

March 2009

## **MCCPTA Operating Budget Committee Report**

**Chair: Pam Moomau**

There is some good news and some bad news on the MCPS Operating Budget front. In the current fiscal environment, it continues to be critical that the PTAs actively advocate for school funding.

### The good news

The Federal fiscal stimulus bill is projected to provide assistance for our operating budget in several ways:

1. \$6.1 mil in Title I funding will provide for increasing the number of Title I schools from 27 to 30, increasing the number of full-day Head Start programs from 13 to 21, and retaining lower class sizes and additional academic supports in these schools.
2. \$15.3 mil in IDEA (special education) funding will allow the restoration of 20.5 elementary school special education positions that had been proposed in the budget the Board of Education adopted on February 9, allow the expansion of hours based staffing to 15 more middle schools, restore funding to certain middle school magnets that had been cut in the February 9 budget, restore the reimbursement rates on private placements to 80 percent, and provide some additional academic supports, including 2 counselor positions, staff development, and supports to prevent inappropriate special education designations of certain students.

[see: <http://www.montgomeryschoolsmd.org/press/index.aspx?pagetype=showrelease&id=2470>

And

<http://www.montgomeryschoolsmd.org/boe/meetings/agenda/2008-09/2009-0223/8.0%20Operating%20Budget%20Amend%20w%20attach.pdf>

for more details]

3. The State of MD will receive federal stimulus funding, which the Governor has announced will in part support education in his proposed budget. Of particular significance to MCPS: (a) he pledges to fully fund the Geographic Cost of Education Index, which would mean an additional \$22 million to MCPS above what was projected in the February 9 budget.; and (b) he recommends the state continue to fund its share of public employee pensions - worth \$125 million to MCPS in FY2010.
4. State Thornton money will be higher than projected based on a correction of a mistake the State made in its FY 2009 calculation of the aid formula; this will result in an additional \$23.7 million above projections in the February 9 budget. MCPS plans to use these funds to make payments to reserve funds that had been deferred in the February 9 budget - a necessary adjustment to catch up on required pension fund and other reserves. In addition, Montgomery County will be getting approximately \$24 million more from the state than originally planned for FY 2009. As the FY09 catch-up funds are non-recurring, and as the capital budget does not have as much dedicated stimulus funding for schools as the operating budget, MCCPTA may want to consider advocating that those funds be dedicated to the CIP.

### The bad news

To put the recent MCPS budget amendments in context, the February 9 MCPS budget had incorporated a reduction of 280 positions. After the Feb 23 budget amendments, there is still a reduction of approximately 230-240 positions, as well as reductions in other expense categories.

Anticipated funding from Montgomery County, the far larger share (roughly  $\frac{3}{4}$ ) of the MCPS budget, is less optimistic. When the Feb 9 budget was put together, the County Council had forecasted a "current services" deficit of about \$450 million - after public employee unions (including MCPS employees) had agreed to re-open their contracts and sacrifice their previously negotiated cost of living increases. Recent revisions to projected revenues put that deficit at approximately \$520 million. Since MCPS represents about half the County budget, that could translate to an additional \$35 million shortfall for MCPS. These projections have not taken account of anticipated stimulus funding at the local level. We do not yet have information as to what type of funding might be available for schools. The County Executive has been quoted as noting that stimulus funds are short-run, and thus the County

would be wary of using them for possibly continuing expenses. The County Executive is expected to release his budget recommendations on March 16.

Advocacy needs

The next advocacy step will be reminding our State delegation that we are following the budget process in Annapolis, and expect them to advocate strongly for the school funding recommended in the Governor's budget. We will also need to monitor the County budget closely, again advocating strongly for school funding. Operating budget testimony before the County Council will be April 15 and 16. Cluster coordinators should be signing up with MCCPTA Administrative VP Liz Wheeler.