget requested an increase in the local contribution over the Superintendent's budget, and also added the additional State Aid to the overall total of the budget, for an increase of \$60.7 million above the amount requested by the Superintendent. Frequently, in previous years, the Board would use some, most, or all of any additional State Aid realized over the December estimate to offset the amount requested for the County contribution.

Additional description of the changes in State revenue are detailed in the Board memorandum on circles 7-14; Council staff notes the following:

- State Aid to MCPS decreased in the Foundation Grant, the Comparable Wage Index (formerly Geographic Cost of Education Index), and the Blueprint allocation. These categories were impacted at least in part by relative wealth calculations statewide.

- State Aid to MCPS increased in the categories related to students with specific needs, including students who are economically disadvantaged, English learners, and students with disabilities.

Blueprint funding decreased by \$4.7 million from FY23. The categories of Blueprint funding are outlined in the table below.

| | FY23 | FY24 |
|---------------------------------------|----------------|----------------|
| Concentration of Poverty | \$8.7 million | \$10.7 million |
| National Board-Certified Teachers | \$1.9 million | \$1.9 million |
| Pre-Kindergarten | \$12.5 million | \$5.6 million |
| College and Career Readiness | \$3.1 million | \$3.2 million |
| Transitional Supplemental Instruction | \$4.9 million | \$5.0 million |
| Transition Grant | \$7.7 million | \$7.7 million |

(A portion of the FY23 Pre-Kindergarten Blueprint funding was earmarked for publicly funded private providers in the County).

COVID-19 Relief Funding:

Elementary and Secondary School Emergency Relief (ESSER) Fund

During the pandemic, MCPS received significant Federal funding to support the extraordinary needs related to COVID-19 efforts and recovery and to mitigate the impact on families and the school system.

MCPS received three ESSER grants: ESSER I ended on September 30, 2022; ESSER II will end on September 30, 2023; and ESSER III will end on September 30, 2024.

The tables on the next pages show the allocations for all three grants, as well as the amounts encumbered and the amounts available. It is important to note that this award has a broad eligibility use policy and a sizable amount of the award has not yet been expended or encumbered. **As of February 28, 2023, a total of \$146 million is available to be spent by MCPS on eligible purposes between now and September 2024.**

ESSER I Budget by Program

End Date 9/30/2022

| Program | FTE | Budget (in Millions) | Actual Expenditures & Encumbrance (in Millions) | Funds Available (in Millions) |
|--------------------------|-----|----------------------|---|-------------------------------|
| ESOL | | \$ 0.7 | \$ 0.7 | - |
| Non-publics | | 2.0 | 2.0 | - |
| Professional Development | | 1.3 | 1.3 | - |
| Technology | | 20.7 | 20.7 | - |
| Benefits | | 0.1 | 0.1 | - |
| Grand Total | | \$ 24.8 | \$ 24.8 | \$ - |

ESSER II Budget by Program

End Date 9/30/2023

As of 2/28/2023

| Program | FTE | Budget (in Millions) | Actual Expenditures & Encumbrance (in Millions) | Funds Available (in Millions) |
|--|-----|----------------------|---|-------------------------------|
| Classroom Monitors | | \$ 5.0 | \$ 5.0 | \$ - |
| Curriculum | | 2.1 | 1.6 | 0.50 |
| Operations - HVAC | | 5.0 | 4.0 | 1.00 |
| Professional Development | | 13.5 | 10.8 | 2.70 |
| Special Education | | 11.9 | 11.9 | - |
| Strategic Partnerships | | 3.7 | 3.2 | 0.50 |
| Summer School | | 21.4 | 21.4 | - |
| Targeted Support and Improvement Schools | | 0.1 | 0.1 | - |
| Technology | | 19.2 | 17.3 | 1.90 |
| Tutoring | | 25.0 | 18.0 | 7.00 |
| Benefits | | 5.3 | 4.7 | 0.6 |
| Grand Total | | \$ 112.2 | \$ 98.0 | \$ 14.2 |

ESSER III Budget by Program

End Date 9/30/2024

As of 2/28/2023

| Program | FTE | Budget (in Millions) | Actual Expenditures & Encumbrance (in Millions) | Funds Available (in Millions) |
|--|------|----------------------|---|-------------------------------|
| Athletics | | \$ 0.6 | \$ 0.3 | \$ 0.3 |
| Food Services | | 6.0 | - | 6.0 |
| Mental Health/Counseling* | 43.0 | 25.4 | 8.3 | 17.1 |
| Operations/Facilities | | 22.4 | 14.0 | 8.4 |
| Professional Development | | 23.8 | 4.2 | 19.6 |
| Retention and Recruiting | | 28.3 | 28.3 | - |
| School Innovation | | 1.0 | 0.1 | 0.9 |
| Special Education | | 17.8 | 0.2 | 17.6 |
| Strategic Partnerships | | 10.5 | 0.3 | 10.2 |
| Substitute Pilot Program | | 0.8 | 0.8 | - |
| Summer School | | 28.6 | 15.2 | 13.4 |
| Support for Newcomers | | 0.2 | - | 0.2 |
| Support to most poverty impacted schools | | 17.6 | 12.7 | 4.9 |
| Technology | | 20.0 | 9.8 | 10.2 |
| Tutoring | | 13.0 | - | 13.0 |
| Virtual Academy | | 15.9 | 14.7 | 1.2 |
| Wellness Programs - contract tracing | | 0.3 | 0.3 | - |
| Benefits | | 20.0 | 11.2 | 8.8 |
| Grand Total | | \$ 252.2 | \$ 120.4 | \$ 131.8 |

* Includes social workers and restorative justice specialists

Council staff notes the following regarding ESSER fund allocations:

- The FY24 budget assumes that approximately \$3.7 million of technology supports previously funded through ESSER will be shifted to the general fund operating budget; the ESSER allocation uses \$20 million of the Federal funds to support technology. MCPS notes that many of the technology funds still being supported by ESSER will ultimately need to continue with general funds, as the need for ongoing software as well as replacement and repair will continue.
- Looking ahead to when the final ESSER funds end in September 2024, MCPS states that “All uses of ESSER funding are being evaluated and if those evaluations determine the results to be highly effective and successful and should continue, then MCPS will consider adding them to the operating budget.”
- As the table above indicates, a total of 43 FTE are supported through ESSER funds, including social workers and restorative justice specialists. Council staff suggests that it is likely that these positions would continue past the term of the grant.
- **While all of the funds have an identified allocation, the funds that are not expended or encumbered are available for eligible uses.** The ESSER grants have broad eligibility related to pandemic recovery, supports, and experience. Council staff notes that MCPS made use of the ESSER funding for some priorities as part of the FY23 operating budget cycle, and that many items are supported both by ESSER and by general funds.

III. RACIAL EQUITY AND SOCIAL JUSTICE

The Superintendent’s December FY24 Operating Budget document includes a Racial Equity and Social Justice Statement for each functional chapter of the budget that discusses how the work of that area contributes to racial equity and social justice for students, staff, families, and the system as a whole. These statements are compiled and attached as circles 88-97.

Council staff has summarized MCPS’ chapter-by-chapter racial equity and social justice overview provided, consistent with the Council’s Racial Equity and Social Justice Act which requires information on how each recommended budget advances racial equity and social justice.

It is important to note that MCPS is committed to racial equity and social justice in all aspects of school and learning as depicted in their “All Means All” approach and their “All In: Equity and Achievement Framework” composed of three main components: 1) Evidence of Learning; 2) the Equity Accountability Model; and 3) Equitable Access to Resources. The school system is also undergoing an Antiracism System Audit² and continues to collect qualitative data on race and social justice to improve the entire system.

Chapter Overview: Each chapter positively impacts equity by...

² <https://www.montgomeryschoolsmd.org/antiracist/>

- **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, disproportionate impacts Black or African American and Hispanic/Latino students and their families living in poverty and less affluent communities face every day.
- **Chapter 6, Strategic Initiatives and Districtwide Services and Supports (New):** Ensuring the use of Evidence of Equity questions in policy development; leading the antiracist system audit; culturally response community engagement policy; maintain productive relationships with employees and three employee associations.
- **Chapter 7, Technology Support and Integration:** Using technology that will help address issues such as inadequate Internet services and ensuring all students and families have the tools needed to effectively learn both in and out of school.
- **Chapter 8, 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 9, 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 10, Human Capital Management:** Building a diverse workforce prepared to meet the unique needs of today's diverse learners.
- **Chapter 11, Administration and Oversight:** Implementing the "All Means All" approach to ensure all students receive a high-quality public education.

