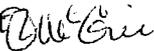


ED COMMITTEE #2&3
April 22, 2009
Worksession

MEMORANDUM

April 20, 2009

TO: Education Committee

FROM: Essie McGuire, Legislative Analyst 

SUBJECT: **Worksession – FY10 Operating Budget for the Montgomery County Public Schools and FY10 Capital Budget and Amendments to the FY09-14 Capital Improvements Program for MCPS**

Today the Education Committee will continue its review of the FY10 Operating Budget for the Montgomery County Public Schools and the FY10 Capital Budget and Amendments to the FY09-14 Capital Improvements Program (CIP) for MCPS.

The Education Committee received an overview of revenues and expenditures for the MCPS FY10 Operating Budget on April 17, and reviewed the Board of Education's FY10 request and the County Executive's recommendation.

This packet reviews:

- The Board's requested CIP project for County Water Compliance; and
- Technology issues, including operating budget funds and the CIP project for Technology Modernization

Public Testimony: The Council has completed its operating budget hearings. Speakers addressing the MCPS FY10 budget primarily supported fully funding the Board of Education's request. Some raised specific concerns about reductions, particularly positions, but also emphasized the need to maintain current class size standards, as the Board has done in its budget.

I. CIP PROJECT: COUNTY WATER QUALITY COMPLIANCE

The Board of Education requested this new project to begin in FY10 with a total of \$500,000 in GO Bonds (requested PDF on circle 1). The purpose of this project is to begin assessment and planning to meet existing pollution prevention requirements and reporting requirements not previously required of MCPS. The new National Pollution Discharge Elimination System (NPDES) permit, which is expected to take effect on March 20, 2009, includes for the first time MCPS as a co-permittee. The County Executive did not recommend funding this project, recommending instead “deferring this project until the scope of work and cost estimates are more clearly defined”.

The Committee has discussed this issue twice, once jointly with the Transportation, Infrastructure, Energy, and Environment (T&E) Committee. The Committee had requested that Council staff work with MCPS and the Department of Environmental Protection (DEP) staff to clarify the requirements of the new co-permittee status and what funds might be necessary to support the work required.

In Council staff’s view, funds are needed in FY10 to begin compliance activities related to both existing permits, including the General Industrial Discharge Permit, and to meet new co-permittee requirements. The ED and T&E Committees discussed three elements of permit compliance at their March 23 meeting: pollution prevention planning and remediation; storm drain inventory; and education and outreach. The Committees discussed that DEP would be considered as the lead for the storm drain inventory requirement; the funds associated with that effort will be considered by the T&E Committee in the DEP operating budget discussions.

For this worksession MCPS has provided refined cost estimates for its planning and facility upgrade components. The Committee will need to consider what amount of funding is necessary for FY10, how to fund the work (in the operating budget or CIP), and with what funding source (current revenue or bond funding).

The cost elements are detailed below. The MCPS revised cost estimates total the Board’s original funding request of \$500,000. If the Council agrees that the estimated amount for the storm drain inventory should be included in DEP (\$90,000), this would leave an MCPS total of \$410,000 for FY10.

1. Planning funds, \$225,000

Depot plans: MCPS has five fueling facilities that are required under MCPS’ General Industrial Discharge Permit to have pollution prevention plans in place. Developing a pollution prevention plan includes site assessment and review of operations and procedures. DEP reported that the County’s past plans for transportation facilities were conducted by consultants and cost approximately \$30,000 per site. For MCPS, that would result in approximately \$150,000 needed to develop the pollution prevention plans.

New permit: MCPS will also need to develop a compliance plan for the new NPDES permit and is requesting \$75,000 for consulting funds to develop this plan.

2. Facility upgrades and repair work, \$185,000

MCPS anticipates that some facility upgrade and repair work will be necessary to bring some of the fueling stations into compliance following the site assessment and planning process. MCPS is aware of some work that will need to be done on the facilities, such as adding protective canopies. However, other work may be identified during the assessment, potentially regarding underground storage and other operational issues.

MCPS anticipates that to meet compliance it will need to install protective canopies at two fueling stations; for this known effort, MCPS estimates a total of \$130,000 will be necessary (\$65,000 each). MCPS states that it would use any remaining funds (\$55,000) to support other upgrades that are identified during the assessment as necessary for compliance.

Council staff recommends that the Committee add \$410,000 for FY10 to meet the current and new requirements. It appears that significant planning and work need to be initiated in FY10 even though the full scope of work remains to be developed. Alternatively, the Committee could reduce the contingency amount of \$55,000 if it does not want to fund work without scope and cost estimates. **Council staff also concurs with the Board's request for a capital project to fund this work, and with the recommended source of funds as GO Bonds.**

Another option for the Committee is to fund the FY10 work in the operating budget and request that the Board submit a new CIP request for FY11 once the additional scope of work is more defined. In Council staff's view, since a capital project will be necessary at some point, initiating that project for FY10 will ensure that funds are dedicated to this effort in the upcoming year. Council staff will check with Finance to ensure the project is bond eligible; if there is a problem with GO Bonds as a funding source, Council staff will bring the issue back to Committee.

II. MCPS TECHNOLOGY

OVERVIEW

The Management and Fiscal Policy (MFP) Committee received an overview of all agencies' Information Technology budgets on March 30. Portions of the MCPS overview material prepared for that meeting are reproduced on circles 2-11 and provide helpful context for the MCPS operating and capital budget requests for FY10.

Circles 9-10 show that the total technology request for FY10 including both capital and operating funds is \$47,981,207. Of this total, \$19,470,000 is in the CIP and \$27,810,048 is in the operating budget.

Operating Budget

The operating budget for the Office of the Chief Technology Officer supports:

- 152.5 FTE, total salaries and wages comprise \$14.1 million or 51%;
- \$7 million in contractual services;
- \$3.2 million in utilities (telecommunications expenses); and
- \$1.8 million in equipment.

The FY10 request reflects a reduction of \$1.1 million and 3.3 FTE from the FY09 approved level. The base program reductions are detailed on circles 12-13. Contractual services took the largest net decrease (\$1.2 million) of any category in this office. The office is divided into five divisions and departments; attached are an organizational chart showing FTE by division (circle 7) and budget summaries for all (circles 14-19).

Technology Modernization

The CIP project for Technology Modernization contains a total of \$119.875 million for the six year period and \$19.470 million for FY10, as detailed below (approved PDF attached on 20). The funds are all Current Revenue, divided between General and Recordation Tax. While the operating budget contains \$1.8 million identified as equipment, the capital budget supports nearly all equipment purchases.

Technology Modernization PDF

	Total 6 years	FY09	FY10	FY11	FY12	FY13	FY14
Total	119,875	19,643	19,470	19,858	20,128	20,341	20,435
CR: Rec Tax	53,784	9,604	11,510	15,632	17,038	0	0
CR: General	66,091	10,039	7,960	4,226	3,090	20,341	20,435

For FY10, the Board of Education did not request any additional funds or changes to the project. The County Executive recommended one change in funding source for FY10, to switch \$2.2 million from General Current Revenue to Recordation Tax Current Revenue.

MCPS provided a breakdown of the FY10 funding as shown in the table below (detail on circle 21):

Tech Mod FY10 (in 000's)	
Staff (19.5 positions)	2,500
Software maintenance/licensing	1,100
Wide Area Network infrastructure	500
Finance payments for previous equipment purchases (years 2-4)	10,600
Year 1 Payment	3,200
Software	700
Upgrade materials/services	900

ISSUE #1. DESKTOP REPLACEMENT

The major assumptions for the desktop replacement program include:

- A 5:1 ratio of students to computers
- Four year replacement cycle
- Financing the computer purchases over four years with maintenance agreements built into the agreements
- The cascading of replaced computers to other areas in MCPS

These assumptions have been discussed in the past in the context of Management and Fiscal Policy (MFP) and Education Committee discussions of cross agency desktop replacement policies. The 5:1 student to computer ratio is the same ratio used by the State.

For FY10, the County Executive recommended a reduction in the County Government Desktop Computer Modernization NDA to shift the County from a four year replacement cycle to a five year replacement cycle. Executive staff indicates that this is intended to be a temporary change for short term savings; that the four year cycle remains preferable; and that they will work to restore funding in future years, potentially FY11.

Council staff understands that Park and Planning took a reduction for the FY09 budget that shifted the replacement cycle from four to five years; and that Montgomery College's IT Plan assumes a four year cycle but that approved FY09 and requested FY10 funding levels result in an actual replacement cycle that is closer to six years.

If the Committee needs to identify additional savings in current revenue, an extension of the MCPS replacement cycle from four to five years is an option. It would also be consistent with other agency savings in FY09 and FY10. Council staff recommends that this be viewed as a temporary measure, again consistent with other agencies' approaches.

Council staff requested that MCPS estimate savings associated with a five year cycle. MCPS provided the chart on circle 23 which indicates that while there are large savings as a result of not buying computers for the fiscal year, there are also costs necessary for increased refurbishment and warranty on the old equipment. **MCPS estimates the net savings for FY10 would be \$2.373 million** (\$4.062 million savings less \$1.689 million costs).

Given the magnitude of the costs associated with MCPS' replacement cycle, restoring funds to resume a four year cycle at some point in the future will be a significant investment. Since the Executive's recommendation is in the operating budget it reflects a year to year determination on funding. The chart on circle 23 shows MCPS reductions for all six years, as requested. The Committee may want to consider its assumptions for the out-years. Options include:

1. Assume a five year cycle for the duration of the six year period, as illustrated in the chart on circle 23.
2. Assume a five year cycle through FY12, program currently approved levels for FY13 and FY14 and reconsider the cycle in the context of a full CIP submission for FY13.

If the Committee agrees with a reduction in this area, Council staff recommends option 2, to assume a five year cycle through FY12 and reconsider the replacement cycle in the context of a full CIP submission for FY13. This achieves savings in the near term while not building in potential deficits in the out-years of the County's replacement investment. Council staff also recommends that the reduction be taken in General Current Revenue, as opposed to Recordation Tax Current Revenue.

The MFP Committee is scheduled to discuss the County's desktop modernization funds on Tuesday, April 22 and may have a recommendation regarding interagency coordination for FY10 or future years.

ISSUE #2. INTERACTIVE CLASSROOM INITIATIVE/ PROMETHEAN BOARDS

The ED Committee discussed on February 23 the MCPS expansion of its interactive classroom technology initiative. This initiative installed Promethean Boards and associated components in approximately two-thirds of all secondary classrooms. The Committee discussed the implementation of the initiative and the funding mechanisms used to support the four year, \$13.3 million commitment.

The Committee requested an historical accounting of Federal e-rate funds and a breakdown of the school system's funding assumptions for the initiative. The Committee expressed its intent to return to the issue during budget discussions to determine how to account for the funding obligation.

The MCPS response to the Committee's request is attached on circles 25-49. For today's discussion, Council staff will focus on the funding assumptions for the initiative and implications for the FY10 budget and the six-year CIP. Some highlights of the historical analysis bear on today's discussion.

The **Funding Summary** (Attachment A, circle 29) shows:

- E-rate funding has increased slightly from a range of \$1.3-\$1.4 million to \$1.6-\$1.8 million. This recent funding range forms the basis for MCPS budget assumptions going forward.
- For the early years of the e-rate program, it appears that MCPS was not spending the full amount of the e-rate funding received; for some years spending was far below the funds received. This trend appears to have reversed in recent years, with spending increasing beginning in FY05.

- **MCPS identifies unspent e-rate funds accrued since the beginning of the program totaling \$3.927 million.** MCPS staff states that it is not the current intent to accumulate unspent e-rate funds going forward.

The **Expenditure Category Summary** (Attachment C, circle 49) shows:

- The table shows funds according to 14 categories of expenditure for each year, with totals by year and by category. The table summarizes the year by year contract detail given in Attachment B. MCPS states (circle 27) that 88 percent of e-rate funds were directed to support school technology.
- **MCPS states that e-rate funds were not used to supplant or redirect County funds programmed for expenditures in these categories. Rather, the funds were used to begin new initiatives, or to cover cost overages, new software licensing fees, or other unforeseen and unbudgeted expenses around school support technology.**
- Two of the largest category investments on this table give examples of this stated approach. Most of the \$2.5 million equipment purchase in the 2008 column is comprised of the first year Promethean Board payment (\$1.5 million to Dell, contract detail on circle 47). The Tech Mod purchases shown in FY05 totaling \$1.4 million appear to be educational software (contract detail on circle 41).

