Montgomery County
Public Schools

AUG 2016
RECEIVED
County
Administrator

Mr. F. Craig Meadows
County Administrator
County of Montgomery
755 Roanoke Street, Suite 2E
Christiansburg, VA 24073-3179

Dear Mr. Meadows,

The Montgomery County School Board appreciates the long term commitment by the County Board of Supervisors in returning carryover funds to the School Board for continued educational needs. We look forward to your consideration of the request before you to support the educational needs in fiscal year 2016-17.

The Montgomery County School Board at its meeting on August 16, 2016, approved a request to the Board of Supervisors for supplemental appropriation to the School Operating Budget for fiscal year 2015-16. The School Board requests that the funds that exceeded expenditures be appropriated to the FY 2016-17 budget as follows.

CODE	DESCRIPTION	AMOUNT
Fund 09		
	Code 610000 Instruction	$ 1,068,911
	Code 630000 Transportation	175,000
	Code 640000 Operations and Maintenance	741,512
	Total School Operating Fund	$ 1,985,423
Supplemental Carryover Appropriation:		
	1. Medicaid Carryover	152,320
	2. Stem Grant	3,000
	3. PBIS Grant	15,591
	4. 1:1 Initiative for Grades 5 – 12 (Chromebooks)	600,000
	5. Phase 3 of Falling Branch Roof	205,000
	6. Additional Buses (2) and related equipment	175,000
	7. Roofs and Maintenance Plan	250,000
	8. 21st Century Technology Allocation	150,000
	9. 25% Match for Security Grant	25,000
	10. 2 FTE's for Teachers to Address Class Size	140,000
	11. Electronic Signs	60,000

12. MAP, student growth software	8,000
13. Maintenance Utility Van	25,000
14. Trailers (2) for Tractors and Mowers	4,800
15. Phone system upgrade, computers, Chromebooks, Safe schools module, exterior cameras	37,260
16. Capital Maintenance plan / projects	134,452
Total Carryover Appropriation	$ 1,985,423

Explanation:

Carryover use was prioritized by:

- Compensation for Employees
- 1:1 initiative for grades 5-12 (Chromebooks)
- Continue to address bus, vehicle, maintenance fleet
- Capital Maintenance plan/projects, including roofing plan
- 21st Century Classroom Technology
- Establishment of 2 Reserve Teacher Units
- Electronic Sign for EMES & EMHS
- Student Growth Software
- Departmental Technology needs

Planned Expenditures for Unencumbered Carryover Funds

The top priority in determining the carryover plan is employee compensation. At this time, the State budgeted amount of $408,339 for compensation is potentially going to be cut by the State as a result of a shortfall in state projected revenue. The State's revised budget projection will not be released before August 26, 2016. If the shortfall of $408,339 is realized, lines 10 through 16 will have to be delayed until a funding source can be identified.

Line 4: $600,000 – 1:1 Initiative for Grades 5-12

This request expands the one to one initiative to include grades 5 thru 12. This will allow the school division to put Chromebooks in the hands of student in grades 5 and 6 while also upgrading devises that have become outdated.

Line 5: $205,000 – Phase 3 of Falling Branch Roof

Phases 1 of 2 of the Falling Branch roof were covered through the capital funds in the Schools operating budget. Phase 3 of the roof was not funded, but stills need to be replaced as a priority in the roofing and maintenance plan. If the Falling Branch annex project is approved, this project cost could be absorbed in to the expansion project and these funds will be shifted to other critical maintenance projects.

Line 6: $175,000 – Additional Buses and related equipment

On a 15 year replacement cycle, MCPS should be replacing buses at a rate of approximately 8 per year. This additional amount will allow for the purchase of 6 buses, 4 funded in the operating budget and 2 funded with carryover, in the current fiscal year. We are still behind on the bus replacement cycle, however, this year and last year we made huge strides towards the replacement cycle. The average life cycle of a bus is 12 years. We have some buses still in use that have reached the 15 year mark. The average miles a bus incurs per year is 11,050.

Line 7: $250,000 - Roofs and Maintenance Plan

This is the amount unfunded in the operating budget for the roof maintenance plan. The Board of Supervisors funded this plan in 2013, 2014; they did not fund it in 2015 or 2016.

Line 8: $150,000 – 21st Century Technology Allocation

Improvements in wireless and wired networks are needed to ensure optimal performance. These monies will also meet our matching requirement for e-rate funding.

Line 9: $25,000 – Security Grant Match

The security grant has a 25% local match, with a maximum grant award of $100,000. In the prior year, MCPS received the maximum grant amount of $100,000.

Line 10: $140,000 – Reserve Teacher Units

Reserve 2 teacher units at a cost of $70,000 each for growth in enrollment or other pressing staffing needs of the division.

Line 11: $60,000 – Electronic Signs

Electronic signs will be placed at EMES and EMHS with its placement closer to the well-traveled Route 460 to provide greater communication and advertisement regarding school activities to the Shawsville community.

Line 12: $8,000 – MAP, Student Growth Software

This would allow MCPS to pilot an assessment for student progress and growth as recommended in the gifted review using the Measure of Academic Progress (MAP) for 2nd grade.

Line 13: $25,000 – Replacement of Fleet Vehicles

Replacement of a maintenance fleet vehicle is necessary for the aging fleet. The current vehicles scheduled to be replaced is a 1997 utility van with 225,000 miles. The van is still being used, but is worn out and parts are very hard to find. It is not practical to invest lots of money into this vehicle, so before the engine fails, it needs to be replaced.

