

Operating Budget Committee Report December 2009

Chair: Pam Moomau

Operating Budget Timeline for Fiscal Year 2011

September 17, 2009	Board of Education Community Forum , Quince Orchard High School
October 15, 2009	BOE Community Forum , John F. Kennedy High School
December 10, 2009	Superintendent presents Recommended Operating Budget
December 23, 2009	Sign-up begins for BOE Operating Budget Hearings
January 4, 2010 p.m.	MCCPTA Operating Budget Forum , Carver, 7:30-9:30
January 9, 2010 noon	MCCPTA Operating Budget Workshop , KPES 9:00-
January 13 & 20, 2010	BOE Operating Budget Hearings
January 27&28, 2010	BOE Operating Budget Worksessions
February 9, 2010	BOE Operating Budget Adoption
March 1, 2010	BOE Operating Budget request presented to County
March 15, 2010	County Executive issues Operating Budget
April TBD 2009	County Council Operating Budget Hearings
May 20, 2010	Council approves Operating Budget
June 8, 2010	BoE final action on Operating Budget

Background on the MCPS and County Budget Process:

Budget Financing Sources and the State Maintenance of Effort Requirement

The operating budget funds the day-to-day operation of the school system: the largest component is teacher salaries. It also includes most other salaries (including administration), utilities, building upkeep, transportation, and educational materials. There is a separate budget, the CIP, for capital items – buildings, buses, and the like, which runs parallel. MCPS does not have its own, independent funding source. The MCPS budget total funding level is appropriated by the Montgomery County Council and signed into law by the County Executive. Primary funding comes from general Montgomery County tax revenues. The State of Maryland also provides school funding for local governments, including MCPS, according to a formula involving the County's wealth, population, and various other factors. One of the other factors is arequired "Maintenance of Effort" ("MOE") by County governments on school funding. For any given school year, the MOE requires that the County government spend at least as much per student as it did in the prior year.

Last spring, when the Montgomery County Council adopted the MCPS budget, they did not meet this requirement, and requested a waiver from the State BOE. MCPS initially went along with this request because there were various one-time sources of funding and cost savings that allowed them to maintain operations without full funding from Montgomery County. MCPS sent a supporting letter

to the MD State BOE supporting the waiver on a one-time only basis. Nevertheless, that waiver was quickly denied by the State BOE last Spring. Montgomery County government officials responded by allocating \$79 million in debt service to the MCPS operating budget to make up the difference between their operating budget funding level and the MOE-required amount. From a long-run perspective, this response was a problem for MCPS because it effectively (a) established the principle that debt service on school capital projects would be part of the MCPS operating budget and (b) lowered the baseline per pupil spending on actual daily operations by substituting debt service obligations for funding teachers, textbooks, etc. In response to a query from the Montgomery County BOE, the State Attorney General has ruled that this maneuver by Montgomery County government does not satisfy the maintenance of effort requirement. (See the MCCPTA website under the Operating Budget Committee for a copy of this opinion.)

In the short run, this could be a problem for MCPS because it could mean we will lose State aid for this year's FY2010 operating budget (although MCPS officials seem to have strategies for coping with this problem.) It will be awhile before this is sorted out, as the County Executive has announced his intention to challenge the Attorney General's ruling. In the longer run, the ruling is a positive development because it restores the baseline required per pupil spending by Montgomery County Government back to where it was before last year. Combined with state aid and Federal stimulus funds, this level of funding would provide us with a good chance of maintaining current service levels in the upcoming budget year.

Unfortunately, though, local revenues are not coming in strongly, and it could be difficult for the County Council to maintain this level of school funding. It's unknown whether the Montgomery County Council and/or Executive would be willing to risk losing State aid next year if the appeal ends up supporting the MOE - which would require the County to pay up or sacrifice state aid.

All of this will make our budget advocacy somewhat complicated, and especially important if we want to see school funding remain a high priority in the County budget. An important step in this advocacy is good attendance at the MCCPTA Operating Budget Forum on January 4, 2010, where parents will have a chance to engage in an extended question and answer session with BOE and County Council members and budget officials.

