

EXECUTIVE RECOMMENDATION



MCPS Affordability Reconciliation (P056516)

Category	Montgomery County Public Schools	Date Last Modified	01/11/21
SubCategory	Miscellaneous Projects	Administering Agency	Public Schools
Planning Area	Countywide	Status	Ongoing

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY20	Rem FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
Other	(53,758)	-	-	(53,758)	(5,060)	(15,962)	(18,809)	(5,809)	(10,809)	2,691	-
TOTAL EXPENDITURES	(53,758)	-	-	(53,758)	(5,060)	(15,962)	(18,809)	(5,809)	(10,809)	2,691	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY20	Rem FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
Current Revenue: General	(5,768)	-	-	(5,768)	(3,800)	(1,968)	-	-	-	-	-
G.O. Bonds	(47,990)	-	-	(47,990)	(1,260)	(13,994)	(18,809)	(5,809)	(10,809)	2,691	-
TOTAL FUNDING SOURCES	(53,758)	-	-	(53,758)	(5,060)	(15,962)	(18,809)	(5,809)	(10,809)	2,691	-

COMPARISON (\$000s)

	Total	Thru FY20	Rem FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years	FY 22 Approp.
Prior Year Approved	-	-	-	-	-	-	-	-	-	-	-	-
Agency Request	-	-	-	-	-	-	-	-	-	-	-	-
Recommended	(53,758)	-	-	(53,758)	(5,060)	(15,962)	(18,809)	(5,809)	(10,809)	2,691	-	(15,962)

CHANGE	TOTAL	%	6-YEAR	%	APPROP.	%
Agency Request vs Prior Year Approved	-	-	-	-	-	-
Recommended vs Prior Year Approved	(53,758)	-	(53,758)	-	(15,962)	-
Recommended vs Agency Request	(53,758)	-	(53,758)	-	(15,962)	-



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EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY20	Rem FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
TOTAL EXPENDITURES	-	-	-	-	-	-	-	-	-	-	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY20	Rem FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
TOTAL FUNDING SOURCES	-	-	-	-	-	-	-	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 22 Request	-	Year First Appropriation	FY15
Cumulative Appropriation	-	Last FY's Cost Estimate	-
Expenditure / Encumbrances	-		
Unencumbered Balance	-		

PROJECT DESCRIPTION

This project reconciles the Board of Education's request with the County Executive's recommendation based on affordability considerations. The FY21-26 CIP was developed under constrained resources. For example, through the Spending Affordability Guideline process, general obligation bond and PAYGO funding were reduced by \$99 million over the six-year period to ensure greater operating budget flexibility. In addition, schools impact taxes, a key MCPS CIP funding source, are now estimated to be \$33.7 million below the FY19-24 six-year funding.

In contrast, the MCPS CIP request was \$74.2 million, or 4.3 percent, above the prior approved funding with an \$320.4 million total increase in FY21 (\$61.3 million), FY22 (\$97.0 million), FY23 (\$98.4 million), and FY24 (\$63.8 million) when resources are particularly constrained.

In order to fund MCPS's accelerated school construction schedule, more funding will be needed. Currently, the State funds only 20.5 percent of the Montgomery County Public Schools CIP. While the State Legislature and the Governor have expressed an interest in significantly expanding State Aid for school construction, matching requirements and other rules that drive down the State's cost share will need to be modified to make it possible for the County to afford to use additional State Aid. The County Executive intends to work closely with the Board of Education, the County Council, and our State delegation to ensure forthcoming State legislation allows the County to maximize its ability to access additional State Aid for school construction.

In January, the County Executive deferred recommending increases in Current Revenue funding until they can be considered in the context of the operating budget. Now that operating budget resources and demands are known, additional Current Revenue reductions are recommended to fund operating budget costs.