Line 14: $4,800 – Trailers (2)

Two trailers used on a daily basis are in need of replacement. The trailers are used for hauling mowers during the summer season and tractors all year long. Replacement cost of a trailer is $2,400 and two new ones are needed at a total cost of $4,800. There is not a replacement cycle for miscellaneous maintenance equipment, such as trailers or mowers.

Line 15: $37,260 – Department Technology Needs

Departmental needs include technology updates to our phone system, computers, and Chromebooks. The purchase of Safe Schools module is needed to automate required annual training. Several schools have requested additional exterior cameras.

Line 16: $134,452 – Capital Expenditures

These funds will allow for projects from the capital maintenance list to be completed.

Your ongoing support for quality education in Montgomery County is appreciated. Please contact me if you have any questions about the information I have provided.

Sincerely,

Dr. Mark Miear
Superintendent

Encl. Summary of Fiscal Year 2015-2016

Cc: Angela Hill, Director of Financial and Management Services

FINANCIAL SUMMARY
FISCAL YEAR 2015-16

	A	B	C	D	E	F
	REVENUE	2015-2016 ORIGINAL BUDGET	2015-2016 SUPPLEMENT	2015-2016 REVISED BUDGET	2015-2016 ACTUAL	2015-2016 ACTUAL VS REVISED BUDGET
1	SALES TAX	$ 10,677,154	$ -	$ 10,677,154	$ 10,697,212.62	$ 20,058.62
2	STATE REVENUE	40,303,465	100,000	40,403,465	40,885,414.38	481,949.38
3	FEDERAL REVENUE	4,176,750	44,000	4,220,750	5,126,575.97	905,825.97
4	LOCAL REVENUE	911,553	66,070	977,623	1,108,886.78	131,263.78
5	COUNTY GENERAL FUND	44,211,833	3,952,050	48,163,883	48,163,883.00	-
6	STATE RECORDATION TAX	225,000	-	225,000	292,444.56	67,444.56
8	TOTAL REVENUE	$ 100,505,755	$ 4,162,120	$ 104,667,875	$ 106,274,417.31	$ 1,606,542.31
9	EXPENDITURES:					
10	INSTRUCTION	$ 77,117,819	$ 977,395	$ 78,095,214	$ 77,133,263.75	$ 961,950.25
11	ADMIN, ATTEND & HEALTH	4,039,620	126,647	4,166,267	4,126,237.37	40,029.63
12	TRANSPORTATION	5,059,590	426,361	5,485,951	5,070,939.39	415,011.61
13	OPERATIONS & MAINTENANCE	13,977,949	2,223,057	16,201,006	15,108,089.73	1,092,916.27
14	NON-INSTRUCTION	310,777	-	310,777	308,662.55	2,114.45
15	DEBT SERVICE	-	408,660	408,660	408,660.00	-
16	TOTAL EXPENDITURES	$ 100,505,755	$ 4,162,120	$ 104,667,875	$ 102,155,852.79	$ 2,512,022.21
17	ENCUMBERED PURCHASE ORDERS					(2,133,141.03)
18	TOTAL EXPENDITURES NET ENCUMBERED PURCHASE ORDERS	$ 100,505,755	$ 4,162,120	$ 104,667,875	$ 102,155,852.79	$ 378,881.18
19	TOTAL REVENUE LESS EXPENDITURES	$ -	$ -	$ -	$ 4,118,564.52	$ 1,985,423.49
20	Balance as a Percentage of the Total Budget					1.90%
21	SCHOOL NUTRITION FUND					
22	REVENUE	$ 4,552,043	$ -	$ 4,552,043	$ 3,617,083.48	$ 934,959.52
23	EXPENDITURES	4,552,043	-	4,552,043	4,107,200.65	444,842.35
24	TOTAL REVENUE LESS EXPENDITURES	$ -	$ -	$ -	$ (490,117.17)	$ 490,117.17

	A	B
	CARRYOVER FUNDS FY 2015-16	
	USE OF PROJECTED CARRYOVER	
24	Medicaid Carryover	152,320
25	STEM Grant Received	3,000
26	PBIS Grant	15,591
27	Carryover balance	1,814,512
28	**TOTAL PROJECTED CARRYOVER**	**$ 1,985,423**
29	**SUPERINTENDENT'S RECOMMENDED USE FOR CARRYOVER BALANCE ***	
30	1:1 Initiative for Grades 5 - 12	$ 600,000
31	Phase 3 of Falling Branch Roof	205,000
32	Additional Buses (2) and related equipment	175,000
33	Roofs and Maintenance Plan	250,000
34	21st Century Technology Allocation	150,000
35	25% Match for Security Grant	25,000
36	2 Reserve Teacher Units	140,000
37	Electronic Signs (EMES & EMHS)	60,000
38	MAP, student growth software	8,000
39	Maintenance Utility Van	25,000
40	Trailers (2) for Tractors and Mowers	4,800
41	Phone system upgrade, computers, Chromebooks, safe schools module, exterior cameras	37,260
42	Capital Maintenance plan / projects	134,452
43	**TOTAL CARRYOVER BALANCE**	**$ 1,814,512**
	Balance as a Percentage of the Total Budget	**1.73%**

* **Note:** The above spending plan may need to be adjusted by **$408,339** based on the States revised budget projections, which will be released on or about August 26, 2016.