

AGENDA ITEM #2H
June 16, 2009
Action

MEMORANDUM

June 12, 2009

TO: County Council

FROM: Essie McGuire, Legislative Analyst *EMcGuire*

SUBJECT: **Action – Supplemental Appropriation to the FY09 Operating Budget for Montgomery County Public Schools – \$2,910,000 for Provision for Future Supported Projects**

THE EDUCATION COMMITTEE UNANIMOUSLY RECOMMENDS APPROVAL.

Today the County Council will review a supplemental appropriation to the FY09 Operating Budget for Montgomery County Public Schools – \$2,910,000 for Provision for Future Supported Projects. The Council introduced this appropriation on May 21 and held a public hearing on June 9; the Education Committee reviewed it on June 8.

No local dollars are necessary for this appropriation, as the source of funds will be Federal and State grants. The FY09 Operating Budget included an appropriation of \$9,084,573 for the Provision of Future Supported Projects, but actual revenue and expenditures for the grant projects are higher than budgeted. The supplemental appropriation would authorize the Board of Education to spend grant funds that will be received in the rest of FY09 from outside sources.

The request from the Board of Education is attached on circles 4-6 and includes a request for categorical transfers of \$600,000 within the provision. The County Executive recommends approval of the supplemental and transfer request (circle 1). The appropriation and transfer resolution is attached on circles 2-3.

The FY09 MCPS appropriation resolution includes a provision allowing the Board to receive and expend grant funds under certain conditions without a separate supplemental appropriation from the Council. The conditions include that the grant not require any County participation. Other County agencies, including County Government, have similar authorizing provisions.

This authorization is essentially an advance against this anticipated revenue. MCPS cannot use any funds appropriated for this provision without grant revenue that meets the conditions. The amount reflects the amount of revenue MCPS expects to receive for these grants for the rest of FY09.

f:\mcguire\2009\fsup proj supp comm pckt 609.doc

BUD, FIN &
ECON DEV



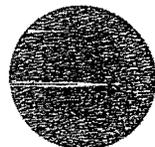
042140

EMC
CC
SBF
LL
KL
OLI

OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

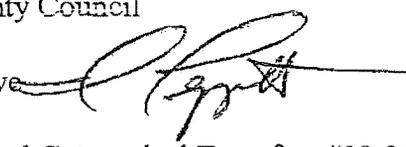
MEMORANDUM



May 4, 2009

2009 MAY -5 PM 1:27

TO: Phil Andrews, President, County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: Supplemental Appropriation and Categorical Transfers #09-265
 FY09 Operating Budget
 Montgomery County Public Schools
 Provision for Future Supported Projects
 \$2,910,000 and \$600,000

On April 14, 2009, the Board of Education requested authorization to receive and expend an FY09 supplemental appropriation of \$2,910,000 and make transfers among State budget categories of \$600,000 for the Provision for Future Supported Projects.

The FY09 Operating Budget for Montgomery County Public Schools included an appropriation of \$9,084,573 for such projects, but actual revenue and expenditure requirements are higher than budgeted. The Board is requesting a supplemental appropriation to process additional grant projects eligible for spending authorization using the Provision of Future Supported Projects through the end of FY09. Projects funded through this provision do not require any present or future County funds, and continuation of the projects is dependent on future funding from the grantor. The categorical transfers would align budgeted expenditures with actual requirements of grant projects.

I recommend that the County Council approve the requested FY09 supplemental appropriation of \$2,910,000 and categorical transfer of \$600,000 for the Provision for Future Supported Projects. The source of funds will be Federal and State grants.

