

TABLE 1
SUMMARY OF RESOURCES
BY OBJECT OF EXPENDITURE

OBJECT OF EXPENDITURE	FY 2007 ACTUAL	FY 2008 BUDGET	FY 2008 CURRENT	FY 2009 BUDGET	FY 2009 CHANGE
POSITIONS					
Administrative	724,000	700,000	746,000	727,000	(19,000)
Professional	11,802,140	11,831,140	11,833,140	11,770,000	(63,140)
Supporting Services	8,213,339	8,343,687	8,300,437	8,272,486	(27,951)
TOTAL POSITIONS	20,739,479	20,874,827	20,879,577	20,769,486	(110,091)
01 SALARIES & WAGES					
Administrative	\$80,268,075	\$83,305,389	\$88,662,417	\$92,852,587	\$4,190,170
Professional	795,870,821	858,887,318	858,963,790	904,788,490	45,824,700
Supporting Services	291,877,043	328,708,854	323,432,285	341,915,909	18,483,624
TOTAL POSITION DOLLARS	1,168,015,939	1,270,901,561	1,271,058,492	1,339,556,986	68,498,494
OTHER SALARIES					
Administrative	618,673	267,000	267,000	497,576	230,576
Professional	54,692,086	59,935,701	59,909,984	58,460,340	(1,449,644)
Supporting Services	27,461,913	21,691,482	21,593,301	22,330,330	737,029
TOTAL OTHER SALARIES	82,772,672	81,894,183	81,770,285	81,288,246	(482,039)
TOTAL SALARIES AND WAGES	1,250,788,611	1,352,795,744	1,352,828,777	1,420,845,232	68,016,455
02 CONTRACTUAL SERVICES	32,357,277	26,509,529	29,877,431	28,941,062	(936,369)
03 SUPPLIES & MATERIALS	71,166,120	75,247,500	75,262,877	72,072,528	(3,190,349)
04 OTHER					
Staff Dev & Travel	2,823,936	3,121,480	3,178,258	3,216,741	38,483
Insur & Fixed Charges	374,643,096	393,699,182	393,705,477	405,825,788	12,120,311
Utilities	40,428,063	44,873,366	44,873,366	45,358,269	484,903
Grants & Other	53,868,232	72,264,763	68,785,378	75,076,697	6,291,319
TOTAL OTHER	471,763,327	513,958,791	510,542,479	529,477,495	18,935,016
05 EQUIPMENT	17,224,399	16,506,055	16,506,055	15,346,977	(1,159,078)
GRAND TOTAL AMOUNTS	\$1,843,299,734	\$1,985,017,619	\$1,985,017,619	\$2,066,683,294	\$81,665,675

**TABLE 2
BUDGET REVENUES BY SOURCE**

SOURCE	FY 2007 ACTUAL	FY 2008 BUDGET	FY 2008 CURRENT	FY 2009 ESTIMATED
CURRENT FUND				
From the County:	\$ 1,381,522,441	\$ 1,449,614,129	\$ 1,449,145,900	\$ 1,513,555,147
Fund Balance	3,954,927	7,298,453	7,348,453	17,927,455
Total from the County	1,385,477,368	1,456,912,582	1,456,494,353	1,531,482,602
From the State:				
Bridge to Excellence				
Foundation Grant	179,886,089	193,505,366	193,505,366	166,025,850
Supplemental Grant				10,395,191
Extended Elementary Education	1,265,933			
Limited English Proficient	28,351,781	38,023,510	38,023,510	42,673,715
Compensatory Education - Unrestricted	58,125,421	82,533,545	82,533,545	85,772,752
Students with Disabilities - Formula	27,096,924	34,079,557	34,079,557	32,771,701
Students with Disabilities - Reimbursement	12,148,412	10,261,657	10,261,657	11,056,945
Transportation	28,298,236	30,678,135	30,678,135	31,481,949
Miscellaneous	870,956	250,000	250,000	750,000
Geographic Cost of Education Index				18,372,221
Programs financed through State Grants	4,676,139	1,023,000	1,023,000	1,023,000
Total from the State	340,719,891	390,354,770	390,354,770	400,323,324
From the Federal Government:				
Impact Aid	271,218	230,000	230,000	230,000
Hurricane Katrina Aid	268,625			
Programs financed through Federal Grants	74,637,946	68,296,735	68,862,100	64,885,337
Total from the Federal Government	75,177,789	68,526,735	69,092,100	65,115,337
From Other Sources:				
Tuition and Fees				
D.C. Welfare	177,141	200,000	200,000	200,000
Nonresident Pupils	1,024,574	1,000,000	1,000,000	1,000,000
Summer School	1,953,448	1,951,360	1,951,360	1,951,360
RICA	463,487			
Evening High School	296,079	271,724	271,724	271,724
Outdoor Education	468,619	585,656	585,656	541,120
Student Activities Fee	544,364	955,000	955,000	955,000
Hospital Teaching	193,931	227,864	227,864	224,441
Miscellaneous	1,054,180	495,000	495,000	800,000
Programs financed through Private Grants	2,116,042	9,231,709	9,084,573	9,084,573
Total from Other Sources	8,291,865	14,918,313	14,771,177	15,028,218
Total Current Fund	1,809,666,913	1,930,712,400	1,930,712,400	2,011,949,481
ENTERPRISE & SPECIAL FUNDS				
School Food Service Fund:				
State	1,017,820	1,096,313	1,096,313	1,049,308
National School Lunch, Special Milk and Free Lunch Programs	14,472,119	15,485,167	15,485,167	17,533,426
Child Care Food Program	765,300	775,000	775,000	600,000
Sale of Meals and other	23,391,811	29,360,674	29,360,674	27,658,410
Total School Food Service Fund	39,647,050	46,717,154	46,717,154	46,841,144

**TABLE 2
BUDGET REVENUES BY SOURCE**

SOURCE	FY 2007 ACTUAL	FY 2008 BUDGET	FY 2008 CURRENT	FY 2009 ESTIMATED
Real Estate Management Fund:				
Rental fees	2,625,031	2,317,953	2,317,953	2,549,103
Total Real Estate Management Fund	2,625,031	2,317,953	2,317,953	2,549,103
Field Trip Fund:				
Fees	1,543,101	2,079,338	2,079,338	2,199,661
Total Field Trip Fund	1,543,101	2,079,338	2,079,338	2,199,661
Entrepreneurial Activities Fund:				
Fees	1,436,778	1,669,774	1,669,774	1,561,075
Total Entrepreneurial Activities Fund	1,436,778	1,669,774	1,669,774	1,561,075
Total Enterprise Funds	45,251,960	52,784,219	52,784,219	53,150,983
Instructional Television Special Revenue Fund:				
Cable Television Plan	1,383,000	1,521,000	1,521,000	1,582,830
Total Instructional Special Revenue Fund	1,383,000	1,521,000	1,521,000	1,582,830
GRAND TOTAL	\$ 1,856,301,873	\$ 1,985,017,619	\$ 1,985,017,619	\$ 2,066,683,294

Tax - Supported Budget	FY 2007 ACTUAL	FY 2008 BUDGET	FY 2008 CURRENT	FY 2009 ESTIMATED
Grand Total	\$ 1,856,301,873	\$ 1,985,017,619	\$ 1,985,017,619	\$ 2,066,683,294
Less:				
Grants	(81,430,127)	(78,551,444)	(78,969,673)	(74,992,910)
Enterprise Funds	(45,251,960)	(52,784,219)	(52,784,219)	(53,150,983)
Special Revenue Fund	(1,383,000)	(1,521,000)	(1,521,000)	(1,582,830)
Grand Total - Tax-Supported Budget	\$ 1,728,236,786	\$ 1,852,160,956	\$ 1,851,742,727	\$ 1,936,956,571

Notes:

The Adult Education Fund was created effective July 1, 1991, but is discontinued effective July 1, 2006, because the program was transferred to Montgomery College and the Montgomery County Department of Recreation. The Real Estate Management Fund was created effective July 1, 1992. The Field Trip Fund was created effective July 1, 1993. The Entrepreneurial Activities Fund was created effective July 1, 1998. The Instructional Television Special Revenue Fund was created effective July 1, 2000.

**TABLE 3
REVENUE SUMMARY FOR GRANT PROGRAMS BY SOURCE OF FUNDS**

Program Name and Source of Funding	FY 2007 ACTUAL	FY 2008 BUDGET	FY 2008 CURRENT	FY 2009 ESTIMATED
<u>Budgeted</u>				
FEDERAL AID: NO CHILD LEFT BEHIND (NCLB)				
Title I - A (941/949)	\$ 19,426,538	\$ 22,611,349	\$ 22,611,349	\$ 20,068,813
Title I - D				
Neglected and Delinquent Youth (937)	79,705	67,715	135,246	135,246
	19,506,243	22,679,064	22,746,595	20,204,059
Title II - A				
Skillful Teacher Program (915)		604,923	604,923	604,923
Consulting Teachers (961)	4,840,691	4,052,148	4,052,148	3,676,426
Reduced Class Size (998)	873,412			
Title II - D				
Enhancing Education through Technology (918)	131,737	204,491	230,587	182,238
	5,845,840	4,861,562	4,887,658	4,463,587
Title III				
Limited English Proficiency (927)	2,997,395	3,538,614	3,538,614	3,521,667
Title IV				
Safe & Drug Free Schools & Communities Act (926)	444,881	426,337	426,337	473,615
Title V				
Innovative Educational Programs (997)	136,194	171,678	225,187	-
Title VII				
American Indian Education (903)	21,142	21,066	21,066	22,290
SUBTOTAL	28,951,695	31,698,321	31,845,457	28,685,218
OTHER FEDERAL, STATE, AND LOCAL AID				
Aging Schools (972)				
State	1,383,170	1,023,000	1,023,000	1,023,000
Head Start Child Development (932)				
Federal	3,221,126	3,221,126	3,221,126	3,268,873
Individuals with Disabilities Education (913/964/965/966/967)				
Federal	26,617,372	27,218,672	27,218,672	28,416,313
Infants and Toddlers (930)				
Federal	749,416	749,416	749,416	749,416
Medical Assistance Program (939)				
Federal	4,159,600	4,149,600	4,149,600	2,649,600
Provision for Future Supported Projects (999)				
Other	15,618,131	9,231,709	9,084,573	9,084,573
Carl D. Perkins Career & Technical Ed. Improvement (951)				
Federal	1,763,200	1,259,600	1,677,829	1,115,917
County	190,546	418,229	207,169	377,331
	1,953,746	1,677,829	1,884,998	1,493,248
SUBTOTAL	53,702,561	47,271,352	47,331,385	46,685,023
TOTAL	82,654,256	78,969,673	79,176,842	75,370,241

**TABLE 3
REVENUE SUMMARY FOR GRANT PROGRAMS BY SOURCE OF FUNDS**

Program Name and Source of Funding	FY 2007 ACTUAL	FY 2008 BUDGET	FY 2008 CURRENT	FY 2009 ESTIMATED
<u>Summary of Funding Sources</u>				
Federal	65,462,409	68,296,735	68,862,100	64,885,337
State	1,383,170	1,023,000	1,023,000	1,023,000
County	190,546	418,229	207,169	377,331
Other	15,618,131	9,231,709	9,084,573	9,084,573
GRAND TOTAL	\$ 82,654,256	\$ 78,969,673	\$ 79,176,842	\$ 75,370,241