Funding Assumptions

- The total cost of the initiative is \$13.3 million, \$3.4 million each year from FY09-FY12.
- In its FY09-14 CIP request, the Board of Education requested increases associated with the new technology initiative in each year. Information provided for last year’s Committee budget discussion identified the following amounts for this purpose:

FY09: \$698,000	FY12: \$1,702,000
FY10: \$1,337,000	FY13: \$1,570,000
FY11: \$1,004,000	FY14: \$1,778,000
- The Council approved only the FY09 increase of \$698,000 and deferred the remaining request. The project was increased only to meet identified replacement costs.
- MCPS funded its first year (FY09) payment for the interactive technology initiative with the FY09 CIP increase of \$698,000 and \$2.6 million from unspent e-rate funds. This payment left the \$3.9 million balance that shows in Attachment A.

- Projected e-rate funding of \$1.6 million each year combined with the Board’s requested increase would have covered a significant portion of the \$3.4 million yearly payment from FY10-FY12 (\$8.8 million of \$10.2 million three year amount). The \$1.4 million difference in this scenario could then have been covered through the unspent e-rate balance.

The Board did not request additional Technology Modernization funds for FY10; **MCPS states that the FY10 initiative payment will be covered through e-rate funding and unspent e-rate balance. In the absence of any additional funding in FY11-12, funds available for the three remaining payment years could be as follows:**

	FY10	FY11	FY12
Starting e-rate balance	3.9m	2.1m	0.3m
Less amount for payment	1.8m	1.8m	0.3m
Projected new e-rate funds	1.6m	1.6m	1.6m
Total available for payment	3.4m	3.4m	1.9m

This exercise shows that within current resources, the school system could be short \$1.5 million in FY12 to meet the payment amount (or alternately, \$750,000 in each of FY11 and FY12 if the e-rate balance funds were distributed evenly). These amounts could change with e-rate funding actually received each year. It is important to note that the project has sufficient funding programmed to meet the full payment obligation if expenditures are reprioritized.

Council staff’s review of the funding assumptions appears consistent with MCPS’ previous explanations. MCPS has stated its intent to meet the obligation using e-rate funds, presumably including the unspent balance. MCPS has also stated that in the absence of additional funding the school system would reprioritize technology funding in the capital budget to meet the payment obligation (circle 27).

Council staff recommendation

Council staff recommends that the CIP project for Technology Modernization should reflect the above funding assumptions for the interactive technology initiative within current resources, including unspent e-rate balance.

- **Unspent e-rate balance:** Council staff suggests that these funds can be programmed in the CIP since they are currently on hand and recommends that they show as a source of funds in the Tech Mod PDF. In Council staff’s view, meeting this obligation is an appropriate use of the e-rate balance; particularly given the current fiscal climate, this fund balance can mitigate the impact of reprioritizing technology purchases in the project or the need for new funds.
- **New e-rate funds:** It may not be appropriate to program prospective e-rate funds as a funding source in the CIP; however, Council staff recommends they be referenced in the text as part of the future funding assumptions for this initiative.

- **Text:** The current text of the approved PDF references the interactive technology initiative related to Middle School Reform and references the Council's action to reduce the Board's requested increase. This section should be updated to reflect the timing and status of the initiative, the financing payments through FY12, and the funding assumptions.

If the Committee agrees, Council staff will develop a revised PDF for Committee review and consideration prior to Council worksession.

The issue of future accounting for e-rate funds received remains unresolved. MCPS offers a reporting mechanism in its response (circle 28); Council staff remains concerned about the relationship of e-rate funds and expenditures to the programmed approved budget. Council and MCPS staff will continue to work on a mutually acceptable proposal and report to the Committee.

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County Water Quality Compliance -- No. 106500

Category
Subcategory
Administering Agency
Planning Area

Montgomery County Public Schools
Countywide
MCPS
Countywide

Date Last Modified
Required Adequate Public Facility
Relocation Impact
Status

November 20, 2008
No
None

EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY08	Rem. FY08	Total 6 Years	FY09	FY10	FY11	FY12	FY13	FY14	Beyond 6 Years
Planning, Design, and Supervision	500	0	0	500	0	500	0	0	0	0	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	500	0	0	500	0	500	0	0	0	0	0

FUNDING SCHEDULE (\$000)

G.O. Bonds	500	0	0	500	0	500	0	0	0	0	0
Total	500	0	0	500	0	500	0	0	0	0	0

DESCRIPTION

Federal and State laws require MCPS to upgrade and maintain pollution prevention measures at schools and support facilities. The State of Maryland, Department of the Environment, through the renewal of Montgomery County's National Pollutant Discharge Elimination System (NPDES) Permit, has included MCPS as a co-permittee subject to certain pollution prevention regulations and reporting requirements not required in the past. As a co-permittee, MCPS will be required to develop a system-wide plan for complying with NPDES requirements. The plan could include infrastructure improvements that reduce the potential for pollution to enter into the stormwater system and area streams. A portion of the plan also will include surveying and documenting, in a GIS mapping system, the stormwater systems at various facilities.

A FY 2010 appropriation and amendment to the FY 2009-2014 CIP is requested to begin the assessment and planning process. It is anticipated that a significant portion of the first year's efforts will be focused on developing the required plans to prioritize the necessary infrastructure improvements. The FY 2010 request also will be used to begin the implementation and construction of identified facilities needing modifications.

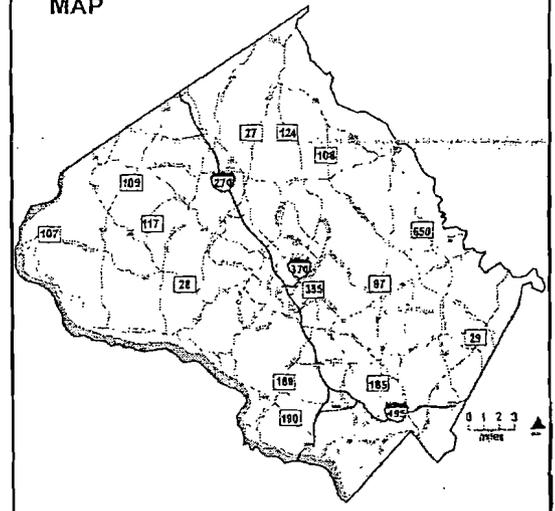
OTHER DISCLOSURES

- * Expenditures will continue indefinitely.

APPROPRIATION AND EXPENDITURE DATA		
Date First Appropriation	FY10	(\$000)
First Cost Estimate	FY	0
Current Scope		0
Last FY's Cost Estimate		0
Appropriation Request	FY10	500
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		0
Expenditures / Encumbrances		0
Unencumbered Balance		0
Partial Closeout Thru	FY07	0
New Partial Closeout	FY08	0
Total Partial Closeout		0

COORDINATION

MAP



STRATEGIC PERSPECTIVE

MCPS Mission

To provide a high-quality, world-class education that ensures success for every student through excellence in teaching and learning.

Goals

1. Ensure success for every student
2. Provide an effective instructional program
3. Strengthen productive partnerships for education
4. Create a positive work environment in a self-renewing organization
5. Provide high-quality business services that are essential to the educational success of students



STRATEGIC PERSPECTIVE

Federal and State Requirements

No Child Left Behind (NCLB) Act introduced new accountability factors and requires school districts to monitor and meet specific standards for student achievement that are determined by individual states.

Maryland subsequently adopted S.B. 856, the Bridge to Excellence in Public Schools Act, which explicitly links financing to accountability.

Measuring Performance

These federal and state requirements led to the creation of revised systems of performance measurement for local schools and school systems that depend on consistent, reliable data that is being collected, analyzed and reported electronically.





STRATEGIC PERSPECTIVE

Office of the Chief Technology Officer

Mission

To provide technology systems services essential to the success of every student.

Goals

1. Computers will be accessible to all children on an equitable basis.
2. Technology will be fully integrated into instruction.
3. Information systems will be used for measuring performance and improving results.
4. Technology will be used to overcome location and distance as barriers to learning.





STRATEGIC PERSPECTIVE

FY 2009 Information Technology Accomplishments

- *Technology Modernization*: installed 9,341 computers and upgraded peripherals, software, and networks in 47 schools
- *21st Century Interactive Classroom*: installed interactive teaching and learning technologies in 65% of all secondary classrooms
- *myMCPS*: deployed initial phase of a Web-based, one-stop application providing easy access to student monitoring tools, curriculum and instructional resources, and the most frequently used MCPS applications





STRATEGIC PERSPECTIVE

Strategic IT Assessments: Internal and External Environments

Opportunities

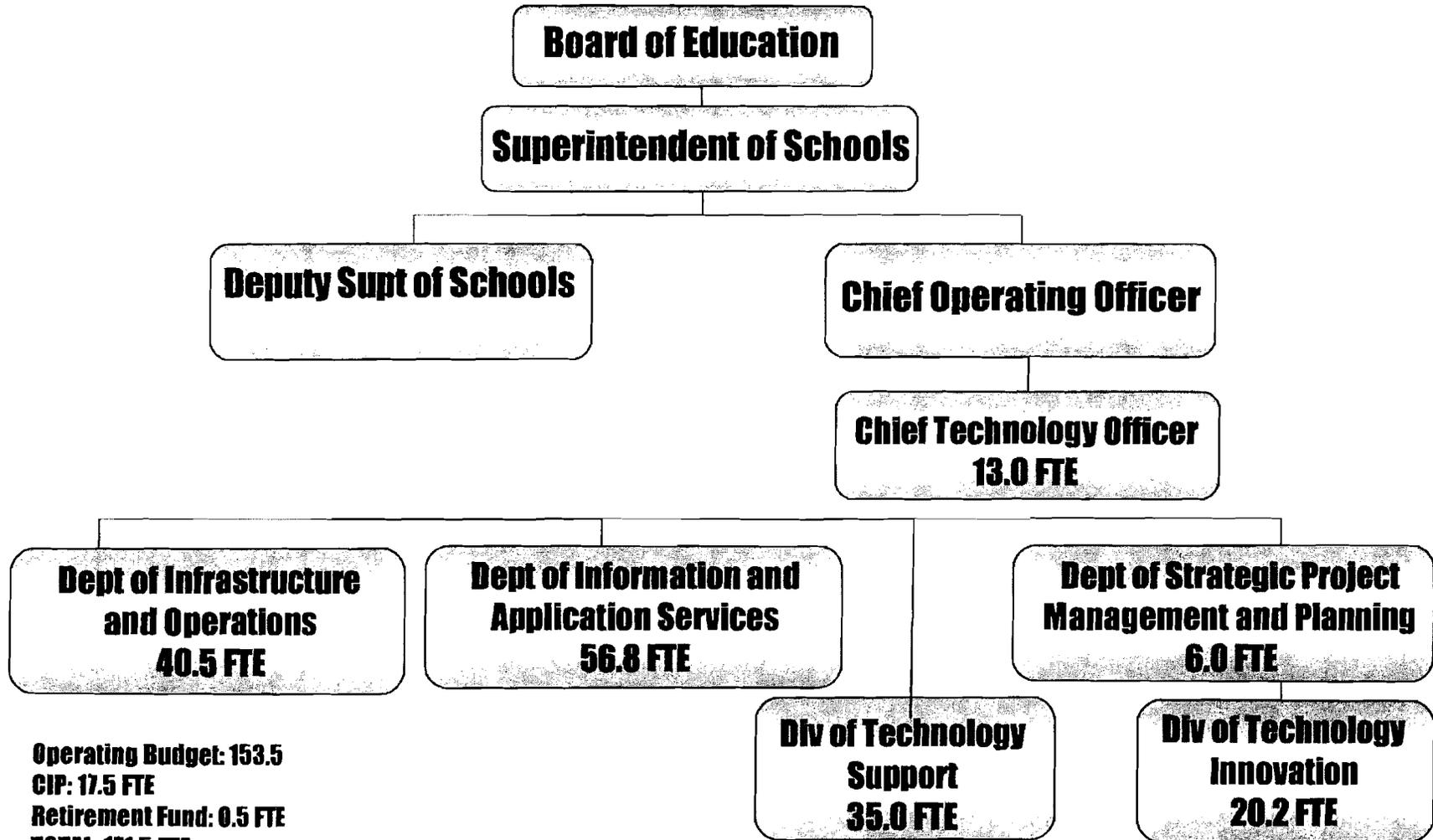
- **Integrated systems to support data-driven decisions and accountability**
- **Expanded online curriculum and staff development resources**
- **Expanded online collaboration and information sharing**
- **New technologies to engage students and expand access to 21st Century learning methods**
- **Increased collaboration with schools and central services to strengthen internal partnerships**

Challenges

- **Meeting IT needs and increased demand for services within MCPS budget priorities**
- **Continuing the 4-year refreshment of out of date technology in schools**
- **Staying current with rapid changes in technology**
- **Modernizing enterprise systems, network infrastructure, and central information management facilities**
- **Ensuring an IT security environment that will address evolving threats**



OPERATIONAL AND FUNCTIONAL PERSPECTIVE



BUDGET REQUEST PERSPECTIVE

FY 2010 IT Budget Summary

- In FY10, the IT budget is 2% of the total MCPS budget request.
- Including both operating and capital budgets, the total FY10 budget request for IT is \$47,981,207.
- In addition to these operating and capital budget requests, MCPS estimates it will receive competitive grant funds of \$701,159 and E-rate rebates estimated at \$1,676,035.