IL:cfg

Attachments: Supplemental Appropriation and Categorical Transfers #09-265
Request from the Board of Education

11

COUNTY COUNCIL
 FOR MONTGOMERY COUNTY, MARYLAND

By: County Council

SUBJECT: Supplemental Appropriation and Categorical Transfers #09-265
 FY09 Operating Budget
 Montgomery County Public Schools
 Provision for Future Supported Projects
 \$2,910,000 and \$600,000

Background

1. Section 5-105(d) of the Education Article of the Annotated Code of Maryland provides for the expenditure of non-local funds by the County Board of Education after adoption of the budget, only with the approval of the County fiscal authority. Section 5-105 provides for the transfers among major categories of the budget of the Montgomery County Public Schools only with the approval of the County Council.
2. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
3. The County Executive received the Board of Education's action of April 14, 2009, requesting a transfer among State budget categories and a supplemental appropriation to the FY09 operating budget of the Montgomery County Public Schools as follows:

<u>Category</u>	<u>Categorical</u> <i>From</i>	<u>Transfer</u> <i>To</i>	<u>Supplemental</u> <u>Appropriation</u>	<u>Funding Source</u>
1 Administration		\$150,000		Federal/State Grants
2 Mid-Level Administration	\$100,000			
3 Instructional Salaries			\$2,000,000	
4 Textbooks and Instructional Supplies		100,000		
5 Other Instructional Costs	400,000			
6 Special Education			900,000	
7 Student Personnel Services	100,000			
10 Operation of Plant and Equipment			10,000	
11 Maintenance of Plant		185,000		
12 Fixed Charges		165,000		
Total	\$600,000	\$600,000	\$2,910,000	

4. The Board of Education has stated that this appropriation is needed to receive and expend an FY09 supplemental appropriation of \$2,910,000 and make transfers among State budget categories of \$600,000 for the FY09 Provision for Future Supported Projects. The FY09 Operating Budget for Montgomery County Public Schools included an appropriation of \$9,084,573 for the Provision of Future Supported Projects, but actual revenue and expenditure requirements for the grant projects are higher than budgeted. Projects funded through this provision do not require any present or future County funds and continuation of the projects is dependent on future funding from the grantor. The categorical transfers would align budgeted expenditures with actual requirements of grant projects.
5. The County Executive recommends a transfer among State budget categories of \$600,000 and a supplemental appropriation of \$2,910,000 to the FY09 Operating Budget of the Montgomery County Public Schools and has specified that the source of funds will be Federal/State grants.
6. Notice of a public hearing was given, and a public hearing was held.

Action

The County Council for Montgomery County, Maryland, approves the following action:

A transfer of appropriations among State budget categories and a supplemental appropriation to the FY09 Operating Budget of the Montgomery County Public Schools is approved as follows:

<u>Category</u>	<u>Categorical</u> <i>From</i>	<u>Transfer</u> <i>To</i>	<u>Supplemental</u> <u>Appropriation</u>	<u>Funding Source</u>
1 Administration		\$150,000		Federal/State Grants
2 Mid-Level Administration	\$100,000			
3 Instructional Salaries			\$2,000,000	
4 Textbooks and Instructional Supplies		100,000		
5 Other Instructional Costs	400,000			
6 Special Education			900,000	
7 Student Personnel Services	100,000			
10 Operation of Plant and Equipment			10,000	
11 Maintenance of Plant		185,000		
12 Fixed Charges		165,000		
Total	\$600,000	\$600,000	\$2,910,000	

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council

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

April 14, 2009

MEMORANDUM

To: Members of the Board of Education

From: Jerry D. Weast, Superintendent of Schools 

Subject: Recommended FY 2009 Supplemental Appropriation and Categorical Transfers
for the Provision for Future Supported Projects

Recommendation in Brief

Authorization is requested to receive and expend, subject to County Council approval, an FY 2009 supplemental appropriation of \$2,910,000 and effect categorical transfers of \$600,000 for the Provision for Future Supported Projects.