FOR INFORMATION ONLY			
Non-budgeted Grant Programs as of November 2007 (Continuation of programs dependent upon grantor funding)			
21st Century Community Learning Centers			281,250
Perkins Reserve Fund Grant			65,657
Carol M. White Physical Education Program			356,536
Educating Homeless Children and Youth			125,000
Even Start Gaithersburg			195,980
IDEA - Disproportionality PBIS			39,910
IDEA - School-age Least Restrictive Environment (LRE)			40,000
IDEA - Ait/MSA			15,000
Maryland Model for School Readiness (MMSR) - IDEA			44,170
Reading First			216,418
International Research			154,000
Cyber Café			240,400
Ambassadors Invested in Mentorship			154,667
Least Restrictive Environment Training			48,141
Transition, Dropout, Graduation Gap			40,000
Subtotal Federal Funding			2,017,129
Judith Hoyer Childcare & Education-Silver Spring Center			202,988
Judith Hoyer Childcare & Education-Gaithersburg Center			322,000
Science, Technology, Engineering and Mathematics			100,000
Maryland K12 Digital Library			164,821
Chess Grants			34,243
Maryland Model for School Readiness (MMSR) Program			116,698
Head Start Extended Year			124,000
MEA - Energy Management Team			2,000
Fine Arts Initiative			192,267
Project NEXUS			6,000
Subtotal State Funding			1,265,017
Bridge Lawn Care			15,000
Emotional Disabilities Cluster Model			185,000
Model Learning Center			330,778
Subtotal County Funding			530,778
PERC			10,000
Subtotal Other Funding			10,000
TOTAL			\$ 3,822,924

**TABLE 4
SUMMARY OF STUDENT ENROLLMENT—FY 2006 THROUGH FY 2009**

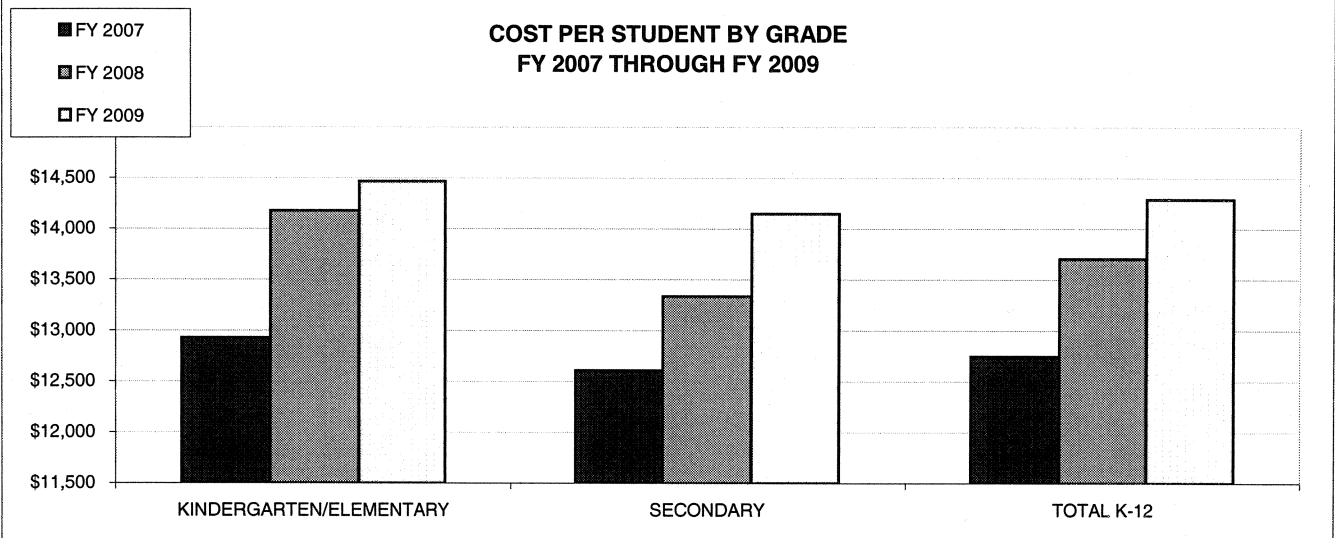
DESCRIPTION	(1)	(2)	(3)	(4)	(5)	CHANGE	
	FY 2006	FY 2007	FY 2008	FY 2008	FY 2009	COLUMN (5) LESS	
	ACTUAL	ACTUAL	ACTUAL	PROJECTED	PROJECTED	COLUMN (4)	
	9/30/2005	9/30/2006	9/30/2007	9/30/2007	9/30/2007	#	%
REGULAR INSTRUCTION							
PRE-KINDERGARTEN	1,818	1,828	1,83	1,925	1,885	(40)	(2.2)
HEAD START	584	584	599	584	599	15	2.6
KINDERGARTEN	9,101	8,951	9,524	9,400	9,766	366	4.1
GRADES 1-5	48,011	47,122	46,908	46,572	47,090	518	1.1
SUBTOTAL ELEMENTARY	59,514	58,485	58,864	58,481	59,340	859	1.5
GRADES 6-8	29,080	28,556	28,498	28,220	27,812	(408)	(1.4)
SUBTOTAL MIDDLE	29,080	28,556	28,498	28,220	27,812	(408)	(1.4)
GRADES 9-12	41,849	41,470	41,116	40,646	40,710	64	0.2
SUBTOTAL HIGH	41,838	41,470	41,116	40,646	40,710	64	0.2
SUBTOTAL REGULAR	130,432	128,511	128,478	127,347	127,862	515	0.4
SPECIAL EDUCATION							
SPECIAL CLASSES							
ELEMENTARY SCHOOLS	2,681	2,742	2,750	2,739	2,862	123	4.5
MIDDLE SCHOOLS	2,452	2,493	2,413	2,037	2,026	(11)	(0.4)
HIGH SCHOOLS	2,854	3,069	3,179	3,586	3,713	127	4.1
SPECIAL SCHOOLS	670	584	511	733	705	(28)	(4.8)
SUBTOTAL SPECIAL EDUCATION	8,657	8,888	8,853	9,096	9,306	211	2.4
ALTERNATIVE PROGRAMS	175	203	195	300	300		
GATEWAY TO COLLEGE (a)	123	196	219	265	295	30	15.3
GRAND TOTAL	139,387	137,798	137,745	137,007	137,763	756	0.5

SOURCE: Projected enrollment by the Department of Planning and Capital Programming.

(a) Gateway to College program began in school year 2005–06.

COST PER STUDENT BY GRADE SPAN

	KINDERGARTEN/ ELEMENTARY	SECONDARY	TOTAL K-12	AMOUNT EXCLUDED*	TOTAL BUDGET**
FY 2007 Actual					
EXPENDITURES	\$760,328,494	\$962,692,798	\$1,723,021,292	\$128,874,995	\$1,851,896,287
STUDENTS 9/30/07 (ACTUAL)	58,815	76,375	135,190		
COST PER STUDENT	\$12,927	\$12,605	\$12,745		
FY 2008 BUDGET					
EXPENDITURES	\$839,057,132	\$1,012,285,578	\$1,851,342,710	\$133,674,909	\$1,985,017,619
STUDENTS 11/30/07 (CURRENT)	59,182	75,912	135,094		
COST PER STUDENT	\$14,178	\$13,335	\$13,704		
FY 2009 BUDGET					
EXPENDITURES	\$863,876,639	\$1,064,929,079	\$1,928,805,718	\$137,877,576	\$2,066,683,294
STUDENTS 11/30/07 (PROJECTED)	59,718	75,266	134,984		
COST PER STUDENT	\$14,466	\$14,149	\$14,289		



Notes:

* SUMMER SCHOOL, COMMUNITY SERVICES, TUITION FOR STUDENTS WITH DISABILITIES IN PRIVATE PLACEMENT, AND ENTERPRISE FUND ACCOUNTS ARE EXCLUDED FROM COST OF REGULAR DAY SCHOOL OPERATIONS

** FY 2009 FIGURES REFLECT CURRENT APPROVED BUDGET.

SUMMARY OF NEGOTIATIONS

In March 2004, the Board of Education reached a three-year contract with the Montgomery County Education Association (MCEA) that expired on June 30, 2007. All aspects of the contract were open to negotiation during 2006-2007. Negotiations resulted in a successor agreement for three years, expiring June 30, 2010. The Agreement was ratified by the Board of Education and the Association membership and has been in effect since July 1, 2007.

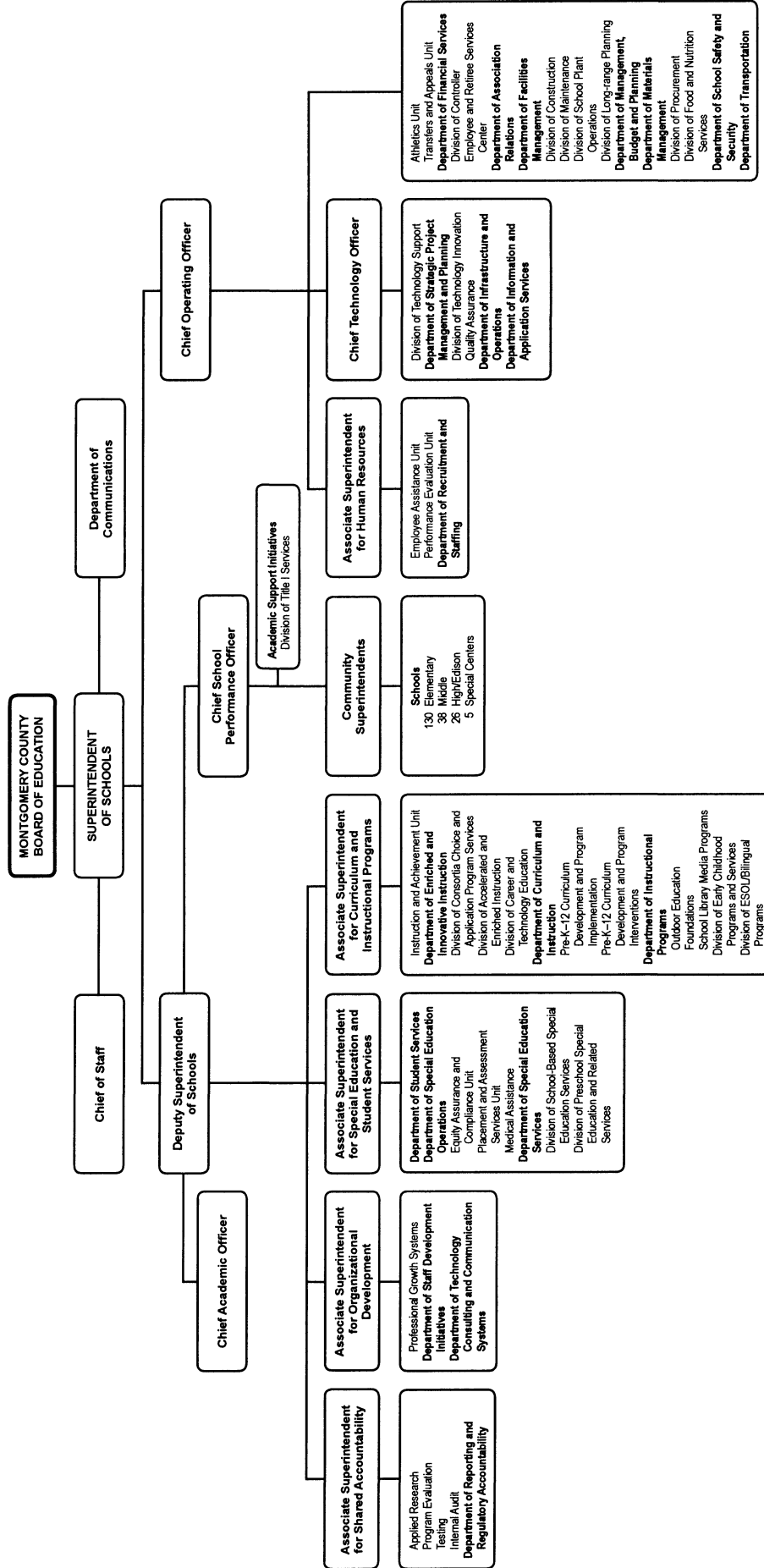
In March 2005, MCPS completed negotiations with SEIU Local 500, representing supporting services employees, on a two-year contract that was effective July 1, 2005, and expired on June 30, 2007. All aspects of that agreement were open to negotiation during 2006-2007. Negotiations resulted in a successor agreement for three years, expiring June 30, 2010. The Agreement was ratified by the Board of Education and the Union membership and has been in effect since July 1, 2007.