IV. OVERVIEW OF EXPENDITURES

As noted earlier, the \$296 million requested increase in total funding for FY24 is comprised of the following elements:

| | |
|----------------------------|-----------------|
| Salaries and Benefits | \$203.5 million |
| Accelerators | \$47 million |
| Inflation and Rate Changes | \$24.1 million |
| Enrollment and New Space | \$21.4 million |

The Committee will review the specific accelerators more fully in the second and third worksessions. These are itemized in the table below:

| Accelerator | FTE Workyears | Amount | Accelerator | FTE Workyears | Amount |
|--|---------------|-------------|---|---------------|--------------|
| Planning for expansion of Innovative Calendar Elementary Schools | | \$263,388 | Chromebooks | | \$4,820,687 |
| Dual Enrollment Fees in Response to Blueprint for Maryland's Future | | \$2,730,959 | Upgrade software for application for tracking buses by MCPS and families | | \$1,500,000 |
| AP and IB exams funding for increased student participation | | \$3,397,401 | Additional Transportation Department positions | 5.0 | \$506,996 |
| Elementary and Middle School Math Support (2 math supervisors, 2 ES and 1 MS IS, 12 math instructional coaches) | 17.0 | \$1,792,553 | Additional Facilities Management Department positions | 21.0 | \$1,894,341 |
| Support for current TWI schools | 2.9 | \$209,897 | Two coordinator positions for Appeals and Labor Relations | 2.0 | \$297,478 |
| Academic Support and Innovative Calendar School Coordinator for TWI and ICS | 1.0 | \$158,333 | One coordinator position for district operations professional learning | 1.0 | \$148,739 |
| English language development (2 coaches and 40 teachers) | 42.0 | \$3,375,486 | Secretarial Support for Department of Safety and Security | 1.0 | \$61,586 |
| 8 Academic Opportunity Specialists | 8.0 | \$1,174,424 | 10 security assistants for schools | 10.0 | \$515,550 |
| Literacy and Math Summer Institute | | \$1,555,160 | Non-salary positions for summer months to support school/office moves and supply orders | | \$312,078 |
| Teacher stipends to build post-CCR support pathway courses, RFP to purchase high quality, effective secondary interventions | | \$2,026,913 | 3 Consulting counselors, 2 consulting teachers, 1 IS for Skillful Teacher, 1 professional growth consultant, 1 staffing coordinator and 1 staffing specialist, 1 coordinator for EOC/ADA/grievances | 10.0 | \$1,408,728 |
| Expand IB Diploma Program to additional elementary, middle, and high schools and 1 Accelerated and Enriched Instructional Specialist | 5.0 | \$463,757 | Referral bonus for MCPS employees | | \$269,125 |
| One Professional Development Day for SEIU Local 500 employees | | \$1,329,414 | Coordinator for job classification services | 1.0 | \$130,774 |
| Virtual Academy - testing and online learning support | 2.0 | \$282,934 | Two background screening specialist positions | 2.0 | \$140,708 |
| Additional PEP inclusive classrooms | 33.7 | \$2,138,756 | Coordinator for the recruitment, hiring, and retention of diverse and qualified administrators | 1.0 | \$148,739 |
| College Tracks expanded to five additional schools | | \$1,800,000 | Consulting Services for Professional Growth System | | \$300,000 |
| Support for Administration of 504 Plans | 3.0 | \$931,169 | Coordinator position to support Blueprint financial reporting and financial systems | 1.0 | \$148,739 |
| Add 25 Athletic trainers and 1 coordinator for district-wide athletics program | 26.0 | \$2,113,464 | Fiscal specialist for focus on elementary schools | 1.0 | \$122,820 |
| OCIP support for Dual Enrollment, Early and Middle College Programs and Tutoring | 1.0 | \$141,467 | Fiscal assistant and contract administrator | 2.0 | \$172,997 |
| Coordinator for multiple tutoring programs | 1.0 | \$148,739 | Blueprint coordination positions | 4.0 | \$543,036 |
| Stipends for Multi-Classroom Leadership Program | | \$107,650 | Director I position in Communications | 1.0 | \$166,978 |
| Resources to establish a Parent Resource Room for Students with Disabilities | 2.0 | \$236,938 | Professional part-time services | | \$86,120 |
| Six ITSS's for increased IT demand | 6.0 | \$538,474 | Professional part-time support for school transformation | | \$53,825 |
| Human Capital Management (HCM) Project | | \$2,557,198 | Implementation of literacy at birth/literacy for young mothers program | | \$100,000 |
| Technology support for hotspots, Amazon Web Services, and Zoom | | \$3,696,690 | Total | 213.6 | \$47,021,208 |

Reductions and Realignments

MCPS annually reviews the operating budget to determine potential internal reductions and “realignments” or savings to be used elsewhere within their budget. This year, MCPS identified \$3.4 million and 6 FTE as reductions, and \$8.8 million in realignment savings. Therefore, the Board’s operating budget request did not request additional funding of \$12.2 million, but rather reutilized it for another purpose.

Positions

The Board's budget adds a total of 539.46 FTE. Table 5 of the Board's budget (circle 24) classifies all the positions in the school system each budget year. The table below provides additional detail on the positions being added; the categories align to those in Table 5 of the budget.

| FY24 Additional Positions | |
|--|--|
| POSITIONS | Description |
| Administrative | 1.0 director II position; 4.0 director I positions; 16.0 coordinator positions; 1.0 team leader position funded through realignments and accelerators |
| Other Professional | 1.0 pupil personnel worker position due to enrollment growth; 2.0 evaluation specialists to support program evaluation; 21.4 instructional specialist positions to support the ELD program, math and literacy, strategic initiatives; 2.0 tech implementation specialists to support the technology needs |
| Principal/Assistant Principal | 4.0 assistant principal positions and 0.5 principal position (0.5 principal was budgeted in FY23 for the new schools/half year) resulting from enrollment growth and new schools |
| Teacher | 78.5 general ed teacher positions; 85.6 special ed teacher positions; 3.6 Early Childhood and Title I teacher positions; 5.0 consulting teacher and counselor positions; 16 community school specialist positions; 64 ELD teacher positions; and 25 athletic trainer positions. These positions are a result of enrollment growth across all areas, expansion of community schools, and support needed for athletic programs |
| Special Education Specialist | 15.825 Speech pathologist positions; 1.4 physical therapist positions, and 2.125 Occupational therapist positions resulting from enrollment growth |
| Media Specialist | 1.5 media specialist positions due to enrollment growth |
| Counselor | 2.9 counselor positions due to enrollment growth |
| Instructional Support | 0.5 lunch hour aides; 1.0 dual enrollment assistant; 21.1125 general education paraeducator positions; 92.2715 special ed paraeducator positions; 1.75 English Comp Assistant; 3.625 head start paraeducator to support enrollment and program growth |
| IT Systems Specialist | 6.0 IT systems specialists to support the tech support and repair of all the additional equipment systemwide |
| Security | 14.1250 security assistants and team leaders as a result of enrollment growth/accelerators |
| Food Services | 1.0 operations assistant, 1.0 buyer's assistant, 2.625 cafeteria workers; 0.75 cafeteria manager; and 1.0 IT systems technician to support enrollment growth and program needs through the Enterprise Funds |
| Building Services | 20.0 building service managers and workers; 6.0 preventive maintenance workers; 1.0 maintenance and operations trainer; resulting from growth, new space and training needs for equipment maintenance and repair |
| Facilities Management/Maintenance | 10.0 plumbers and mechanical and electrical technicians |
| Supply/Property Management | 1.0 contract administrator |
| Transportation | 1.0 transportation staff assistant; 1.0 transportation dispatcher; 2.0 bus route supervisor; 1.0 transportation cluster manager; 1.0 automotive technician; transportation safety trainer. These positions are a result of growth and an accelerator request for the West Farm Depot split. |
| Other Support Personnel | 3.0 background screening specialist, 1.0 professional growth consultant, 2.0 staffing specialist; 1.0 data support specialist, 1.0 communication support specialist, 8.5 wellness trainers. These positions are proposed to be funded through realignments and accelerators. |

The table below shows the changes in the various Table 5 position categories from FY18 through the FY24 request, bearing in mind that the intervening years were essentially consumed by the pandemic experience.

| Item # | Position | FY24 | | | FY23-FY24 Change | FY18-FY24 Change | FY23-FY24 %Change | FY18-FY24 %Change |
|--------------|-----------------------------------|-------------------|-------------------|-------------------|---------------------|---------------------|----------------------|----------------------|
| | | FY18 | FY23 (Requested) | | | | | |
| 1 | Executive | 17.000 | 21.000 | 21.000 | 0.000 | 4.000 | 0.0% | 23.5% |
| 2 | Administrative | 198.750 | 230.750 | 253.750 | 23.000 | 55.000 | 10.0% | 27.7% |
| 3 | Business/Operations Administrator | 90.750 | 99.250 | 98.500 | (0.750) | 7.750 | -0.8% | 8.5% |
| 4 | Other Professional | 169.500 | 215.600 | 240.500 | 24.900 | 71.000 | 11.5% | 41.9% |
| 5 | Principal/Assistant Principal | 514.500 | 553.500 | 558.000 | 4.500 | 43.500 | 0.8% | 8.5% |
| 6 | Teacher | 11,572.529 | 12,197.014 | 12,474.714 | 277.700 | 902.185 | 2.3% | 7.8% |
| 7 | Special Education Specialist | 509.148 | 549.600 | 568.952 | 19.352 | 59.804 | 3.5% | 11.7% |
| 8 | Media Specialist | 198.200 | 204.000 | 205.500 | 1.500 | 7.300 | 0.7% | 3.7% |
| 9 | Counselor | 496.500 | 580.100 | 583.000 | 2.900 | 86.500 | 0.5% | 17.4% |
| 10 | Psychologist | 115.409 | 147.034 | 147.034 | 0.000 | 31.625 | 0.0% | 27.4% |
| 11 | Social Worker | 20.030 | 46.500 | 45.000 | (1.500) | 24.970 | -3.2% | 124.7% |
| 12 | Pupil Personnel Worker | 53.000 | 55.400 | 55.400 | 0.000 | 2.400 | 0.0% | 4.5% |
| 13 | Instructional Aide and Assistant | 2,704.947 | 3,112.082 | 3,216.941 | 104.859 | 511.994 | 3.4% | 18.9% |
| 14 | Secretarial/Clerical/Data Support | 977.500 | 1,017.650 | 1,011.650 | (6.000) | 34.150 | -0.6% | 3.5% |
| 15 | IT Systems Specialist | 108.000 | 128.000 | 134.000 | 6.000 | 26.000 | 4.7% | 24.1% |
| 16 | Security | 240.000 | 263.000 | 278.725 | 15.725 | 38.725 | 6.0% | 16.1% |
| 17 | Cafeteria | 568.323 | 577.948 | 581.073 | 3.125 | 12.750 | 0.5% | 2.2% |
| 18 | Building Services | 1,403.700 | 1,493.000 | 1,520.000 | 27.000 | 116.300 | 1.8% | 8.3% |
| 19 | Facilities Management/Maintenance | 367.000 | 331.500 | 341.500 | 10.000 | (25.500) | 3.0% | -6.9% |
| 20 | Supply/Property Management | 53.500 | 56.500 | 58.500 | 2.000 | 5.000 | 3.5% | 9.3% |
| 21 | Transportation | 1,690.153 | 1,807.341 | 1,814.341 | 7.000 | 124.188 | 0.4% | 7.3% |
| 22 | Other Support Personnel | 231.125 | 302.250 | 321.250 | 19.000 | 90.125 | 6.3% | 39.0% |
| Total | | 22,299.564 | 23,989.019 | 24,529.329 | 540.311 | 2,229.765 | 2.3% | 10.0% |

Council staff notes the following:

- The categories with the largest percent growth are primarily the support services categories, which appears to reflect the focus on well-being and mental health supports for students. These position categories also include non-teacher positions that support instruction, such as instructional assistants.
- Positions supported through ESSER funds are not included in the above totals; this would make the growth in social workers, for example, even higher. If the positions are shifted to the general fund at some point, they would then be included in Table 5.
- Some of the positions most directly impacted by enrollment, such as teachers, did not grow as much during the pandemic, when enrollment was declining; however they do still show positive growth.

