

BOARD OF EDUCATION OF FREDERICK COUNTY

191 South East Street
Frederick, Maryland 21701

Brad W. Young
President

Telephone 301-696-6850
Fax 301-696-6950

February 16, 2018

The Honorable Jan Gardner
Frederick County Executive
12 East Church Street
Frederick, Maryland 21701

Dear County Executive Gardner:

The Board of Education (BOE) approved the FY2019 Frederick County Public Schools (FCPS) Operating Budget request on Wednesday, February 14, 2018. The budget totals \$606,079,100, including \$540,492,054 in the unrestricted portion and \$65,587,046 in the restricted portion. Projected revenues, including county funding at the Board requested level, are detailed in Attachment #1. Requested allocations are listed by state-mandated categories in Attachment #2. This request represents a 4.7 percent increase over the FY2018 operating budget and \$17,761,923 over Maintenance of Effort (MOE) funding. Attachment #3 is a detailed listing of changes to expenditures and includes new requests.

We deeply appreciate you and the County Council's approved funding for the past three years above MOE. This has enabled FCPS to begin to move forward with key priorities identified in the Board of Education's Strategic Plan, specifically the goal to hire, support, and retain staff who champion individual, professional, and student excellence. Therefore, this budget request includes the funding necessary to continue with year three of a four-year plan to create a new pay scale for teachers. This new scale addresses the need to offer competitive salaries with growth opportunities to ensure that the best and brightest teachers choose Frederick County. Your commitment and support of the transition to this pay scale is greatly appreciated, and we hope funding will allow us to stay the course on this transition plan.

There are other costs related to continuation of programs and services. For example, the budget includes \$4 million increase to offset increases to the employer portion of our health and dental premiums; charter school per pupil allocation; increase in workers compensation premiums; cost of epi pens; behavioral support staff and tuition reimbursement for staff members to name a few.

Also included are a list of new requests, these items are not part of the proposed budget and are listed should additional funding be available. These are things like additional textbook funding, a Learning Management System, contracted services in our maintenance department (several are needed to address aging infrastructure), and critical new support positions.

We recognize the challenges that you and the County Council face as you develop a budget to manage county resources responsibly. We also recognize your efforts to make smart, strategic investments in Frederick County. Our best investment is in our young people. Frederick County Public Schools is a leading driver of economic growth and vitality in our community; the success of our students and schools boosts our quality of life and our ability to attract businesses and homeowners to ensure our county's long-term competitiveness. Our countywide engagement confirms that the community shares this belief. Therefore, we ask that as you develop the county budget, you continue to prioritize education and support our request.

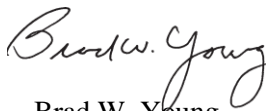
We Set the Standard for Public Education

Honorable Jan Gardner
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Understanding that we still face many unknown budget components, the BOE hopes to continue working with you and the County Council to consider options to support key education priorities in the months ahead. Some of the unknowns include final state funding decisions, any new unfunded mandates, and BOE negotiations with all three bargaining units for the upcoming school year, to name a few.

Frederick County is only as strong as the citizens we prepare and empower to excel. Please join us in working cooperatively to support a strong Frederick County.

Sincerely,



Brad W. Young
President



Theresa R. Alban, Ph.D.
Superintendent

Attachments (3)

cc: Board of Education Members
Frederick County Council Members
Leslie Pellegrino, Executive Director, FCPS Fiscal Services
Heather Clabaugh, Budget Officer, FCPS Fiscal Services
Raymond Barnes, Jr., Acting Chief Administrative Officer, Frederick County Government Maryland
Rick Harcum, Budget Director, Frederick County Government Maryland