BUDGET REQUEST PERSPECTIVE

FY 2010 Information Technology Budget Overview

\$27,626,776 Operating Budget Request

19,470,000 Capital Budget Request

183,272 State Allocations

\$47,280,048 Total





BUDGET REQUEST PERSPECTIVE

FY 2010 IT Budget Summary

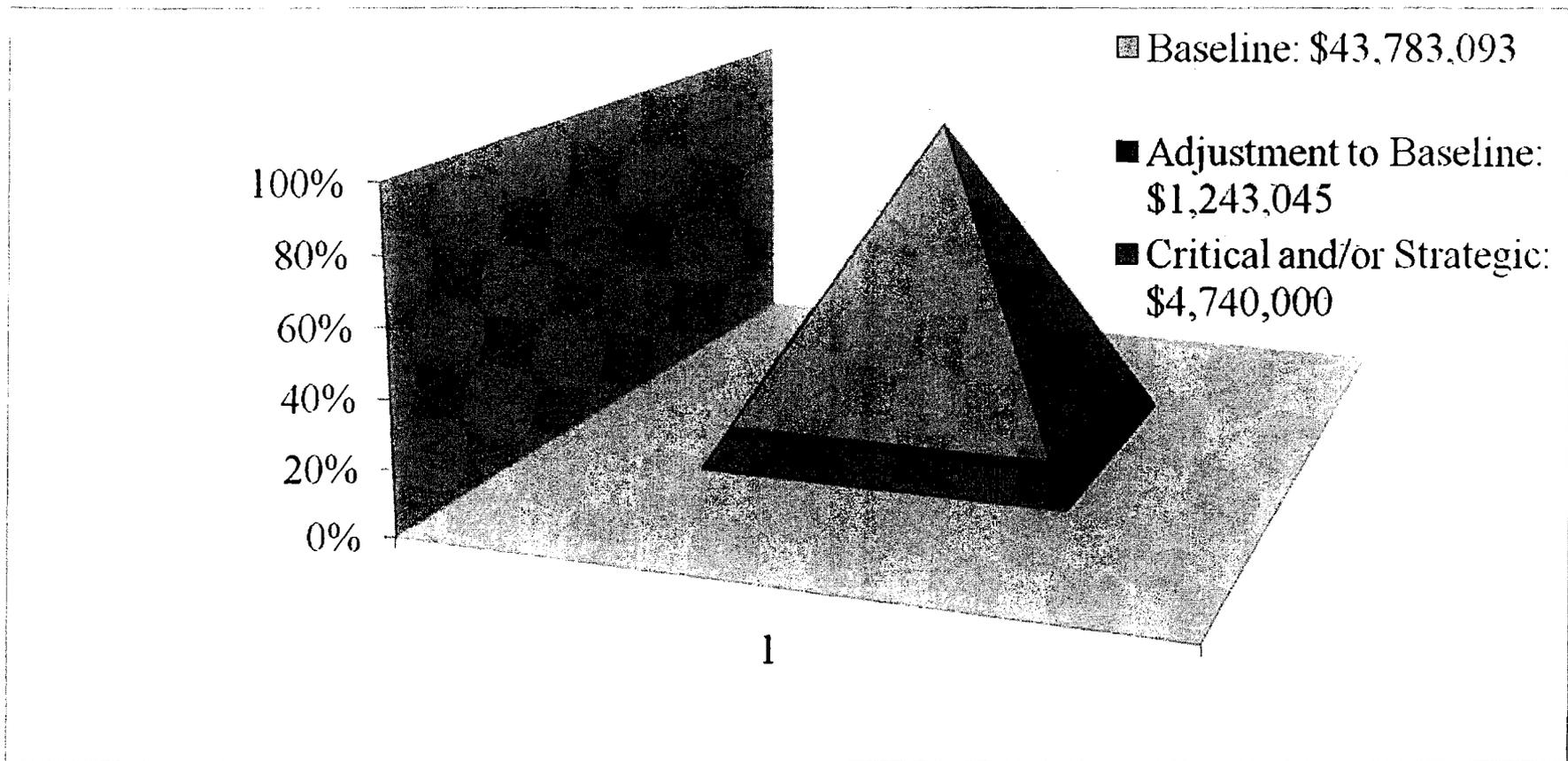
	<i>CIP</i>	<i>Operating</i>	<i>Total</i>
Critical and/or Strategic: Tech Mod 2010	4,740,000		4,740,000
Adjustment to Baseline	(173,000)	(1,070,045)	(1,243,045)
Baseline	14,903,000	28,880,093	43,783,093
Total	\$ 19,470,000	\$ 27,810,048	\$ 47,280,048





BUDGET REQUEST PERSPECTIVE

FY 2010 IT Baseline/Initiatives Chart



Office of the Chief Technology Officer

- Reduction of a 1.0 IT system specialist position in the Department of Strategic Project Management and Planning at a savings of \$101,905 that supports maintaining information systems security functions.
- Reduction of a 1.0 instructional specialist position in the Department of Information and Application Services at a savings of \$85,154. This will reduce end user support and communications.
- Reduction of a 1.0 help desk assistant position at a savings of \$68,022 in the Division of Technology Support. This reduction reduces back-up support for help desk staff and may delay response time in responding to user requests.
- There is a total of \$1,348,242 in savings and efficiencies due to a variety of reductions in contractual services, consultants, training costs, hardware, software, and supplies, including \$37,000 for technical training, \$62,604 in the Division of Technology Support, \$98,674 for supplies and equipment in the Department of Infrastructure and Operations, \$89,546 for contractual services in the Department of Strategic Project Management and Planning, \$47,892 for part-time salaries in the Division of technology Innovation, and \$1,012,526 for part-time salaries, consultant and contractual services, and maintenance in the Department of Information and Application Services.

Office of Human Resources

- Reduction of a 1.0 staffing assistant position and a .625 personnel assistant III position at a savings of \$115,855. The staffing assistant and the personnel assistant positions provide support to the Division of Recruitment and Staffing. The new Applicant Tracking System to be implemented will integrate several existing personnel data bases and facilitate preparation of needed reports. This will reduce the work currently assigned to the staffing assistant position.
- There is a savings of \$70,157 because of the completion of repayment of a loan from the Technology Investment Fund for the Human Resources Information System. There also are savings of \$26,095 in professional part-time salaries providing support for recruitment and interviews.

Office of School Performance

- Reduction of 1.0 school performance director position at a savings of \$171,988. School performance directors support the community superintendents in providing support to schools and principals. Remaining school performance directors in quad/quint cluster units with more than one director position will absorb the duties of this position.
- Reduction of a 1.0 coordinator position at a savings of \$149,594. This position is responsible for gathering and analyzing data related to sexual harassment, racial harassment, and hate violence acts throughout the school system. This position

**FY 2010 OPERATING BUDGET
PROGRAM REDUCTIONS AND EFFICIENCIES**

February 23, 2009

Unit/Item	Positions	Amount
Office of the Chief Technology Officer:		
Technical Training, Travel Funds		(37,000)
Division of Technology Support		
Help Desk Assistant Position	(1.000)	(68,022)
Contractual Services, Supplies/Software, Travel, Equipment		(62,604)
Department of Infrastructure and Operations - Supplies, Equipment		(98,674)
Department of Strategic Project Management and Planning		
IT System Specialist Position	(1.000)	(101,905)
Contractual Services, Supplies		(89,546)
Division of Technology Innovation - Part-time Salaries		(47,892)
Department of Information and Application Services		
Instructional Specialist Position	(1.000)	(85,154)
Part-time Salaries, Contractual Services/Maintenance		(1,012,526)
Subtotal Office of the Chief Technology Officer	(3.000)	(1,603,323)
Office of Human Resources:		
Office of the Associate Superintendent		
Travel Funds		(1,177)
Personnel Assistant III Position	(0.625)	(46,158)
Technology Innovation Fund Repayment		(70,157)
Department of Recruitment and Staffing		
Staffing Assistant Position, Part-time Salaries	(1.000)	(94,615)
Subtotal Office of Human Resources	(1.625)	(212,107)
Office of Communications and Family Outreach:		
Department of Family and Community Partnerships		
Instructional Specialist Position	(1.000)	(86,304)
Office Assistant III Position	(2.000)	(86,786)
Consultants, Furniture and Equipment		(43,649)
Electronic Graphics and Publishing Services		
Part-time Salaries, Contractual Services/Maintenance, Other Various Accounts		(169,589)
Public Information Office		
Various Accounts		(33,240)
Instructional Television		
Production Technician Position, Overtime Salaries	(1.000)	(89,610)
Subtotal Office of Communications and Family Outreach	(4.000)	(509,178)
Office of the Superintendent of Schools:		
Funding for Office Assistant Position, Other Various Items		(78,028)
GRAND TOTAL ALL REDUCTIONS	(226.977)	(31,484,559)
Positions/Resources to the Field Trip Fund	0.5000	60,480
Positions/Resources to the Entrepreneurial Fund	2.000	208,362
GRAND TOTAL NET REDUCTIONS	(224.48)	(31,215,717)

**Office of the Chief Technology Officer
Summary of Resources
By Object of Expenditure**

OBJECT OF EXPENDITURE	FY 2008 ACTUAL	FY 2009 BUDGET	FY 2009 CURRENT	FY 2010 BUDGET	FY 2010 CHANGE
POSITIONS					
Administrative	21.000	17.000	17.000	17.000	
Business/Operations Admin.	17.500	16.500	15.000	15.000	
Professional	6.000	6.000	6.000	4.700	(1.300)
Supporting Services	121.050	116.300	117.800	115.800	(2.000)
TOTAL POSITIONS	165.550	155.800	155.800	152.500	(3.300)
01 SALARIES & WAGES					
Administrative	\$2,106,010	\$2,241,295	\$2,249,662	\$2,223,404	(\$26,258)
Business/Operations Admin.	613,923	1,782,849	1,537,107	1,519,336	(17,771)
Professional	603,718	627,293	627,293	571,246	(56,047)
Supporting Services	9,818,698	8,717,616	8,954,991	9,268,155	313,164
TOTAL POSITION DOLLARS	13,142,349	13,369,053	13,369,053	13,582,141	213,088
OTHER SALARIES					
Administrative					
Professional	11,121	9,500	9,900	9,900	
Supporting Services	511,845	462,852	462,852	503,167	40,315
TOTAL OTHER SALARIES	522,966	472,352	472,752	513,067	40,315
TOTAL SALARIES AND WAGES	13,665,315	13,841,405	13,841,805	14,095,208	253,403
02 CONTRACTUAL SERVICES	8,126,207	8,248,265	8,249,276	7,058,124	(1,191,152)
03 SUPPLIES & MATERIALS	621,525	807,892	813,044	731,438	(81,606)
04 OTHER					
Staff Dev & Travel	138,506	348,252	333,014	209,653	(123,361)
Insur & Fixed Charges	40,046	21,610	31,650	31,920	270
Utilities	3,593,070	3,248,254	3,248,254	3,248,254	
Grants & Other	604,248	602,013	601,682	599,573	(2,109)
TOTAL OTHER	4,375,870	4,220,129	4,214,600	4,089,400	(125,200)
05 EQUIPMENT	1,469,792	1,761,368	1,761,368	1,835,878	74,510
GRAND TOTAL AMOUNTS	\$28,258,709	\$28,879,059	\$28,880,093	\$27,810,048	(\$1,070,045)