More on the Budget Process

MCPS staff has already started gathering public input for the Operating Budget for the fiscal year 2011 school year (which starts on July 1, 2010) with their first forum on the MCPS Strategic Plan. The Strategic Plan sets forth MCPS's goals and strategies for advancing these goals. MCCPTA's testimony (based on last year's budget documents and notes from the summer Area meetings) was circulated to the listserve and is posted on the MCCPTA website. The Superintendent will release a proposed budget to the School Board in December. We are making a special effort to adopt our MCCPTA budget advocacy positions early this year so that we can have input before those recommendations come out. The School Board will vote on the budget in February, and

forward it to the County Executive. Before voting, the school board will hold public hearings, where MCCPTA President Kay Romero will testify on behalf of the whole organization, and cluster coordinators will testify on behalf of their clusters. The County Executive makes recommendations to the County Council in March, and then the County Council works on it for through March and April. They are working on the capital budget (“CIP”) at the same time. The two are finally reconciled and adopted in June.

Background on MCCPTA advocacy:

As advocates for children and schools, PTAs are encouraged to follow their school budget process closely and communicate their priorities to decision makers. MCCPTA has developed a process to discover local interests and needs, and identify common budget priorities. MCCPTA formal advocacy begins with testimony on the Strategic Plan in September. The next steps were forwarding the adopted Compact and Resolution, adopted in the October Delegates’ Assembly, to Superintendent Weast and the Board of Education. The first Monday back from the holiday break is our operating budget forum, and the following Saturday is the MCCPTA operating budget workshop to help prepare for testimony at Operating Budget hearings before the School Board in January and before the County Council in April. Cluster coordinators will also be invited to testify at these hearings. In addition, our President Kay Romero and the operating budget committee chair Pam Moomau have been participating in budget planning meetings with MCPS and their union representatives throughout the Fall. These meetings are expected to resume in the winter. MCCPTA representatives rely on the Priorities Resolution and the Operating Budget Compact to guide them on providing input during these discussions. In the end, of course, the budget is adopted by the BOE and the County Council, and neither they nor MCPS staff are bound to follow our recommendations. But to the extent that MCCPTA can speak as a unified voice for our 50,000 members and the broader parent, student and teacher community, we hope to improve the product they adopt.

Background on the MCCPTA Documents:

The Budget Compact is a comprehensive document meant to represent MCCPTA’s vision of the expected requirements for an adequate public education. MCCPTA has adopted a version of this for many years. In recent years, it has been organized to conform to the format of MCPS’s own planning document: the Strategic Plan. Thus, the Goals 1-5 that you see in the document are the five goals stated in MCPS’s Strategic Plan. The bullet points under the goals are the items MCCPTA is saying we would like to see funded to address those Goals. This year’s proposed document was taken from last year’s official document, with no substantive changes. It may be amended at the DA, either adding or subtracting bullets. The Priorities Resolution is a newer document – this will be the third year for it. The purpose is to focus advocacy attention on a few agreed-upon items. The resolutions for some prior years (fiscal years 2008 and 2009) were developed with the thought that we were advocating for new initiatives. Last year and this, in light of the much tighter budget conditions we are facing, we will be proposing priorities for areas to avoid budget cuts. The resolution was prepared based on discussion during the meetings MCCPTA officers attended with local PTA members in each Area over the summer. The topics that were raised in these meetings were summarized and

discussed in the September meeting of the MCCPTA Board of Directors (cluster coordinators, Area VPs, committee chairs, and officers). Board members were asked to indicate their highest priorities on the list. Prior year Operating Budget Compacts and Priorities Resolutions can be found on the MCCPTA website under Committees\Operating. You will need to scroll down to get to them.

The following priorities were adopted in the October, 2009 Delegates' Assembly:
Whereas, MCCPTA's mission is to speak for children and without question our highest budget priority is education; Be it resolved that the MCCPTA Delegates approve the following operating budget priorities for the organization to concentrate on this budget year, each item to be given due consideration in relation to the others:

**Minimum possible class sizes,
Well-maintained, safe, secure, mold-free school facilities,
Empirically based, developmentally appropriate, fully supported curriculum implementation,
Adequate and effective staffing for special education students,
Focus on adequate school-home as well as home-school communication,
and
Academic support for all students, including those needing assistance and/or enrichment**