FREDERICK COUNTY BOARD OF EDUCATION
OPERATING BUDGET - SOURCES OF FUNDS

DESCRIPTION	BOE ACTUAL FY 2017	BOE APPROVED FY 2018	BOE REQUESTED FY 2019
REVENUE FROM LOCAL SOURCES:			
Frederick County Unrestricted Appropriation	\$ 247,066,477	\$ 260,826,623	\$ 265,186,838
Frederick County Restricted Revenue:			
County Support for Pension Cost Sharing	\$ -	\$ -	\$ -
County Sale of Surplus Properties	-	-	-
County - In-kind - School Health Program	6,067,422	6,885,916	6,885,916
County - In-kind - Frederick Co. Devel. Cntr	2,389,908	2,522,154	2,522,154
County - In-kind - School Resource Officers	1,596,917	1,657,640	1,657,640
County - In-kind - Appraisals	1,100	3,000	3,000
County - In-kind - Internal Audit Services	67,410	123,395	123,395
County - In-kind - Crossing Guards	233,493	238,008	238,008
County - In-kind - OPEB Investment	10,000	-	-
Subtotal Frederick County Restricted **	\$ 10,366,250	\$ 11,430,113	\$ 11,430,113
TOTAL COUNTY FUNDS	\$ 257,432,727	\$ 272,256,736	\$ 276,616,951
REVENUE FROM STATE SOURCES:			
State Unrestricted Funds:			
State Share of Current Expenses	\$ 187,657,535	\$ 193,018,621	\$ 197,220,683
Geographic Cost of Education Index	6,583,696	6,729,963	6,909,909
Transportation	11,349,103	11,636,755	11,988,551
Transportation - Special Education	935,000	980,000	1,026,000
Handicapped Children	10,206,260	10,633,800	12,780,038
Non-Public Placement	4,641,952	4,315,161	4,315,161
Limited English Proficiency	7,276,013	8,418,970	9,914,361
Net Taxable Income	1,921,697	2,020,474	2,959,906
Out of County Living	1,703	15,000	15,000
Subtotal State Unrestricted Revenue	\$ 230,572,959	\$ 237,768,744	\$ 247,129,609
State Restricted Funds:			
Various State Restricted Grants	\$ 528,284	\$ 1,883,414	\$ 1,883,414
Special Education - Intergovernmental Transfer	1,540,000	1,390,000	1,390,000
State Retirement Contribution	33,138,541	\$31,344,000	\$30,547,000
Subtotal State Restricted Revenue **	\$ 35,206,825	\$ 34,617,414	\$ 33,820,414
TOTAL STATE FUNDS	\$ 265,779,784	\$ 272,386,158	\$ 280,950,023
REVENUE FROM FEDERAL SOURCES:			
Federal Unrestricted Funds	\$ 9,584	\$ 50,000	\$ 150,000
Various Federal Restricted Grants **	16,576,541	18,574,254	18,574,254
TOTAL FEDERAL FUNDS	\$ 16,586,125	\$ 18,624,254	\$ 18,724,254
REVENUE FROM OTHER SOURCES:			
Regular Day Tuition	\$ 65,766	\$ 65,000	\$ 65,000
Nonresident Pupils	22,589	90,000	90,000
Professional Development Fees	27,969	55,000	55,000
Summer Programs	65,557	50,000	50,000
Sports Fees	613,870	643,360	696,360
Net Gate Receipts	-	39,000	-
Earnings from Investments	122,276	50,000	50,000
Facility Rentals	742,272	500,000	583,500
Pool Rentals	72,230	90,000	90,000
Cell Tower Rentals	141,991	125,000	125,000
Energy Rebates	13,996	-	-
P-card Rebates	211,525	175,000	175,000
Community Services	353,931	400,000	400,000
Other Miscellaneous	644,460	146,000	96,000
Transfer from Self-Insurance Fund	-	637,875	-
Unanticipated Revenue	395,269	500,000	500,000
Subtotal Other Unrestricted Revenue	\$ 3,493,701	\$ 3,566,235	\$ 2,975,860
Restricted Projects - Other **	\$ 789,487	\$ 2,462,265	\$ 1,762,265
TOTAL OTHER REVENUE	\$ 4,283,188	\$ 6,028,500	\$ 4,738,125
USE OF FUND BALANCE:			
Audited Surplus Available	\$ 132,759	\$ 2,065,030	\$ 2,787,824
Estimated Charter School Use of Fund Balance	341,989	500,000	500,000
Estimated Unaudited Surplus Available	6,000,000	6,654,853	4,000,000
TOTAL USE OF FUND BALANCE	\$ 6,474,748	\$ 9,219,883	\$ 7,287,824
TOTAL UNRESTRICTED REVENUES	\$ 487,617,469	\$ 511,431,485	\$ 522,730,131
TOTAL RESTRICTED REVENUES **	\$ 62,939,103	\$ 67,084,046	\$ 65,587,046
TOTAL ALL SOURCES	\$ 550,556,572	\$ 578,515,531	\$ 588,317,177