Office of Chief Technology Officer - 411/441

Sherwin Collette, Chief Technology Officer

Description	FY 2008 Actual	FY 2009 Budget	FY 2009 Current	FY 2010 Request	FY 2010 Change
01 Salaries & Wages					
Total Positions (FTE)	23,000	13,000	13,000	13,000	
Position Salaries	\$1,259,670	\$1,184,310	\$1,184,310	\$1,182,661	(\$1,649)
Other Salaries					
Supplemental Summer Employment					
Professional Substitutes					
Stipends					
Professional Part Time					
Supporting Services Part Time		27,528	27,528	95,829	68,301
Other					
Subtotal Other Salaries	298	27,528	27,528	95,829	68,301
Total Salaries & Wages	1,259,968	1,211,838	1,211,838	1,278,490	66,652
02 Contractual Services					
Consultants		7,124	7,124	7,124	
Other Contractual		865,363	865,363	482,168	(383,195)
Total Contractual Services	427,176	872,487	872,487	489,292	(383,195)
03 Supplies & Materials					
Textbooks					
Media					
Instructional Supplies & Materials					
Office		15,000	15,000	18,150	3,150
Other Supplies & Materials		23,173	23,173	23,173	
Total Supplies & Materials	20,890	38,173	38,173	41,323	3,150
04 Other					
Local Travel		2,432	2,432	2,432	
Staff Development		238,001	238,001	160,621	(77,380)
Insurance & Employee Benefits					
Utilities		3,248,254	3,248,254	3,248,254	
Miscellaneous		540,000	540,000	540,000	
Total Other	4,163,135	4,028,687	4,028,687	3,951,307	(77,380)
05 Equipment					
Leased Equipment		52,650	52,650	11,617	(41,033)
Other Equipment		42,437	42,437	39,702	(2,735)
Total Equipment	61,461	95,087	95,087	51,319	(43,768)
Grand Total	<u>\$5,932,630</u>	<u>\$6,246,272</u>	<u>\$6,246,272</u>	<u>\$5,811,731</u>	<u>(\$434,541)</u>

Division of Technology Support - 422/423/424

Shelley Beddingfield, Director I

Description	FY 2008 Actual	FY 2009 Budget	FY 2009 Current	FY 2010 Request	FY 2010 Change
01 Salaries & Wages					
Total Positions (FTE)	32,000	32,000	32,000	31,000	(1,000)
Position Salaries	\$2,252,482	\$2,431,800	\$2,431,800	\$2,457,677	\$25,877
Other Salaries					
Supplemental Summer Employment					
Professional Substitutes					
Stipends					
Professional Part Time					
Supporting Services Part Time					
Other					
Subtotal Other Salaries	455				
Total Salaries & Wages	2,252,937	2,431,800	2,431,800	2,457,677	25,877
02 Contractual Services					
Consultants					
Other Contractual		47,941	47,941	23,850	(24,091)
Total Contractual Services	35,325	47,941	47,941	23,850	(24,091)
03 Supplies & Materials					
Textbooks					
Media					
Instructional Supplies & Materials					
Office		17,192	17,192	12,692	(4,500)
Other Supplies & Materials		29,522	29,522	14,762	(14,760)
Total Supplies & Materials	32,925	46,714	46,714	27,454	(19,260)
04 Other					
Local Travel		7,132	7,132	4,647	(2,485)
Staff Development		1,395	1,395	1,395	
Insurance & Employee Benefits					
Utilities					
Miscellaneous					
Total Other	7,329	8,527	8,527	6,042	(2,485)
05 Equipment					
Leased Equipment		16,014	16,014	10,105	(5,909)
Other Equipment		10,859	10,859		(10,859)
Total Equipment	10,106	26,873	26,873	10,105	(16,768)
Grand Total	\$2,338,622	\$2,561,855	\$2,561,855	\$2,525,128	(\$36,727)

Dept of Infrastructure & Ops - 446/431/432/433/436/447/448/451/452/453

Cary Kuhar, Director II

Description	FY 2008 Actual	FY 2009 Budget	FY 2009 Current	FY 2010 Request	FY 2010 Change
01 Salaries & Wages					
Total Positions (FTE)	38.500	35.500	35.500	35.500	
Position Salaries	\$3,345,520	\$2,917,082	\$2,917,082	\$3,069,077	\$151,995
Other Salaries					
Supplemental Summer Employment					
Professional Substitutes					
Stipends					
Professional Part Time					
Supporting Services Part Time		39,394	39,394	32,110	(7,284)
Other		43,460	43,460	34,328	(9,132)
Subtotal Other Salaries	70,601	82,854	82,854	66,438	(16,416)
Total Salaries & Wages	3,416,121	2,999,936	2,999,936	3,135,515	135,579
02 Contractual Services					
Consultants		128,371	128,371	61,500	(66,871)
Other Contractual		1,422,671	1,422,671	1,502,844	80,173
Total Contractual Services	1,426,072	1,551,042	1,551,042	1,564,344	13,302
03 Supplies & Materials					
Textbooks					
Media					
Instructional Supplies & Materials					
Office		5,566	5,566	5,566	
Other Supplies & Materials		537,063	537,063	473,348	(63,715)
Total Supplies & Materials	384,219	542,629	542,629	478,914	(63,715)
04 Other					
Local Travel		4,718	4,718	4,328	(390)
Staff Development		44,130	44,130	10,494	(33,636)
Insurance & Employee Benefits					
Utilities					
Miscellaneous					
Total Other	39,545	48,848	48,848	14,822	(34,026)
05 Equipment					
Leased Equipment		1,359,367	1,359,367	1,454,253	94,886
Other Equipment					
Total Equipment	1,040,717	1,359,367	1,359,367	1,454,253	94,886
Grand Total	<u>\$6,306,674</u>	<u>\$6,501,822</u>	<u>\$6,501,822</u>	<u>\$6,647,848</u>	<u>\$146,026</u>

Dept. of Strategic Project Management and Planning - 421/997

Doreen M. Heath, Director II

Description	FY 2008 Actual	FY 2009 Budget	FY 2009 Current	FY 2010 Request	FY 2010 Change
01 Salaries & Wages					
Total Positions (FTE)	3.750	6.000	6.000	5.000	(1.000)
Position Salaries	\$318,395	\$583,357	\$583,357	\$491,898	(\$91,459)
Other Salaries					
Supplemental Summer Employment					
Professional Substitutes					
Stipends					
Professional Part Time					
Supporting Services Part Time					
Other					
Subtotal Other Salaries					
Total Salaries & Wages	318,395	583,357	583,357	491,898	(91,459)
02 Contractual Services					
Consultants					
Other Contractual		147,401	147,401	81,228	(66,173)
Total Contractual Services	172	147,401	147,401	81,228	(66,173)
03 Supplies & Materials					
Textbooks					
Media					
Instructional Supplies & Materials					
Office		4,215	4,215	4,215	
Other Supplies & Materials		30,125	30,125	29,579	(546)
Total Supplies & Materials	28,499	34,340	34,340	33,794	(546)
04 Other					
Local Travel		473	473	1,200	727
Staff Development		1,728	1,728	1,797	69
Insurance & Employee Benefits					
Utilities					
Miscellaneous					
Total Other	47,858	2,201	2,201	2,997	796
05 Equipment					
Leased Equipment		23,623	23,623		(23,623)
Other Equipment					
Total Equipment		23,623	23,623		(23,623)
Grand Total	\$394,924	\$790,922	\$790,922	\$609,917	(\$181,005)

Department of Information & Application Svcs - 445/426/442/443/444

Elton Stokes, Director II

Description	FY 2008 Actual	FY 2009 Budget	FY 2009 Current	FY 2010 Request	FY 2010 Change
01 Salaries & Wages					
Total Positions (FTE)	56.300	55.300	55.300	54.300	(1.000)
Position Salaries	\$4,941,694	\$5,159,073	\$5,159,073	\$5,276,559	\$117,486
Other Salaries					
Supplemental Summer Employment					
Professional Substitutes					
Stipends					
Professional Part Time					
Supporting Services Part Time		308,126	308,126	340,900	32,774
Other					
Subtotal Other Salaries	432,905	308,126	308,126	340,900	32,774
Total Salaries & Wages	5,374,599	5,467,199	5,467,199	5,617,459	150,260
02 Contractual Services					
Consultants		421,845	421,845	548,345	126,500
Other Contractual		5,027,460	5,027,460	4,169,045	(858,415)
Total Contractual Services	5,860,252	5,449,305	5,449,305	4,717,390	(731,915)
03 Supplies & Materials					
Textbooks					
Media					
Instructional Supplies & Materials					
Office		10,000	10,000	11,650	1,650
Other Supplies & Materials		57,565	57,565	57,600	35
Total Supplies & Materials	16,873	67,565	67,565	69,250	1,685
04 Other					
Local Travel		7,501	7,501	7,501	
Staff Development		10,266	10,266		(10,266)
Insurance & Employee Benefits					
Utilities					
Miscellaneous		55,908	55,908	55,908	
Total Other	74,082	73,675	73,675	63,409	(10,266)
05 Equipment					
Leased Equipment		26,783	26,783	312,148	285,365
Other Equipment		229,635	229,635	8,053	(221,582)
Total Equipment	356,128	256,418	256,418	320,201	63,783
Grand Total	\$11,681,934	\$11,314,162	\$11,314,162	\$10,787,709	(\$526,453)

Technology Modernization Question/Response

Question

Tech Mod: We need to get a breakout of what is assumed in FY10 for this project (i.e. hardware, software, cabling, promethean boards, wiring, etc. plus any other costs such as staff, training, etc.) We also need to know how much of the FY10 amount is for multi-year lease payments versus new purchases. The Council will want to consider the funding level of this project in the context of MCPS' operating budget priorities.

Response

The total FY 2010 funding request of \$19,470,000 is about \$139 per student. The funding falls into two general funding areas—the costs required to pay for the financed equipment, software licensing, network infrastructure, and support currently in place and the costs for FY 2010 Technology Modernization schools to update their equipment, educational software, and materials. The breakout of the major cost categories in FY 2010 are as follows:

Costs for the equipment, software, systems, and support currently in place (\$14.7 million):

- Finance payments for equipment purchased in previous fiscal years, that is, the annual payments for equipment financed over four years and installed in FY 2007, FY 2008, and FY 2009. Cost \$10.6 million.
- Software maintenance and licensing for instructional, productivity, and operating system software. Cost: \$1.1 million.
- Wide Area Network (WAN) infrastructure refreshment to provide connectivity among all Montgomery County Public Schools (MCPS) that allows staff to use web-based and enterprise systems (e.g., the Internet, Voice over Internet Protocol (VoIP) lines, Financial Management System, the Human Resources Information System). Cost: \$0.5 million.
- Staff to plan, implement, and support the Technology Modernization Program (19.5 permanent positions). Cost: \$2.5 million.

Costs for schools in the FY 2010 Technology Modernization cycle (\$4.8 million):

- The first year finance payments (year 1 of 4) for technology hardware and equipment, including computers, servers, projection devices, printers, and Local Area Network infrastructure. Cost: \$3.2 million.
- Instructional software such as *Graph Club/Graph Master*, *MSOffice Suite*, *Mighty Math*, *TI Smartview*, *Kidspiration/Inspiration*, *Adobe*. Cost: \$0.7 million.
- Materials and services such as cables, surge protectors, server installation, hand-held scanners for media centers, and temporary part-time staff to repair and upgrade usable equipment in Technology Modernization schools, remove old equipment from schools, and perform quality assurance checks. Cost: \$0.9 million.

FY 2010 Technology Modernization
Response to Questions
Montgomery County Council

1. **Your response lists a total of \$10.6 million in FY10 required for finance payments for already purchased equipment. Is it correct to assume that of this total, \$3.4 million is for the first year Promethean Board payments, and the remainder (\$7.2) for multi-year payments for desktop modernization equipment? If not please clarify what the \$10.6 supports.**

The \$10.6 million does not include a \$3.4 million Promethean payment. As indicated in the earlier letter to Ms. Ervin, the FY2010 Promethean lease payment is funded from the unexpended e-Rate funds from previous years (for previous fiscal year telecommunication costs). In addition to the \$3.9 million of unexpended e-Rate funds from previous years, we anticipate receiving between \$1.6 and \$1.8 million this year. Therefore, more than \$5.5 million will be available for this payment of \$3.4 million.

