


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

January 16, 2008

MEMORANDUM

To: Members of the Board of Education
From: Jerry D. Weast, Superintendent of Schools 
Subject: FY 2009 Operating Budget: State Aid

On January 16, 2008, Governor Martin O'Malley released his proposed operating budget for FY 2009. Simultaneously, the Maryland State Department of Education (MSDE) issued preliminary FY 2009 revenue estimates that reflect the governor's budget proposal and the actions of the 2007 special session of the General Assembly. The revenue estimates include an increase in state aid for Montgomery County Public Schools (MCPS) of \$10.5 million (2.7 percent). This is \$16.9 million less than previous estimates included in the Superintendent's FY 2009 Recommended Operating Budget. A copy of the state aid estimate for FY 2009 is attached.

The main reason for this decrease from the original estimate is a reduction of \$27.2 million in basic Foundation aid primarily as a result of a significant increase in the relative wealth of Montgomery County compared with other counties in Maryland. Because state aid is wealth equalized, the share of state aid received by Montgomery County is lower than in previous years. This decrease results mainly from a 20 percent increase in the value of real property in Montgomery County in the past year compared to an average state increase of 15 percent.

The reduction of Foundation aid is offset by an addition of \$18.4 million for the Geographic Cost of Education Index (GCEI) which the governor proposes to phase in with 60 percent funding in FY 2009. There also is an increase of \$10.4 million for the supplemental grant enacted by the General Assembly for those counties that would not otherwise receive a one percent net increase in state aid. The FY 2009 proposed budget also includes increases of \$4.7 million for the limited English proficiency component, \$3.2 million for compensatory aid, and \$0.8 million for transportation aid, offset by a decrease of \$1.3 million for special education.

I will continue to keep you informed of further developments on this issue. If you have any questions, please call Mr. Larry Bowers, chief operating officer, at 301-279-3626 or Dr. Marshall Spatz, director, Department of Management, Budget, and Planning, at 301-279-3547.

JDW:sz

Attachment

Copy to: Executive Staff