FREDERICK COUNTY BOARD OF EDUCATION

FY 2019 OPERATING BUDGET REQUEST

APPROPRIATIONS	UNRESTRICTED OPERATING BUDGET	RESTRICTED OPERATING BUDGET	TOTAL OPERATING BUDGET
01 Administration	\$ 10,474,362	\$ 820,948	\$ 11,295,310
02 Mid-Level Management	35,671,971	409,825	36,081,796
03 Instructional Salaries	216,122,429	5,401,482	221,523,911
04 Instructional Supplies	9,704,553	1,346,550	11,051,103
05 Instruction - Other	1,846,906	847,300	2,694,206
06 Special Education	53,746,825	10,432,635	64,179,460
07 Pupil Personnel	3,182,654	416,011	3,598,665
08 Health Services	514,472	6,935,916	7,450,388
09 Transportation	22,365,433	579,599	22,945,032
10 Operations	36,930,060	1,783,381	38,713,441
11 Maintenance	12,734,211	45,993	12,780,204
12 Fixed Charges	134,335,573	35,921,447	170,257,020
13 Food Service	35,000	60,000	95,000
14 Community Service	587,446	535,784	1,123,230
15 Capital Outlay	2,240,159	50,175	2,290,334
Total Appropriations	<u>\$540,492,054</u>	<u>\$65,587,046</u>	<u>\$606,079,100</u>

FREDERICK COUNTY BOARD OF EDUCATION
FY19 Summary of Working Budget Adjustments
BOARD REQUESTED BUDGET

				FY 2019 Board Requested Budget
	Description	One-time/ Recurring	FTE Positions	
1	FY 2018 Operating Budget Expenditures			\$ 578,515,531
2	Expenditures			
3	Reversals & Adjustments			
4	PeopleSoft Financial Upgrade	One-time		\$ (1,300,000)
5	Reversal of One-Time Costs Associated with new FY2018 positions	One-time		\$ (279,300)
6	Decentralization of English Learner, Phase I	One-time		\$ (52,841)
7	Subtotal Reversals & Adjustments			\$ (1,632,141)
8	Enrollment			
9	Enrollment Growth Projection			
10	Enrollment Growth (Elementary Teachers)	Recurring	2.00	\$ 127,644
11	Enrollment Growth (Middle Teachers)	Recurring	32.20	\$ 2,055,068
12	Enrollment Growth (High Teachers)	Recurring	13.30	\$ 848,833
13	Enrollment Growth (School Administration & Support)	Recurring	15.80	\$ 873,443
14	Enrollment Growth (Special Education Teachers)	Recurring	24.00	\$ 1,531,728
15	Enrollment Growth (Special Education - Pre-Kindergarten)	Recurring	3.50	\$ 151,340
16	Enrollment Growth (Special Education - Learning for Life)	Recurring	6.00	\$ 267,672
17	Enrollment Growth (English Learner Program)	Recurring	5.00	\$ 319,110
18	Enrollment Growth (School-Based Foundation)	Recurring		\$ 111,085
19	Transportation Manager - Special Needs	Recurring	1.00	\$ 105,000
20	New Buses - Special Needs	One-Time		\$ 210,000
21	Custodial Staff Increase	Recurring	5.00	\$ 223,705
22	New Custodial Staff - Butterfly Ridge Elementary	Recurring	5.50	\$ 247,935
23	Charter School Allocation - Increase in Enrollment	Recurring		\$ 219,671
24	Subtotal Enrollment		113.30	\$ 7,292,234
25	Continuation of Programs & Services, including Mandated Items			
26	Salary Savings	Recurring		\$ (5,000,000)
27	State "On-Behalf" Teacher Pension Payments	Recurring		\$ (797,000)
28	Local Teacher Pension Contribution	Recurring		\$ (141,772)
29	Health & Dental Insurance (Subject to Negotiations) - Assumes 5% increase	Recurring		\$ 3,623,864
30	General Fund Transfer to OPEB	Recurring		\$ 1,000,000
31	Health & Dental Insurance (New Retirees)	Recurring		\$ 617,250
32	Curriculum Resources (Textbooks)	Recurring		\$ 500,000
33	Tuition Reimbursement	Recurring		\$ 469,382
34	Charter School Adjustment to Per Pupil Allocation	Recurring		\$ 400,000
35	Workers Compensation Insurance	Recurring		\$ 259,674
36	LYNX Program - Replace One-Time Restricted Revenue	Recurring		\$ -
37	Butterfly Ridge ES - New School Materials of Instruction Allocation	One-time		\$ 250,000
38	Transitioning Non-Benefitted Employees to Benefitted	Recurring	20.00	\$ 209,919
39	Maintenance & Operations - Contracted Services & Supplies	Recurring		\$ 200,000
40	Leave Buy-Back	Recurring		\$ 200,000
41	Behavior Support Staff	Recurring	2.00	\$ 200,000