The \$10.6 million in the FY2010 budget is for finance payments on Technology Modernization equipment, including computers, servers, projection devices, printers, and network infrastructure. These finance payments are for the equipment previously purchased and installed in FY 2007, FY 2008, and FY 2009. Equipment is purchased using a four-year financed payment plan, with the first payment made in the year the equipment is installed, and the three remaining payments made the following three fiscal years. The \$10.6 million total includes the fourth year payment of \$3.8 million for FY 2007, the third year payment of \$3 million for FY 2008, and the second year payment of \$3.4 million for FY 2009. Payments vary mainly because of the differing student populations in the schools served each fiscal year.

2. **Is it correct to assume that the savings associated with suspension of the desktop modernization program for one year would be the \$3.2 million identified as the first year cost of the program? If not, what is the savings associated with a one year suspension?**

The total cost savings for a one-year suspension would be \$4.1 million, which includes

- First year finance payments on FY 2010 computers, servers, projection devices, printers, and network infrastructure equipment that is planned to be installed. \$3.2 million.
- Materials and services such as cables, surge protectors, hand-held scanners for media centers, server installation, and temporary part-time staff that repair and upgrade usable computers, remove old surplus equipment, and perform quality assurance checks. \$0.9 million.

3. **What would be the cost savings associated with extending the current replacement cycle by one year? Please identify the full cost savings per year for the remainder of the six year CIP period.**

Delayed replacement of equipment has a significant impact on schools and student learning and operational effectiveness. Students will be using five-year-old versions of educational software. School network servers and will likely fail with increasing frequency. Computers in the fifth year of regular use will begin requiring more frequent servicing. These problems associated

with older equipment create added demands for technical support at the same time when there have been reductions in these elementary school technical support positions in the operating budget.

In addition to equipment failures and increased technical user support, keeping technology an additional year creates some direct cost requirements. The direct costs of keeping equipment an additional year include—

- refurbishing and upgrading memory on four-year old servers and desktops, and
- extending the warranty on computer parts and services for a fifth year.

The following table shows the adjusted cost savings that would result from a one-year delay in the FY10 program. Costs are shown for each fiscal year through the end of the current six-year Capital Improvement Program (CIP) (FY10 through FY14).

REVISED EXPENDITURE SCHEDULE (\$000)

	FY10	FY11	FY12	FY13	FY14
Approved by County Council	\$19,470	\$19,848	\$20,128	\$20,341	\$20,435
Revised: Delay FY10 Program One Year	\$15,408	\$15,869	\$17,237	\$16,848	\$17,326
Difference	\$4,062	\$3,979	\$2,891	\$3,493	\$3,109
Added Costs:					
Refurbish and Upgrade Memory	\$1,125	\$1,422	\$1,259	\$1,326	\$1,205
Extended Parts and Service Warranty	\$564	\$789	\$678	\$695	\$634
Added Costs Total	\$1,689	\$2,211	\$1,937	\$2,021	\$1,839
Adjusted Savings	\$2,373	\$1,769	\$954	\$1,471	\$1,270

A one year delay in the FY 2010 Technology Modernization program accrues a savings of \$4.1 million dollars. However, it also creates the added direct costs each year of refurbishing four-year-old network servers, computers, upgrading memory, and extending the warranty on parts and services. These costs are a required adjustment to the savings that results in an actual savings of \$2.4 million in FY 2010 for a one-year suspension of the program.

The two high schools, 15 middle schools, and 30 elementary schools scheduled for Technology Modernization in FY 2010 are attached.

FY 10 Technology Modernization

Age of Computers

FY 10 Technology Modernization		Age of Computers
High Schools		
2	John F. Kennedy	Four (4) years
	Albert Einstein	Four (4) years
Middle Schools		
15	Francis Scott Key	Five (5) years
	Lakelands Park	Four (4) years
	A. Mario Loiederman	Four (4) years
	North Bethesda	Four (4) years
	Thomas W. Pyle	Four (4) years
	Redland	Four (4) years
	Ridgeview	Four (4) years
	Rosa M. Parks	Four (4) years
	Shady Grove	Four (4) years
	Sligo	Four (4) years
	Silver Spring International	Four (4) years
	Takoma Park	Four (4) years
	Tilden	Four (4) years
	White Oak	Four (4) years
	Earle B. Wood	Four (4) years
Elementary Schools		
30	Clarksburg/Damascus #8	(New School)
	Bells Mill	Five (5) years
	Cashell	Three (3) years
	Brown Station	Four (4) years
	Chevy Chase	Four (4) years
	Clopper Mill	Four (4) years
	Capt. James E. Daly	Four (4) years
	East Silver Spring	Four (4) years
	Flower Hill	Four (4) years
	Fox Chapel	Four (4) years
	Garrett Park	Four (4) years
	Glenallan	Four (4) years
	Greencastle	Four (4) years
	Highland View	Four (4) years
	Kensington Parkwood	Four (4) years
	Maryvale	Four (4) years
	Meadow Hall	Four (4) years
	Mill Creek Towne	Four (4) years
	Montgomery Knolls	Four (4) years
	Piney Branch	Four (4) years
	Judith A. Resnik	Four (4) years
	Dr. Sally K. Ride	Four (4) years
	Rolling Terrace	Four (4) years
	Somerset	Four (4) years
	Strathmore	Four (4) years
	Strawberry Knoll	Four (4) years
	Watkins Mill	Four (4) years
	Weller Road	Four (4) years
	Whetstone	Four (4) years
	Washington Grove	Four (4) years



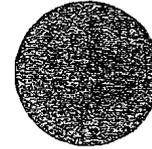
MONTGOMERY COUNTY PUBLIC SCHOOLS
MARYLAND

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April 2, 2009

The Honorable Valerie Ervin
Chair, Education Committee
Montgomery County Council
Stella B. Werner Council Office Building
100 Maryland Avenue
Rockville, Maryland 20850

041526



Dear Ms. Ervin:

This is to provide the additional information requested by Council members and staff at the February 23, 2009, Education Committee discussion regarding the Montgomery County Public Schools (MCPS) expanded implementation of the 21st Century Interactive Classroom Technology initiative. The information details past e-Rate rebates and expenditures from 1998–2009, funding plans for the remaining three years of lease payments, and the recommended process for recognizing and reporting e-Rate rebates. Compiling the year-by-year expenditure detail required considerable staff resources and time. Many of these records are beyond the time required for retention, and the electronic transactions were recorded on the school system's previous 25-year-old financial information system that was replaced with the new Financial Management System last year.

MCPS has participated in the Federal Communication Commission's *Schools and Libraries Program*, commonly referred to as e-Rate, for the past ten years. The e-Rate rebate program is not a grant. While the reporting of these rebates can be strengthened, the Council provides appropriation authority for the operating budget telecommunications expenditures for which MCPS receives a partial rebate through the e-Rate program. These rebates apply to expenditure costs the district incurs for Internet, telephone services, and network connections.

Background

Technology is an essential instructional resource in creating and strengthening inquiry-based teaching and learning. Accelerating the 21st Century Interactive Classroom Technology initiative provides secondary schools with increased opportunities for articulation through collaboration, critical thinking, and student-directed learning. Expanding the use of interactive technologies in all middle schools reflects our commitment to include successful strategies in the Middle School Reform initiative. This expansion to all middle schools has resulted in greater consistency of curriculum implementation and accelerating the reform initiatives to our secondary schools, teachers, and students. Moving this initiative into high schools now ensures continuity of student-centered instruction.

Office of the Superintendent of Schools

850 Hungerford Drive, Room 122 ♦ Rockville, Maryland 20850 ♦ 301-279-3381

Favorable pricing and financing terms, coupled with the ability to structure the lease payments within the previously requested funding increases in the six-year Capital Improvements Program (CIP) request and the projected e-Rate rebates, provided the opportunity to move the initiative forward. The purpose of the e-Rate program is to strengthen student access to advanced information and telecommunications technology and to ensure that these technologies are effectively utilized. MCPS staff has worked diligently to ensure full compliance with the e-Rate regulations, as well as the intent of the program. As a result, MCPS has applied e-Rate rebates to products and services that facilitate increased access and the effective utilization of technology by students and staff.

To ensure compliance with the e-Rate program regulations and to obtain maximum discounts on all eligible services, MCPS works with Funds for Learning, the nation's leading e-Rate funding compliance services company. The Funds for Learning contract, which began in April 2005, is a fixed-price contract of \$58,000 per year to perform all of the tasks detailed in the Response For Proposal's written "Scope of Work." In summary, their professional services responsibilities to MCPS include providing updates on program changes, advising on the impact on the cost and benefits of current and planned services and products, completing and filing all required e-Rate forms, retaining all required documentation, assisting in answering Program Integrity Audit questions, responding to program requests for information reviews, and preparing for program audits.

The Universal Service Administration Company (USAC) administers the Universal Service Fund (USF) program of the Federal Communications Commission that provides rebates to schools. The e-Rate program defines payments made from the USF fund as reimbursements made to vendors. The funding process has been modified since the program's inception. Initially, MCPS, like other school systems, paid vendors a "discounted" cost for the services and products purchased and vendors received the remainder from USF. MCPS did not receive any USF funds. As a result of concerns from vendors about the timeliness of payments and reported incidents of fraud and abuse in the management of the program by USAC, MCPS now pays vendors the full cost of products and services and receives the rebates from USAC through the qualified vendor.

FY 1998–FY 2009 e-Rate Summary

Over the past ten years in which MCPS has participated in the e-Rate program, MCPS has been vigilant in managing the procurement, payments, and rebate receipt appropriately. The Council appropriates the funding for the telecommunication services for which these rebates are received. A summary of e-Rate rebates for FY 1998–FY 2009 (Attachment A) and a detailed accounting of the expenditures (Attachment B) for each year during the ten years for which MCPS has participated in the e-Rate program are enclosed to address staff and committee members' requests for additional information. MCPS has received an average of \$1.5 million per year in e-Rate rebates over the ten-year period. Considerable time and staff resources were required to reconstruct and compile these transactions. In compliance with the school system's record retention regulations, most of the older records have been destroyed, and the electronic records were not easily recoverable.

Because of changes in the definitions of eligible services and products, as well as the school system's schedule of technology improvements, rebates to MCPS have ranged from a high of \$2.4 million in FY 2000, to a low of \$1.3 million in FY 2001. Attachment C summarizes the expenditures by category during the same ten-year period. This summary confirms that MCPS has complied with the intent of the e-Rate regulations by applying the rebates to products and services that facilitate increased access and the effective utilization of technology by students and staff. For example, the categorized expenditure table shows that 88 percent (\$10.1 million of the expended \$11.4 million) of rebates over the ten-year period were directed to support school staff and students in accessing and using technology to enhance instruction.

Lease Payment

The cost for the expanded implementation of the 21st Century Interactive Classroom Technology initiative is \$3.4 million per year for four years. By redirecting e-Rate rebates and adding the previously requested nominal increases in the Technology Modernization project of the FY 2009–2014 CIP, the cost of this initiative was structured to be accomplished within existing resources. For FY 2009, the first-year lease payment was made using the approved Technology Modernization increase of \$.7 million and the balance of \$2.6 million was paid from e-Rate funds.

In recognition of the current fiscal outlook, the Board of Education did not request the \$1.4 million Technology Modernization increase previously requested for FY 2010 in the FY 2009–2014 CIP. Instead, all of the funding for the second-year lease payment (due FY 2010) of \$3.4 million will be paid solely with e-Rate rebates. The third- and fourth-year lease payments are projected to be funded through e-Rate rebates and increased funding of \$2.9 million for FY 2011 and FY 2012 in the CIP. This two-year total was previously requested by the Board. In the event the Council does not provide the additional funding for FY 2011 and FY 2012, the district will have to reprioritize technology funding in the capital budget.

e-Rate Rebates

The Council appropriates approximately \$3.2 million in the MCPS operating budget for telecommunications expenditures for which e-Rate rebates are received. These rebates apply to expenditure costs the district incurs for Internet, telephone services, and network connections. Without the original operating budget authority, MCPS could not pay the invoices for the telecommunications services and projects at the time they are due and would be ineligible to claim the rebates. If the district also received appropriation authority for the rebate, we would be accounting for these dollars twice.