In June 2006, MCPS completed negotiations with the Montgomery County Association of Administrative and Supervisory Personnel (MCAASP) on a three-year contract that took effect July 1, 2006, and was scheduled to run through June 30, 2009. The agreement provided for reopened negotiations for salary and benefits for the second and third years of the agreement. As a result of those negotiations the Agreement has been extended by one year, now effective through June 30, 2010. The amendments to the Agreement were ratified by the Board of Education and the Association membership and are now in effect.

During the fall of 2006, the three bargaining groups participated in joint negotiations regarding salaries and benefits. Agreement was reached with the three groups on cost-of-living adjustments of 4.8 percent and with each union separately on other compensation changes equivalent to .2 percent for a total of 5 percent for FY 2008. The Agreement also includes negotiated salary increases of 5.0 percent for FY 2009 and 5.3 percent and other compensation changes equivalent to .3 percent, for a total of 5.6 percent for FY 2010. Board of Education approval and ratification have occurred and the Unions have all ratified the new Agreement. Funds to fulfill the terms of the agreements included in the budget for FY 2009.

During FY 2007, the Board of Education approved the formation of a fourth bargaining unit. The Montgomery County Business and Operations Administrators (MCBOA) unit is composed of noncertificated supervisory employees who were previously excluded from any bargaining unit. This unit has chosen MCAASP to be the exclusive representative of the unit. Approval and ratification of the contract has occurred.

MONTGOMERY COUNTY PUBLIC SCHOOLS FY 2009 ORGANIZATION




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

June 10, 2008

MEMORANDUM

To: Members of the Board of Education

From: Jerry D. Weast, Superintendent of Schools 

Subject: Final Adoption of the FY 2009 Operating Budget

Executive Summary

On May 22, 2008, the County Council approved the Montgomery County Public Schools (MCPS) Operating Budget appropriation for FY 2009. The Council approved a total for MCPS of \$2,066,683,294. This is an increase of \$81,665,675 (4.1 percent) over the current FY 2008 Operating Budget of \$1,985,017,619. The total tax-supported budget (excluding grants and enterprise funds) for FY 2009 is \$1,936,956,571, an increase of \$85,213,844 (4.6 percent) over the current FY 2008 Operating Budget of \$1,851,742,727. Attached is a copy of the resolution that summarizes the Council's actions. As required by state law, the County Council approved the appropriation by state categories.

The County Council's action approved 97.9 percent of the Board of Education's FY 2009 request. The approved request includes full funding of salaries and employee benefits based on the negotiated agreements with the employee associations. Because the County Council did not provide funding for any requested improvement initiatives as part of the reconciliation list, any funding for initiatives approved by the Board of Education must be offset by additional budget reductions.

Attachments A through D outline the final County Council budget actions. Attachment E is Schedule A that details the changes to the FY 2009 Operating Budget within the categories.

Background

On February 7, 2008, the Board of Education adopted its FY 2009 Operating Budget totaling \$2,111,237,124. The County Council reduced the Board of Education's requested budget by \$44,553,830 (2.1 percent), to \$2,066,683,294. The Council did not approve any new or expanded program initiatives. Attachment C summarizes the final actions of the Council by state category. Attachment D shows the changes in the operating budget from FY 2008 to FY 2009.

On March 17, 2008, the county executive recommended to the County Council a total budget of \$2,060,121,163 for MCPS, including grants and enterprise funds, \$51.1 million less than the Board of Education's request. The county executive's recommendation of \$1,521,512,554 in local funding was an increase of \$65,018,201 (4.5 percent) over the current FY 2008 local funding of \$1,456,494,353. As approved by the County Council, the FY 2009 Operating Budget includes a local contribution of \$1,531,482,602, including an FY 2008 ending fund balance of \$17,927,455. The local contribution is an increase of \$74,988,249 (5.2 percent).

On May 22, 2008, the Council reduced the Board's request by a total of \$41,265,854. Additionally, there are net reductions in grants totaling \$3.3 million as a result of the loss of federal funding for budgeted grants. The Council action includes \$8.0 million in unspecified reductions made as part of the Council's final action that reduced total expenditures by \$20 million to balance an equivalent reduction in property tax revenue. The Council action includes a reduction of \$13,900,000 in additional contributions required for the Retiree Health Benefit Trust Fund. The Board's Operating Budget Request included \$16.1 million in additional contributions to the Retiree Health Benefit Trust Fund, but the Council reduced this amount as a result of recognizing lower liabilities in the MCPS Retiree Health Benefit Trust Fund and by adopting an eight-year schedule to fund the annual required contribution instead of a five-year schedule. As a result, MCPS will make a total contribution of \$18.3 million in FY 2009. The rest of the Council reduction (\$27,365,854) must be taken from the Board's Operating Budget Request according to state category as specified in the appropriation resolution approved by the Council.

The County Council reduced a total of \$41,265,854 excluding grants and enterprise funds, including \$10,165,506 for proposed FY 2009 improvement initiatives. These Council changes are described in Attachment A. To continue progress on strategic initiatives included in the Board of Education's multiyear strategic plan, *Our Call to Action: Pursuit of Excellence*, I am recommending the following increases for improvement initiatives based on the Board of Education's academic priorities as expressed in its resolution adopted on April 28, 2008:

	<u>FTEs</u>	<u>Amount</u>
Middle School Magnet Consortium	9.00	\$831,135
Middle school reform (6 of the 10 schools will be full implementation and 4 will be partial)	15.60	2,066,757
Expansion of accelerated middle school courses	1.00	344,871
Hours-based staffing for middle school special education	17.75	923,102
Students Engaged in Pathways to Achievement (SEPA) program for ESOL students	2.60	163,711
IB at Kennedy and Seneca Valley high schools		79,310
Poolesville High School magnet program		120,960
Lunch hour aides	4.00	103,037
Three additional elementary focus schools	6.25	573,789
Positive Behavior Interventions and Supports (PBIS)	_____	<u>173,862</u>
Total	56.20	\$5,380,534

The detail of approved initiatives, organized by strategic plan goal, is included in Attachment B.

To make the reductions as directed by the County Council in the required state categories of expenditure, I am recommending the following reductions in the Board of Education's request:

	<u>FTEs</u>	<u>Amount</u>
Central services and support functions	25.80	\$5,129,908
Contribution to Retiree Health Benefit Trust Fund		13,900,000
Improvement initiatives deferred	49.15	4,784,972
Organizational development activities		2,044,054
Mark Twain special education program closure	16.75	1,176,112
School-based positions	156.00	9,936,607
Other school-based resources	_____	<u>4,294,201</u>
 Total	 247.70	 \$41,265,854

A significant proportion of the reductions will come from central services and support functions, including a net reduction of 25.8 FTEs and \$5.1 million. The reductions will be accommodated in part by organizational changes and by elimination of vacant positions. All employees whose jobs will be eliminated as part of the reorganization will be offered alternate positions. Other support changes include a reduction of approximately \$2.0 million in organizational development activities. This \$7.1 million reduction in central office and support activities exceeds the \$4 million reduction in this area recommended by the Education Committee of the County Council. The Board's Operating Budget Request also included \$6.4 million in central services and support reductions and \$4.8 million in savings in employee benefits administration costs. The FY 2009 Operating Budget thus will include total reductions in central services and support services of \$18.3 million. I do not want in any way to diminish the contribution our central services staff has made and is making to our reform efforts, but at this time we must make the difficult choice to further reduce central services functions.

Recommended reductions also will include \$1.2 million related to the closure of the Mark Twain special education program as previously proposed and approved by the County Council Education Committee. It also will be necessary to defer \$4.8 million in proposed new initiatives. The reductions also include \$13.9 million in reduced contribution to the Retiree Health Benefit Trust Fund as described above.

Remaining reductions totaling approximately \$14.2 million must be made from other school-based resources. Total reductions will include 156.0 positions (\$9.9 million), most of which are currently vacant, including teachers, elementary principal interns, assistant school administrators, media assistants, paraeducators, and building service workers. Other school-based reductions totaling \$4.3 million that will be necessary include cuts in professional part-time salaries, stipends, consultants, instructional materials, equipment, and related employee benefits.

Central services reductions include \$465,411 to reflect the discontinuance of the Collaborative Action Process (CAP). The decision was based, in part, on the results of an evaluation of the implementation of CAP conducted by the Office of Shared Accountability (OSA), which revealed inconsistent implementation across schools. The reductions include 3.0 psychologist positions, stipends, materials, and related employee benefits. Schools will be provided with guidelines to select an appropriate collaborative problem-solving model.

Other resources will be realigned within state categories as appropriated to support the Bridge Plan for Academic Validation (BPAV), an alternative route introduced by the Maryland State Department of Education (MSDE) in November 2007 for identified students to meet the High School Assessment (HSA) graduation requirement. BPAV will be implemented in FY 2009, but MSDE has not provided resources to school districts to implement the plan. School responsibilities will be managed by school teams, a Bridge Plan coordinator, and a project monitor. School teams will provide appropriate supports for students to complete an estimated 1,000 project modules. MCPS resources will provide project monitors for each student, staff to participate in local review plans, required training, and instructional materials.

The total number of positions in the FY 2009 Operating Budget will be about 66 positions fewer than the number of positions in the current FY 2008 budget if the actions I have outlined in this memorandum are approved by the Board of Education. Of this net reduction of 66 positions, 54 will be eliminated from central services and 12 positions will come from school-based operations. The Board's FY 2009 Operating Budget requested an additional 181.6 positions, including 105.2 positions for budget initiatives. As a result of the Council's actions and the plan that I have outlined above, the total number of positions in the budget for next year will be reduced by about 248 from the Board's requested budget.

Although the net reduction of 12 school-based positions appears to be an insignificant decrease as outlined above, an additional 56.2 positions will be needed for the budget initiatives I am recommending for next year. In addition, as a result of enrollment increases in special education and English for Speakers of Other Languages (ESOL), 69.6 additional positions will be required for these programs. Enrollment increases of 540 regular education students will have to be absorbed as they were this year when we managed the increase of more than 1,000 students above the enrollment projections in kindergarten through Grade 12 regular education programs without any additional funds from the County Council and without significant increases in the number of oversized classes.

We will have to realign resources to address the increases for initiatives and special education and ESOL enrollment, and the net loss of 12 school-based positions. School-based and central office employees will have to increase productivity to ensure this loss of positions does not impact the gains we have made in student outcomes through the Board's strategic initiatives over the past few years. For example, more teachers who have had release periods this year or who have been fully released from teaching will be required to teach one or two more classes. We also will have to move teachers from classes and schools where class sizes are small to those

schools with oversized classes in August and September, still maintaining the class size guidelines. We have done this in the past, but not to the extent we will need to do it next year. This year, we have done an outstanding job of managing our resources with an enrollment of more than 1,000 students greater than projected in regular education classes and still maintaining our class sizes.

Next year, we will have to do an even better job of managing our resources so that the changes in class size are minimal. I am confident that our staff will be able to accomplish this and limit the impact on our students and our strategic initiatives.

