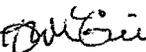


AGENDA ITEM #14
June 9, 2015
Public Hearing/Action

MEMORANDUM

June 5, 2015

TO: County Council

FROM: Essie McGuire, Senior Legislative Analyst 

SUBJECT: **Public Hearing/Action – Supplemental Appropriation to the FY15 Capital Budget and Amendment to the FY15-20 Capital Improvements Program, Montgomery County Public Schools, \$1,932,143 for Technology Modernization Project, Federal E-rate Reimbursement**

Today the County Council will hold a public hearing and consider action on a supplemental appropriation to the FY15 Capital Budget and amendment to the FY15-20 Capital Improvements Program (CIP), Montgomery County Public Schools (MCPS), \$1,932,143 for the Technology Modernization Project. The source of funds is Federal E-rate Reimbursement.

The Board of Education requested this appropriation and CIP amendment on April 27. The County Executive recommends approval of this supplemental appropriation. The Executive transmitted this appropriation request on May 8, and the Council introduced the appropriation resolution on May 12. The Executive's transmittal memorandum and appropriation resolution, and the Board of Education's transmittal are attached beginning at circle 1.

The Education Committee discussed this appropriation request during its budget deliberations this spring regarding the Technology Modernization project, and recommended approval of the appropriation. This appropriation is necessary so that MCPS can spend the anticipated Federal E-rate Reimbursement Funding that it requests and the Council appropriates as one of the funding resources for the MCPS Technology Modernization capital project.

During the full review of the FY15-20 CIP, the Board of Education requested an increase in the Technology Modernization project of approximately \$4 million each year in FY15 and FY16. The Executive recommended level funding across the six-year period. The Council approved an increase of \$2 million in FY15 and programmed an increase of \$1 million in FY16. The Council also recommended that the E-rate funds be added to the approved level to get closer to the Board's requested funding level. The Council specified that its intent for the additive E-rate approach was for FY15-16 only, and would be re-evaluated in the FY17-22 CIP discussion.

The Education Committee discussed and confirmed this approach in budget deliberations this spring, again noting that this additive approach will be reconsidered when the full FY17-22 CIP is reviewed next year. **The Committee unanimously recommended that the Council approve the FY15 E-rate supplemental** when received and add the amount to the current year funding in Technology Modernization, again consistent with the Council's policy intent last spring.

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INTRODUCTION

OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

MEMORANDUM

Isiah Leggett
County Executive

May 8, 2015

TO: George Leventhal, President
County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: Amendment to the FY15-20 Capital Improvements Program and
Supplemental Appropriation #21-S15-CMCPS-6 to the FY15 Capital Budget
Montgomery County Public Schools (MCPS)
Technology Modernization (No. 036510), \$1,932,143

I am recommending a supplemental appropriation to the FY15 Capital Budget and amendment to the FY15-20 Capital Improvements Program in the amount of \$1,932,143 for Technology Modernization (No. 036510). Appropriation for this project will fund the purchase of technology hardware and software to support improving student access to technology in MCPS.

This increase is needed to support the third year payments of the financial agreements with Dell Financial Services, LLC to fund the Promethean interactive technology purchase and Banc of America for the purchase of Cisco wireless networking equipment, software, and services. The recommended amendment is consistent with the criteria for amending the CIP because it is supported by E-Rate funds from the Federal Communication Commission's Schools and Libraries Program to provide incentives for the use of technology in schools by providing rebates on Internet and telecommunication service costs.

I recommend that the County Council approve this supplemental appropriation and amendment to the FY15-20 Capital Improvements Program in the amount of \$1,932,143 and specify the source of funds as Federal Aid.

I appreciate your prompt consideration of this action.

IL: rs

Attachment: Amendment to the FY15-20 Capital Improvements Program and Supplemental Appropriation #21-S15-CMCPS-6

cc: Larry A. Bowers, Interim Superintendent of Schools
Jennifer A. Hughes, Director, Office of Management and Budget

Resolution: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

SUBJECT: Amendment to the FY15-20 Capital Improvements Program and Supplemental Appropriation #21-S15-CMCPS-6 to the FY15 Capital Budget Montgomery County Public Schools Technology Modernization (No. 036510), \$1,932,143

Background

1. 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.
2. Section 302 of the Montgomery County Charter provides that the Council may amend an approved capital improvements program at any time by an affirmative vote of no fewer than six members of the Council.
3. The County Executive recommends the following capital project appropriation increases:

Project Name	Project Number	Cost Element	Amount	Source of Funds
Technology Modernization	036510	Planning, Design and Supervision	\$1,932,143	Federal Aid

Amendment to the FY15-20 Capital Improvements Program and Supplemental Appropriation
#21-S15-CMCPS-6

Page Two.