Background Information

The FY 2009 Operating Budget approved by the Board of Education on June 10, 2008, included an appropriation of \$9,084,573 for the Provision for Future Supported Projects. The Provision for Future Supported Projects allows the Board of Education to approve grant projects that are identified subsequent to the adoption of the budget, without having to request special appropriations for each of the projects from the County Council. The County Council established this provision because it was considered the most effective way of handling eligible projects and avoiding the need for a public hearing. During FY 2009, the Board of Education will receive additional projects that are eligible for funding through the Provision for Future Supported Projects. Actual revenue and expenditure requirements of grant projects require that a supplemental appropriation of \$2,910,000 and categorical transfers of \$600,000 be included in the FY 2009 provision.

Support of Board of Education Policy

The Provision for Future Supported Projects provides spending authorization and is not a program. Board of Education action complies with the requirements defined by the County Council for eligible grant projects received through the provision.

Relationship to Ongoing Program

It is anticipated that grant projects will exceed the \$9,084,573 appropriated for the FY 2009 Provision for Future Supported Projects. A supplemental appropriation and a categorical transfer are necessary to accommodate additional eligible projects.

Recommended Resolution

WHEREAS, The FY 2009 Operating Budget adopted by the Board of Education on June 10, 2008, included \$9,084,573 for the Provision for Future Supported Projects; and

WHEREAS, The Board of Education will receive additional grant projects that are eligible for funding through the Provision for Future Supported Projects during FY 2009; now therefore be it

Resolved, That the superintendent of schools be authorized to receive and expend, subject to County Council approval, an FY 2009 supplemental appropriation of \$2,910,000 and effect categorical transfers of \$600,000 for the Provision for Future Supported Projects in the following categories:

	<u>Category</u>	<u>Categorical Transfer</u>	<u>Supplemental Appropriation</u>	<u>Total</u>
1	Administration	\$150,000		\$150,000
2	Mid-level Administration	(100,000)		(100,000)
3	Instructional Salaries		\$2,000,000	2,000,000
4	Textbooks and Instructional Supplies	100,000		100,000
5	Other Instructional Costs	(400,000)		(400,000)
6	Special Education		900,000	900,000
7	Student Personnel Services	(100,000)		(100,000)
10	Operation of Plant and Equipment		10,000	10,000
11	Maintenance of Plant	185,000		185,000
12	Fixed Charges	165,000		165,000
	Total	<u>\$ --</u>	<u>\$2,910,000</u>	<u>\$2,910,000</u>

and be it further

Resolved, That a copy of this resolution be sent to the county executive and County Council; and be it further

Resolved, That the county executive be requested to recommend approval of this resolution to the County Council.

JDW:LAB:MCS:jp

STATUS OF FY 2009 PROVISION FOR FUTURE SUPPORTED PROJECTS

CATEGORY	CURRENT APPROPRIATION	TRANSFERS TO/(FROM)	REVISED APPROPRIATION	PRIOR ALLOCATION	THIS ALLOCATION	UNALLOCATED BALANCE
1 Administration	\$ 260,212	\$ 150,000	\$ 410,212	(168,847)		\$ 241,365
2 Mid-level Administration	699,539	(100,000)	599,539	(350,922)		248,617
3 Instructional Salaries	3,121,802	2,000,000	5,121,802	(2,246,368)		2,875,434
4 Textbooks and Instructional Supplies	658,478	100,000	758,478	(463,569)		294,909
5 Other Instructional Costs	2,286,316	(400,000)	1,886,316	(995,517)		890,799
6 Special Education	672,257	900,000	1,572,257	(818,780)		753,477
7 Student Personnel Services	322,991	(100,000)	222,991	(117,255)		105,736
9 Student Transportation	115,851		115,851	(84,545)		31,306
10 Operation of Plant and Equipment		10,000	10,000	(1,400)		8,600
11 Maintenance of Plant		185,000	185,000	(72,902)		112,098
12 Fixed Charges	788,632	165,000	953,632	(653,401)		300,231
14 Community Services	158,495		158,495	(151,754)		6,741
Total	\$ 9,084,573	\$ 2,910,000	\$ 11,994,573	\$ (6,125,260)	\$ -	\$ 5,869,313