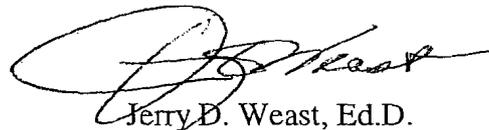
It is critical to emphasize that the e-Rate rebate program is not a grant. A second appropriation of the e-Rate rebates is unnecessary. As already noted, while the reporting of these rebates can be strengthened, the Council provides appropriation authority for the operating budget telecommunications expenditures for which MCPS receives a partial rebate through the e-Rate

program. One option for strengthening the reporting of e-Rate rebates is to provide the Council with a report similar to the report MCPS provides to the Council for the transfer of funds in grant programs. It is important to reiterate that there has been no attempt to ignore the Council's oversight responsibilities regarding the district's receipt and expenditure of rebates.

Over the ten years that MCPS has participated in the e-Rate program, MCPS has used these funds to strengthen the integration of technology into instruction and support improvements in teaching and learning. Accelerating the 21st Century Interactive Classroom Technology initiative across all secondary schools was a strategic way to leverage these funds to enhance teaching and learning. Furthermore, careful consideration was given to structure the payments with conservative projections of available funding without obligating or obviating the Council's appropriation authority.

Mr. Sherwin A. Collette, chief technology officer, and Mr. Larry A. Bowers, chief operating officer, are available to address and clarify any additional questions or concerns. Mr. Collette may be reached at 301-279-3581, and Mr. Bowers may be contacted at 301-279-3626.

Respectfully,



Jerry D. Weast, Ed.D.
Superintendent of Schools

JDW:vnb

Attachments

Copy to:

Members of the Board of Education

Mr. Bowers

Mr. Collette

E-RATE SUMMARY
FY 1998 - FY 2009

E-rate Year	Fiscal Year	Requested from USAC (Prior to Approval of MCPS Budget)	USAC Maximum Reimbursement (Based on Pre-Budget Request)	Disbursed to MCPS (Based on Actual Expenditures)	Total Spending by Year
2008	FY09	\$3,263,545.13	\$2,681,718.76	\$0.00	\$328,437.93
2007	FY08	\$3,644,203.62	\$3,459,021.34	\$1,380,780.87	\$2,998,417.89
2006	FY07	\$2,129,644.44	\$1,760,241.90	\$1,639,540.96	\$589,521.97
2005	FY06	\$3,104,598.23	\$1,513,730.63	\$1,464,816.76	\$1,569,868.05
2004	FY05	\$2,652,200.62	\$1,731,744.92	\$1,411,965.05	\$1,987,608.53
2003	FY04	\$1,973,211.56	\$1,902,003.78	\$1,193,918.27	\$641,709.67
2002	FY03	\$1,756,494.39	\$1,756,316.93	\$1,401,144.99	\$438,125.85
2001	FY02	\$1,474,964.91	\$1,434,388.33	\$1,354,986.43	\$978,613.88
2000	FY01	\$2,812,244.50	\$1,535,174.02	\$1,301,507.32	\$941,826.18
1999	FY00	\$2,425,319.57	\$2,425,319.57	\$2,397,361.73	\$620,984.93
1998 *	FY98/99	\$3,032,715.42	\$1,500,617.92	\$1,365,047.03	\$388,846.28
TOTALS		\$28,269,142.39	\$21,700,278.10	\$15,411,069.41	\$11,483,961.16
Unspent E-rate					\$3,927,108.25
Expenditures + Unspent E-rate					\$15,411,069.41

* This first year for E-rate included 18 months of services during FY98 and FY99; Funds were initially deposited directly into the Telecommunications account to offset deficits. The amount shown is from a spreadsheet by the Accountant at the time.

FY 1998 & 99 ERATE EXPENDITURES

EXPENDITURE AMOUNTS		
Row Labels	VENDOR	Total
Telecom Deficits		
Deposits	Various Companies	\$388,846.28
Telecom Deficits Sum		\$388,846.28
(blank)		
Grand Total		\$388,846.28

FY 2000 ERATE EXPENDITURES

EXPENDITURE AMOUNTS		
Row Labels	VENDOR	Total
Contractual Support		
27752	PROSOFT ENGINEE	\$7,541.95
26290	PROTOCOL DEVELO	\$9,535.00
Contractual Support Sum		\$17,076.95
Equipment		
29115	DATA NETWORKS	\$9,186.00
27255	DATA NETWORKS	\$29,091.00
25908	PAREDU LLC	\$1,050.00
25612	APPLE COMPUT GA	\$897.00
25398	DATA NETWORKS	\$11,979.00
24982	MACWAREHOUSE	\$247.60
25461	DATA NETWORKS	\$28,316.00
22346	APPLE COMPUT GA	\$2,500.00
21190	SBC DATACOMM	\$476.00
23174	PAREDU LLC	\$960.00
21830	DATA NETWORKS	\$4,496.00
22604	PERFECT SOLUTIO	\$747.00
22476	PAREDU LLC	\$49,735.00
22363	CAP CABLE TECHN	\$2,960.00
21716	HARTMAN & SONS	\$2,226.00
21189	APPLE COMPUT GA	\$9,912.00
21803	PAREDU LLC	\$3,390.00
21187	KUNZ INC	\$255.00
21260	DATA NETWORKS	\$8,029.00
21402	MACCENTER	\$3,834.00
19320	PAREDU LLC	\$15,642.00
18069	APPLE COMPUT GA	\$5,172.00
19661	DATA NETWORKS	\$12,300.00
20587	DATA NETWORKS	\$59,150.00
19662	PAREDU LLC	\$7,900.00
18792	DATA NETWORKS	\$22,508.00
11475	DATA NETWORKS	\$13,750.00
11515	NOVELL INC PA	\$80,000.00
15667	CLEARLEARNING	\$1,105.00
771800	APPLE COMPUT GA	\$1,799.00
Equipment Sum		\$389,612.60
Misc		
21944	KERPATRICK INC	\$1,785.24
Misc Sum		\$1,785.24
Network Infrastructure Improv.		
34031	CABLES N MOR	\$18.00
34032	BLACK BOX CORP	\$51.93
29638	FIBER PLUS INC	\$3,829.49
30126	FIBER PLUS INC	\$6,848.90
25473	CISCO SYSTEM	\$33,793.50

FY 2000 ERATE EXPENDITURES

Row Labels	VENDOR	Total
28113	CISCO SYSTEM	\$34,417.50
24986	REALNETWORKS	\$3,510.00
Network Infrastructure Improv. Sum		\$82,469.32
Software		
22468	SOFTWARE STORE	\$1,760.00
28674	GO.COM	\$4,050.00
27967	JRB SOFTWARE	\$550.00
28361	SOFTWARE STORE	\$4,082.00
29397	SOFTWARE STORE	\$6,660.00
28359	SOFTWARE STORE	\$676.65
21192	SOFTWARE STORE	\$5,185.00
813186	SOFTWARE STORE	\$215.00
18096	SOFTWARE STORE	\$1,392.00
24809	INFOSEEK CORP	\$2,250.00
26064	NETOPIA INC	\$359.95
26283	SOFTWARE STORE	\$3,850.00
23657	SOFTWARE STORE	\$5,779.50
23656	SOFTWARE STORE	\$10,036.00
23655	SOFTWARE STORE	\$9,135.00
23653	SOFTWARE STORE	\$12,980.00
23654	SOFTWARE STORE	\$780.00
20987	SOFTWARE STORE	\$453.00
21194	SOFTWARE STORE	\$7,241.00
17655	SOFTWARE STORE	\$37,380.00
20230	SOFTWARE STORE	\$426.00
21804	SOFTWARE STORE	\$645.00
17656	SOFTWARE STORE	\$8,365.00
Software Sum		\$124,251.10
Tech Materials & Supplies		
21863	DATA NETWORKS	\$96.00
26581	GATEWAY ACCESSO	\$454.00
18148	CTL COMMUNICATI	\$449.80
17110	SONNETT TECH	\$245.45
56262	MILLS	\$63.40
56261	FUNK	\$63.40
55565	FUNK	\$170.00
55564	MILLS	\$170.00
767172	WINDSTREAM SUPP	\$306.92
Tech Materials & Supplies Sum		\$2,018.97
Telecom Services & Material		
26694	BELL TECH.LOGIX	\$830.00
21214	BELL TECH.LOGIX	\$2,940.75
Telecom Services & Material Sum		\$3,770.75
(blank)		
Grand Total		\$620,984.93

FY 2001 ERATE EXPENDITURES

EXPENDITURE AMOUNT		
Row Labels	VENDOR	Total
Contractual Support		
45699	NET RESULTS	\$5,000.00
45700	DATANAMICS INC	\$5,000.00
850259	WEBB & ASSOCIAT	\$488.28
Contractual Support Sum		\$10,488.28
Equipment		
21485	CTL COMMUNICATI	\$2,584.50
34797	WAREFORCE INC	\$13,480.00
39049	DATA NETWORKS	\$5,606.00
42675	DATA NETWORKS	\$970.00
43227	ST NET	\$4,170.00
43252	BELL TECH.LOGIX	\$419.98
44621	SOFTWARE STORE	\$74,000.00
46794	SOFTWARE STORE	\$3,212.00
48301	DATA NETWORKS	\$14,842.00
48899	SOFTWARE STORE	\$4,028.00
49140	LANDON SYSTEMS	\$7,075.20
49195	BELL TECH.LOGIX	\$518.88
49768	CTL COMMUNICATI	\$485.98
50526	BCE CORPORATION	\$1,894.00
50625	LANDON SYSTEMS	\$1,260.00
50627	LANDON SYSTEMS	\$900.00
51485	SOFTWARE STORE	\$3,520.00
52137	LANDON SYSTEMS	\$695.32
53086	DATA NETWORKS	\$3,982.00
53342	REALNETWORKS	\$1,438.80
54171	DATA NETWORKS	\$14,136.00
54240	LANDON SYSTEMS	\$178.22
56706	BCE CORPORATION	\$3,250.00
56949	WA PROFESSIONAL	\$4,000.00
57031	WA PROFESSIONAL	\$987.00
59449	DATA NETWORKS	\$227,240.00
Equipment Sum		\$394,873.88
Internet Connectivity		
57001	VERIO INC	\$9,000.00
59746	VERIO INC	\$108,000.00
Internet Connectivity Sum		\$117,000.00
Network Infrastructure Improv.		
50958	VERIZON NETWORK	\$4,642.50
50960	VERIZON NETWORK	\$32,776.10
Network Infrastructure Improv. Sum		\$37,418.60
Non School Based Renovation		
56292	DOURON INCORPOR	\$6,505.96
Non School Based Renovation Sum		\$6,505.96

FY 2001 ERATE EXPENDITURES

Row Labels	VENDOR	Total
Professional Development		
36918	DATA NETWORKS	\$1,677.00
37267	NOVELL INC PA	\$2,394.00
44083	COMP TECHNOLOGY	\$59,770.00
46466	NOVELL INC PA	\$172.77
47342	NOVELL INC PA	\$2,651.56
50594	NOVELL INC PA	\$2,015.12
51626	NOVELL INC PA	\$2,270.00
Professional Development Sum		\$70,950.45
Software		
34956	SOFTWARE STORE	\$504.00
35998	WAREFORCE INC	\$1,448.34
36006	SOFTWARE STORE	\$8,250.00
37193	SOFTWARE STORE	\$456.00
37194	SOFTWARE STORE	\$1,185.00
37992	SOFTWARE STORE	\$300.00
39607	CMS INFORMATION	\$55,372.73
39928	SOFTWARE STORE	\$1,250.00
43489	DATA NETWORKS	\$1,886.00
44401	CLEARLEARNING	\$1,125.00
45787	SOFTWARE STORE	\$2,791.00
46143	BELL TECH.LOGIX	\$1,113.20
46144	BELL TECH.LOGIX	\$2,220.45
46145	BELL TECH.LOGIX	\$785.02
46335	SOFTWARE STORE	\$1,612.50
46512	NETWORK ASSOCIA	\$5,000.00
47226	SOFTWARE STORE	\$2,397.00
47412	SAGEBRUSH TECH	\$3,717.02
48811	BELL TECH.LOGIX	\$881.36
48900	SOFTWARE STORE	\$350.00
49573	SAGEBRUSH TECH	\$56,651.75
49752	SOFTWARE STORE	\$31,800.00
50592	NOVELL INC PA	\$7,000.00
51146	BELL TECH.LOGIX	\$174.00
53341	INKTOMI CORP	\$4,800.00
56186	SOFTWARE STORE	\$371.00
59823	KUNZ INC	\$3,600.00
88325	STECK VAUGHN	\$916.45
88326	KUNZ INC	\$4,338.10
832594	KUNZ INC	\$110.00
858622	KUNZ INC	\$356.00
Software Sum		\$202,761.92

