

Resolution No.: 18-824
Introduced: May 25, 2017
Adopted: May 25, 2017

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: Approval of and Appropriation for the FY 2018 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 2018 Operating Budget for the Montgomery County Public School (MCPS) system as shown below.
2. The Executive sent to the Council his recommendations regarding this budget on March 14, 2017.
3. As required by Section 304 of the County Charter, notice of public hearing was given and a public hearing was held.
4. The appropriation in this resolution is based on the following projected revenues for FY 2018:

State:	\$679,944,975
Federal:	\$ 74,779,459
Other:	\$ 10,057,940
Enterprise:	\$ 64,549,977
5. This appropriation requires a local contribution of \$1,663,280,683 to Montgomery County Public Schools.
6. The FY 2018 County appropriation for MCPS continues the Council’s efforts from FY 2017 to provide MCPS with additional resources for programs and services to address the opportunity and academic achievement gap. During 2017, MCPS will launch data dashboards to the community highlighting “Learning, Accountability and Results” by individual school and district-wide addressing the multiple measures that determine student success. MCPS plans to update these dashboards throughout the school year to enable schools, MCPS, and the community to view the most recent data and to evaluate trends over time. The Council expects

that these reporting efforts will include data and measures that evaluate whether the additional funding provided by the Council is reducing the opportunity and academic achievement gap for students as intended.

7. Of the funds appropriated in this resolution, \$58,560,510 is appropriated to meet the State's FY 2018 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.
8. This resolution re-appropriates the full amount of FY 2017 MCPS Current Fund balance or \$22,783,303 from the MCPS Current Fund balance, whichever amount is less.
9. This resolution requires that MCPS use \$5,000,000 from the Group Insurance Employee Benefits Fund balance as an FY 2018 budget resource.
10. 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 2018 Operating Budget for the Montgomery County Public School system and appropriates the funds as shown below.

FY 2018 OPERATING BUDGET FOR MONTGOMERY COUNTY PUBLIC SCHOOLS

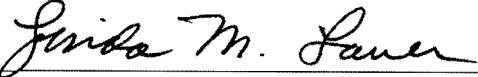
The Council approves and appropriates the following amounts:

I. Current Funds	BOE Request February 2017	Council (Reduction/ Addition)	Council Approved Budget
Category			
1 Administration	48,980,000	2,484,697	51,464,697
2 Mid-level Administration	148,989,827	(392,803)	148,597,024
3 Instructional Salaries	994,862,535	(242,201)	994,620,334
4 Textbooks and Instructional Supplies	26,066,768	(741,934)	25,324,834
5 Other Instructional Costs	14,511,274	290,575	14,801,849
6 Special Education	337,308,503	(140,101)	337,168,402
7 Student Personnel Services	11,993,045	86,939	12,079,984
8 Health Services	3,630	-	3,630
9 Student Transportation	105,370,657	(371,577)	104,999,080
10 Operation of Plant and Equipment	135,893,298	(345,328)	135,547,970
11 Maintenance of Plant	36,299,737	(371,577)	35,928,160
12 Fixed Charges	594,253,901	(4,881,594)	589,372,307
14 Community Services	938,089	-	938,089
Subtotal, including specific grants	2,455,471,264	(4,624,904)	2,450,846,360
Less Specific Grants	81,728,876	461,922	82,190,798
Subtotal, Spending Affordability	2,373,742,388	(5,086,826)	2,368,655,562
II. Enterprise Funds			
37 Instructional Television Fund	1,697,504	-	1,697,504
51 Real Estate Management Fund	3,932,647	-	3,932,647
61 Food and Nutritional Services Fund	54,213,534	-	54,213,534
71 Field Trip Fund	2,313,743	-	2,313,743
81 Entrepreneurial Fund	4,090,053	-	4,090,053
Subtotal, Enterprise Funds	66,247,481	-	66,247,481
TOTAL BUDGET for MCPS	2,521,718,745	(4,624,904)	2,517,093,841

2. This resolution appropriates \$6,731,204 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 2018. 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 2018 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 2017; (3) the program was included in the FY 2018 budget; (4) the program was funded by the Council in a supplemental or special appropriation in FY 2018. 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.
10. This resolution re-appropriates encumbered appropriations, permitting them to be spent in FY 2018. Unencumbered appropriations lapse at the end of FY 2017 except as re-appropriated elsewhere in this resolution.

This is a correct copy of Council action.



Linda M. Lauer, Clerk of the Council