Continuing Salaries and Vacancies

In preparing the operating budget, MCPS calculates “continuing salaries”, which is the amount needed to increase the budget to continue salaries for existing employees and positions. For FY24,

this amount is \$105.4 million.³ MCPS also estimates \$40.3 million of lapse in FY24, which is just under 2% of the FY24 total salary base of \$2.15 billion. This lapse assumption is consistent with previous years' approach to lapse and turnover savings.

Throughout the school year, there have been discussions regarding difficulties in hiring for many key positions in MCPS, similar to the experience of other jurisdictions locally and nationally. MCPS reports 161 current vacancies that are not school based.

MCPS provided the following information regarding teacher vacancies both at the beginning of the year and more recently:

| 10/25/22 | | 1/25/23 | |
|------------|------------|------------|------------|
| Elementary | 62 | Elementary | 50 |
| Middle | 32 | Middle | 34 |
| High | 24 | High | 21 |
| Special | 7 | Special | 6 |
| All | 125 | All | 111 |

Current school year data does show a potentially increased use of long-term substitutes as well as an increased length of service:

| | | |
|-----------------------------|-------------|--------------------------------|
| <u>Pre-pandemic (FY19):</u> | 572 LT Subs | Average 0.97 months of service |
| Current FY23 (as of 3/1/23) | 543 LT Subs | Average 1.15 months of service |

Current year data is not a full year for comparison; however if the patterns continue FY23 appears to be on pace to end with a higher use of long term substitutes.

Impact of the Blueprint for Maryland's Future on the Operating Budget Expenditures

As noted above, the direct Blueprint aid from the State for MCPS decreased by \$4.7 million from FY23. The largest amount decrease was in Pre-Kindergarten instruction funding. *(A portion of the FY23 Pre-Kindergarten Blueprint funding was earmarked for publicly funded private providers in the County).* MCPS states that this reduction is a significant impact on the operating budget, as local funds will be needed to maintain these important priority services.

Other Blueprint requirements and priorities will have an impact in FY24 and in future years on local funding. MCPS identifies the following FY24 accelerators as needed to directly meet Blueprint legislation requirements:

| | |
|---|--------------------|
| Dual Enrollment Fees | \$2,730,959 |
| AP and IB exam funding | \$3,397,401 |
| College Tracks expanded to more schools | \$1,800,000 |
| Blueprint coordination positions | \$543,036 |
| Total | \$8,471,396 |

³ Council staff notes that these numbers reflect initial budget level estimates and will change as funding and negotiations are finalized.

MCPS provided an overview presentation dated March 2023 regarding Blueprint implementation (attached on circles 67-83). This presentation outlines many of the implementation steps underway and ahead in the future in each of the five policy priority areas of the Blueprint legislation. Council staff highlights some of the areas which will impact this and future budgets:

- Costs for dual enrollment tuition will increase over time both as tuition increases and as more students take advantage of this opportunity.
- MCPS reports 26 Community Schools and the addition of 8 more in FY24; this number will increase.
- Blueprint requires salary increases for teachers, as well as specific increases for National Board-Certified Teachers. MCPS currently has the largest number of teachers working toward National Board Certification in the State, at 650.
- Expanding Pre-Kindergarten services as well as increasing full day options is one of the biggest areas of growth in services.
- As the Committee discussed during the Capital Improvements Program (CIP) discussions, many of these initiatives and growth areas have facility and space impacts as well.

Many of the Blueprint priorities for implementation will overlap with and build on structures and funding already in place in MCPS, and over time some current funding will realign with Blueprint priorities. As the system moves through the transition to fully integrating Blueprint structures and requirements, it will also be a venture of re-envisioning the structure of the MCPS budget and the allocation of resources to meet the challenges and innovations in the current educational environment.

V. CIP PROJECT: TECHNOLOGY MODERNIZATION

The Board did not request any changes to the Technology Modernization project as part of the amendments to the FY23-28 CIP. The approved funding is shown below (PDF on circle 84):

| 6 YR Total | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 |
|------------|-----------|------------------|---------|---------|---------|---------|
| \$156.238m | \$29.574m | \$26.664m | \$25.0m | \$25.0m | \$25.0m | \$25.0m |

MCPS provided the following breakdown of planned expenses in the FY24 request. Most of these elements are ongoing commitments and efforts that take place each year.

| Expenditure Category | Amount Projected |
|---|-------------------------|
| Finance payment for purchased hardware (prior debt service) | \$12.0 million |
| Licensing maintenance payments for major software | \$4.2 million |
| CIP funded staff related to Technology Modernization | \$3.0 million |
| Technology refresh of desktops, laptops, chromebooks, printers, labs, and required operating licenses | \$6.0 million |
| Modernization of infrastructure and program (\$ used for E-Rate refunds) | \$1.6 million |
| Extended parts and service warranty: printers, scanners, mobile devices | \$0.5 million |
| Total (<i>includes \$600K for E-Rate reimbursements</i>) | \$27.3 million |

MCPS provided additional information on circles 85-86 regarding the current replacement schedule for major devices; provision of devices for students to access at home; and the status of the Teacher Choice Pilot for devices.

MCPS provides devices for students to use at home, primarily Chromebooks. MCPS also covers the cost of internet hotspots for families that need internet access from home. This support was initiated with ESSER funding, and MCPS notes that this effort will be critical to maintain past the term of the Federal funds.

E-Rate Funds: Each year MCPS participates in the Federal E-Rate Reimbursement program, which provides Federal incentive reimbursements to offset costs related to internet and telecommunication expenses. MCPS claims reimbursement for these expenses and the Council typically reviews the appropriation for the E-rate reimbursements at the end of the fiscal year, in the spring, once MCPS receives notice of the final amount eligible. Council staff anticipates that the FY23 reimbursement appropriation request will be before the Council in the coming weeks.

The Council typically assumes that the E-Rate funds will ultimately add to the appropriation level approved in the CIP, in order to maximize funding and provide more overall resources. As the table above indicates, MCPS projects approximately \$600,000 of E-Rate reimbursements for FY24, which would then raise the total approved FY24 level to \$27.3 million, if those funds are realized in the spring.

Council staff supports maintaining the approved funding level of \$26.664 million for FY24 for the Technology Modernization project.

This packet contains:

| | |
|--|----------|
| BOE Budget | © 1-56 |
| County Executive FY24 Recommendations | © 57-66 |
| Blueprint for Maryland's Future presentation | © 67-83 |
| CIP Technology Modernization | © 84 |
| E&C Committee Questions and MCPS responses on Technology Modernization | © 85-87 |
| MCPS RESJ Statements | © 88-97 |
| Memo from President Glass to Councilmembers | © 98-100 |

M E M O R A N D U M

April 24, 2023

TO: Education and Culture Committee

FROM: Essie McGuire, Senior Legislative Analyst

SUBJECT: Worksession – Montgomery County Public Schools FY24 Operating Budget

PURPOSE: To continue Committee review of MCPS FY24 Operating Budget request

Expected Attendees:

- Karla Silvestre, President, Montgomery County Board of Education
- Dr. Monifa B. McKnight, Superintendent of Schools, MCPS
- Dr. Patrick Murphy, Deputy Superintendent, MCPS
- Dr. Peggy Pugh, Chief Academic Officer, MCPS
- Brian Hull, Chief Operating Officer, MCPS
- Dana Edwards, Chief, District Operations, MCPS
- Stephanie Sheron, Chief, Strategic Initiatives
- Dr. Susan Marks, Acting Chief, Human Resources and Development, MCPS
- Niki Hazel, Associate Superintendent, Curriculum and Instructional Programs, MCPS
- Rob Reilly, Associate Superintendent, Office of Finance, MCPS
- Thomas Klausing, Executive Director of Finance, MCPS
- Ivón Alfonso-Windsor, Supervisor of the Budget Unit, MCPS
- Rich Harris, Fiscal and Policy Analyst, Office of Management and Budget

OVERVIEW OF FY24 OPERATING BUDGET REVIEW STRUCTURE

Today the Education and Culture Committee will hold its second worksession to review the Board of Education's Requested FY24 Operating Budget for Montgomery County Public Schools (MCPS). Committee Chair Jawando has outlined the approach that the Committee will take to reviewing the budget request over the course of three scheduled Committee worksessions focusing on MCPS.

Throughout the budget review, the Chair intends to focus the discussion through the following lens:

- What are the mechanisms by which we will measure success?
 - *Current state:* Where are we?
 - *Evaluation:* What is working and not working?
 - *Next steps:* Where do we go from here?

At its first MCPS Operating Budget review worksession on April 19, the Committee received a fiscal overview of the budget request; reviewed revenues and expenditures, including Federal relief funding; discussed positions and vacancies; and reviewed the Technology Modernization Capital Improvements Project, including technology initiatives and supports for staff and students.