			FY 2019
			Board Requested
	Description	One-time/ Recurring FTE Positions	Budget
42	Teacher Apprenticeship Program	Recurring 3.00	\$ 150,000
43	Epi-pen Current Stock Which Was Previously Provided at No Cost	Recurring	\$ 116,381
44	Ombudsman	Recurring 1.00	\$ 115,000
45	Cyber Security Analyst	Recurring 1.00	\$ 121,397
46	Property & Liability Insurance	Recurring	\$ 100,000
47	Training & Materials for Dyslexia/Dysgraphia (Two Specialist & Dyscalculia)	One-Time/ Recurring 2.00	\$ 500,000
48	Construction Management & Planning - Contracted Services	Recurring	\$ 100,000
49	Security Equipment, Supplies & Contracted Services	Recurring	\$ 87,000
50	Use of Facilities Position (Offset by Misc. Revenue)	Recurring 1.00	\$ 83,500
51	Decentralization of English Learner, Phase II	One-Time	\$ 78,223
52	Intervention Specialist for Dyslexia	Recurring 1.00	\$ 70,211
53	School Bus Price Inflationary Increase	Recurring	\$ 70,000
54	Reallocation of Project Manager Position	Recurring 1.00	\$ 53,887
55	Lead Testing of Water Fixtures	Recurring	\$ 50,000
56	Certificated & Support Staff Recruiting Costs	Recurring	\$ 50,000
57	Learning for Life Program & Pre-Kindergarten Start-Up Costs (3 Schools)	One-time	\$ 45,000
58	International Baccalaureate - New Program Start-Up	Recurring	\$ 40,000
59	MMFA (Breakfast in the Classroom) at Butterfly Ridge ES	One-time	\$ 35,000
60	Epi-pen Inflationary Price Increase	Recurring	\$ 32,856
61	Transportation - Contracted Services	Recurring	\$ 28,500
62	Legal Fees	Recurring	\$ 18,000
63	Fiscal Services - Contracted Services	Recurring	\$ 15,000
64	Athletic Costs - Trainer Fees and Officials (Offset by Misc. Revenue)	Recurring	\$ 14,000
65	Communications - Contracted Services & Supplies	Recurring	\$ 11,000
66	Human Resources - Contracted Services	Recurring	\$ 10,559
67	Human Resources - National Board Certification Program	Recurring	\$ 8,145
68	COO and Construction - Mileage & Subscriptions	Recurring	\$ 5,500
69	Printing Costs for Impact Aid Forms	Recurring	\$ 2,000
70	FASSE Staff Development	Recurring	\$ 1,000
71	Subtotal Continuation of Programs & Services	32.00	\$ 4,003,476
72	Salary Resource Pool (subject to negotiation)		
73	Salary/Staffing Resource Pool (subject to negotiation)	Recurring	\$ 17,900,000
74	Transitioning & Restructuring of Pay Scales	0.00	\$ 17,900,000
75	TOTAL OPERATING EXPENDITURE INCREASE/(DECREASE)	145.30	\$ 27,563,569
76	Revenues		
77	State Revenue - Estimated Increase in State Aid	Recurring	\$ 9,360,865
78	State Revenue - Estimated Decrease in On-Behalf Teacher Pension	Recurring	\$ (797,000)
79	County Revenue - Required Increase in Maintenance of Effort	Recurring	\$ 4,960,215
80	County Revenue - Reversal of FY2018 Non-Recurring Revenue	One-time	\$ (600,000)
81	Impact Aid	Recurring	\$ 100,000
82	Increase in Use of Facilities Revenues	Recurring	\$ 83,500
83	Increase in Gate Receipt Revenues	Recurring	\$ 14,000
84	Miscellaneous Revenue Adjustment	One-time	\$ (50,000)
85	Reversal of Erate Reimbursement (WAN project)	One-time	\$ (700,000)
86	Reversal of Transfer from Self-Insurance Fund	One-time	\$ (637,875)