The County Council also projected that MCPS would identify revenue and expenditure savings of \$17,927,455 in FY 2008 that permit the use of ending FY 2008 fund balance as a resource for the FY 2009 Operating Budget. The ending fund balance for FY 2008 will include at least \$14.1 million in FY 2008 expenditure savings resulting from the imposition of a comprehensive hiring freeze and other expenditure restrictions. The additional resources available because of these savings avoided the possibility of additional FY 2009 expenditure reductions to address the spending affordability guidelines allocation.

The County Council is authorized by the State Education Article (Section 5-101) to approve the MCPS Operating Budget by category of expenditure as defined in the law. The Board of Education may reallocate the resources within each of the categories, but the Board cannot transfer any allocation between categories without approval by the County Council. Attachment C provides a table of the approved budget by state category and shows the Council's reductions from the Board's request. Attachment D shows the changes in the operating budget from FY 2008 to FY 2009.

Federal Aid

After submission of the Board of Education's FY 2009 Operating Budget Request, MCPS received preliminary estimates of federal aid for FY 2009 from MSDE totaling a net decrease of \$3,304,015. Revised estimates to be used for the submission of the annual update of the Bridge to Excellence in Public Schools plan are expected to be released in July 2008.

MSDE anticipates an increase compared with the previously budgeted estimate of \$15,590 in Title IV, Safe and Drug-free Schools. There are decreases compared with previously budgeted estimates of \$2,450,696 in Title I; \$349,169 in Title II-A, Improving Teacher Quality; \$48,349 in Title II-D, Enhancing Education Through Technology; \$246,204 in Vocational Education (Perkins); and \$225,187 in Title V, Innovative Education Programs, which is discontinued for FY 2009. There was no preliminary estimate available for Title III, Limited English Proficiency. MSDE notified local districts that the estimates of federal aid are preliminary. Final estimates expected in July may require future requests for FY 2009 supplemental appropriations.

The reduction in revenue for Title I resulted from the effects of a new process to calculate census poverty. Students participating in Free and Reduced-price Meals System (FARMS) services and who attend a half-day Head Start or prekindergarten program are counted as a 0.5 student when allocating the per pupil allocation. These changes reduce per pupil allocations at the 28 Title I schools from \$2,061 in FY 2008 to \$1,281 in FY 2009. This decrease will impact professional and paraprofessional staffing at Title I schools. Central staff reductions include an administrative position, seven instructional specialist positions, and one supporting services position. In addition, expansion of full-day Head Start to additional schools will be delayed due to decreased funding.

Reductions in Title II-A, Improving Teacher Quality, will require a cut of 3.0 consulting teacher positions. These positions are not expected to be needed in FY 2009 because of a decrease in the number of novice teachers expected to be hired. Other reductions in grant programs listed above will require program reductions. These reductions are not great enough to have a significant impact on the achievement of program goals.

Changes in federal funding are reflected in expenditures budgeted in the identified grant programs. The County Council actions assume a reduction of expenditures for grants that experienced reduced revenue estimates. The details of changes in budgeted expenditures for federal grants are described in Schedule A (Attachment E).

Reorganization

The FY 2009 Operating Budget includes reorganization of several offices to improve management effectiveness and permit reductions in central office expenditures. These reorganizations take effect on July 1, 2008.

Office of the Chief Technology Officer

On June 30, 2007, the Office of Information and Organizational Systems was eliminated and the chief technology officer (CTO) position was created and reassigned to the chief operating officer. The CTO was charged with providing leadership for implementing technology initiatives and leverage technology to facilitate student-driven learning. Effective July 1, 2008, in an effort to further transform and realign organizational structures and resources to effectively support the district's priorities, the Division of Business Systems will be dissolved and the director position will be eliminated. The units in the division will be reassigned to the Division of Student Data Management, which will be renamed the Department of Applications and Information Services.

Additionally, the Division of Field Installation will be dissolved, effective July 1, 2008, and the director position will be eliminated, effective October 1, 2008. Responsibilities and staff within this division will be reassigned within the Office of the Chief Technology Officer (OCTO). As a result, the Division of Systems Architecture and Operations will become the Department of

Infrastructure and Operations. The Technology Systems Support and Field Installation units will be reassigned to the Technology Support and Technology Innovation and Development divisions respectively. These realignments further strengthen the office's effectiveness and efficiency and streamline the work of OCTO staff in achieving the office's defined results.

Office of Shared Accountability

With the appointment of an associate superintendent, the Department of Shared Accountability was converted to the Office of Shared Accountability (OSA) on March 1, 2008. Following this appointment, additional realignments of units are planned to take effect on July 1, 2008. The Department of Reporting and Regulatory Accountability will be assigned to OSA from the Office of the Chief Operating Officer. The Enrollment and Attendance Compliance unit was assigned to the Department of Student Services effective July 1, 2008. This will permit the collocation of this unit with the International Student Admissions Office to better serve students and families. The Internal Audit unit will report directly to the associate superintendent. Existing resources are realigned to create an assistant position to support the associate superintendent.

Additional reorganization changes may be made in other offices, including the Office of Curriculum and Instructional Programs. Proposed changes will be forwarded to the Board of Education as plans are finalized.

Summary of Recommendations

Attachment E is Schedule A that details the changes to the FY 2009 Operating Budget within the categories. The County Council's reduction or addition is shown in the left-hand column. Any changes made by the Board of Education will be reflected in the final Schedule A that will be distributed to principals, directors, and other program managers after the Board takes final action.

I want to thank the Board of Education, the county executive, and the County Council and their staffs for their cooperation and the collaborative approach during a long, difficult budget year. Fiscal constraints posed a significant challenge to the Board of Education. Its continued focus on core academic priorities guided the budget development process and clarified fiscal issues for the school community, the public, and elected officials. The development of the budget benefited from unprecedented public involvement. Hundreds of parents, employees, and representatives of community organizations participated in the Board of Education's community forums held in September and October 2007. More than one thousand additional comments were received in writing or online from parents and other interested citizens for presentation to the Board of Education. Stakeholders provided valuable input that helped to shape the budget. The three employee associations and leadership of the Montgomery County Council of Parent Teacher Associations (MCCPTA) participated fully in the development of the operating budget and their valuable contributions will benefit the school system as a whole. The County Council conducted a thorough review of the details of the Board of Education's request.

This is a multiyear budget that represents the sustained long-term commitment to improve student achievement that has marked the last eight years. I am confident that our community will maintain and strengthen its commitment to continue steady progress toward achieving the Board of Education's academic priorities. Fiscal challenges will continue in future years, but the focus on strategic goals of student achievement will continue to guide the direction of the operating budget. Our parents, students, and community will hold MCPS accountable for making the best possible use of the resources provided to achieve the goals of the MCPS strategic plan.

Recommended Resolution

WHEREAS, The Board of Education adopted the FY 2009 Operating Budget of \$2,111,237,124 on February 7, 2008; and

WHEREAS, The county executive recommended \$2,060,121,163 for MCPS, \$51.1 million less than the Board of Education's Budget Request on March 17, 2008; and

WHEREAS, The County Council approved a total of \$2,066,683,294 (including grants and enterprise funds), a decrease of \$44,553,830 from the Board of Education's request on May 22, 2008; and

WHEREAS, The County Council appropriated a total of \$1,936,956,571 (excluding grants and enterprise funds), a decrease of \$41,265,854 from the Board of Education's request; and

WHEREAS, The County Council directed the Board of Education to deposit \$18,300,000 of the appropriation for pre-funding retiree health insurance in the Retiree Health Benefit Trust Fund; and

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

WHEREAS, The Special Education Staffing Committee, composed of parents, teachers, principals, special education staff, and special education advocates held three meetings in May and June of 2007 and recommendations were submitted to the Office of Special Education and Student Services; and

WHEREAS, The FY 2009 Recommended Operating Budget includes all of the staffing plan elements required by MSDE; and

WHEREAS, The superintendent of schools has requested a reorganization, including the offices of the Chief Technology Officer and Shared Accountability; and

WHEREAS, The County Council made net reductions to the Board of Education's FY 2009 Operating Budget Request of March 1, 2008, of \$44,553,830, from the various budget categories, as shown on the following schedule, consisting of a reduction of \$41,265,854, excluding grants and enterprise funds; a reduction of \$3,304,015 in grants; and an addition of

\$16,039 in special revenue funds, in appropriating \$2,066,683,294 for the Board of Education's FY 2008 Operating Budget:

I. Current Fund Category	BOE Request March 1, 2008	Council (Reduction)/ Addition	Council Approved Budget
1 Administration	45,258,569	(1,230,274)	44,028,295
2 Mid-level Administration	138,433,066	(2,478,098)	135,954,968
3 Instructional Salaries	856,213,194	(15,685,016)	840,528,178
4 Textbooks and Instructional Supplies	33,366,454	(1,729,665)	31,636,789
5 Other Instructional Costs	19,334,621	(1,349,111)	17,985,510
6 Special Education	268,951,407	(1,394,525)	267,556,882
7 Student Personnel Services	11,922,050	(276,090)	11,645,960
8 Health Services	57,502		57,502
9 Student Transportation	91,983,160	(3,222)	91,979,938
10 Operation of Plant and Equipment	114,960,924	(157,043)	114,803,881
11 Maintenance of Plant	34,848,710	54,027	34,902,737
12 Fixed Charges	440,981,198	(20,320,852)	420,660,346
14 Community Services	208,495		208,495
Subtotal, including specific grants	2,056,519,350	(44,569,869)	2,011,949,481
Less specific grants	78,296,925	(3,304,015)	74,992,910
Subtotal, spending affordability	1,978,222,425	(41,265,854)	1,936,956,571
II. Enterprise Funds			
37 Instructional Television	1,566,791	16,039	1,582,830
51 Real Estate Management	2,549,103		2,549,103
61 Food Services	46,841,144		46,841,144
71 Field Trip	2,199,661		2,199,661
81 Entrepreneurial Activities	1,561,075		1,561,075
Subtotal, Enterprise Funds	54,717,774	16,039	54,733,813
Total Budget for MCPS	<u>2,111,237,124</u>	<u>(44,553,830)</u>	<u>2,066,683,294</u>

now therefore be it

Resolved, That based on an appropriation of \$2,066,683,294, that includes an appropriation of \$54,733,813 for enterprise and special revenue funds and \$74,992,910 for restricted grants, approved by the County Council on May 22, 2008, the Board of Education adopt its FY 2009 Operating Budget reflecting the changes shown in Schedule A; and be it further

Resolved, That the Board of Education affirm its support for the negotiated agreements with its employee organizations and for the increases in salary costs that they contain; and be it further

Resolved, That the Board of Education direct the superintendent of schools to deposit \$18,300,000 of the FY 2009 appropriation in the Retiree Health Benefit Trust Fund; and be it further

Resolved, That the Board of Education direct the superintendent of schools to effect the reorganizations as proposed in the Office of the Chief Technology Officer and the Office of Shared Accountability; and be it further

Resolved, That the Board of Education approve the FY 2009 Special Education Staffing Plan as included in the FY 2009 Recommended Operating Budget; and be it further

Resolved, That the Special Education Staffing Plan be submitted to the Maryland State Department of Education; and be it further

Resolved, That a copy of this action be transmitted to the county executive and County Council.

JDW:LAB:MCS:jp

Attachments

COUNTY COUNCIL FINAL ACTION

The following summarizes the County Council's final action by state budget category.

