Resolution No.:	20-821
Introduced:	May 22, 2025
Adopted:	May 22, 2025

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: County Council

SUBJECT: Approval of and Appropriation for the FY 2026 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 2026 Operating Budget for the Montgomery County Public Schools (MCPS) system as shown below.

2. The Executive sent to the Council his recommendations regarding this budget on March 14, 2025.

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, and 9, 2025.

4. The appropriation in this resolution is based on the following projected revenues for FY 2026:

State:	$1,035,333,822
Federal:	$107,326,170
Other:	$ 22,024,826
Enterprise:	$ 90,846,472
Special Revenue:	$ 1,378,278

5. This appropriation requires a local contribution of $2,338,642,338 to Montgomery County Public Schools.

6. Of the funds appropriated in this resolution, $96,192,267 is appropriated to meet the State's FY 2026 requirement for the County to fund the shift of teacher pension costs from the State to the County. The State requires that this payment be included in the calculation of the Maintenance of Effort requirement, and that the Montgomery County Public Schools must reimburse the State for this amount of teacher pension costs.

7. This resolution does not include re-appropriation of FY 2025 MCPS Current Fund balance.

8. The Superintendent submitted to the Council proposed changes 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 2026 Operating Budget for the Montgomery County Public School system and appropriates the funds as shown below:

FY 2026 OPERATING BUDGET FOR MONTGOMERY COUNTY PUBLIC SCHOOLS

The Council approves and appropriates the following amounts:

I. Current Funds	BOE Request February 2025	Council (Reduction/ Addition)	Council Approved Budget
Category			
1 Administration	78,125,108	2,219,816	80,344,924
2 Mid-level Administration	205,314,932	3,495,712	208,810,644
3 Instructional Salaries	1,339,555,027	(8,542,909)	1,331,012,118
4 Textbooks and Instructional Supplies	59,447,715	(6,055,902)	53,391,813
5 Other Instructional Costs	41,919,291	3,186,359	45,105,650
6 Special Education	526,110,368	1,278,116	527,388,484
7 Student Personnel Services	22,895,954	(19,608)	22,876,346
8 Health Services	6,899,578	(1,262,619)	5,636,959
9 Student Transportation	159,945,905	131,581	160,077,486
10 Operation of Plant and Equipment	196,198,810	1,771,330	197,970,140
11 Maintenance of Plant	59,885,787	(2,185,611)	57,700,176
12 Fixed Charges	864,072,795	(52,681,621)	811,391,174
14 Community Services	2,540,046	(918,804)	1,621,242
Subtotal, including specific grants	**3,562,911,316**	**(59,584,160)**	**3,503,327,156**
Less Specific Grants	(148,688,367)	-	(148,688,367)
Subtotal, Spending Affordability	**3,414,222,949**	**(59,584,160)**	**3,354,638,789**
II. Enterprise Funds			
5 Instructional Television Fund	1,486,328	(108,050)	1,378,278
11 Food and Nutrition Services Fund	73,699,211	0	73,699,211
12 Real Estate Management Fund	5,039,226	0	5,039,226
13 Field Trip Fund	2,972,646	0	2,972,646
14 Entrepreneurial Fund	9,135,389	0	9,135,389
Subtotal, Enterprise Funds	**92,332,800**	**(108,050)**	**92,224,750**
TOTAL BUDGET for MCPS	**3,655,244,116**	**(59,692,210)**	**3,595,551,906**

2. This resolution appropriates $11,531,204 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 2026. 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 2026 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 2025; (3) the program was included in the FY 2026 budget; or (4) the program was funded by the Council in a supplemental or special appropriation in FY 2026. 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 authorized in this resolution for any expenditure funded by non-County funds is contingent on the receipt of the non-County funds.

4. This resolution re-appropriates 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 re-appropriates 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 re-appropriates encumbered appropriations, permitting them to be spent in FY 2026. Unencumbered appropriations lapse at the end of FY 2025 except as re-appropriated elsewhere in this resolution.

9. Following final Board of Education action on the FY 2026 Operating Budget in June 2025, MCPS will report to the Council the total Full-Time Equivalent (FTE); FTE by category; and for categories 2, 3, and 6, allocation of positions by the following groups:

a) Elementary
b) Middle
c) High
d) Pre-K
e) Other

10. In the Board of Education action on the FY 2026 Operating Budget in June 2025, MCPS will update Table 5 of the Operating Budget document to identify position categories by State Budget category in addition to the current groupings.

11. MCPS will provide to the Council no later than October 1, 2025, a report that details new programs and initiatives that are proposed to be implemented in the next school year (FY 2026), and summarizes the status of new programs and initiatives that were implemented in the past three fiscal years (FY 2025, FY 2024, and FY 2023). New programs and initiatives includes efforts implemented through contractual services as well as MCPS staff. The report should be organized by fiscal year and include: the name of the program; the current status of the program (including number of students served, if it is ongoing); and current funding level and FTE.

12. MCPS will provide to the Council a report on actual class sizes in the 2025-2026 school year. This report will include the range, median, and mode of actual class sizes at each level: elementary, middle, and high school. Elementary schools must also be divided into Class Size Reduction schools and non-Class Size Reduction schools. Each level must also report on special education class size. This report must be provided no later than October 15, 2025, and a second report no later than February 15, 2026.

13. MCPS must provide to the Council, consistent with Federal privacy and other confidentiality requirements, all reports of special education enrollment and Section 504 enrollment data that are provided to the Board of Education.

14. The County Council's intent is that funds appropriated in this resolution will support programs and services to achieve positive improvements in metrics of student academic performance in all student demographic subgroups. These metrics include but are not limited to: early literacy; third grade math and reading; middle school math and language arts; college and career readiness; and graduation rates. MCPS must provide to the Council, consistent with Federal privacy and other confidentiality requirements, all reports on student academic performance metrics that are provided to the Board of Education.

This is a correct copy of Council action.

Sara R. Tenenbaum
Clerk of the Council