The third meeting on May 4 will review the staff statistical profile information; student support services including attendance, tutoring, and mental health; restorative justice; and other updates and follow-up. The Committee will also consider its funding recommendation for the MCPS FY24 Operating Budget at the May 4 meeting.

Today's worksession will review the following:

- Supports for Math and Literacy instruction;
- School safety and security; and
- Other recommended accelerators in the Board of Education's budget request.

I. MATH AND LITERACY INSTRUCTION

Evidence of Learning Framework

The school system measures and monitors student achievement metrics through many levels, assessments, and measures. The primary overarching framework for evaluating student achievement is the Evidence of Learning (EOL) framework. MCPS documents describe the EOL framework as follows:

"The Evidence of Learning (EOL) Framework uses a multiple measures approach that identifies accountability related to readiness and evidence of student achievement. Evidence from research supports the importance of using multiple measures to determine success of not only students, but also schools and districts. Embedded in the EOL Framework are a variety of measures assigned as classroom, district, and external. Some of the identified measures are assessments which are best for informing and improving instruction, while others allow for a more comprehensive coverage of curriculum. Multiple measures within and across the areas of literacy and mathematics as detailed in the framework allow for increased opportunities for students to demonstrate their learning."

The Superintendent and the Board continue to monitor student achievement data through this framework. The data from the 2020-2021 school year first highlighted the impact of the COVID-19 pandemic experience on student achievement and reflected a full year of remote learning. The 2021-2022 data was presented to the Board in September 2022 and reflects the data from the first full year returning to in-person learning. (Presentation attached at circles 1-39)

The School Year 2021-2022 data continued to highlight concerns and areas of need for improvement and support in recovery for student achievement in the core areas of math and literacy. The Board most recently received a mid-year report on the EOL metrics on March 28, 2023; the Board materials for this presentation are attached at circles 40-52. The mid-year data focuses on transition years for students; the Board memorandum states that "EOL transition data

allows us to examine how students transition from one grade level to another. Transition data provides a mid-year checkpoint to ensure students are on their way toward demonstrating proficiency in grade-level standards by the end of the school year.” (circle 40)

While the mid-year data identified areas of progress, concerns continue as well. Overall in both math and literacy, the Grade 9 cohort showed significant progress, while Grades 3 and 6 showed declines.

Operating Budget Elements

The table below shows the accelerators identified in the Board’s budget request that appear most directly related to math and literacy instruction: *(Note: Council staff compiled this subset from the list of accelerators)*

Math & Literacy Instructional Accelerators

| Accelerator | FTE Workyears | Amount |
|---|----------------------|---------------------|
| Elementary and Middle School Math Support (2 math supervisors, 2 ES and 1 MS IS, 12 math instructional coaches) | 17.0 | \$1,792,553 |
| English language development (2 coaches and 40 teachers) | 42.0 | \$3,375,486 |
| 8 Academic Opportunity Specialists | 8.0 | \$1,174,424 |
| Literacy and Math Summer Institute | | \$1,555,160 |
| Stipends for Multi-Classroom Leadership Program | | \$107,650 |
| Teacher stipends to build post-CCR support pathway courses, RFP to purchase high quality, effective secondary interventions | | \$2,026,913 |
| TOTAL | 67.0 | \$10,032,186 |

MCPS provided the following table of base budget elements that support math and literacy instruction:

Base Budget Supports for Math and Literacy Instruction

| | Description | FTE | Budget |
|-----------------------------|--|------------|---------------|
| School Positions | Reading Specialist, Reading Initiative Teachers, Reading Support | 182.6 | \$25.4M |
| Curriculum Materials | Benchmark, Really Great Reading, StudySync, Eureka DreamBox intervention, LearnZillion | | \$13.3 M |
| Centralized Supports | Supervisors, Instructional Specialist, Literacy coaches | 42 | \$5.2M |

| | | | |
|------------------------------|--|--------------|----------------|
| Professional Learning | Science of Reading, Math leader training | | \$6.5M |
| Assessments | DIBELS, MAP testing | | \$0.6M |
| Total | | 224.6 | \$51.0M |

Together these elements constitute approximately \$61 million in budgeted supports for math and literacy instruction.

On circles 101-103 MCPS provided additional information about all positions, existing and requested, including links to job descriptions; description of how the additional requests support the existing work; and how the efforts will be evaluated.

The MCPS response attached, as well as the Board documents, indicate that the strategy for the accelerator positions is to increase the amount, frequency, and intensity of supervisory support time available to work with schools and teachers around their student data and outcomes. The positions work with schools and teachers around effective instruction as well as analysis of the needs of individual students (circle 104).

Circle 105 outlines the intended evaluation approaches, which focuses on documentation of planning, analysis, and steps implemented, together with monitoring outcomes in student data over time. MCPS also intends to conduct a Request for Proposals (RFP) around Reading Intervention programs as part of its evaluation of program impact for these interventions.

Council staff compiled additional summary of some elements below:

The February 9 budget presentation to the Board of Education stated that existing base funding includes:

- \$16.9 million of ongoing investments to support literacy
- \$8.8 million ongoing investments to support math

Math positions

Existing:

- 2 Supervisors (1 Elementary, 1 Secondary)
- 7 Instructional Specialists

Requested:

- 2 Administrators (1 Elementary, 1 Secondary)
- 3 Instructional Specialists (2 Elementary, 1 Middle School)

Proposed FY24 total: 4 Supervisors/Administrators; 10 Instructional Specialists

Literacy positions

Existing:

- 2 Supervisors (1 Elementary, 1 Secondary)
- 6 Instructional Specialists
- 3 Literacy Coaches

Requested:

- 2 Literacy Coaches
- ***Proposed FY24 total:*** 2 supervisors; 6 instructional specialists; 5 coaches

The summary table of base budget elements above cites school-based positions providing direct instruction and interventions to augment regular classroom instruction. The Superintendent's FY24 Operating Budget document reflects the following position totals:

- Reading specialist: 137 (ES)
- Reading Support: 7 (ES)
- Reading Initiative: 36.6 (ES)
- Academic Intervention: 48.7 (ES); 25.6 (MS); 23.8 (HS)

Council staff notes that the approach taken in the accelerators appears consistent with the next steps identified in Board presentation documents and materials from both September and March. For example, the presentation in September 2022 identified the following as next steps related to math instruction (circle):

- | | |
|---|---|
| • Institutionalize use of Eureka Math Equip pre-diagnostic resources | • Provide strategic and focused direct support to schools |
| • Engage teachers in Curriculum Study of math standards | • Monitor assessment data routinely to provide timely support |
| • Coach and lead professional learning to support EMLs and students with disabilities | • Differentiate support to math leaders based on school need |

The accelerators appear to focus on increasing the ability of teams to analyze, identify, and plan interventions to respond to student and school needs. The Committee may want to hear more about the rationale for this approach and the degree to which it leverages existing resources in direct instruction and other interventions.

II. SAFETY AND SECURITY

On March 20, the Education and Culture and Public Safety Committees received a briefing on school safety and security focusing on collaboration with Montgomery County Police Department (MCPD), the Community Engagement Officer (CEO) program implementation, and Restorative Justice. The full packet of materials for that discussion can be found at the following link:

https://www.montgomerycountymd.gov/council/Resources/Files/agenda/cm/2023/20230320/20230320_PSEC1.pdf

The Committees requested follow up information in a number of areas; the responses are attached at circles 106-117. The discussion today will focus on security, and the Committee will return to the elements related to Restorative Justice in the third worksession.

School Based Security Staffing

MCPS provided the following information regarding the staffing allocations for school security:

- There are 8 systemwide security assistant positions based at central office that provide roving security support for elementary schools.
- Middle schools are allocated security assistants; all middle schools receive 2 security assistants with the exception of John Poole MS which receives 1 security assistant; and Thomas W. Pyle and Julius West MS which each receive 3.
- High schools are allocated one team leader position and security assistants. High school allocations range from 10 at Montgomery Blair HS to 4 at Poolesville HS (Thomas Edison HS of Technology has 2).

The total base allocation for school-based security staffing is 25 HS team leaders and 217 security assistants. Of the security assistants, 81 are at the MS level and 131 are at the HS level.

For the FY24 request, the Board of Education added \$515,550 for 10 additional security assistants. MCPS has not yet indicated changes in the school allocations for next year or how these additional positions would be deployed.

Additional Data and Follow-up

In the March 20 worksession, Committee members requested follow up on the numbers of serious incidents in various categories. On circle 107, MCPS provides the following data:

- Of the 1033 serious incidents reported as of March 9, 2023:
 - Medical assistance: 553
 - Attack involving an adult: 34
 - Attack involving students: 94
 - Involving weapons: 150
 - Alcohol and drugs: 200

MCPS reports full staffing in school-based security positions following Spring Break; and that 34 security assistants have not taken the required school resource officer/school security employees

training. Council staff notes that turnover does occur through the year in these as in other positions; MCPS also notes that employees who have not yet taken the training will be enrolled in the upcoming classes.

Council staff highlights that the FY24 Operating Budget for the MCPD includes an addition of \$82,054 for four new crossing guards; two related to opening a new school and 2 related to support for existing schools. MCPD reports that all Community Engagement Officer (CEO) positions are filled.

III. OTHER ACCELERATORS

Council staff has grouped the remaining accelerators into categories in the tables below. The total for all accelerators (including math and literacy and security, as detailed in previous sections) is \$46.7 million.