4. This increase is needed to support the third year payments of the financial agreements with Dell Financial Services L.L.C. to fund the Promethean interactive technology purchase and Banc of America for the purchase of Cisco wireless networking equipment, software, and services. The recommended amendment is consistent with the criteria for amending the CIP because it is supported by E-Rate funds from the Federal Communication Commission's Schools and Libraries Program to provide incentives for the use of technology in schools by providing rebates on Internet and telecommunication service costs.
5. The County Executive recommends an amendment to the FY15-20 Capital Improvements Program and a supplemental appropriation in the amount of \$1,932,143 for Technology Modernization (No. 036510), and specifies that the source of funds will be Federal Aid.
6. Notice of public hearing was given and a public hearing was held.

Action

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

The FY15-20 Capital Improvements Program of the Montgomery County Government is amended as reflected on the attached project description form and a supplemental appropriation is approved as follows:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u>
Technology Modernization	036510	Planning, Design and Supervision	\$1,932,143	Federal Aid

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council

Technology Modernization (P036510)

Category: Montgomery County Public Schools
 Sub Category: Countywide
 Administering Agency: Public Schools (AAGE18)
 Planning Area: Countywide

Date Last Modified: 4/21/14
 Required Adequate Public Facility: No
 Relocation Impact: None
 Status: Ongoing

	Total	Thru FY13	Est FY14	Total 6 Years	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	Beyond 6 Yrs
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	294,215	138,949	22,088	133,178	24,758	23,538	21,358	21,998	20,728	20,798	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	294,215	138,949	22,088	133,178	24,758	23,538	21,358	21,998	20,728	20,798	0

	Total	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	Beyond 6 Yrs			
FUNDING SCHEDULE (\$000s)											
Current Revenue: General	160,227	37,004	11,920	111,303	9,664	20,959	20,278	20,918	19,789	19,695	0
Current Revenue: Recordation Tax	123,280	91,237	10,168	21,875	15,094	2,579	1,080	1,080	939	1,103	0
Federal Aid	10,708	10,708	0	0	0	0	0	0	0	0	0
Total	294,215	138,949	22,088	133,178	24,758	23,538	21,358	21,998	20,728	20,798	0

APPROPRIATION AND EXPENDITURE DATA (000s) - 1,932

Appropriation Request	FY 15	24,758
Appropriation Request Est.	FY 16	23,538
Supplemental Appropriation Request		1,932
Transfer		0
Cumulative Appropriation		164,421
Expenditure / Encumbrances		138,949
Unencumbered Balance		25,472

Date First Appropriation	FY 03
First Cost Estimate	
Current Score	0
Last FY's Cost Estimate	216,755

26,690

Description

The Technology Modernization (Tech Mod) project is a key component of the MCPS strategic technology plan, Educational Technology for 21st Century Learning. This plan builds upon the following four goals: students will use technology to become actively engaged in learning, schools will address the digital divide through equitable access to technology, staff will improve technology skills through professional development, and staff will use technology to improve productivity and results.

The funding source for the Initiative is anticipated to be Federal e-rate funds. The Federal e-rate funds programmed in this PDF consist of available unspent e-rate balance: \$1.8M in FY 2010, \$1.8M in FY 2011, and \$327K in FY 2012. In addition, MCPS projects future e-rate funding of \$1.6M each year (FY 2010-2012) that may be used to support the payment obligation pending receipt and appropriation. No county funds may be spent for the initiative payment obligation in FY 2010-2012 without prior Council approval.

During the County Council's reconciliation of the amended FY 2011-2016 CIP, the Board of Education's requested FY 2012 appropriation was reduced by \$3.023 million due to a shortfall in Recordation Tax revenue. An FY 2012 supplemental appropriation of \$1.339 million in federal e-rate funds was approved; however, during the County Council action, \$1.339 million in current revenue was removed from this project resulting in no additional dollars for this project in FY 2012. An FY 2013 appropriation was requested to continue the technology modernization project and return to a four-year replacement cycle starting in FY 2013; however, the County Council, in the adopted FY 2013-2018 CIP reduced the request and therefore, the replacement cycle will remain on a five-year schedule. An FY 2013 supplemental appropriation in the amount of \$2.042 million was approved in federal e-rate funds to roll out Promethean interactive technology across all elementary schools and to implement wireless networks across all schools.