FY 2001 ERATE EXPENDITURES

Row Labels	VENDOR	Total
Tech Materials & Supplies		
12171	OFFICEMAX	\$440.10
14145	OFFICEMAX	\$688.98
34031	CABLES N MOR	\$5.00
34291	CISCO SYSTEM	\$7,156.17
34802	SOFTWARE STORE	\$4,791.00
56884	CTL COMMUNICATI	\$369.00
59689	SOFTWARE STORE	\$289.00
88327	HARCOURT ACHIEV	\$1,636.96
Tech Materials & Supplies Sum		\$15,376.21
Tech Mod		
43094	DATA NETWORKS	\$1,189.80
43366	SOFTWARE STORE	\$13,750.00
46158	SAGEBRUSH TECH	\$2,602.48
46468	DATA NETWORKS	\$1,275.00
46568	SOFTWARE STORE	\$1,679.00
46569	SOFTWARE STORE	\$90.00
46969	SOFTWARE STORE	\$800.00
48276	SOFTWARE STORE	\$187.00
49051	SOFTWARE STORE	\$897.00
50959	DATANAMICS INC	\$2,709.67
51744	EER SYSTEMS INC	\$1,001.36
Tech Mod Sum		\$26,181.31
Telecom Services & Material		
42397	TELECOMMUNICATI	\$59,805.67
57998	CHESA COMM INC	\$463.90
Telecom Services & Material Sum		\$60,269.57
(blank)		
Grand Total		\$941,826.18

FY 2002 ERATE EXPENDITURES

EXPENDITURE AMOUNTS		
Row Labels	VENDOR	Total
Equipment		
11764	OFFICEMAX	\$319.98
37736	DATA NETWORKS	\$60,732.00
38186	DATA NETWORKS	\$1,402.00
38815	DATA NETWORKS	\$12,947.00
46009	SOFTWARE STORE	\$289.00
47127	DATA NETWORKS	\$19,835.00
47169	PRINCETON TECH	\$1,659.00
47358	SOFTWARE STORE	\$1,536.00
47573	NET RESULTS	\$3,250.00
47574	NET RESULTS	\$2,600.00
47575	NET RESULTS	\$2,600.00
48691	NET RESULTS	\$4,800.00
48692	NET RESULTS	\$4,800.00
48693	NET RESULTS	\$7,200.00
49893	SOFTWARE STORE	\$2,580.00
51842	DATA NETWORKS	\$15,705.00
53702	DATA NETWORKS	\$48,741.00
53892	DATA NETWORKS	\$15,008.00
58287	GLOVER EQUIPMEN	\$6,256.00
61091	DATA NETWORKS	\$12,216.00
63326	DATA NETWORKS	\$2,175.00
Equipment Sum		\$226,650.98
Internet Connectivity		
56219	VERIO INC	\$5,000.00
Internet Connectivity Sum		\$5,000.00
Misc		
37295	TELECOM COMPANY	\$14,613.00
37296	TELECOM COMPANY	\$80,711.25
Misc Sum		\$95,324.25
Professional Development		
39445	ATTRONICA COMPU	\$9,506.25
Professional Development Sum		\$9,506.25
Software		
31512	BELL TECH.LOGIX	\$13,200.00
31513	KUNZ INC	\$3,600.00
31514	BELL TECH.LOGIX	\$13,200.00
46320	BELL TECH.LOGIX	\$935.00
49262	COMP ASSOCIATES	\$381,600.00
53703	SURFCONTROL	\$109,000.00
53973	COMP ASSOCIATES	\$58,500.00

FY 2002 ERATE EXPENDITURES

Row Labels	VENDOR	Total
55750	VERISIGN INC	\$2,193.00
63263	BELL TECH.LOGIX	\$30,588.52
895489	NOVELL INC PA	\$28.00
Software Sum		\$612,844.52
Tech Materials & Supplies		
31906	DISYS	\$3,418.98
47345	PRINCETON TECH	\$704.00
58900	PRINCETON TECH	\$1,957.50
60598	SOFTWARE STORE	\$198.00
60704	PRINCETON TECH	\$173.00
61448	PRINCETON TECH	\$2,085.00
61503	PRINCETON TECH	\$4,448.00
70586	COLLETTE	\$239.40
894086	SOFTWARE STORE	\$289.00
Tech Materials & Supplies Sum		\$13,512.88
Telecom Services & Material		
61685	CHESA COMM INC	\$2,884.00
61686	ACC TELECOM	\$12,240.00
61687	CHESA COMM INC	\$651.00
Telecom Services & Material Sum		\$15,775.00
(blank)		
Grand Total		\$978,613.88

FY 2003 ERATE EXPENDITURES

EXPENDITURE AMOUNTS		
Row Labels	VENDOR	Total
Contractual Support		
38113	TASC INC	\$1,305.54
954495	COMP ASSOCIATES	\$9,500.00
954496	COMP ASSOCIATES	\$9,500.00
Contractual Support Sum		\$20,305.54
Equipment		
45047	DATA NETWORKS	\$9,073.89
45241	PRINCETON TECH	\$1,408.00
45470	DATA NETWORKS	\$11,802.00
46894	ENABLE SYSTEMS	\$3,638.00
48699	DATA NETWORKS	\$16,168.00
Equipment Sum		\$42,089.89
Internet Connectivity		
38786	VERIO INC	\$137,393.57
Internet Connectivity Sum		\$137,393.57
Software		
40152	COMP ASSOCIATES	\$40,517.85
Software Sum		\$40,517.85
Tech Materials & Supplies		
43174	THREESPOT MEDIA	\$14,542.99
Tech Materials & Supplies Sum		\$14,542.99
Telecom Services & Material		
2278	NEXTEL COMMU	\$7,949.98
39251	CINGULAR INTERA	\$3,351.25
41416	CHESA COMM INC	\$5,768.00
44907	WINDSTREAM SUPP	\$5,940.75
45113	ONSET TECH	\$5,480.00
50414	CHESA COMM INC	\$14,980.00
50902	NEXTEL COMMU	\$2,184.00
50904	NEXTEL COMMU	\$182.00
51528	CHESA COMM INC	\$14,980.00
52863	TRONICS INC	\$7,501.00
53002	CHESA COMM INC	\$14,980.00
976171	NEXTEL COMMU	\$5,420.93
976172	NEXTEL COMMU	\$4,988.26
976173	NEXTEL COMMU	\$5,565.40
976174	NEXTEL COMMU	\$7,714.80
977004	SBC DATACOMM	\$8,000.00
977005	SBC DATACOMM	\$10,000.00
977012	NEXTEL COMMU	\$9,597.44
977231	SBC DATACOMM	\$7,000.00
977232	SBC DATACOMM	\$5,000.00
983511	NEXTEL COMMU	\$6,324.48
994818	NEXTEL COMMU	\$6,876.97

FY 2003 ERATE EXPENDITURES

Row Labels	VENDOR	Total
994820	NEXTEL COMMU	\$7,660.71
994823	NEXTEL COMMU	\$8,311.02
997008	NEXTEL COMMU	\$7,519.02
Telecom Services & Material Sum		\$183,276.01
(blank)		
Grand Total		\$438,125.85

FY 2004 ERATE EXPENDITURES

Sum of AMOUNT		
Row Labels	VENDOR	Total
Equipment		
40418	ENABLE SYSTEMS	\$4,826
45639	DALY COMPUT INC	\$22,665
47325	ENABLE SYSTEMS	\$474
47728	DATA NETWORKS	\$892
47995	DALY COMPUT INC	\$7,641
48457	CINGULAR WIRELE	\$518
49715	DATA NETWORKS	\$252,092
50160	ENABLE SYSTEMS	\$8,292
Equipment Sum		\$297,400
Internet Connectivity		
12306	VERIO INC	\$23,200
12307	VERIO INC	\$23,200
19379	VERIO INC	\$23,548
25206	VERIO INC	\$23,200
32845	VERIO INC	\$23,553
38205	VERIO INC	\$23,200
40461	VERIO INC	\$23,200
48017	VERIO INC	\$23,200
50085	COGENT COMMUNIC	\$33,500
68746	VERIO INC	\$2,455
68748	VERIO INC	\$36
Internet Connectivity Sum		\$222,293
Non School Based Renovation		
41035	OMF CONTRACTORS	\$8,400
Non School Based Renovation Sum		\$8,400
Tech Materials & Supplies		
35618	ENABLE SYSTEMS	\$748
48841	ENABLE SYSTEMS	\$83,220
Tech Materials & Supplies Sum		\$83,968
Telecom Services & Material		
26958	NEXTEL COMMU	\$481
40993	NEXTEL COMMU	\$200
44654	CRITERION	\$3,612
51810	ORNDORFF & SPAI	\$1,400
61024	CINGULAR INTERA	\$1,483
63779	NEXTEL COMMU	\$7,549
63780	NEXTEL COMMU	\$7,257
63781	NEXTEL COMMU	\$7,667
Telecom Services & Material Sum		\$29,649
(blank)		
Grand Total		\$641,710

FY 2005 ERATE EXPENDITURES

EXPENDITURE AMOUNTS		
Row Labels	VENDOR	Total
Equipment		
48150	DALY COMPUT INC	\$3,160.40
52346	DATA NETWORKS	\$20,429.00
52526	DELL MARKETING	\$2,670.91
Equipment Sum		\$26,260.31
Misc		
41635	MAYER JOHNSON I	\$9,251.00
Misc Sum		\$9,251.00
Software		
37781	IBM	\$23,814.45
39702	KUNZ INC	\$468.00
52343	BELL TECH.LOGIX	\$28,247.16
52347	DATA NETWORKS	\$19,915.00
52348	DATA NETWORKS	\$11,808.00
52351	DATA NETWORKS	\$9,290.00
52352	DATA NETWORKS	\$13,935.00
Software Sum		\$107,477.61
Tech Mod		
39165	KUNZ INC	\$15,180.00
39368	BELL TECH.LOGIX	\$5,261.10
39369	BELL TECH.LOGIX	\$8,447.40
39678	BELL TECH.LOGIX	\$182.88
39706	METROWERKS CORP	\$13,735.20
39707	CAMPUS TECH INC	\$14,553.00
39708	HARCOURT EDUCAT	\$13,780.06
39710	HARCOURT ACHIEV	\$45,643.50
40737	NOTIFICATION TE	\$370,100.00
40838	JOHNSTON D	\$4,678.90
41274	CREATIVE COMMUN	\$924.00
41275	CCV SOFTWARE	\$199.75
41277	INTELLITOOLS IN	\$12,638.57
41379	AT LAST INC	\$1,575.00
41630	UNIV SYSTEM MD	\$694,956.75
51791	DATA NETWORKS	\$173,614.00
52344	DATA NETWORKS	\$13,310.00
Tech Mod Sum		\$1,388,780.11
(blank)		
Professional Development		
41508	SPSS INC	\$11,306.00
Professional Development Sum		\$11,306.00
Non School Based Renovation		
41633	CINGULAR WIRELE	\$2,490.00
41636	NEXTEL COMMU	\$360.00

FY 2005 ERATE EXPENDITURES

Row Labels	VENDOR	Total
Non School Based Renovation Sum		\$2,850.00
Tech Training Ctr		
51220	DATA NETWORKS	\$171,244.00
51222	HARTFORD COMPUT	\$2,654.00
51225	CTL COMMUNICATI	\$1,318.80
51226	WIRELESS COMPU	\$2,129.00
51563	DATA NETWORKS	\$3,300.00
52345	DATA NETWORKS	\$17,787.00
52591	DOURON INCORPOR	\$34,496.88
52592	DOURON INCORPOR	\$5,167.82
52593	BCE CORPORATION	\$4,263.00
52594	DIVERSIFIED EDU	\$136,358.00
Tech Training Ctr Sum		\$378,718.50
Tech Materials & Supplies		
52668	HARTFORD COMPUT	\$625.00
Tech Materials & Supplies Sum		\$625.00
Network Infrastructure Improv.		
39651	VERIZON NETWORK	\$62,340.00
Network Infrastructure Improv. Sum		\$62,340.00
Grand Total		\$1,987,608.53

