

Resolution No.: 19-1286
Introduced: May 26, 2022
Adopted: May 26, 2022

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: Approval of and Appropriation for the FY 2023 Operating Budget of the Montgomery County Public School System

Background

1. As required by the Education Article, Sections 5-101 and 5-102 of the Maryland Code, the Board of Education sent to the County Executive and the County Council the FY 2023 Operating Budget for the Montgomery County Public School (MCPS) system as shown below.
2. The Executive sent to the Council his recommendations regarding this budget on March 15, 2022.
3. As required by Section 304 of the County Charter, the Council held public hearings on the Operating Budget and the Executive's recommendations on April 19, 20, and 21, 2022.
4. The appropriation in this resolution is based on the following projected revenues for FY 2023:

State:	\$ 863,737,957
Federal:	\$ 88,667,963
Other:	\$ 11,291,137
Enterprise:	\$ 80,489,335
Special Revenue:	\$ 1,769,775
5. This appropriation requires a local contribution of \$1,839,071,460 to Montgomery County Public Schools.
6. Of the funds appropriated in this resolution, \$65,344,987 is appropriated to meet the State's FY 2023 requirement for the County to fund the shift of teacher pension costs from the State to the County. The State requires that this payment be included in the calculation of the Maintenance of Effort requirement, and that the Montgomery County Public Schools must reimburse the State for this amount of teacher pension costs.

7. This resolution re-appropriates the full amount of FY 2022 MCPS Current Fund balance or \$35,000,000 from the MCPS Current Fund balance, whichever amount is less.
8. The Superintendent submitted to the Council proposed changes by State category to meet the approved expenditure level as reflected in this appropriation.

Action

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

1. The Council approves the FY 2023 Operating Budget for the Montgomery County Public School system and appropriates the funds as shown below.

FY 2023 OPERATING BUDGET FOR MONTGOMERY COUNTY PUBLIC SCHOOLS

The Council approves and appropriates the following amounts:

I. Current Funds	BOE Request February 2021	Council (Reduction/ Addition)	Council Approved Budget
Category			
1 Administration	69,921,997	(340,809)	69,581,188
2 Mid-level Administration	170,062,441	(775,578)	169,286,863
3 Instructional Salaries	1,148,017,029	(3,887,509)	1,144,129,520
4 Textbooks and Instructional Supplies	48,214,956	(3,952,607)	44,262,349
5 Other Instructional Costs	27,785,628	(729,449)	27,056,179
6 Special Education	396,164,823	764,479	396,929,302
7 Student Personnel Services	21,356,604	(3,816,670)	17,539,934
8 Health Services	1,391,600	1,265,278	2,656,878
9 Student Transportation	129,847,974	924,307	130,772,281
10 Operation of Plant and Equipment	158,262,329	1,311,331	159,573,660
11 Maintenance of Plant	40,074,304	865,859	40,940,163
12 Fixed Charges	663,718,185	(29,660,353)	634,057,832
14 Community Services	1,069,434	(87,066)	982,368
Subtotal, including specific grants	2,875,887,304	(38,118,787)	2,837,768,517
Less Specific Grants	107,791,380	316,960	108,108,340
Subtotal, Spending Affordability	2,768,095,924	(38,435,747)	2,729,660,177
II. Enterprise Funds			
5 Instructional Television Fund	1,769,775	0	1,769,775
11 Food and Nutrition Services Fund	63,411,099	0	63,411,099
12 Real Estate Management Fund	4,957,216	0	4,957,216
13 Field Trip Fund	3,074,182	0	3,074,182
14 Entrepreneurial Fund	12,646,838	(3,600,000)	9,046,838
Subtotal, Enterprise Funds	85,859,110	(3,600,000)	82,259,110
TOTAL BUDGET for MCPS	2,961,746,414	(41,718,787)	2,920,027,627

2. This resolution appropriates \$10,031,204 for the account titled “Provision for Future Supported Projects”, which provides funds for specific programs designated in a grant, contribution, reimbursement, or other non-county funding source received in FY 2023. When MCPS receives funds for a program from one of these sources, MCPS may transfer funds from this appropriation to the program. The following conditions are established on the use of this transfer authority:
 - a) The program must not require any present or future County funds.
 - b) Subject to the balance in the account, any amount can be transferred in FY 2023 for any program which meets at least one of the following four conditions: (1) the amount is \$200,000 or less; (2) the program was funded in FY 2022; (3) the program was included in the FY 2023 budget; (4) the program was funded by the Council in a supplemental or special appropriation in FY 2023. Any program that does not meet one of these four conditions must be funded by a supplemental or special appropriation.
 - c) MCPS must notify the Executive and the Council within 30 days after each transfer.
3. Any appropriation authorized in this resolution for any expenditure funded by non-County funds is contingent on the receipt of the non-County funds.
4. This resolution re-appropriates or appropriates revenue received from non-County sources for programs funded in whole or in part from those non-County funds:
 - a) together with matching County funds, if any; and
 - b) to the extent that the program period approved by the non-County source encompasses more than one fiscal year, in order to complete the grant program under the terms of receipt of the non-County revenues.
5. This resolution re-appropriates the fund balance of the Warehouse account.
6. The Council continues the procedure for transfers adopted in Resolution 12-889. This procedure applies only to the non-County portion of grant programs, and therefore only applies to those grant programs for which MCPS keeps separate accounts for County and non-County funds.
 - a) The Council will not take action on these transfers, so the transfers will be automatically approved after 30 days, as provided by State law.
 - b) MCPS staff must report each transfer to the Executive and the Council within 30 days after the transfer.

7. The following provision applies when MCPS receives more non-County funds than were budgeted for a project that also receives some County funds:
 - a) Council approval is not required to substitute non-County funds for County funds. In this case, there is no change in the appropriation.
 - b) Council approval is required to increase the appropriation. The Council may decide to substitute non-County funds for the County funds instead of increasing the appropriation.
8. This resolution re-appropriates encumbered appropriations, permitting them to be spent in FY 2023. Unencumbered appropriations lapse at the end of FY 2022 except as re-appropriated elsewhere in this resolution.

This is a correct copy of Council action.



Judy Rupp
Clerk of the Council