

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 15, 2019

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 FY2020 Frederick County Public Schools (FCPS) Operating Budget request on Wednesday, February 13, 2019. The budget totals \$629,671,246, including \$561,279,854 in the unrestricted portion and \$68,391,392 in the restricted portion. Projected revenues are detailed in Attachment #1. Requested allocations are listed by state-mandated categories in Attachment #2. This request represents a 4.5% increase over the FY2019 operating budget, and \$19,796,176 over Maintenance of Effort (MOE) funding. Attachment #3 is a detailed listing of changes to expenditures.

We deeply appreciate the funding that you and the County Council have provided above MOE over the past four years. 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. The FY2020 budget request includes the funding necessary to complete the 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 shift to this pay scale is greatly appreciated, and we hope funding will allow us to complete this substantial objective.

In addition to the transition to the new salary scale, the operating budget includes items due to enrollment growth and the continuation of services. In FY2020, FCPS projects an addition of 609 students from the FY2019 projection. This enrollment increase necessitates an addition of \$5.1 million including 77.9 full-time equivalent positions. Our costs for the continuation of programs and services total \$5.2 million, and include increases to the employer portion of our health, dental and life insurance premiums, increases in contracted services throughout the system, increases in the technology and textbook replacement cycles, and mental health professional positions to name a few.

Should one-time funding be available, the Board respectfully requests \$2.1 million to assist FCPS with the replacement of the wireless access points required to provide wireless access to students and staff. This request is not included in the operating budget, and should be considered as part of the Capital Improvement Program.

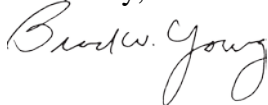
Honorable Jan Gardner
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We recognize the challenges that you and the County Council face as you develop a budget to manage county resources responsibly. We also recognize your efforts to make smart, strategic investments in Frederick County. Our best 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.

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, but are not limited to, final state funding decisions including potential bridge funding related to the Kirwan Commission recommendations, any new unfunded mandates, and BOE negotiations with all three bargaining units for the upcoming school year.

Frederick County is only as strong as the citizens we prepare and empower to excel. We look forward to continuing to work cooperatively with you 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, Chief Financial Officer, FCPS
Heather Clabaugh, Budget Officer, FCPS
Rick Harcum, Acting Chief Administrative Officer, Frederick County Gov't
Kelly Weaver, Acting Budget Director, Frederick County Gov't