Blueprint

| Accelerator | FTE Workyears | Amount |
|---|----------------------|---------------------|
| Dual Enrollment Fees for Blueprint for Maryland's Future | | \$2,730,959 |
| AP and IB exams funding for increased student participation | | \$3,397,401 |
| Additional Preschool Education Program (PEP) inclusive classrooms | 33.7 | \$2,138,756 |
| College Tracks expanded to five additional schools | | \$1,800,000 |
| Coordinator position to support Blueprint financial reporting and financial systems | 1.0 | \$148,739 |
| Blueprint coordination positions | 4.0 | \$543,036 |
| TOTAL | 38.7 | \$10,758,891 |

Human Resources

| Accelerator | FTE Workyears | Amount |
|---|----------------------|---------------|
| One Professional Development Day for SEIU employees | | \$1,329,414 |
| One coordinator position for district operations professional learning | 1.0 | \$148,739 |
| 3 Consulting counselors, 2 consulting teachers, 1 IS for Skillful Teacher, 1 professional growth consultant, 1 staffing coordinator and 1 staffing specialist, 1 coordinator for EOC/ADA/grievances | 10.0 | \$1,408,728 |

| | | |
|--|-------------|--------------------|
| Referral bonus for MCPS employees | | \$269,125 |
| Coordinator for job classification services | 1.0 | \$130,774 |
| Two background screening specialist positions | 2.0 | \$140,708 |
| Coordinator for the recruitment, hiring, and retention of diverse and qualified administrators | 1.0 | \$148,739 |
| Consulting Services for Professional Growth System | | \$300,000 |
| Professional part-time services | | \$86,120 |
| Two coordinator positions for Appeals and Labor Relations | 2.0 | \$297,478 |
| Professional part-time support for school transformation | | \$53,825 |
| TOTAL | 17.0 | \$4,313,650 |

Operations

| Accelerator | FTE Workyears | Amount |
|--|----------------------|---------------------|
| Six ITSS's for increased IT demand | 6.0 | \$538,474 |
| Human Capital Management (HCM) Project (<i>Continuation of Enterprise Resource Planning {ERP} System</i>) | | \$2,557,198 |
| Technology support for hotspots, Amazon Web Services, Zoom | | \$3,696,690 |
| Chromebooks | | \$4,820,687 |
| Upgrade software for application for tracking buses by MCPS and families | | \$1,500,000 |
| Additional Transportation Department positions (<i>including depot, operations managers, dispatch, bus route supervisor</i>) | 5.0 | \$506,996 |
| Additional Facilities Management Department positions (<i>including HVAC, building services, other maintenance</i>) | 21.0 | \$1,894,341 |
| Secretarial Support for Department of Safety and Security | 1.0 | \$61,586 |
| 10 security assistants for schools | 10.0 | \$515,550 |
| Non-salary positions for summer months to support school/office moves and supply orders | | \$312,078 |
| Fiscal specialist for focus on elementary schools | 1.0 | \$122,820 |
| Director I position in Communications | 1.0 | \$166,978 |
| Fiscal assistant and contract administrator | 2.0 | \$172,997 |
| TOTAL | 47.0 | \$16,866,395 |

Programmatic

| Accelerator | FTE Workyears | Amount |
|--|----------------------|--------------------|
| Planning for expansion of Innovative Calendar Elementary Schools | | \$263,388 |
| Support for current Two Way Immersion (TWI) schools | 2.9 | \$209,897 |
| Academic Support and Innovative Calendar School (ICS) Coordinator for TWI and ICS | 1.0 | \$158,333 |
| Expand IB Diploma Program to additional elementary, middle, and high schools and 1 Accelerated and Enriched Instructional Specialist | 5.0 | \$463,757 |
| Support for Administration of 504 plans | 3.0 | \$931,169 |
| Add 25 Athletic trainers and 1 coordinator for district-wide athletics program | 26.0 | \$2,113,464 |
| OCIP support for Dual Enrollment, Early and Middle College Programs and Tutoring | 1.0 | \$141,467 |
| Coordinator for multiple tutoring programs | 1.0 | \$148,739 |
| Resources to establish a Parent Resource Room for Students with Disabilities | 2.0 | \$236,938 |
| Implementation of literacy at birth/literacy for young mothers' program | | \$100,000 |
| TOTAL | 41.9 | \$4,767,152 |

This packet contains the following:

| | |
|---|-----------|
| End of Year and Performance Data Report to BOE, September 22, 2022. | © 1-39 |
| Evidence of Learning (EOL) Report to BOE, March 28, 2023. | © 40-52 |
| Evidence of Learning (EOL) Presentation to BOE, March 28, 2023. | © 53-100 |
| MCPS Responses on Math and Literacy Accelerators | © 101-105 |
| MCPS Responses for the March 20, 2023, joint E&C/PS Committee meeting | © 106-117 |

M E M O R A N D U M

May 1, 2023

TO: Education and Culture Committee

FROM: Essie McGuire, Senior Legislative Analyst

SUBJECT: **Worksession – Montgomery County Public Schools FY24 Operating Budget and Special Appropriation to the FY23 Operating Budget, Montgomery County Public Schools, Education Support Professionals Bonus and Report, \$4,973,500, Source of Funds: Maryland State Department of Education**

PURPOSE: To complete Committee review of MCPS FY24 Operating Budget request and review FY23 Special Appropriation; votes expected

Expected Attendees:

- Karla Silvestre, President, Montgomery County Board of Education
- Dr. Monifa B. McKnight, Superintendent of Schools, MCPS
- Dr. Patrick Murphy, Deputy Superintendent, MCPS
- Brian Hull, Chief Operating Officer, MCPS
- Damon Monteleone, Associate Superintendent of Well-Being, Learning, and Achievement
- Diana Wyles, Acting Associate Superintendent of Special Education
- Rob Reilly, Associate Superintendent, Office of Finance, MCPS
- Thomas Klausing, Executive Director of Finance, MCPS
- Ivón Alfonso-Windsor, Supervisor of the Budget Unit, MCPS
- Rich Harris, Fiscal and Policy Analyst, Office of Management and Budget

OVERVIEW OF FY24 OPERATING BUDGET REVIEW STRUCTURE

Today the Education and Culture Committee will hold its third worksession to review the Board of Education's Requested FY24 Operating Budget for Montgomery County Public Schools (MCPS). Committee Chair Jawando has outlined the approach that the Committee will take to reviewing the budget request over the course of three scheduled Committee worksessions focusing on MCPS.

Throughout the budget review, the Chair intends to focus the discussion through the following lens:

- What are the mechanisms by which we will measure success?

- *Current state:* Where are we?
- *Evaluation:* What is working and not working?
- *Next steps:* Where do we go from here?

At its first MCPS Operating Budget review worksession on April 19, the Committee received a fiscal overview of the budget request; reviewed revenues and expenditures, including Federal relief funding; discussed positions and vacancies; and reviewed the Technology Modernization Capital Improvements Project, including technology initiatives and supports for staff and students.

At its second worksession on April 27, the Committee focused on budgeted supports for math and literacy instruction; Evidence of Learning (EOL) and other performance data; and related FY24 requested accelerators.

Today's worksession will review the following:

- I. Updates**, including Anti-Racist Audit, Special Education Compensatory Education, and Restorative Justice, requested FY24 accelerators, and follow-up information on ESSER allocations;
- II. Positions and Staffing**, including new positions requested in FY24, mental health support positions, budget staffing guidelines, and follow-up information on vacancies and long-term substitutes;
- III. Salary Schedule Analysis**, including information about salaries, turnover, and retirements, and the FY23 Supplemental for the Educational Support Professionals Bonus Grant; and
- IV. Funding Summary**, including adjustments in Federal Aid, funding history, and options for funding recommendations.

I. UPDATES

A. Anti-racist audit

MCPS provided the following information in response to Council staff's request for an update on the specific budget elements associated with conducting the audit and implementation of recommendations, as well as next steps:

"The FY 2021 budget allocated \$485,000 to commission the Antiracist System Audit. Since the initial budget allocation, the work associated with unpacking and implementing the recommendations have occurred with no additional funding to the Equity Unit. The work of being an antiracist district requires the entire system to put forth their full commitment of time and resources. You will see that the FY 2024 Operating Budget encompasses a variety of implementation strategies to move this work forward. The allocations are dispersed throughout the different offices to reflect that this is the work of the entire district.

During FY 2023, ESSER funds have been used to support the professional learning needs to support the initial training needed to move this work forward. For example, a District-Wide Implementation Team that includes staff from across the district and all three professional associations has been training all year to develop the necessary skills to support action at the school and district level.

Additionally, all Central Office and School-based leaders are currently in a series of professional learning activities to ensure all leaders have the skills and common structures for antiracist leadership.

ESSER III funds will be used to move the action forward. The Antiracist System Audit was organized into six domains. An organizing committee called charters have been assigned for each of the domains. Through a series of professional development and community input, each charter is currently developing an action plan that will include a budget. The ESSR III funds will be used for the charter budgets in FY 2024. All the action plans and budgets will be included in a comprehensive action plan that will be presented to the Board of Education and community on May 11, 2023. Utilizing ESSER funds is not just fiscally responsible, but it allows us to document and evaluate the evidence of effectiveness to support any potential accelerators for the FY 2025 budget.”

The ESSER funding allocation charts do not specify items as associated with the Anti-Racist Audit; however **MCPS reports that \$4.2 million of professional development in ESSER funding is identified to support the Anti-Racist Audit implementation.** Council staff notes that both ESSER II and ESSER III include significant funding for professional development, as outlined below.

| Professional Development | Budget | Actual Expenditures and Encumbrances | Funds Available |
|---------------------------------|-----------------|---|------------------------|
| ESSER II | \$13.5 M | \$10.8 M | \$2.7 M |
| ESSER III | \$23.8 M | \$4.2 M | \$19.6 M |
| Total | \$37.3 M | \$15.0 M | \$22.3 M |

B. Restorative Justice Staffing

MCPS provided the following information regarding current year budget elements supporting Restorative Justice (both centrally and in schools), and in comparison with the prior year. MCPS states that no additional elements are requested for FY24.

| | | |
|---|---|-------------|
| Restorative Justice Staffing FY23 | 9 Instructional Specialists (Increase from 3 in prior year) | \$1,132,261 |
| RJ and Mindfulness Stipends for local school coaches | | \$1,192,500 |
| <i>Breakdown of coach stipends:</i> | | |
| Elementary School Restorative Justice Coaches | 136 Stipends at \$3,000 (New in 2022-23) | |
| Secondary Schools Restorative Justice Coaches | 66 Stipends at \$6,000 each (Year 2 Professional Learning Community) | |
| 75 Mindfulness Coaches | \$1,500 stipend | |

The ESSER III information provided indicates that the funding for the Restorative Justice Specialist positions is included in the funding total for mental health and counseling.