FY 2006 ERATE EXPENDITURES

EXPENDITURE AMOUNTS		
Row Labels	VENDOR	Total
Contractual Support		
56357	FUNDS LEARNING	\$58,000.00
157848	FUNDS LEARNING	\$58,000.00
Contractual Support Sum		\$116,000.00
Equipment		
65535	DATA NETWORKS	\$1,262.00
65946	WIRELESS COMPU	\$2,426.00
67397	GATEWAY COMPANI	\$2,661.00
Equipment Sum		\$6,349.00
Lease Payment		
49378	LEASE PAYMENT C	\$18,354.55
Lease Payment Sum		\$18,354.55
Misc		
49350	EXPENSE CORRECT	\$5,468.33
Misc Sum		\$5,468.33
Non School Based Renovation		
64549	DOURON INCORPOR	\$2,408.80
65412	DOURON INCORPOR	\$891.99
65413	DOURON INCORPOR	\$339.20
65564	DOURON INCORPOR	\$4,009.00
Non School Based Renovation Sum		\$7,648.99
Software		
161569	GBA SYSTEMS,INC	\$58,750.00
Software Sum		\$58,750.00
Tech Materials & Supplies		
103171	HEATH	\$200.18
Tech Materials & Supplies Sum		\$200.18
Tech Mod		
67518	DATA NETWORKS	\$88,953.27
67521	BELL TECH.LOGIX	\$67,386.00
Tech Mod Sum		\$156,339.27
Tech Training Ctr		
55809	VISION TECHNOLO	\$338,102.50
58859	CODIFICA LLC	\$36,900.00
59094	HARTFORD COMPUT	\$3,469.00
59096	CTL COMMUNICATI	\$4,492.00
59097	DOURON INCORPOR	\$2,862.00
59098	DOURON INCORPOR	\$2,206.92
59099	RJF INTERNATION	\$3,650.62
59100	BEST BUY BIZ	\$162.00
59156	DOURON INCORPOR	\$17,941.40
59157	DOURON INCORPOR	\$23,303.04
59158	DOURON INCORPOR	\$1,269.35
59159	DOURON INCORPOR	\$508.80
59162	DOURON INCORPOR	\$13,663.20

FY 2006 ERATE EXPENDITURES

Row Labels	VENDOR	Total
59562	VERIZON NETWORK	\$9,696.09
59807	ADV CASEWORK	\$3,428.57
59953	MD CORRECTIONAL	\$2,550.00
60512	BCE CORPORATION	\$3,500.00
63041	RJF INTERNATION	\$2,059.13
63046	DATAWATCH	\$4,297.62
63165	DOURON INCORPOR	\$13,261.13
64326	VERIZON NETWORK	\$495.11
66952	DATA NETWORKS	\$986.25
142792	TA/WESTERN,LLC	\$71,470.00
Tech Training Ctr Sum		\$560,274.73
Telecom Services & Material		
20739	TIMS	\$640,483.00
Telecom Services & Material Sum		\$640,483.00
(blank)		
Grand Total		\$1,569,868.05

FY 2007 ERATE EXPENDITURES

EXPENDITURE AMOUNTS		
Row Labels	VENDOR	Total
Contractual Support		
62975	FUNDS LEARNING	\$29,000.00
192197	MORRIS & COMPAN	\$10,463.40
192204	MORRIS & COMPAN	\$8,700.00
197577	EDUCNL CONSULTI	\$2,169.20
197578	EDUCNL CONSULTI	\$2,169.20
197579	EDUCNL CONSULTI	\$2,169.20
203508	EDUCNL CONSULTI	\$4,338.40
214417	EDUCNL CONSULTI	\$2,169.20
231214	EDUCNL CONSULTI	\$4,338.40
240811	EDUCNL CONSULTI	\$4,338.40
243738	BARR D	\$5,850.00
243740	WILKERSON M	\$3,200.00
243741	WILKERSON M	\$8,640.00
245284	ICHIMURA A	\$5,760.00
245974	BARR D	\$6,150.00
246004	WILKERSON M	\$5,360.00
Contractual Support Sum		\$104,815.40
Equipment		
54102	BELL TECH.LOGIX	\$2,470.00
56971	GATEWAY COMPANI	\$2,414.00
58913	DATA NETWORKS	\$2,970.00
61316	PRESIDIO CORP	\$183.54
61317	HARTFORD COMPUT	\$1,239.00
61418	DOURON INCORPOR	\$497.67
62525	DATA NETWORKS	\$246.00
63988	BCE CORPORATION	\$1,819.76
64230	DATA NETWORKS	\$1,594.00
66171	DATA NETWORKS	\$9,234.00
66173	DATA NETWORKS	\$6,616.00
66174	HARTFORD COMPUT	\$20,000.00
66175	DATA NETWORKS	\$2,524.31
66176	DATA NETWORKS	\$114,324.30
Equipment Sum		\$166,132.58
ES School Tech Update		
10646	INTST MUSIC SUP	\$5,238.10
10647	MUSIC MOTION	\$20.85
10648	RHYTHM BAND INS	\$280.53
10649	WA MUSIC CENTER	\$496.95
10650	MUSIC ELEMENTAR	\$1,495.60
10651	PERIPOLE BERGER	\$98.16
51306	DATA NETWORKS	\$12,587.98
51307	VERIZON NETWORK	\$19,981.30
51310	HARTFORD COMPUT	\$24,408.00
54002	WA PROFESSIONAL	\$31,504.00
57688	TCV	\$32,250.00

FY 2007 ERATE EXPENDITURES

Row Labels	VENDOR	Total
58845	PERIPHERAL VISI	\$12,664.00
ES School Tech Update Sum		\$141,025.47
Non School Based Renovation		
18002	OFFICEMAX	\$571.86
18988	OFFICEMAX	\$99.30
20128	OFFICEMAX	\$2,962.25
20129	M & B SUPPLIES	\$865.63
21647	OFFICEMAX	\$560.24
21736	OFFICEMAX	\$450.28
22296	CTL COMMUNICATI	\$779.45
23235	SUPER WAREHOUSE	\$2,651.79
58903	DOURON INCORPOR	\$57,035.42
58904	DOURON INCORPOR	\$4,660.29
59452	AZTECH DATASYST	\$7,800.00
59612	DIVERSIFIED EDU	\$4,895.00
60268	BCE CORPORATION	\$12,356.00
60272	SEARS	\$921.00
62284	SIGNS & WONDERS	\$2,022.20
60270	SPECIALIZED PRO	\$229.92
Non School Based Renovation Sum		\$98,860.63
Professional Development		
57316	BADER & ASSOC	\$23,400.00
Professional Development Sum		\$23,400.00
Tech Materials & Supplies		
108894	WOODS	\$116.70
110532	HEATH	\$29.99
111909	WOODS	\$116.70
Tech Materials & Supplies Sum		\$263.39
Tech Mod		
64838	APPLE COMPUT GA	\$14,677.00
191178	ENTROPI	\$3,727.50
202424	ENTROPI	\$5,130.00
214433	ENTROPI	\$10,115.00
220016	ENTROPI	\$8,265.00
229724	ENTROPI	\$7,885.00
Tech Mod Sum		\$49,799.50
Tech Training Ctr		
63046	DATAWATCH	\$75.00
60831	DATAWATCH	\$900.00
194995	VISIBL	\$2,125.00
194996	VISIBL	\$2,125.00
Tech Training Ctr Sum		\$5,225.00
(blank)		
Grand Total		\$589,521.97

FY 2008 ERATE EXPENDITURES

EXPENDITURE AMOUNTS		
Row Labels	VENDOR	Total
Contractual Support		
7065110	Testpros, Inc	\$67,200.00
7062975	Funds For Learning LLC	\$29,000.00
8036462	Funds For Learning LLC	\$14,500.00
2951597	Funds For Learning LLC	\$14,500.00
70431025	RCM Technologies USA Inc	\$16,250.00
8037077	RDA	\$15,550.00
8037306	I Assessment LLC	\$300,000.00
8058437	Edmin.com, Inc.	\$27,029.00
8064969	RCM Technologies USA Inc	\$16,250.00
8065902	MicroStrategy Services Corporation	\$28,092.56
8066117	Funds For Learning LLC	\$58,000.00
3036474	Brinjac Engineering Inc	\$5,500.00
Contractual Support Sum		\$591,871.56
Equipment		
0	Data Networks Inc	\$85,510.82
7066172	Data Networks Inc	\$139,417.00
7066176	Data Networks Inc	\$109,988.40
1418488	Hartford Computer Inc	\$20,000.00
2158973	Dell	\$1,544,400.00
3146111	ML/Several	\$443,199.81
8026645	Clinton Learning Solutions LLC	\$2,700.00
Equipment Sum		\$2,345,216.03
Network Infrastructure Improv.		
8023753	Presision Corp.	\$6,766.40
	Presidio	\$8,708.98
8023761	Presisio Corp.	\$15,475.38
Network Infrastructure Improv. Sum		\$30,950.76
Professional Development		
7065900	IBM Corporation	\$2,695.00
8024344	Clinton Learning Solutions LLC	\$1,000.00
2900793	Tech Conference	\$1,490.05
2943249	Tech Conference	\$496.28
2936660	Tech Conference	\$833.66
2157914	FETC	\$352.00
2943351	FETC	\$535.44
2402028	FETC	\$532.08
2943381	Tech Conference	\$92.93
2340038	Tech Conference	\$1,000.00
2688464	FETC	\$854.74
2744453	Tech Conference	\$1,473.32
2843993	Tech Conference	\$1,080.00
2984987	Tech Conference	\$1,100.00
Professional Development Sum		\$13,535.50

FY 2008 ERATE EXPENDITURES

Row Labels	VENDOR	Total
Tech Materials & Supplies 8067538	Sterling Computers	\$16,092.50
Tech Materials & Supplies Sum		\$16,092.50
Tech Professional Development Ctr 6063165	Douron Incorporated	\$751.54
Tech Professional Development Ctr Sum		\$751.54
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Grand Total		\$2,998,417.89

ERATE EXPENDITURE ANALYSIS

By Category
FY 1998 19999 - FY 2009

Expenditure Categories	1998 & 1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Category Totals
Contractual Support	-	17,077	10,488	-	20,306	-	-	116,000	104,815	591,872	323,617	1,184,175
Equipment	-	389,613	394,874	226,651	42,090	297,400	26,260	6,349	166,133	2,345,216	-	3,894,585
ES School Tech Update	-	-	-	-	-	-	-	-	141,025	-	-	141,025
Internet Connectivity	-	-	117,000	5,000	137,394	222,293	-	-	-	-	-	481,687
Network Infrastructure Improv.	-	82,469	37,419	-	-	-	62,340	-	-	30,951	-	213,179
Non School Based Renovation	-	-	6,506	-	-	8,400	2,850	7,649	98,861	-	-	124,266
Professional Development	-	-	70,950	9,506	-	-	11,306	-	23,400	13,536	4,820	133,519
Software	-	124,251	202,762	612,845	40,518	-	107,478	58,750	-	-	-	1,146,603
Tech Materials & Supplies	-	2,019	15,376	13,513	14,543	83,968	625	200	263	16,093	-	146,600
Tech Mod	-	-	26,181	-	-	-	1,388,780	156,339	49,800	-	-	1,621,100
Tech Training Ctr	-	-	-	-	-	-	378,719	560,275	5,225	752	-	944,970
Telecom Services & Material	388,846	3,771	60,270	15,775	183,276	29,649	-	640,483	-	-	-	1,322,069
Misc.	-	1,785	-	95,324	-	-	9,251	5,468	-	-	-	111,829
Lease Payment	-	-	-	-	-	-	-	18,355	-	-	-	18,355
Totals	388,846	620,985	941,826	978,614	438,126	641,710	1,987,609	1,569,868	589,522	2,998,418	328,438	11,483,961

(149)