				FY 2019 Board Requested Budget
	Description	One-time/ Recurring	FTE Positions	
87	Reversal of Estimated Surplus (Used in FY 2018)	One-time		\$ (8,719,883)
88	Audited FY 2017 Additional Surplus/(Deficit)	One-time		\$ 2,787,824
89	Estimated Surplus from FY18 (to be used in FY 2019)	One-time		\$ 4,000,000
90	TOTAL ESTIMATED REVENUE INCREASE/(DECREASE)			\$ 9,801,646
91	Budget Variance			\$ 17,761,923
92	FY2019 Totals			\$ 606,079,100
93	New Requests			
94	Contracted Services & Maintenance Repair Supplies	Recurring		380,000
95	Staffing - Recover Contingency Positions	Recurring	5.00	\$ 331,590
96	Learning Management System (LMS)	Recurring		300,000
97	Textbooks	Recurring		280,000
98	Staffing Shortage Remedy - HVAC Academy	Recurring	3.00	254,970
99	Speech & Language Pathologists	Recurring	3.00	198,954
100	Vehicle Mechanics	Recurring	3.00	193,593
101	Custodial Supplies	Recurring		163,000
102	Stormwater Regulatory Compliance - Phase 1	Recurring	1.00	154,239
103	System Support Specialist	Recurring	2.00	148,478
104	Pupil Personnel Worker	Recurring	1.00	100,072
105	SharePoint/Web Administrator	Recurring	1.00	88,482
106	Fire Alarm Technician	Recurring	1.00	88,239
107	Building Automation Technician	Recurring	1.00	88,239
108	Maintenance & Operations Contract Manager	Recurring	1.00	84,863
109	Additional Teachers Needed for Athletic Director to Coordinator Pilot	Recurring	1.00	77,473
110	Young Scholars Program	Recurring		69,231
111	School Cash Online Software	Recurring		60,000
112	Security Technician, Video Surveillance	Recurring	1.00	59,750
113	Kindergarten Readiness Assessment Replacement I-Pads	Recurring		47,533
114	Increase Substitute Teacher Rate	Recurring		40,000
115	Microsoft EEA & Software Assurance Renewal	Recurring		35,630
116	Contracted Service - PeopleSoft Renewal	Recurring		32,974
117	HVAC Scheduling Automation, Use of Facilities	Recurring		30,889
118	Workshop Pay, Health & PE Teachers (CPR Certification)	Recurring		28,000
119	PeopleSoft Enterprise Help Desk	Recurring		27,801
120	JAMF License (Apple Products)	Recurring		21,000
121	Expand Pilot - Transition Two Additional Athletic Directors to Coordinators	Recurring		15,400
122	Homeless Coordinator, Change in Work Schedule	Recurring	0.20	14,927
123	Resource Recovery Act - Hazardous Waste Disposal	Recurring		12,000
124	Summer Hours for English Learner Counselors at FHS and GTJHS	Recurring		11,237
125	Subtotal New Requests		24.20	\$ 3,438,564