C. Special Education Compensatory Education

The Committee requested additional information on the progress that has been made on delivering outstanding special education services to families. MCPS provided the information below:

“The Office of Special Education has two staff members whose work is primarily focused on the provision of compensatory services related to the COVID-19 pandemic closures. This department manages and assigns special education teachers who are employed as tutors to provide the services and related services providers. There were approximately 6,400 students determined eligible for compensatory services as a result of the COVID-19 closures, and over half have completed services. We continue to work with families to schedule compensatory services on an ongoing basis and offer services at students’ local schools during the week as well as at regional sites throughout the county during the week and on weekends.”

| | FY 2023 Actuals + Projected | FY 2024 Projected |
|-----------|-----------------------------|-------------------|
| Local | \$1,151,783 | \$100,000 |
| ESSER II | \$3,413,372 | |
| ESSER III | \$2,270,033 | \$5,246,220 |
| TOTAL | \$6,835,188 | \$5,346,220 |

D. ESSER Allocations

The Committee requested additional description of the allocation categories in the ESSER funding charts. MCPS provided updated charts attached on circles 1-2; these charts reflect funding as of March 31, 2023 and additional descriptive information. The updated amount of total unexpended and unencumbered funds available is \$140.1 million.

E. Accelerators

Council staff’s compilation of requested FY24 accelerators into grouped tables is attached on circles 3-5 for the Committee’s reference if there are remaining questions on any of the items not yet discussed.

II. POSITIONS AND STAFFING

A. Positions

The Board’s budget adds a total of 539.46 FTE. Table 5 of the Board’s budget (circle 50) classifies all the positions in the school system each budget year. The table below provides additional detail on the positions being added; the categories align to those in Table 5 of the budget.

| FY24 Additional Positions | |
|--|--|
| POSITIONS | Description |
| Administrative | 1.0 director II position; 4.0 director I positions; 16.0 coordinator positions; 1.0 team leader position funded through realignments and accelerators |
| Other Professional | 1.0 pupil personnel worker position due to enrollment growth; 2.0 evaluation specialists to support program evaluation; 21.4 instructional specialist positions to support the ELD program, math and literacy, strategic initiatives; 2.0 tech implementation specialists to support the technology needs |
| Principal/Assistant Principal | 4.0 assistant principal positions and 0.5 principal position (0.5 principal was budgeted in FY23 for the new schools/half year) resulting from enrollment growth and new schools |
| Teacher | 78.5 general ed teacher positions; 85.6 special ed teacher positions; 3.6 Early Childhood and Title I teacher positions; 5.0 consulting teacher and counselor positions; 16 community school specialist positions; 64 ELD teacher positions; and 25 athletic trainer positions. These positions are a result of enrollment growth across all areas, expansion of community schools, and support needed for athletic programs |
| Special Education Specialist | 15.825 Speech pathologist positions; 1.4 physical therapist positions, and 2.125 Occupational therapist positions resulting from enrollment growth |
| Media Specialist | 1.5 media specialist positions due to enrollment growth |
| Counselor | 2.9 counselor positions due to enrollment growth |
| Instructional Support | 0.5 lunch hour aides; 1.0 dual enrollment assistant; 21.1125 general education paraeducator positions; 92.2715 special ed paraeducator positions; 1.75 English Comp Assistant; 3.625 head start paraeducator to support enrollment and program growth |
| IT Systems Specialist | 6.0 IT systems specialists to support the tech support and repair of all the additional equipment systemwide |
| Security | 14.1250 security assistants and team leaders as a result of enrollment growth/accelerators |
| Food Services | 1.0 operations assistant, 1.0 buyer's assistant, 2.625 cafeteria workers; 0.75 cafeteria manager; and 1.0 IT systems technician to support enrollment growth and program needs through the Enterprise Funds |
| Building Services | 20.0 building service managers and workers; 6.0 preventive maintenance workers; 1.0 maintenance and operations trainer; resulting from growth, new space and training needs for equipment maintenance and repair |
| Facilities Management/Maintenance | 10.0 plumbers and mechanical and electrical technicians |
| Supply/Property Management | 1.0 contract administrator |
| Transportation | 1.0 transportation staff assistant; 1.0 transportation dispatcher; 2.0 bus route supervisor; 1.0 transportation cluster manager; 1.0 automotive technician; transportation safety trainer. These positions are a result of growth and an accelerator request for the West Farm Depot split. |
| Other Support Personnel | 3.0 background screening specialist, 1.0 professional growth consultant, 2.0 staffing specialist; 1.0 data support specialist, 1.0 communication support specialist, 8.5 wellness trainers. These positions are proposed to be funded through realignments and accelerators. |

B. Mental Health Supports

MCPS provided the tables attached on circles 6-7 to outline in more detail the full complement of positions throughout the budget that support mental health and wellness for students. These tables were initially provided for the March 2, 2023, joint E&C and HHS Committee meeting on mental health supports for youth. The tables are included here for reference and additional detail on these Table 5 position categories if Committee members have outstanding questions on these positions in the MCPS base budget.

C. Staffing Guidelines

As part of its final budget action in June, the Board of Education approves staffing guidelines for general and special education. These guidelines are initially included as part of the Superintendent's budget submission document; Council staff's understanding is that the Board's request would not change the staffing guidelines documents. The general education guidelines are attached at circles 8-14; the special education staffing plan has more elements and can be accessed at the following link:

<https://www2.montgomeryschoolsmd.org/siteassets/district/departments/budget/fy2024-recommended/appendix-d.pdf>

These guidelines form the basis of the budgeted amounts and FTE in each category listed on the staffing guidelines. There are other formula based positions not included on this chart, such as bus operators and building service workers as examples; however most school based positions that are budgeted based on formula guidelines are reflected in the chart attached on circles 8-14.

Council staff notes the following regarding the staffing guidelines:

- These are important foundational guidelines for the macro budget as a whole; district level policy changes such as an increase or decrease in class size guidelines would be reflected here and have a subsequent impact on the budget level for the impacted FTE.
- These guidelines do not reflect the reality in each and every classroom. For example, the guidelines call for 24 students in non-class size reduction Kindergarten classrooms. If a school has 26 kindergarten students, they are not likely to receive an allocation of a second Kindergarten teacher.
- School staffing allocations do continue to fluctuate as the school year begins and actual enrollment is experienced and realized. Some positions are budgeted to be held in reserve to be able to address adjustments that may be needed at the beginning of the year.
- Schools work with the central office to manage additional allocation adjustments.

D. Vacancies and Long-Term Substitutes

The Committee requested additional clarification and detail regarding vacancy information. MCPS provided the following updates:

“Advertised vacancy data comparisons between FY 2023 and FY 2024 below are reflective of increased enrollment, which results in additional allocated staffing. Long-term substitute data reflects those covered by a substitute for vacant positions and for positions

where an employee is on leave. The overall vacancy data may include long term substitute positions that are included in FY 2024 staffing allocations.”

Teacher Vacancies as of April 21, 2023

| 4/21/2023 | Full Time | Part Time | Total Number Vacancies |
|------------------|------------------|------------------|-------------------------------|
| Elementary | 177 | 91 | 268 |
| Middle | 116 | 33 | 149 |
| High | 84 | 23 | 107 |
| Special | 16 | 7 | 23 |
| Virtual Academy | 3 | | 3 |
| Offices | 32 | 4 | 36 |
| All | 428 | 158 | 586 |

Teacher Vacancies as of April 19, 2022

| 4/19/2022 | Full Time | Part Time | Total Number Vacancies |
|------------------|------------------|------------------|-------------------------------|
| Elementary | 105 | 111 | 216 |
| Middle | 93 | 25 | 118 |
| High | 83 | 34 | 117 |
| Special | 15 | 8 | 23 |
| Virtual Academy | | | 0 |
| Offices | 13 | 4 | 17 |
| All | 309 | 182 | 491 |

MCPS also provided additional follow up information regarding Long-Term Substitutes. The first table below reflects all long-term substitute assignments with a start date in the current school year, whether complete or ongoing. The second table below shows the breakdown of long-term substitute placements that are still active as of the report date.

