


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

April 10, 2007

MEMORANDUM

To: Members of the Board of Education

From: Jerry D. Weast, Superintendent of Schools 

Subject: Preliminary Review of County Executive's Proposed Budget Reductions

On Friday, April 6, 2007, County Executive Isiah Leggett sent a memorandum to County Council President Marilyn Praisner identifying areas in which the Board of Education's Fiscal Year 2008 Operating Budget Request could be cut to offset the \$19.7-million shortfall in funding for public education in his recommended budget. A comprehensive review of his proposed reductions is under way. In the meantime, however, a preliminary analysis is provided below in the form of an initial impact statement for each of the proposed reductions.

At the outset, it is important to note that the county executive proposed a shift of state capital funding (\$6-10 million) to support the operating budget. He also recommends making a technical change in the risk management contribution that further reduces the gap by \$1 million. I believe these recommendations underscore the point that there is little in the way of justifiable cuts in the requested budget for the Montgomery County Public Schools (MCPS). Mr. Leggett noted that the original state aid forecast for the MCPS capital budget was \$40 million and now exceeds \$52 million. The Council should substitute the entire \$12.25 million in additional state aid for current revenue programmed to fund the capital budget and redirect these funds to the MCPS operating budget. It should be emphasized that this shift in funding would have no impact on the capital budget as suggested by Mr. Leggett. The entire capital budget as recommended by Mr. Leggett would be funded and no improvements would be delayed.

The county executive's recommended budget was problematic from the beginning and the proposed reductions only make things worse. The county executive's original budget recommended an increase of \$117 million that is \$5 million *less* than the amount needed next year just to make the school system's payroll and fund retirees' health care. As originally recommended, the county executive's budget would effectively eliminate the Board of Education's \$12 million in academic initiatives, forcing the elimination of 128 positions for teachers and other employees essential for middle school reform, special education staffing, middle and high school counselors, elementary assistant principals, and more translation services. Furthermore, the county executive's budget would force the loss of more than 100 *existing* positions—the largest projected staff reduction since the 1990's.

Nowhere within the county executive's newly proposed reductions or the original budget recommendations was there an appreciation for the increased demands and challenges facing our children in Montgomery County. MCPS indisputably must meet increased demands for higher performance, which includes federal requirements under *No Child Left Behind* and state requirements under *Bridge to Excellence*, which includes a new high school exit exam in 2009. The complex needs of an increasingly diverse student population have escalated the demands the school system faces to

maintain its hard-won level of achievement and continue to make necessary improvements. MCPS has more students living in poverty than at any time in its history—33,997 students (25 percent of the student enrollment). More than 3,200 students were added to the Free and Reduced-price Meals System (FARMS)—the largest increase ever in the program. ESOL enrollment growth in 2006 was the second largest in MCPS history, with more than 1,250 new students who do not speak English as their first language, bringing the total enrollment to more than 14,700 students this year.

Instead of safeguarding the school system's efforts, the county executive's original recommended cut of \$19.7 million reflects a continued incremental shift in funding away from public education and toward other areas of the County Government—a three-year swing in funding totaling \$44 million. For example, the recommended increase for all County Government departments and agencies was greater than that for MCPS—6.9 percent compared with 6.3 percent, an \$11-million disparity that contributes to the overall shortfall in funding. Indeed, this disparity is unnecessary because there is sufficient revenue available to avoid making such reductions. Second, the proposed cuts were made without any apparent contact with knowledgeable school system staff. Indeed, the county executive said he had only “broadly examined the MCPS budget” and offered “some possible options.” One of those options suggests a delay in filling non-classroom teaching positions and using substitutes, citing the surplus in special education staffing funds resulting from the use of long-term substitutes. Ironically, this “surplus” was created not by a budgetary decision but by the shortage of certified teachers in special education, a shortage that would be exacerbated by the county executive's other recommended cut of one-fifth of the funds for staff development. Indeed, the cut to staff development is among the most disturbing of the county executive's recommendations. The staff development efforts are a cornerstone of the reform initiatives for the past seven years, helping principals, teachers, and other staff raise expectations for student achievement, reduce the gap in student performance by race and ethnicity, and eliminate institutional barriers to student achievement. Recommending such a cut shows a fundamental lack of understanding of what our children need to achieve and succeed and what our strategic plan has phased-in over the past several years.

The county executive targeted specific areas for reductions to offset the \$19.7-million gap in his original recommended budget. The following are initial impact statements for these proposed reductions:

- Phase in High School Initiatives: \$900,000. This reduction would delay improvements in after-school education programs, reduce counseling support for students, and delay programs for ESOL students with an interrupted education.
- Phase in Elementary School Improvements: \$1,400,000. This reduction would delay adding 15 elementary school assistant principals, more staffing for art, music, and PE, and essential technology support for elementary schools.
- Reduce Workforce Development: \$9,200,000. This reduction would severely impact the ability of staff to meet the needs of diverse learners. It would cut support to schools for job-embedded training, substantially weaken curriculum and diversity training, weaken the new professional growth system, and permanently reduce significant staff development capacity.
- Reduce Communications/Public Information: \$1,000,000. This substantial reduction would eliminate several critical services that support parents, students, and staff. The following would

be completely eliminated: parent resource guide and DVD in six languages, the Latino parent empowerment program, the Middle School Study Circles program designed to remove ethnic and racial barriers for parent involvement, Math Newsletters for Parents in multiple languages, Summer Search catalog in six languages, Homework Hotline and algebra television programs for students, the central duplicating service that relieves teachers of copying duties, and the print version of *The Bulletin*, the weekly newsletter for the school system community.

- Defer school support improvements: \$1,297,715. This reduction would eliminate needed improvements in translation services, would set back improvements to cleaning schools, and would make it impossible to enhance the new Financial Management System to include needed management report functions to improve accountability.
- Reduce Consulting and Other Contractual Services: \$2,500,000. This reduction would endanger vital services to schools, not discretionary expenditures. The contractual services include speech therapists and occupational/physical therapist services for special education, essential computer maintenance, transportation services for special needs students, facilities maintenance, and bus maintenance.
- Adjust fuel cost assumption: \$466,670. MCPS has budgeted diesel fuel at \$2.50 per gallon. That is, in fact, the current price. The projections are for prices that will soon exceed \$3.00 per gallon. The county government budgeted diesel fuel at \$2.36 per gallon, which seems imprudently low. Gasoline costs must be paid regardless of the price, so this is not a real cut.
- Personnel lapse assumption: \$2,000,000. MCPS has raised estimates for turnover and lapse savings significantly in recent years, to more than 2.0 percent of the salary budget. If more savings are taken, deficits could result, which could mean a freeze in school-based positions or an increase in class size.
- Reduce Outside Legal Services: \$750,000. In-house attorneys would be less cost-effective than outside attorneys. In-house attorneys are already used for special education matters but would not be cost-effective in other cases because of the need for specifically skilled outside attorneys. Legal services costs have actually declined over the past five years.
- Travel: \$100,000. Travel is not discretionary because itinerant personnel must be reimbursed for travel to schools. Higher mileage reimbursement already has reduced the effective amount of travel permitted and cuts have been made in out-of-state travel in the past.

Based on this preliminary analysis, it is clear that these reductions will adversely impact on our students. It will delay targeted initiatives designed to assist students with the greatest needs, cut deeply into the base budget, and set back the progress of the school system in meeting the demands of our community for high quality teaching and learning in all of our schools. Further analysis will be provided to the Board of Education on the detailed proposals and next steps.

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