Category 1 – Administration \$(1,230,274)

The County Council reduced a total of \$1,230,274 in Category 1 Administration, including a decrease of \$1,029,557 in unspecified reductions. There is a decrease of \$8,242 due to grant revenue revisions, including \$1,049 in Title II-D, Enhancing Education Through Technology and \$7,193 in Title V, Innovative Education Programs. Technical changes total a decrease of \$192,475, including 2.0 IT systems specialist positions in the Office of the Chief Technology Officer.

Category 2 – Mid-level Administration \$(2,478,098)

The County Council reduced a total of \$2,478,098 in Category 2 Mid-level Administration, including \$906,622 and 10.0 elementary assistant principal positions, \$115,896 and a 1.0 coordinator position for the expansion of Middle School Magnet Consortium courses to other middle schools, and \$6,500 to support ESOL students with interrupted education. There is a total of \$1,426,611 in unspecified reductions. There is a decrease of \$488,582 due to grant revenue revisions in Title I and an increase of \$466,113 due to technical adjustments.

Category 3 – Instructional Salaries \$(15,685,016)

The County Council reduced a total of \$15,685,016 in Category 3 Instructional Salaries, including \$483,504 and 10.0 teacher positions for counting LRE A special education students in general education enrollment, \$416,359 and 6.25 positions to increase the number of focus schools, \$78,262 and 4.0 lunch hour aide positions, \$352,725 and 6.0 school counseling positions, \$951,964 and 14.75 positions for the Middle School Magnet Consortium, \$2,671,804 and 26.0 positions for middle school reform, \$112,000 for the Poolesville High School magnet program, \$22,972 for expansion to the IB program to John F. Kennedy and Seneca Valley high schools, \$70,545 for a 1.0 ESOL counselor, \$116,000 for expansion of the Positive Behavioral Interventions Supports (PBIS) program, \$126,649, including 1.6 classroom teacher positions and a 1.0 paraeducator position to support ESOL students with interrupted education, \$70,546 for a 1.0 instructional specialist position for the Professional Learning Communities Institute, and \$322,095 for 6.0 parent community coordinator positions. Unspecified reductions total \$7,513,597. There is a decrease of \$2,090,687 due to grant revenue revisions, including \$1,760,317 and 37.562 positions in Title I, \$279,335 and 3.0 consulting teacher positions in Title II-A, Improving Teacher Quality, and \$148,778 and 1.75 positions in Title V, Innovative Education Programs. There is an increase of \$83,400, including a 1.0 instructional specialist position in Title II-D, Enhancing Education Through Technology,

and \$14,343 in Title IV, Safe and Drug-free Schools. There is a decrease of \$285,307 in technical adjustments.

Category 4 – Textbooks and Instructional Supplies \$(1,729,665)

The County Council reduced a total of \$1,729,665 in Category 4 Textbooks and Instructional Supplies, including \$33,500 for instructional materials for the Middle School Magnet Consortium, \$144,591 in middle school reform instructional materials, \$476,140 for instructional materials for the expansion of the Middle School Magnet Consortium to other middle schools, \$3,500 for instructional materials for the IB programs at John F. Kennedy and Seneca Valley high schools, and \$36,582 for instructional materials for the expansion of the Positive Behavioral Interventions Supports (PBIS) program. Unspecified reductions total \$1,139,816. Changes due to grant revenue revisions total an increase of \$121,483, including an increase of \$146,203 for Title I, a decrease of \$4,513 for Title II-D, Enhancing Education Through Technology, and a decrease of \$20,207 for Title V, Innovative Education Programs. Technical adjustments total a decrease of \$17,019, including instructional materials accounts in the Office of Organizational Development, Head Start (local), and vocational education (local).

Category 5 – Other Instructional Costs \$(1,349,111)

The County Council reduced a total of \$1,349,111 in Category 5 Other Instructional Costs, including \$15,369 for middle school reform, \$23,000 for the Middle School Magnet Consortium, \$51,000 for the IB programs at John F. Kennedy and Seneca Valley high schools, and \$12,000 for the expansion of the Positive Behavioral and Interventions Supports (PBIS) program. Unspecified reductions total \$633,574. Changes due to grant revenue revisions total a reduction of \$468,589, including \$73,948 for Title I; \$147,037 for Title II-D, Enhancing Education Through Technology; \$1,400 for Title V, Innovative Education Programs; and \$246,204 for Vocational Education (Perkins). Technical adjustments total a decrease of \$145,579, including a decrease of \$149,128 in the Office of Organizational Development and an increase of \$3,549 in Head Start (local).

Category 6 – Special Education \$(1,394,525)

The County Council reduced a total of \$1,394,525 in Category 6 Special Education, including \$721,395, 9.0 teacher positions, and 8.75 paraeducator positions for hours-based staffing at three additional middle schools. Unspecified reductions total \$673,130.

Category 7 – Student Personnel Services \$(276,090)

The County Council reduced a total of \$276,090 of unspecified reductions in Category 7 Student Personnel Services.

Category 9 – Student Transportation \$(3,222)

The County Council reduced a total of \$3,222 in Category 9 Student Transportation, including \$57,432 for middle school reform. This reduction is partially offset by an increase of \$54,210 in technical adjustments related to part-time salary changes and Head Start (local).

Category 10 – Operation of Plant and Equipment \$(157,043)

The County Council reduced a total of \$157,043 in unspecified reductions in Category 10 Operation of Plant and Equipment.

Category 11 – Maintenance of Plant \$54,027

The County Council added a total of \$54,027 in Category 11 Maintenance of Plant, including unspecified reductions of \$110,040 and an increase of \$164,067 in technical adjustments including 2.0 IT systems specialist positions in the Office of the Chief Technology Officer.

Category 12 - Fixed Charges \$(20,320,852)

The County Council reduced a net total of \$20,320,852, including \$4,298,322 in unspecified reductions. Other reductions include \$13,900,000 for contributions to the Retiree Health Benefit Trust Fund and \$369,398 related to changes in federal grant-funded position and other salaries. These decreases are offset by an increase of \$13,422 for technical adjustments in the Department of Financial Services. There also is a decrease of \$1,766,554 related to employee benefit costs for improvement initiatives identified in other categories.

Category 37- Instructional Television Special Revenue Fund \$16,039

The County Council added \$16,039 in Category 37 Instructional Television Special Revenue Fund for equipment to reflect the county approved cable television plan.

Call to Action: Pursuit of Excellence
 FY 2009 Approved Budget Initiatives

Goal/Initiative	Budget Request		Reductions		Approved	
	FTE	Amount	FTE	Amount	FTE	Amount
Goal 1: Ensure Success for Every Student						
Support for ESOL Students with Interrupted Education	2.60	163,711	-	-	2.60	163,711
Positive Behavioral Interventions and Supports (PBIS)	4.00	173,862	-	-	4.00	173,862
Lunch Hour Aides	6.25	103,037	-	-	6.25	103,037
Increase Number of Focus Schools	10.00	573,789	-	-	10.00	573,789
Elementary Assistant Principals	10.00	1,078,880	10.00	1,078,880	-	-
Count LRE A Special Education Students in General Education Enrollment at the Elementary School Level	10.00	602,187	10.00	602,187	-	-
Goal 2: Provide an Effective Instructional Program						
Middle School Magnet Consortium (MSMC)	14.75	1,222,934	5.75	391,799	9.00	831,135
Middle School Reform - Expand to 6 Additional Schools	26.00	3,317,097	10.40	1,250,340	15.60	2,066,757
Expansion of MSMC Courses to Other Middle Schools	1.00	744,871	-	400,000	1.00	344,871
Hours-Based Staffing for Special Education at 3 Additional Middle Schools	17.75	923,102	-	-	17.75	923,102
Poolesville HS-Whole School Magnet & Extended Day - Phase in Grade 11		120,960		-		120,960
IB Diploma Programme at Kennedy & Seneca Valley High Schools		79,310		-		79,310
Goal 3: Strengthen Productive Partnerships for Education						
Parent Community Coordinators	6.00	444,491	6.00	444,491	-	-
Guidance Counselors	6.00	529,092	6.00	529,092	-	-
Goal 4: Create a Positive Work Environment in a Self-Renewing Organization						
Professional Learning Communities Institute	1.00	88,183	1.00	88,183	-	-
Total	105.35	\$ 10,165,506	49.15	\$ 4,784,972	56.20	\$ 5,380,534

FY 2009 APPROVED BUDGET BY STATE CATEGORY

CATEGORY	BOARD'S REQUEST	COUNCIL APPROVED	ADDITION (REDUCTION)	CHANGE
INSTRUCTION				
2 Mid-level Administration	\$ 138,433,066	\$ 135,954,968	(2,478,098)	-1.79%
3 Instructional Salaries	856,213,194	840,528,178	(15,685,016)	-1.83%
4 Textbooks and Instructional Supplies	33,366,454	31,636,789	(1,729,665)	-5.18%
5 Other Instructional Costs	19,334,621	17,985,510	(1,349,111)	-6.98%
6 Special Education	268,951,407	267,556,882	(1,394,525)	-0.52%
Subtotal	1,316,298,742	1,293,662,327	(22,636,415)	-1.72%
SCHOOL AND STUDENT SERVICES				
7 Student Personnel Services	11,922,050	11,645,960	(276,090)	-2.32%
8 Health Services	57,502	57,502	0	0.00%
9 Student Transportation	91,983,160	91,979,938	(3,222)	0.00%
10 Operation of Plant and Equipment	114,960,924	114,803,881	(157,043)	-0.14%
11 Maintenance of Plant	34,848,710	34,902,737	54,027	0.16%
Subtotal	253,772,346	253,390,018	(382,328)	-0.15%
OTHER				
1 Administration	45,258,569	44,028,295	(1,230,274)	-2.72%
12 Fixed Charges	440,981,198	420,660,346	(20,320,852)	-4.61%
14 Community Services	208,495	208,495	0	0.00%
Subtotal	486,448,262	464,897,136	(21,551,126)	-4.43%
Total Current Fund	2,056,519,350	2,011,949,481	(44,569,869)	-2.17%
ENTERPRISE FUNDS				
37 Instructional Television Fund	1,566,791	1,582,830	16,039	1.02%
51 Real Estate Management Fund	2,549,103	2,549,103	0	0.00%
61 Food Services Fund	46,841,144	46,841,144	0	0.00%
71 Field Trip Fund	2,199,661	2,199,661	0	0.00%
81 Entrepreneurial Activities Fund	1,561,075	1,561,075	0	0.00%
Total Enterprise Funds	54,717,774	54,733,813	16,039	0.03%
Total FY 2008 Approved Budget	\$ 2,111,237,124	\$ 2,066,683,294	\$(44,553,830)	-2.11%

FY 2009 OPERATING BUDGET SUMMARY
(\$ in millions)

	Total Budget	SAG Budget
FY 2008 (Current) Budget	\$1,985.0	\$1,851.7
Growth, Inflation and Other	37.4	41.6
Continuing Salaries and Employee Benefits	14.2	13.7
Negotiated Salary Costs	75.1	71.7
Improvement Initiatives	10.2	10.2
Reductions	(10.6)	(10.6)
Board's FY 2009 Budget Request	2,111.3	1,978.3
County Council's Additions / Reductions	(44.6)	(41.3)
County Council's FY 2009 Budget Appropriation	\$2,066.7	\$1,937.0

SCHEDULE A

SCHEDULE OF COUNTY COUNCIL ADDITIONS / REDUCTIONS TO THE FY 2009 OPERATING BUDGET
WITHIN CATEGORIES AND ADOPTED BY THE BOARD OF EDUCATION