An FY 2014 appropriation was approved to continue this project. An FY 2015 appropriation was approved to continue the technology modernization program which will enable MCPS to provide mobile (laptop and tablet) devices in the classrooms. The County Council adopted FY 2015-2020 CIP is approximately \$21 million less than the Board's request over the six year period. However, e-rate funding anticipated for FY 2015 and FY 2016 will bring expenditures in those two years up to the Board's request to begin the new initiative to provide mobile devices for students and teachers in the classroom.

Fiscal Note

A FY2014 supplemental appropriation of \$3,384 million in federal e-rate funds was approved by Council in June 2014.

Coordination

(\$000)	FY 15	FYs 16-20
Salaries and Wages:	1893	9465
Fringe Benefits:	807	4035
Workyears:	20.5	102.5

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

April 29, 2015

MEMORANDUM

To: The Honorable Isiah Leggett, County Executive
The Honorable George Leventhal, President, Montgomery County Council

From: Larry A. Bowers, Interim Superintendent of Schools *LB*

Subject: Transmittal—Fiscal Year 2015 Supplemental Appropriation to the FY 2015–2020
Capital Improvements Program—Technology Modernization

Board of Education Meeting Date: April 27, 2015

Agenda Item: #9.9

Type of Action:

Supplemental

Transfer

Notification

LAB:AMZ:JS:ak

Attachment

Copy to:
Dr. Zuckerman
Mr. Klausing
Montgomery County Office of Management and Budget

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

April 27, 2015

MEMORANDUM

To: Members of the Board of Education

From: Larry A. Bowers, Interim Superintendent of Schools *Larry A. Bowers*

Subject: Fiscal Year 2015 Supplemental Appropriation Request for Technology Modernization

Background

The County Council has approved the expenditure of Federal Education Rate (E-Rate) funds in the Montgomery County Public Schools (MCPS) Capital Improvements Program since Fiscal Year (FY) 2010. E-Rate, the Federal Communication Commission's Schools and Libraries Program, provides incentives for the use of technology in schools by offering rebates on Internet and telecommunication service costs. MCPS has used E-Rate rebates to support improving student access to technology by purchasing technology hardware and software. These rebates apply to expenditure costs the district incurs for Internet, telephone (landlines and wireless) services, and network connections.

In FY 2013, the County Council approved a supplemental appropriation in the amount of \$2.042 million using E-Rate funds to enable MCPS to roll out Promethean interactive technology across elementary schools and also complete implementation of wireless networks across all schools. The Technology Modernization (Tech Mod) Program appropriation in the FY 2014 Capital Budget approved by the County Council provided additional funds needed for this initiative. The County Council's approval of the past two years of the Tech Mod Program assumed that MCPS would add E-Rate funds to the annual project appropriation in FY 2015, just as it did for FY 2014. Moreover, the County Council's approval also assumed that the Board of Education would request a supplemental appropriation using the E-Rate funds to address technology priorities and provide the funds needed for the wireless networks and Promethean interactive technology.

FY 2013 and FY 2014 E-Rate funds were used to assist with the first and second year payments for the financial agreements for the interactive whiteboards and wireless technology initiative. Similarly, FY 2015 E-Rate reimbursements also are required for the third year (of a five-year financing term) payments for this initiative. The E-Rate reimbursement receipts for FY 2015 total \$1,932,143.

It is recommended that the Board of Education requests a supplemental appropriation in the amount of \$1,932,143 to assist with the payment of the financial agreements with Dell Financial Services L.L.C. to fund the Promethean interactive technology purchase and Banc of America for the purchase of Cisco wireless networking equipment, software, and services. Therefore, I recommend that the Board of Education approves the following resolution.

WHEREAS, When the County Council approved the Technology Modernization Project in the Fiscal Year 2013–2018 Capital Improvements Program, the Federal Education Rate funds were assumed to be an additional source of funding for the Technology Modernization Project in Fiscal Years 2013, 2014, and 2015, and that the Board of Education would request a supplemental appropriation to expend these funds; and

WHEREAS, Federal Education Rate funds in the amount of \$1,932,143 are available as a 2015 appropriation to provide additional funding necessary to pay for the financial agreements that facilitated the rollout of Promethean interactive technology across all elementary schools and to implement wireless networks across all schools; now therefore be it

Resolved, That the Board of Education requests a Fiscal Year 2015 supplemental appropriation in the amount of \$1,932,143 to expand Federal Education Rate funds received in 2015 to support implementation of these essential technology infrastructure priority improvements; and be it further

Resolved, That this request be forwarded to the county executive and the County Council for action.

LAB:AMZ:SAC:sjk