Count of Long Term Substitutes for 2022-23

Report Date: 04-20-2023

| Job Code | Job Code Description | Total |
|-------------|--------------------------------|-------|
| 1996 | Long Term Substitute (Vacancy) | 260 |
| 1998 | Long Term Substitute | 672 |
| Grand Total | | 932 |

Count of Long Term Substitutes for 2022-23 (Currently in position)

Report Date: 04-20-2023

| Job Code | Job Code Description | Total |
|-------------|--------------------------------|-------|
| 1996 | Long Term Substitute (Vacancy) | 171 |
| 1998 | Long Term Substitute | 254 |
| Grand Total | | 425 |

III. SALARY SCHEDULE ANALYSIS

A. Blueprint requirements

The Blueprint legislation includes two requirements for teacher salaries:

1. Teachers must receive a total 10% salary increase over the 2019 levels by 6/30/24. MCPS Blueprint documentation reports that through FY23 teachers will have received a 7.8% increase to the salary scale (not including step increases); therefore a 2.2% increase is needed to meet this requirement.
2. The minimum starting teacher salary must be \$60,000 by July 1, 2026. In FY23, the minimum teacher salary in MCPS is \$54,038; therefore the minimum salary level must increase by \$5,962 over the next three years to meet this requirement.¹

B. Staff Statistical Profile

Each year MCPS prepares a Staff Statistical Profile (SSP) that compiles extensive demographic and salary information about employees grouped by bargaining unit. In this section Council staff

¹ As this staff report went to print, on Monday, May 1, MCPS announced a tentative agreement with the Montgomery County Education Association (MCEA) bargaining unit for teachers; the press release (attached on circle 51) references that the agreement will increase the minimum teacher salary to \$59,640 as of July 1, 2023.

highlights aspects of this information related to discussions raised by Councilmembers, advocates, and community members. Excerpts of the Staff Statistical Profile are attached at circles 22-31.²

Residency

MCPS employees' residency in Montgomery County has remained fairly stable in recent years:

| Montgomery County Residence Profile | | | | | | | | | | |
|--|--------------|----------|--------------|----------|-------------|----------|-------------|----------|--------------------|----------|
| Fiscal Year | MCAAP | | MCBOA | | SEIU | | MCEA | | Grand Total | |
| | # | % | # | % | # | % | # | % | # | % |
| FY2023 | 473 | 58.6% | 68 | 70.1% | 8,111 | 81.6% | 8,967 | 63.8% | 17,619 | 70.7% |
| FY2022 | 459 | 58.6% | 67 | 68.4% | 7,792 | 80.9% | 8,967 | 63.6% | 17,285 | 70.2% |
| FY2021 | 456 | 60.4% | 63 | 63.6% | 7,883 | 81.0% | 8,944 | 63.9% | 17,346 | 70.5% |
| FY2020 | 451 | 60.5% | 64 | 64.0% | 7,686 | 81.2% | 8,829 | 64.4% | 17,030 | 70.9% |

MCPS employees also reside in neighboring counties, including Frederick (10.2%); Prince Georges (5.5%); and Howard (4.7%) counties. A total of 1.9% of MCPS employees reside in the District of Columbia.

Turnover

Turnover rates are increasing, rising from 6.7% of employees in FY18 to 9.3% in FY22 (circle 23). Of these, the table on circle 23 shows that retirements are staying fairly constant in this time while other terminations have increased.

Looking ahead, MCPS provided the following table of retirement eligibility in the next four years:

Count of Employees Eligible to Retire between FY2023 and FY2026

Report Date: 04-20-2023

| Union Code | Fiscal Year | | | | Grand Total |
|--------------------|--------------------|-------------|-------------|-------------|--------------------|
| | 2023 | 2024 | 2025 | 2026 | |
| MCAAP | 67 | 25 | 26 | 29 | 147 |
| MCEA | 879 | 269 | 234 | 287 | 1,669 |
| Grand Total | 946 | 294 | 260 | 316 | 1,816 |

² The SSP includes information on other staffing categories including Other Professionals and the business administrators bargaining unit. Council staff focused this analysis on teachers, administrators/principals, and support services; however the full information of the Staff Statistical Profile can be accessed at <https://montgomerycountymd.gov/COUNCIL/Resources/Files/REPORTS/2023/MCPS-2023.pdf>

C. Salary Comparisons

The Maryland State Department of Education (MSDE) issued a comparison of salaries for various positions in school districts across Maryland, in a report titled “Professional Salary Schedules Maryland Public Schools 2022-2023”. This report is attached at circles 32-48. Council staff analyzed several comparisons within this document, as outlined in the sections below. Council staff notes that this document does not include the MCPS salary increases implemented in the current school year; other counties’ increases may or may not be included as well. This comparison also does not reflect benefits. Nonetheless it is a useful compendium of the relative salary schedules in each jurisdiction.

Salary Schedule Comparison: Teachers

The MCPS salary schedule for teachers combines years of experience and education level, as a result new teacher hires may not start at the minimum of the salary scale. The MSDE salary schedule comparison primarily looks at the teacher salary comparisons among teachers with a Bachelor’s degree and teachers with a Master’s degree. Council staff summarized the comparisons for both degree schedules for counties with salaries higher than MCPS in the tables below.

Bachelors Degree Minimum Salary Comparison

These salaries are relative from the attached MSDE document and not reflective of current actuals. All counties not listed have minimum salaries below MCPS.

| Jurisdiction | Bachelors Degree Step 1 Minimum |
|-----------------------|------------------------------------|
| Washington County | \$56,987 |
| Howard County | \$56,228 |
| Charles County | \$54,508 |
| Harford County | \$54,228 |
| Prince Georges County | \$52,961 |
| Baltimore County | \$52,927 |
| Baltimore City | \$52,712 |
| Allegany County | \$52,674 |
| Montgomery County | \$52,286 |

- The MCPS minimum step 1 level for a new teacher with a Bachelors degree is approximately the same (within \$675) as four other counties; and lower than 4 other counties in the state.
- Council staff notes that these comparisons highlight the fact that Montgomery County will need to increase its Bachelors level salaries per the Blueprint requirement.

Masters Degree Salary Schedule Comparison

The table below shows the salary schedule progression among the jurisdictions that have higher salaries on the Masters level salary scale than MCPS. The table shows the relative position (not current actuals) at each step; the highest salary in each step is bolded; and counties are not included

if their scale is always lower than MCPS. Maximum salaries are shown for all in the table; Masters level scales include one for Masters alone, as well as scales for Masters with over 30 or over 60 additional post graduate credit hours.

Masters Degree Salary Scale Comparison

| Step | Montgomery County | Baltimore City | Charles County | Howard County | Prince Georges Cty | Washington County |
|---------|-------------------|-----------------|----------------|-----------------|--------------------|-------------------|
| 1 | \$57,498 | \$55,922 | \$58,935 | \$61,015 | \$58,388 | \$58,837 |
| 2 | \$58,445 | \$57,600 | \$58,935 | \$61,015 | \$58,388 | \$60,308 |
| 3 | \$60,655 | \$59,326 | \$58,935 | \$61,015 | \$60,140 | \$61,816 |
| 4 | \$62,949 | \$65,854 | \$60,555 | \$61,015 | \$61,945 | \$63,361 |
| 5 | \$65,335 | \$68,727 | \$62,221 | \$63,148 | \$63,804 | \$64,945 |
| 6 | \$67,291 | \$71,602 | \$63,932 | \$65,282 | \$65,719 | \$66,569 |
| **** | ***** | ***** | ***** | ***** | ***** | ***** |
| 13 | \$87,506 | \$87,615 | \$77,301 | \$80,215 | \$80,825 | \$79,129 |
| 14 | \$90,854 | \$88,747 | \$79,427 | \$82,349 | \$83,250 | \$81,107 |
| **** | ***** | ***** | ***** | ***** | ***** | ***** |
| Max | \$107,600 | \$92,145 | \$93,467 | \$105,816 | \$102,388 | \$91,765 |
| Max +30 | \$112,161 | \$93,279 | \$94,467 | \$107,636 | \$107,507 | \$94,685 |
| Max +60 | \$114,963 | \$102,934 | \$94,467 | \$107,636 | \$112,879 | \$95,411 |

- Montgomery County has the highest maximum salaries of any other Maryland jurisdiction for teachers with a Masters Degree.
- For teachers with a Masters Degree, Montgomery County's salary schedule is the highest in the State past Step 4 (of 25), with the sole exception of Baltimore City, which is higher through Step 13 (of 25).
- One benefit of the structure of the MCPS teacher salary schedule is that it incentivizes both additional educational attainment for teachers and retention in the system.

MCPS Salary Schedule Placement: Teachers

The Staff Statistical Profile breaks out information on new teachers, defined as teachers new to MCPS, hired by MCPS as of 10/1 in the current school year.

For new teachers:

- 30% are at the Step 1 Bachelors level minimum;
- 40.3% are in the Bachelors level salary scale;
- 38.5% are in the Masters level salary scale.

For all teachers:

- 11.7% are in the Bachelors level salary scale;
- 50% have a salary higher than \$85,000; and
- 40.2% have a salary higher than \$95,000.

Average MCPS Teacher Salaries

| Fiscal Year | Average Salaries: New Teachers | Average Salaries: All Teachers |
|--------------------|---|---|
| FY23 | \$60,940 | \$87,604 |
| FY22 | \$58,228 | \$85,569 |
| FY21 | \$56,143 | \$83,655 |
| FY20 | \$56,374 | \$85,391 |

Average salary calculation: Salaries/filled FTE. Salaries presented reflect actual salaries not adjusted for full time equivalency (FTE). Data reflects the number of permanent employees by head count.

MCPS Salary Schedule Placement: Administrators and Principals

- 51.8% of Administrators and Principals are on the Grade N scale, which ranges from \$111,834 to \$145,613.

The MSDE salary comparison document includes breakouts of several administrative categories.

- Baltimore County has the highest principal salaries, and is an outlier in the amount listed at \$199,481.
- MCPS principal salaries are also below Prince Georges (\$184,869) and Frederick (\$181,367) counties, and essentially the same level as Howard and St. Mary's counties.
- MCPS assistant principal salaries are fourth highest in the State; again Baltimore County is the high outlier.
- MCPS administrative salaries are least competitive at the central service Director level (8th in the State) and most competitive for school psychologists (3rd in the State)³.

MCPS Salary Schedule Placement: Supporting Services Employees

Supporting Services salary schedule reflects an hourly rate. Some employees may have multiple positions within the system that can have different rates depending on the position.

The Staff Statistical Profile shows the following:

- 52.9% of supporting services employees are on the Grades 12 and 13 salary scale, which ranges from a minimum of \$19.61 per hour on Grade 12 to a maximum of \$29.54 per hour on Grade 13;
- 12 month support staff have an average salary of \$62,607;
- 10 month support staff have an average salary of \$39,393.

D. FY23 Special Appropriation

On April 20, 2023, the Board of Education approved a request for FY23 State funding for the Educational Support Professional (ESP) Bonus and Report grant. The Council introduced this

³ School psychologists are shown on the administrative charts in the MSDE document in part because they are 12 month positions.

appropriation resolution on May 2 (resolution attached on circles 16-17) as a special appropriation due to the time urgency around implementing this grant funding.

