

Resolution No.: 16-1131
 Introduced: September 15, 2009
 Adopted: September 29, 2009

**COUNTY COUNCIL
 FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: Categorical Transfer FY09 Operating Budget
Montgomery County Public Schools
\$7,700,000
and Categorical Transfer FY09 Operating Budget
Montgomery County Public Schools
Grant Funds: \$1,205,000

Background

1. Section 5-105 of the Education Article of the Annotated Code of Maryland provides for transfers among major categories of the Operating Budget of the Montgomery County Public Schools only with the approval of the County Council.
2. The County Council received the Board of Education's action of July 27, 2009, requesting a transfer among state categories as follows:

<u>Category</u>	<u>Description</u>	<u>To</u>	<u>From</u>
1	Administration		\$1,500,000
2	Mid-Level Administration		\$3,000,000
7	Student Personnel Services	\$200,000	
9	Student Transportation		\$3,200,000
12	Fixed Charges	\$7,500,000	
	Total	\$7,700,000	\$7,700,000

3. The Board action of July 27, 2009, also requested a transfer of grant funds among state categories as follows:

<u>Category</u>	<u>Description</u>	<u>To</u>	<u>From</u>
6	Special Education		\$1,205,000
12	Fixed Charges	\$1,205,000	
	Total	\$1,205,000	\$1,205,000

4. The Board of Education has requested authorization to make an FY09 categorical transfer to align budgeted appropriations with actual expenditures. This request would offset deficits in Category 7, Student Personnel Services, and Category 12, Fixed Charges, by transferring surpluses from Category 1, Administration, Category 2, Mid-level Administration, and Category 9, Student Transportation.
5. The preponderance of the deficits was caused by lower than anticipated salary lapse and turnover in Category 7, Student Personnel Services, and higher than anticipated actual costs for the Employee Benefit Plan in Category 12, Fixed Charges. The surpluses used to balance these deficits were generated primarily from expenditure restrictions and a hiring freeze implemented to generate mid-year savings.
6. The Board of Education has also requested authorization to make an FY09 categorical transfer of grant funds to align budgeted appropriations with actual expenditures. This request would offset a deficit in Category 12, Fixed Charges, with a surplus in Category 6, Special Education. The deficit was caused by higher than expected employee benefit costs in the Individuals with Disabilities Education Act (IDEA) Grant.
7. The County Executive recommends approval of the requested categorical transfers.

Action

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


The FY09 Operating Budget of the Montgomery County Public Schools is hereby amended, and a transfer of appropriation is approved as follows:

Category	Description	To	From
1	Administration		\$1,500,000
2	Mid-Level Administration		\$3,000,000
7	Student Personnel Services	\$200,000	
9	Student Transportation		\$3,200,000
12	Fixed Charges	\$7,500,000	
	Total	\$7,700,000	\$7,700,000

A transfer of grant funds is approved as follows:

Category	Description	To	From
6	Special Education		\$1,205,000
12	Fixed Charges	\$1,205,000	
	Total	\$1,205,000	\$1,205,000

This is a correct copy of Council action.


Linda M. Lauer, Clerk of the Council