FREDERICK COUNTY BOARD OF EDUCATION
OPERATING BUDGET - SOURCES OF FUNDS

DESCRIPTION	BOE ACTUAL FY 2018	BOE APPROVED FY 2019	BOE REQUESTED FY 2020
REVENUE FROM LOCAL SOURCES:			
Frederick County Unrestricted Appropriation	\$ 260,826,623	\$ 272,386,838	\$ 275,865,005
Frederick County Restricted Revenue:			
County - In-kind - School Health Program	\$ 5,982,493	\$ 7,182,610	\$ 7,182,610
County - In-kind - Frederick Co. Devel. Cntr	2,355,955	2,454,024	2,454,024
County - In-kind - School Resource Officers	1,503,900	1,773,381	1,773,381
County - In-kind - Appraisals	-	3,000	3,000
County - In-kind - Internal Audit Services	86,087	100,525	100,525
County - In-kind - Crossing Guards	235,229	234,171	234,171
County - In-kind - OPEB Investment	10,000	11,000	11,000
Subtotal Frederick County Restricted **	\$ 10,173,664	\$ 11,758,711	\$ 11,758,711
TOTAL COUNTY FUNDS	\$ 271,000,287	\$ 284,145,549	\$ 287,623,716
REVENUE FROM STATE SOURCES:			
State Unrestricted Funds:			
State Share of Current Expenses	\$ 193,018,621	\$ 197,207,861	\$ 203,398,458
Geographic Cost of Education Index	6,729,963	6,909,909	7,185,295
Transportation	11,636,755	11,988,551	13,003,246
Transportation - Special Education	980,000	1,026,000	1,073,000
Handicapped Children	10,884,789	11,080,038	11,918,333
Non-Public Placement	4,662,239	4,515,161	4,765,161
Limited English Proficiency	8,418,970	9,914,361	10,695,312
Net Taxable Income	2,020,474	2,957,873	3,441,986
Out of County Living	4,560	15,000	15,000
Subtotal State Unrestricted Revenue	\$ 238,356,371	\$ 245,614,754	\$ 255,495,791
State Restricted Funds:			
Various State Restricted Grants	\$ 783,336	\$ 990,414	\$ 990,414
Special Education - Intergovernmental Transfer	1,289,011	1,700,000	1,700,000
State Retirement Contribution	31,248,348	\$30,547,000	\$30,547,000
Subtotal State Restricted Revenue **	\$ 33,320,695	\$ 33,237,414	\$ 33,237,414
TOTAL STATE FUNDS	\$ 271,677,066	\$ 278,852,168	\$ 288,733,205
REVENUE FROM FEDERAL SOURCES:			
Federal Unrestricted Funds	\$ 40,582	\$ 150,000	\$ 150,000
Various Federal Restricted Grants **	16,454,302	21,633,002	21,633,002
TOTAL FEDERAL FUNDS	\$ 16,494,884	\$ 21,783,002	\$ 21,783,002
REVENUE FROM OTHER SOURCES:			
Regular Day Tuition	\$ 51,264	\$ 65,000	\$ 65,000
Nonresident Pupils	32,508	20,000	20,000
Professional Development Fees	47,504	90,000	90,000
Summer Programs	64,201	50,000	50,000
Sports Fees	647,260	626,360	661,360
Earnings from Investments	346,527	350,000	350,000
Facility Rentals	1,020,453	823,500	823,500
Pool Rentals	69,465	50,000	50,000
Cell Tower Rentals	154,311	150,000	150,000
Energy Rebates	55,781	-	-
P-card Rebates	219,242	200,000	200,000
Other Miscellaneous	238,533	86,000	86,000
Transfer from Self-Insurance Fund	-	617,250	-
Unanticipated Revenue	-	500,000	500,000
Subtotal Other Unrestricted Revenue	\$ 2,947,049	\$ 3,628,110	\$ 3,045,860
Restricted Projects - Other **	\$ 813,983	\$ 1,762,265	\$ 1,762,265
TOTAL OTHER REVENUE	\$ 3,761,032	\$ 5,390,375	\$ 4,808,125
USE OF FUND BALANCE:			
Audited Surplus Available	\$ 2,065,030	\$ 2,787,824	\$ 1,177,022
Estimated Charter School Use of Fund Balance	513,078	750,000	750,000
Estimated Unaudited Surplus Available	6,654,853	8,588,535	5,000,000
TOTAL USE OF FUND BALANCE	\$ 9,232,961	\$ 12,126,359	\$ 6,927,022
TOTAL UNRESTRICTED REVENUES	\$ 511,403,586	\$ 533,906,061	\$ 541,483,678
TOTAL RESTRICTED REVENUES **	\$ 60,762,644	\$ 68,391,392	\$ 68,391,392
TOTAL ALL SOURCES	\$ 572,166,230	\$ 602,297,453	\$ 609,875,070

FREDERICK COUNTY BOARD OF EDUCATION FY 2020 OPERATING BUDGET REQUEST

APPROPRIATIONS	UNRESTRICTED OPERATING BUDGET	RESTRICTED OPERATING BUDGET	TOTAL OPERATING BUDGET
01 Administration	\$ 11,185,124	\$ 1,089,211	\$ 12,274,335
02 Mid-Level Management	36,218,194	1,254,177	37,472,371
03 Instructional Salaries	223,786,854	5,063,475	228,850,329
04 Instructional Supplies	10,401,967	2,246,077	12,648,044
05 Instruction - Other	2,234,059	676,701	2,910,760
06 Special Education	60,687,699	11,097,548	71,785,247
07 Pupil Personnel	1,841,891	82,342	1,924,233
08 Health Services	370,354	7,182,910	7,553,264
09 Transportation	24,216,355	614,810	24,831,165
10 Operations	38,895,806	1,796,112	40,691,918
11 Maintenance	13,215,719	27,143	13,242,862
12 Fixed Charges	135,786,440	36,475,652	172,262,092
13 Food Service	0	55,515	55,515
14 Community Service	520,405	379,719	900,124
15 Capital Outlay	1,918,987	350,000	2,268,987
Total Appropriations	<u>\$561,279,854</u>	<u>\$68,391,392</u>	<u>\$629,671,246</u>