The funding from the Maryland State Department of Education (MSDE) implements action by the General Assembly to provide bonuses to noncertificated public school employees. In MCPS, eligible employees are members of SEIU Local 500 and include paraeducators, media assistants, bus operators, and other education support professionals.

MCPS has worked with MSDE to identify eligible individuals; MSDE has certified that a total of 9,947 SEIU members in MCPS are eligible and employees will receive a bonus of \$464 in their final paycheck of the fiscal year. The bonus is fully funded by the State grant funds.

Council staff recommends approval of the FY23 special appropriation of State grant funds in the amount of \$4,973,500. This item is scheduled for Council public hearing and action on May 16, 2023.

IV. FUNDING SUMMARY

A. Federal Funding Adjustments

Federal allocation timelines are not aligned with State and County processes, and often change up to (and sometimes after) the time of Council's final budget action.

Title I

Title I is Federal funding for schools to provide supports to schools and students who live in low-income households. MCPS recently received notice of a significant increase in the Title I allocation above budgeted assumptions:

| | |
|---------------------------------------|--------------|
| FY24 Title I budget assumption | \$33,035,796 |
| April 2023 Federal Title I allocation | \$51,560,271 |
| Additional Federal Title I funding | \$18,524,475 |

The increase appears due to both increased funding designated at the Federal level and increased enrollment of students in MCPS who live in low-income households. The Council's final appropriation will be increased by \$18.5 million to reflect these additional funds. This increase is in the grant fund, and does not impact the tax supported appropriation. However additional Title I funding provides critically important supports to schools with lower socio-economic demographics.

Individuals with Disabilities Education Act (IDEA)

Federal funding also supports services to students with disabilities. MCPS recently received notice of an increase in IDEA funding allocation for FY24 above budget assumptions:

| | |
|------------------------------------|--------------|
| FY24 IDEA budget assumption | \$34,698,768 |
| April 2023 Federal IDEA allocation | \$39,591,726 |
| Additional Federal IDEA funding | \$4,892,958 |

The increase appears due to increased enrollment of special education students in MCPS. The Council's final appropriation will be increased by \$4.9 million to reflect these additional funds. This increase is in the grant fund, and does not impact the tax supported appropriation.

B. Instructional Television Fund

The County Executive recommends \$1,681,286 for the Instructional Television Fund, a reduction of \$88,489 from the FY23 funding level and a reduction of \$141,489 from the increased level requested by the Board of Education. This fund is not tax-supported and is allocated from revenues from the Cable Fund. The Committee may want to hear more information from Executive staff on the cause of this decrease.

C. Funding history: County support for MCPS

Council staff (including Logan Anbinder, Post-Graduate Fellow) compiled a chart (attached on circle 49) that shows various components of funding for the MCPS Operating Budgets from FY13-23; some of these funding components are not reflected in typical per pupil spending calculations. Council staff notes the following:

- Since FY13, the amount of additional County support funds, which includes debt service, school health nurses, and technology modernization, has increased fairly steadily, with some decrease during FY21 and FY22. The FY23 approved level is a 25% increase over the FY13 level for this funding.
- In FY13-16 the County did not exceed MOE; however the County was funding the required shift of pension costs from the State in those years in addition to the MOE appropriation.
- There is not a straightforward correlation between the amount over MOE and the amount of compensation increases funded. In FY19 MCPS reported an average increase (step plus GWA) of 7.0% with a County contribution of \$18 million over MOE; and in FY23 MCPS reported an average increase of 6.85% with a County contribution of \$86 million over MOE.

D. Fund balance

The Committee discussed the MCPS fund balance in the first worksession on April 19; MCPS provided the chart on circle 21 that shows fund balances in other jurisdictions in the State. Council staff notes that there are many unknown variables regarding other jurisdictions' budget structures and fiscal policies that could impact these fund balances.

The table below shows the amounts of MCPS fund balance reappropriated in the last several fiscal years. Council staff notes that the ending fund balance in each year is larger than the amount reappropriated, as fiscal conditions continue to change in ending the fiscal year and as the system is required by law to end the year with a positive balance.

| Fiscal Year | Fund Balance Re-Appropriated | Fiscal Year | Fund Balance Re-Appropriated |
|-------------|---------------------------------|-------------|---------------------------------|
| FY13 | \$17,000,000 | FY19 | \$25,000,000 |
| FY14 | \$26,972,451 | FY20 | \$25,000,000 |
| FY15 | \$38,172,451 | FY21 | \$25,000,000 |
| FY16 | \$33,162,633 | FY22 | \$25,000,000 |
| FY17 | \$33,162,633 | FY23 | \$35,000,000 |
| FY18 | \$22,783,303 | FY24 (rec) | \$25,000,000 |

The Council’s Reserve and Select Fiscal Policies resolution states that “The Council should not budget any reserve for the MCPS Current Fund.” Given the revenue pressures in the FY24 budget, it may be important to revisit the practice of intentionally carrying over a significant target amount of funds from year to year in the MCPS budget.

Council staff notes that this discussion of the carryover fund balance has been raised for many years with previous Boards, Superintendents, and Committees. In the discussion of the year-end transfers for the FY17 Operating Budget, the Council staff report notes that the Board and Superintendent at that time intended to work toward a year end target of 0.5% of expenditures. For FY24, that would equal approximately \$15 million of the Board’s tax supported request.

E. Options for Funding Level Consideration

As noted in the first Committee worksession, the Council President’s guidance for the FY24 Operating Budget is that all increased funding over the FY23 funding amount must be placed on the reconciliation list as high priority or priority. For MCPS, that amount is \$223 million under the County Executive’s recommended funding level supported by the 10% tax increase, and \$230 million under the Board of Education’s requested level of County contribution.

Council staff suggests that it may be helpful to think about the increase in 1% increments, as each 1-cent of the proposed tax increase is equivalent to \$22.3 million in revenue. That would result in 10 increments of \$22.3 million each to consider for the reconciliation list; an additional \$7.5 million would be needed to meet the Board’s full request. Council staff notes that this \$7.5 million is not included in the proposed revenue; as a result, for the purposes of this discussion, Council staff will use the Executive’s recommended funding level as a base for the County contribution.

If there is a need to reduce the level of the County contribution due to affordability considerations, Council staff offers the following options for consideration:

Council staff recommendation:

Reduce the County contribution by a total of \$79,525,204 from the Executive’s recommended funding level. This amount represents two elements:

Fund balance assumption: \$25,000,000

- This recommendation removes the assumption of this amount in future savings, essentially reducing the appropriation by the amount that MCPS would be assuming to carry over unspent into the next fiscal year. Council staff emphasizes that MCPS will still need to budget to achieve a positive fund balance; and that the FY25 budget will not necessarily have as large an amount to use as a resource.

State Aid above December assumption: \$54,525,204

- This amount represents the amount of State Aid above the Superintendent's December assumption that was added to the overall total in the Board of Education's budget. Council staff notes that it has been a frequent practice for the Board's budget to use additional State Aid to offset all or part of the requested County contribution.

In Council staff's view, this recommendation takes the overall MCPS FY24 budget to approximately the tax supported level put forward by the Superintendent in December.

Council staff notes the following:

- **This would result in a County contribution level of \$1,982,863,831;**
- **This is an increase of \$143,792,371 over the FY23 County contribution;**
- **The total tax supported increase (which includes State Aid) would be \$203,057,575 over FY23 tax supported funding.**

Council staff acknowledges that this level of funding would require the system and the Board to make changes within the proposed budget; however, in Council staff's view, this amount of total resources would be sufficient to support the Board's key priorities, including compensation.

Other Options: Partial State Aid Offset

Other funding levels could recognize part but not all of the additional State Aid above December assumptions.

For example, a reduction of \$25 million related to the fund balance and \$27.3 million representing half of the additional State Aid assumption would result in a \$52.3 million reduction to the County contribution. This example would do the following:

- Reduce the Executive's recommended County contribution by \$52,262,602;
- Increase County contribution by \$171,054,973 over FY23;
- This would result in an increase of \$230.3 million in total tax supported funds over FY23 levels.

Reconciliation List

The Committee's recommended funding level will need to be reflected in increments on the reconciliation list. Council staff suggests that the MCPS recommended funding level be identified as high priority. The reconciliation list actions that would be needed for each option presented above are as follows:

Option 1: Fund the County contribution at the County Executive’s recommended level

- Place \$223,317,575 million on the reconciliation list
- This amount is equivalent to 10 increments of \$22.3 million each on the reconciliation list

Option 2: Council staff recommended option

- Place \$143,792,371 on the reconciliation list
- This amount is equivalent to 6.5 increments of \$22.3 million each on the reconciliation list

Option 3: Partial State Aid offset

- Place \$171,054,973 on the reconciliation list
- This amount is equivalent to 7.7 increments of \$22.3 million each on the reconciliation list

Council staff notes that either Option 2 or Option 3 would lower the impact on future Maintenance of Effort funding requirements.

This packet contains the following:

| | |
|---|---------|
| ESSER III Budget by Program tables | © 1-2 |
| MCPS Accelerator tables | © 3-5 |
| MCPS Mental Health Support Positions tables | © 6-7 |
| FY24 Staffing and Budget Guidelines | © 8-14 |
| FY24 Special Education Staffing Plan (link) | © 15 |
| FY23 Special Appropriation Resolution | © 16-17 |
| FY23 Special Appropriation Transmittal Memoranda | © 18-20 |
| MCPS responses to Council questions on fund balance & ilDEA | © 21 |
| MCPS Staff Statistical Profile | © 22-31 |
| MSDE Salary Schedule Comparisons | © 32-48 |
| MCPS Funding History Chart | © 49 |
| Allocation of Staffing table | © 50 |
| MCPS and MCEA Press Release on Wage Increase | © 51 |