DESCRIPTION	BUDGET CHAPTER	COUNCIL ACTION		BOARD ACTION		TOTAL	
		POS.	AMOUNT	POS.	AMOUNT	POS.	AMOUNT
CATEGORY 1 - ADMINISTRATION							
Unspecified Reductions:			(1,029,557)		1,029,557		
Office of the Deputy Superintendent of Schools - ODD 615 Executive Assistant	2			(1.000)	(138,646)	(1.000)	(138,646)
Office of Shared Accountability - ODD 621 Administrative Assistant	3			1.000	122,021	1.000	122,021
Office of the Chief Operating Officer - ODD 331 Executive Assistant	8			(1.000)	(122,651)	(1.000)	(122,651)
Coordinator				(1.000)	(122,021)	(1.000)	(122,021)
Office Assistant III				(0.500)	(21,697)	(0.500)	(21,697)
Department of Association Relations - ODD 661 Coordinator	8			(1.000)	(96,601)	(1.000)	(96,601)
Professional Part-time Salaries					25,000		25,000
Contractual Services					50,000		50,000
Department of Financial Services ODD 331 Payroll Assistant	8			(1.000)	(57,023)	(1.000)	(57,023)
Division of Controller- ODD 332 Account Assistant III	8			(1.000)	(45,976)	(1.000)	(45,976)
Enrollment and Attendance Compliance Unit - ODD 628 Coordinator	3			(1.000)	(122,021)	(1.000)	(122,021)
Division of Business Systems - ODD 444/443 Director	6			(1.000)	(135,803)	(1.000)	(135,803)
Supervisor				(1.000)	(126,251)	(1.000)	(126,251)
Salary Changes					41,922		41,922
Division of Field Operations - ODD 431 Director I	6			(1.000)	(135,803)	(1.000)	(135,803)
Student Systems - ODD 442 Applications Developer I	6			(1.000)	(87,905)	(1.000)	(87,905)
Division of Student Data Management - ODD 445 Salary Changes	6				6,900		6,900
Division of Systems Architecture & Operations - ODD 446 Salary Changes	6				11,035		11,035

SCHEDULE A

**SCHEDULE OF COUNTY COUNCIL ADDITIONS / REDUCTIONS TO THE FY 2009 OPERATING BUDGET
WITHIN CATEGORIES AND ADOPTED BY THE BOARD OF EDUCATION**

DESCRIPTION	BUDGET CHAPTER	COUNCIL ACTION		BOARD ACTION		TOTAL	
		POS.	AMOUNT	POS.	AMOUNT	POS.	AMOUNT
Department of Strategic Proj. Mgt. & Planning - ODD 421 Salary Changes	6				24,614		24,614
Board of Education - ODD 711 Staff Assistant	11			(1,000)	(98,651)	(1,000)	(98,651)
Changes Due to Grant Revenue Revisions :			(8,242)		8,242		
Title II - Enhancing Education Through Technology - ODD 918 Contractual Services Other Costs	6				(22) (1,027)		(22) (1,027)
Title V - Innovative Education Programs - ODD 997 Contractual Services Other Costs	6				(225) (6,968)		(225) (6,968)
Technical Adjustments:		(2,000)	(192,475)		192,475		
Department of Report. & Reg. Accountability - ODD 621/622 Data Systems Operator I	3			0.125		0.125	
Office of Organizational Development Staff Development Projects - Various	7				(28,408)		(28,408)
Office of the Chief Technology Officer - ODD 431 IT Systems Engineer	6			(2,000)	(164,067)	(2,000)	(164,067)
Total Category 1		(2,000)	(1,230,274)	(13,375)		(13,375)	(1,230,274)
CATEGORY 2 - MID-LEVEL ADMINISTRATION							
Elementary School - 121 Elementary Assistant Principals	1	(10,000)	(906,622)			(10,000)	(906,622)
Middle Schools - ODD 131 Expansion of MSMC Courses to Other Middle Schools Coordinator	1	(1,000)	(115,896)	1,000	115,896		
Department of Instructional Programs - ODD 233 Support for ESOL Students with Interrupted Educ. Supplies/Other Program Costs	4		(6,500)		6,500		
Unspecified Reductions:			(1,426,611)		1,426,611		

SCHEDULE A

SCHEDULE OF COUNTY COUNCIL ADDITIONS / REDUCTIONS TO THE FY 2009 OPERATING BUDGET
 WITHIN CATEGORIES AND ADOPTED BY THE BOARD OF EDUCATION

DESCRIPTION	BUDGET CHAPTER	COUNCIL ACTION		BOARD ACTION		TOTAL	
		POS.	AMOUNT	POS.	AMOUNT	POS.	AMOUNT
Elementary Schools - ODD 121 Elementary Principal Intern	1			(8.000)	(914,760)	(8.000)	(914,760)
Middle Schools - ODD 131 Assistant School Administrator	1			(2.000)	(203,687)	(2.000)	(203,687)
Office of School Performance - ODD 617 Director II	1			(1.000)	(144,731)	(1.000)	(144,731)
Department of Curriculum and Instruction - ODD 232 Coordinator	4			(1.000)	(98,051)	(1.000)	(98,051)
Division of Accelerated and Enriched Instruction - ODD 237 Instructional Specialist	4			(0.500)	(56,053)	(0.500)	(56,053)
Division of Consortia Choice & Application Programs - ODD 213 Instructional Specialist	4			(0.500)	(57,652)	(0.500)	(57,652)
Division of Career & Technical Education - ODD 262 Instructional Specialist	4			(1.000)	(74,073)	(1.000)	(74,073)
Changes Due to Grant Revenue Revisions :			(488,582)		488,582		
Division of Academic Support - Federal/State Prog. - ODD 941 Director	1			(1.000)	(163,950)	(1.000)	(163,950)
Coordinator				(1.000)	(122,307)	(1.000)	(122,307)
Evaluation Specialist				(1.000)	(98,748)	(1.000)	(98,748)
Office Assistant				(1.000)	(46,620)	(1.000)	(46,620)
Data Systems Operator I				(1.000)	(56,957)	(1.000)	(56,957)
Technical Adjustments:			466,113		440,509		
Office of Organizational Development Staff Development Projects - Various	7				(4,606)		(4,606)
Elementary Schools - ODD 121 School Administrative Secretary	1				19,147		19,147
Supporting Services Substitutes					(50,000)		(50,000)
Salary Changes							906,622
Middle Schools - ODD 131 Professional Part-time Salaries	1				(405,050)		(405,050)
Total Category 2		(11.000)	(2,478,098)	(18.000)		(29.000)	(2,478,098)

SCHEDULE A

**SCHEDULE OF COUNTY COUNCIL ADDITIONS / REDUCTIONS TO THE FY 2009 OPERATING BUDGET
WITHIN CATEGORIES AND ADOPTED BY THE BOARD OF EDUCATION**

DESCRIPTION	BUDGET CHAPTER	COUNCIL ACTION		BOARD ACTION		TOTAL	
		POS.	AMOUNT	POS.	AMOUNT	POS.	AMOUNT
CATEGORY 3- INSTRUCTIONAL SALARIES							
Elementary Schools - ODD 121	1						
Count LRE Spec Ed Sudents in General Ed. Enrollment							
Teacher		(10.000)	(470,614)			(10.000)	(470,614)
Substitutes			(12,890)				(12,890)
Increase Number of Focus Schools							
Teacher		(11.000)	(518,694)	11.000	518,694		
Paraeducator		4.750	119,092	(4.750)	(119,092)		
Substitutes			(16,757)		16,757		
Lunch Hour Aides		(4.000)	(78,262)	4.000	78,262		
Counselors		(5.000)	(352,725)			(5.000)	(352,725)
Middle Schools - ODD 131	1						
Middle School Magnet Consortium (MSMC)							
Coordinator		(3.000)	(354,876)	3.000	354,876		
Teacher		(11.500)	(560,000)	6.000	250,588	(5.500)	(309,412)
Secretary		(0.250)	(13,588)			(0.250)	(13,588)
Professional Part-time Salaries			(23,500)		23,500		
Middle School Reform - 6 Schools Instead of 10							
Teacher		(26.000)	(1,252,964)	15.600	751,779	(10.400)	(501,185)
SSE/Temporary Part-time Salaries			(1,418,840)		853,736		(565,104)
High Schools - ODD 141	1						
Poolesville High School Magnet - Phase in Grade 11							
Professional Part-time Salaries			(112,000)		112,000		
IB Program at Kennedy & Seneca Valley High Schools							
Professional Part-time Salaries			(22,972)		22,972		
Divison of ESOL/Bilingual Programs - ODD 239	4						
Counselor		(1.000)	(70,545)			(1.000)	(70,545)
Department of Student Services - ODD 551	5						
Expand PBIS to 15 Schools							
Stipends			(116,000)		116,000		

SCHEDULE A

SCHEDULE OF COUNTY COUNCIL ADDITIONS / REDUCTIONS TO THE FY 2009 OPERATING BUDGET
WITHIN CATEGORIES AND ADOPTED BY THE BOARD OF EDUCATION

DESCRIPTION	BUDGET CHAPTER	COUNCIL ACTION		BOARD ACTION		TOTAL	
		POS.	AMOUNT	POS.	AMOUNT	POS.	AMOUNT
Department of Instructional Programs - ODD 233	4						
Support for ESOL Students with Interrupted Education							
Teacher		(1.600)	(76,182)	1.600	76,182		
Paraeducator		(1.000)	(24,928)	1.000	24,928		
Substitutes			(9,932)		9,932		
Department of Staff Development Initiatives - ODD 651	7						
Support for ESOL Students with Interrupted Education							
Substitutes, Stipends, Professional Part-time Salaries			(15,607)		15,607		
Professional Growth Systems - ODD 633	7						
Professional Learning Communities Institute							
Instructional Specialist		(1.000)	(70,546)			(1.000)	(70,546)
Division of Family and Community Partnerships - ODD 521	10						
Parent Community Coordinator		(6.000)	(322,095)			(6.000)	(322,095)
Unspecified Reductions:			(7,513,597)		7,513,597		
Elementary Schools - ODD 121	1						
IT Systems Specialist				(1.000)	(72,385)	(1.000)	(72,385)
Teacher - Instrumental Music				(5.000)	(249,975)	(5.000)	(249,975)
Teacher - Special Program				(2.900)	(148,387)	(2.900)	(148,387)
Teacher - Focus				(1.600)	(81,869)	(1.600)	(81,869)
Teacher - Art				(3.000)	(153,504)	(3.000)	(153,504)
Teacher - Music				(3.000)	(153,504)	(3.000)	(153,504)
Teacher - Physical Education				(3.000)	(153,504)	(3.000)	(153,504)
Teacher - Reading Initiative				(5.000)	(255,840)	(5.000)	(255,840)
Teacher - Reading Recovery				(2.000)	(102,336)	(2.000)	(102,336)
Teacher				(23.800)	(1,217,798)	(23.800)	(1,217,798)
Paraeducator				(10.000)	(261,740)	(10.000)	(261,740)
Media Assistant				(8.500)	(222,479)	(8.500)	(222,479)
Staff Development Substitutes					(690,000)		(690,000)
Summer Employment					(100,000)		(100,000)
Extra-curricular Activities					(200,000)		(200,000)
School Improvement Part-time					(69,603)		(69,603)
Supporting Services Part-time					(100,000)		(100,000)
Middle Schools - ODD 131	1						
Teacher				(7.000)	(358,176)	(7.000)	(358,176)
Media Assistant				(4.000)	(104,696)	(4.000)	(104,696)
Staff Development Substitutes					(230,000)		(230,000)
Summer Employment					(75,000)		(75,000)
Supporting Services Part-time					(50,000)		(50,000)
Extra-curricular Activities					(100,000)		(100,000)

SCHEDULE A

**SCHEDULE OF COUNTY COUNCIL ADDITIONS / REDUCTIONS TO THE FY 2009 OPERATING BUDGET
WITHIN CATEGORIES AND ADOPTED BY THE BOARD OF EDUCATION**

DESCRIPTION	BUDGET CHAPTER	COUNCIL ACTION		BOARD ACTION		TOTAL	
		POS.	AMOUNT	POS.	AMOUNT	POS.	AMOUNT
High Schools - ODD 141	1						
Teacher - Special Program				(6.600)	(337,709)	(6.600)	(337,709)
Teacher - Math Support				(8.000)	(409,344)	(8.000)	(409,344)
Teacher - Release				(10.000)	(511,680)	(10.000)	(511,680)
Literacy Coach				(10.000)	(511,680)	(10.000)	(511,680)
Teacher - Signature				(4.400)	(225,139)	(4.400)	(225,139)
Teacher - Academy				(5.200)	(266,074)	(5.200)	(266,074)
Media Specialist				(1.000)	(51,168)	(1.000)	(51,168)
Media Assistant				(0.500)	(13,085)	(0.500)	(13,085)
Staff Development Substitutes					(230,000)		(230,000)
Summer Employment					(75,000)		(75,000)
Professional Part-time Salaries					(175,000)		(175,000)
Professional Part-time Salaries - Special Programs					(100,000)		(100,000)
Supporting Services Part-time					(50,000)		(50,000)
School Improvement Part-time					(30,397)		(30,397)
Extra-curricular Activities					(100,000)		(100,000)
Division of Academic Support - Fed./State Prog.- ODD 298	1						
Teacher - Reading Recovery				(0.500)	(25,584)	(0.500)	(25,584)
Stipends					(685,470)		(685,470)
Division of ESOL/Bilingual Programs - ODD 239	4						
Teacher				(4.000)	(204,672)	(4.000)	(204,672)
Parent Services Assistant				(0.800)	(39,438)	(0.800)	(39,438)
Department of Staff Development Initiatives - ODD 650	7						
Stipends - Curriculum Training					(466,122)		(466,122)
Stipends - University Partnerships					(15,000)		(15,000)
Stipends - Supporting Services Training					(160,000)		(160,000)
Stipends - Elementary School Leadership Training					(101,520)		(101,520)
Professional Growth System - ODD 655	7						
Consulting Teacher				(5.000)	(255,840)	(5.000)	(255,840)
Special Schools - Mark Twain - ODD 247	5						
Psychologist				(0.500)	(53,631)	(0.500)	(53,631)
Department of Student Services - ODD 551	5						
Psychologist - Collaborative Action Process				(3.000)	(315,969)	(3.000)	(315,969)
Stipends					(60,000)		(60,000)

SCHEDULE A

SCHEDULE OF COUNTY COUNCIL ADDITIONS / REDUCTIONS TO THE FY 2009 OPERATING BUDGET
 WITHIN CATEGORIES AND ADOPTED BY THE BOARD OF EDUCATION

DESCRIPTION	BUDGET CHAPTER	COUNCIL ACTION		BOARD ACTION		TOTAL	
		POS.	AMOUNT	POS.	AMOUNT	POS.	AMOUNT
Changes Due to Grant Revenue Revisions :			(2,090,687)		2,090,687		
Division of Academic Support - Federal/State Prog. - ODD 941	1						
Instructional Specialist				(7.000)	(761,446)	(7.000)	(761,446)
Teacher - Special Program				(0.100)	(8,988)	(0.100)	(8,988)
Teacher - Focus				12.200	1,582,582	12.200	1,582,582
Teacher - ESOL				(14.000)	(1,103,116)	(14.000)	(1,103,116)
Teacher				(9.500)	(782,621)	(9.500)	(782,621)
Parent Community Coordinator				3.575	15,255	3.575	15,255
Paraeducator				(22.737)	(701,983)	(22.737)	(701,983)
Title II - Teacher Quality - ODD 915	7						
Consulting Teacher				(3.000)	(279,335)	(3.000)	(279,335)
Title II - Enhancing Education Through Technology - ODD 918	6						
Instructional Specialist				1.000	83,400	1.000	83,400
Professional Part-time Salaries					(3,000)		(3,000)
Stipends					3,000		3,000
Title IV - Safe and Drug Free Schools - ODD 926	4						
Stipends					6,843		6,843
Professional Part-time Salaries					7,500		7,500
Title V - Innovative Education Programs - ODD 997	6						
Instructional Specialist				(1.000)	(88,778)	(1.000)	(88,778)
IT Systems Specialist				(0.750)	(60,000)	(0.750)	(60,000)
Technical Adjustments:			(285,307)		(621,315)		
Office of Organizational Development	7						
Staff Development Projects - Various					22,036		22,036
Head Start Local - ODD 297	4						
Professional Part-time Salaries					120		120
Vocational Education Local - ODD 145	4						
Professional Part-time Salaries					163,256		163,256

SCHEDULE A

SCHEDULE OF COUNTY COUNCIL ADDITIONS / REDUCTIONS TO THE FY 2009 OPERATING BUDGET
WITHIN CATEGORIES AND ADOPTED BY THE BOARD OF EDUCATION

DESCRIPTION	BUDGET CHAPTER	COUNCIL ACTION		BOARD ACTION		TOTAL	
		POS.	AMOUNT	POS.	AMOUNT	POS.	AMOUNT
Elementary Schools - ODD 121 Media Assistant	1				(19,147)		(19,147)
Supporting Services Part-time Salaries					50,000		50,000
Salary Changes							(906,622)
Middle Schools - ODD 131 Professional Part-time Salaries	1				405,050		405,050
Division of Academic Support - Federal/State Prog. - ODD 941 Coordinator, Bridge Plan for Academic Validation	1			1.000		1.000	
Total Category 3		(76.600)	(15,685,016)	(142.162)		(218.762)	(15,685,016)
CATEGORY 4 - TEXTBOOKS AND INSTRUCTIONAL SUPPLIES							
Middle Schools - ODD 131 Middle School Magnet Consortium (MSMC) Instructional Materials	1		(33,500)		33,500		
Middle School Reform Instructional Materials	1		(144,591)		81,247		(63,344)
Expansion of MSMC Courses to Other Middle Schools Instructional Materials			(476,140)		206,955		(269,185)
High Schools - ODD 141 IB Program at Kennedy & Seneca Valley High Schools Instructional Materials	1		(3,500)		3,500		
Department of Student Services - ODD 551 Expand PBIS to 15 Schools Instructional Materials	5		(36,582)		36,582		
Unspecified Reductions:			(1,139,816)		1,139,816		
Elementary Schools - ODD 121 Instructional Materials	1				(350,000)		(350,000)
Media Center Materials					(150,000)		(150,000)
Middle Schools - ODD 131 Textbooks	1				(600,000)		(600,000)
High Schools - ODD 141 Media Center Materials	1				(100,000)		(100,000)
Instructional Materials - Special Programs					(300,000)		(300,000)

SCHEDULE A

**SCHEDULE OF COUNTY COUNCIL ADDITIONS / REDUCTIONS TO THE FY 2009 OPERATING BUDGET
WITHIN CATEGORIES AND ADOPTED BY THE BOARD OF EDUCATION**

DESCRIPTION	BUDGET CHAPTER	COUNCIL ACTION		BOARD ACTION		TOTAL	
		POS.	AMOUNT	POS.	AMOUNT	POS.	AMOUNT
Department of Student Services - ODD 551 Instructional Materials - Collaborative Action Process	5				(1,600)		(1,600)
Changes Due to Grant Revenue Revisions :			121,483		(121,483)		
Division of Academic Support - Federal/State Prog. - ODD 941 Instructional Materials	1				151,203		151,203
Office Supplies					(5,000)		(5,000)
Title II - Enhancing Education Through Technology - ODD 918 Instructional Materials	6				(4,513)		(4,513)
Title V - Innovative Education Programs - ODD 997 Instructional Materials/Office and Testing Supplies	6				(20,207)		(20,207)
Technical Adjustments:			(17,019)		17,019		
Office of Organizational Development Staff Development Projects - Various	7				161,737		161,737
Head Start - Local - ODD 297 Instructional Materials	4				(1,304)		(1,304)
Vocational Education Local - ODD 145 Instructional Materials	4				(177,452)		(177,452)
Total Category 4			(1,729,665)				(1,729,665)
CATEGORY 5 - OTHER INSTRUCTIONAL COSTS							
Middle Schools - ODD 131 Middle School Reform - 6 Schools Instead of 10 Contractual Services	1		(4,429)		4,429		
Equipment			(10,940)		10,940		
Middle School Magnet Consortium (MSMC) Other Costs			(23,000)		23,000		
High Schools - ODD 141 IB Program at Kennedy & Seneca Valley High Schools Other Program Costs	1		(45,000)		45,000		
Equipment			(6,000)		6,000		

SCHEDULE A

SCHEDULE OF COUNTY COUNCIL ADDITIONS / REDUCTIONS TO THE FY 2009 OPERATING BUDGET
WITHIN CATEGORIES AND ADOPTED BY THE BOARD OF EDUCATION

DESCRIPTION	BUDGET CHAPTER	COUNCIL ACTION		BOARD ACTION		TOTAL	
		POS.	AMOUNT	POS.	AMOUNT	POS.	AMOUNT
Department of Student Services - ODD 551	5						
Expand PBIS to 15 Schools							
Contractual Servcies			(12,000)		12,000		
Unspecified Reductions:			(633,574)		633,574		
Elementary Schools - ODD 121	1						
Consultants					(25,000)		(25,000)
Equipment					(75,000)		(75,000)
Middle Schools - ODD 131	1						
Equipment					(12,500)		(12,500)
High Schools - ODD 141	1						
Consultants - Special Programs					(20,000)		(20,000)
Other - Special Programs					(50,000)		(50,000)
Equipment					(12,500)		(12,500)
Equipment - Special Programs					(50,000)		(50,000)
Division of Academic Support - Federal/State Prog. - ODD 298	1						
Consultants					(430,000)		(430,000)
Equipment					(55,893)		(55,893)
Department of Student Services - ODD 551	5						
Contractual Servcies					(4,050)		(4,050)
Changes Due to Grant Revenue Revisions :			(468,589)		468,589		
Division of Academic Support - Federal/State Prog. - ODD 941	1						
Contractual Servcies					(23,836)		(23,836)
Local Travel					(10,000)		(10,000)
Staff Development, Dues and Registration					(30,725)		(30,725)
Equipment					(9,387)		(9,387)
Title II - Enhancing Education Through Technology - ODD 918	6						
Contractual Servcies					(147,037)		(147,037)
Title V - Innovative Education Programs - ODD 997	6						
Local Travel					(1,400)		(1,400)
Carl D.Perkins Career & Technical Education - ODD 951	4						
Equipment					(246,204)		(246,204)

SCHEDULE A

**SCHEDULE OF COUNTY COUNCIL ADDITIONS / REDUCTIONS TO THE FY 2009 OPERATING BUDGET
WITHIN CATEGORIES AND ADOPTED BY THE BOARD OF EDUCATION**

DESCRIPTION	BUDGET CHAPTER	COUNCIL ACTION		BOARD ACTION		TOTAL	
		POS.	AMOUNT	POS.	AMOUNT	POS.	AMOUNT
Technical Adjustments:			(145,579)		145,579		
Office of Organizational Development Staff Development Projects - Various	7				(149,128)		(149,128)
Head Start Local - ODD 297 Contractual	4				3,549		3,549
Total Category 5			(1,349,111)				(1,349,111)
CATEGORY 6 - SPECIAL EDUCATION							
Department of Special Education Services - ODD 248 Hours-based Staffing at 3 Middle Schools	5						
Teacher - Special Ed		(9.000)	(458,379)	9.000	458,379		
Special Education Paraeducator		(8.750)	(226,800)	8.750	226,800		
Substitutes			(11,601)		11,601		
Equipment			(24,615)		24,615		
Unspecified Reductions:			(673,130)		673,130		
Division of School-based Special Education - ODD 251	5						
Instructional Specialist				(1.500)	(152,311)	(1.500)	(152,311)
Teacher - Special Ed				(6.000)	(307,008)	(6.000)	(307,008)
Special Schools - Mark Twain - ODD 247	5						
Principal				(1.000)	(145,355)	(1.000)	(145,355)
Teacher - Special Ed				(5.500)	(356,615)	(5.500)	(356,615)
Teacher - Physical Education				(0.500)	(34,832)	(0.500)	(34,832)
School Administrative Secretary				(1.000)	(84,239)	(1.000)	(84,239)
Security Assistant				(1.000)	(39,954)	(1.000)	(39,954)
Special Education Paraeducator				(6.250)	(156,079)	(6.250)	(156,079)
Media Assistant				(0.500)	(16,360)	(0.500)	(16,360)
Division of Equity Assurance and Compliance - ODD 257	5						
Instructional Specialist				(1.000)	(121,772)	(1.000)	(121,772)
Total Category 6		(17.750)	(1,394,525)	(6.500)		(24.250)	(1,394,525)
CATEGORY 7 - STUDENT PERSONNEL SERVICES							
Unspecified Reductions:			(276,090)		276,090		
Special Schools - Mark Twain - ODD 247	5						
Social Worker				(0.500)	(52,032)	(0.500)	(52,032)

SCHEDULE A

SCHEDULE OF COUNTY COUNCIL ADDITIONS / REDUCTIONS TO THE FY 2009 OPERATING BUDGET
WITHIN CATEGORIES AND ADOPTED BY THE BOARD OF EDUCATION

DESCRIPTION	BUDGET CHAPTER	COUNCIL ACTION		BOARD ACTION		TOTAL	
		POS.	AMOUNT	POS.	AMOUNT	POS.	AMOUNT
Department of Student Services - ODD 551	5						
Instructional Specialist				(1.000)	(122,507)	(1.000)	(122,507)
Secretary				(2.000)	(101,551)	(2.000)	(101,551)
Total Category 7			(276,090)	(3.500)		(3.500)	(276,090)
CATEGORY 9 - STUDENT TRANSPORTATION							
Department of Transportation - ODD 344	8						
Middle School Reform							
Bus Operators - Part-time			(35,916)		35,916		
Contractual/ Bus Repairs			(2,346)		2,346		
Bus Parts/Fuel			(19,170)		19,170		
Technical Adjustments:			54,210				54,210
Department of Transportation	8				(54,210)		(54,210)
Part-time Salary Changes							
Head Start Local - ODD 297	4				(3,222)		(3,222)
Transportation Costs							
Total Category 9			(3,222)				(3,222)
CATEGORY 10 - OPERATION OF PLANT AND EQUIPMENT							
Unspecified Reductions:			(157,043)		157,043		
Division of School Plant Operations - ODD's 327,328,329	8						
Elementary							
Building Service Worker				(2.000)	(52,347)	(2.000)	(52,347)
Secondary							
Building Service Worker				(2.000)	(52,348)	(2.000)	(52,348)
Central/Area Services							
Building Service Worker				(2.000)	(52,348)	(2.000)	(52,348)
Total Category 10			(157,043)	(6.000)		(6.000)	(157,043)
CATEGORY 11 - MAINTENANCE OF PLANT							
Unspecified Reductions:			(110,040)		110,040		
Division of Maintenance - ODD 323	8						
Supporting Services Part-time Salaries					(110,040)		(110,040)

SCHEDULE A

SCHEDULE OF COUNTY COUNCIL ADDITIONS / REDUCTIONS TO THE FY 2009 OPERATING BUDGET
WITHIN CATEGORIES AND ADOPTED BY THE BOARD OF EDUCATION

DESCRIPTION	BUDGET CHAPTER	COUNCIL ACTION		BOARD ACTION		TOTAL	
		POS.	AMOUNT	POS.	AMOUNT	POS.	AMOUNT
Technical Adjustments:		2.000	164,067	2.000	(164,067)		
Office of the Chief Technology Officer - ODD 433 IT Systems Specialist	6			2.000	164,067	2.000	164,067
Total Category 11		2.000	54,027	4.000		2.000	54,027
CATEGORY 12 - FIXED CHARGES							
Department of Financial Services - ODD 333 Board of Education Initiatives	8		(1,766,554)		909,437		(857,117)
OPEB			(13,900,000)				(13,900,000)
Unspecified Reductions:			(4,298,322)		4,298,322		
Department of Financial Services - ODD 333	8				(5,207,759)		(5,207,759)
Changes Due to Grant Revenue Revisions :			(369,398)		369,398		
Division of Academic Support - Federal/State Prog. - ODD 941	1				(274,052)		(274,052)
Title II - Teacher Quality - ODD 915	7				(69,834)		(69,834)
Title II - Enhancing Education Through Technology - ODD 918	6				20,850		20,850
Title IV - Safe and Drug Free Schools - ODD 926	4				1,247		1,247
Title V - Innovative Education Programs - ODD 997	6				(47,609)		(47,609)
Technical Adjustments:			13,422		(13,422)		
Department of Financial Services - ODD 333	8				13,422		13,422
Total Category 12			(20,320,852)				(20,320,852)
CATEGORY 37 - INSTRUCTIONAL TELEVISION SPECIAL FUND							
Instructional Television Special Revenue Fund - ODD 860 Equipment	10		16,039				16,039
Total Category 37			16,039				16,039
GRAND TOTAL		(105.350)	(44,553,830)	(185.537)		(292.887)	(44,553,830)

Resolution No.: 16-578
Introduced: May 22, 2008
Adopted: May 22, 2008

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: County Council

Subject: Approval of and Appropriation for the FY 2009 Operating Budget of the Montgomery County Public School System

Background

1. As required by the Education Article, Sections 5-101 and 5-102, of the Maryland Code, the Board of Education sent to the County Executive and the County Council the FY 2009 Operating Budget for the Montgomery County Public School (MCPS) system as shown below.
2. The Executive sent to the Council his recommendations regarding this budget.
3. As required by Section 304 of the County Charter, the Council held public hearings on the Operating Budget and the Executive's recommendations on April 7, 8, 9, and 10, 2008.
4. The appropriation in this resolution is based on the following projected revenues for FY 2009:

State:	\$400,323,324
Federal:	\$ 65,115,337
Other:	\$ 15,028,218
Enterprise:	\$ 54,733,813
5. This appropriation requires a local contribution of \$1,531,482,602 to Montgomery County Public Schools, of which \$17,927,455 consists of projected FY 2008 MCPS Current Fund balance.

6. The Superintendent submitted to the Council proposed reductions by State category to meet the approved expenditure level as reflected in this appropriation.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

1. The Council approves the FY 2009 Operating Budget for the Montgomery County Public School system and appropriates the funds as shown below.

FY 2009 OPERATING BUDGET FOR MONTGOMERY COUNTY PUBLIC SCHOOLS

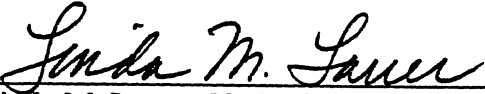
The Council approves and appropriates the following amounts.

I. Current Fund Category	BOE Request March, 2008	Council (Reduction)/ Addition	Council Approved Budget
1 Administration	45,258,569	(1,230,274)	44,028,295
2 Mid-level Administration	138,433,066	(2,478,098)	135,954,968
3 Instructional Salaries	856,213,194	(15,685,016)	840,528,178
4 Textbooks and Instructional Supplies	33,366,454	(1,729,665)	31,636,789
5 Other Instructional Costs	19,334,621	(1,349,111)	17,985,510
6 Special Education	268,951,407	(1,394,525)	267,556,882
7 Student Personnel Services	11,922,050	(276,090)	11,645,960
8 Health Services	57,502		57,502
9 Student Transportation	91,983,160	(3,222)	91,979,938
10 Operation of Plant and Equipment	114,960,924	(157,043)	114,803,881
11 Maintenance of Plant	34,848,710	54,027	34,902,737
12 Fixed Charges	440,981,198	(20,320,852)	420,660,346
14 Community Services	208,495		208,495
Subtotal, including specific grants	2,056,519,350	(44,569,869)	2,011,949,481
Less specific grants	78,296,925	(3,304,015)	74,992,910
Subtotal, spending affordability	1,978,222,425	(41,265,854)	1,936,956,571
II. Enterprise Funds			
37 Instructional Television Fund	1,566,791	16,039	1,582,830
51 Real Estate Fund	2,549,103		2,549,103
61 Food Services Fund	46,841,144		46,841,144
71 Field Trip Fund	2,199,661		2,199,661
81 Entrepreneurial Activities Fund	1,561,075		1,561,075
Subtotal, Enterprise Funds	54,717,774	16,039	54,733,813
Total Budget for MCPS	2,111,237,124	(44,553,830)	2,066,683,294

2. This resolution appropriates \$9,084,573 for the account titled "Provision for Future Supported Projects", which provides funds for specific programs designated in a grant, contribution, reimbursement, or other non-county funding source received in FY 2009. When MCPS receives funds for a program from one of these sources, MCPS may transfer funds from this appropriation to the program. The following conditions are established on the use of this transfer authority:
 - a) The program must not require any present or future County funds.
 - b) Subject to the balance in the account, any amount can be transferred in FY 2009 for any program which meets at least one of the following four conditions: (1) the amount is \$200,000 or less; (2) the program was funded in FY 2008; (3) the program was included in the FY 2009 budget; (4) the program was funded by the Council in a supplemental or special appropriation in FY 2009. Any program that does not meet one of these four conditions must be funded by a supplemental or special appropriation.
 - c) MCPS must notify the Executive and the Council within 30 days after each transfer.
3. Any appropriation for any project funded by non-County funds is contingent on the receipt of the non-County funds.
4. This resolution reappropriates or appropriates revenue received from non-County sources for programs funded in whole or in part from those non-County funds:
 - a) together with matching County funds, if any; and
 - b) to the extent that the program period approved by the non-County source encompasses more than one fiscal year, in order to complete the grant program under the terms of receipt of the non-County revenues.
5. This resolution reappropriates the fund balance of the Warehouse account.
6. The Council continues the procedure for transfers adopted in Resolution 12-889. This procedure applies only to the non-County portion of grant programs, and therefore only applies to those grant programs for which MCPS keeps separate accounts for County and non-County funds.
 - a) The Council will not take action on these transfers, so the transfers will be automatically approved after 30 days, as provided by State law.
 - b) MCPS staff must report each transfer to the Executive and the Council within 30 days after the transfer.

7. The following provision applies when MCPS receives more non-County funds than were budgeted for a project that also receives some County funds:
 - a) Council approval is not required to substitute non-County funds for County funds. In this case, there is no change in the appropriation.
 - b) Council approval is required to increase the appropriation. The Council may decide to substitute non-County funds for the County funds instead of increasing the appropriation.
8. This resolution reappropriates encumbered appropriations, permitting them to be spent in FY 2009. Unencumbered appropriations lapse at the end of FY 2009 except as reappropriated elsewhere in this resolution.
9. This resolution appropriates \$18,300,000 for pre-funding retiree health insurance consistent with Resolution No. 16-555, which the Council adopted on May 14, 2008. These funds must not be spent for any other purpose and must be deposited into a properly constituted Trust for the payment of retiree health insurance.

This is a correct copy of Council action.


Linda M. Lauer, Clerk of the Council