**FREDERICK COUNTY BOARD OF EDUCATION
 FY2020 Summary of Working Budget Adjustments
 BOARD REQUESTED BUDGET**

Description	One-time/ Recurring	FTE Positions	BOE Requested Budget
1 FY 2019 Operating Budget Expenditures			\$ 602,297,453
2 Expenditures			
3 Reversals & Adjustments			
4 Butterfly Ridge ES - New School Materials of Instruction Allocation	One-time		\$ (250,000)
5 Reversal of One-Time Costs Associated with New FY2019 Positions	One-time		(152,700)
6 Decentralization of English Learner, Phase II	One-time		(78,223)
7 Learning for Life & Pre-Kindergarten Start-Up Costs (3 Schools)	One-time		(45,000)
8 MMFA (Breakfast in the Classroom) at Butterfly Ridge ES	One-time		(35,000)
9 Subtotal Reversals & Adjustments			<u>\$ (560,923)</u>
10 Enrollment/Growth			
11 Enrollment Growth Projection			
12 Enrollment Growth (Elementary Teachers)	Recurring	18.50	\$ 1,125,207
13 Enrollment Growth (Middle Teachers)	Recurring	3.80	231,124
14 Enrollment Growth (High Teachers)	Recurring	15.10	918,412
15 Enrollment Growth (School Administration & Support)	Recurring	13.00	836,631
16 Enrollment Growth (Special Education Teachers)	Recurring	5.50	334,521
17 Enrollment Growth (English Learner Teachers)	Recurring	3.00	182,466
18 Enrollment Growth (School-Based Foundation)	Recurring		59,996
19 Contingency Positions - Assistant Principal	Recurring	2.00	212,290
20 Sign Language Interpreters	Recurring	9.00	443,439
21 System Support Specialists	Recurring	3.00	204,714
22 Speech Language Pathologists	Recurring	3.00	189,954
23 Vehicle Mechanic	Recurring	1.00	63,071
24 Grounds Crew Technician	Recurring	1.00	47,248
25 Start-up Costs for New Positions	One-Time		116,850
26 Bus Replacement Cycle	Recurring		94,000
27 Subtotal Enrollment/Growth		<u>77.90</u>	<u>\$ 5,059,923</u>
28 Continuation of Programs & Services, including Mandated Items			
29 Salary Savings	Recurring		\$ (3,300,000)
30 Health & Dental Insurance - 4% Increase (Subject to Negotiation)	Recurring		2,858,361
31 Life Insurance Premiums	Recurring		872,000
32 Technology Replacement Cycle (Teacher Laptops, Chromebooks, Infrastructure)	Recurring		750,000
33 Health & Dental Insurance (New Retirees)	Recurring		617,250
34 Non-Public Placement	Recurring		500,000
35 Transportation - Repair of Buses, Diesel Exhaust Fluid & Diagnostic Software	Recurring		285,000

	Description	One-time/ Recurring	FTE Positions	BOE Requested Budget
36	Contracted Services & Supplies (Storm Water Mgmt., Custodial & Environmental)	Recurring		210,000
37	Textbook Replacement Cycle	Recurring		205,000
38	Mental Health Professionals	Recurring	2.00	199,490
39	Materials of Instruction - Urbana ES Replacement	One-Time		200,000
40	Computer Replacement (Visual Performing Arts)	One-Time		169,746
41	Contracted Services - Technology Services	Recurring		161,894
42	Administrative Cost Recovery - Student Activity Fund Account Software	Recurring		146,000
43	Reclassification Pool	Recurring		132,448
44	Data Privacy Officer	Recurring	1.00	119,906
45	Web Developer	Recurring	1.00	97,251
46	Contracted Services - Human Resources	Recurring		14,592
47	Property & Liability Insurance	Recurring		88,874
48	Bus Inflationary Costs	Recurring		87,000
49	Contracted Services - Athletic Trainers	Recurring		76,569
50	Contracted Services - Business Services Group Technology	Recurring		70,874
51	Indirect Cost Recovery	Recurring		75,000
52	Special Education Intervention Specialist (Dyslexia, Dysgraphia & Dyscalculia)	Recurring	1.00	67,211
53	Transition Specialist	Recurring	1.00	60,822
54	Contracted Services - Bus Operator Athletic Trips	Recurring		60,000
55	Spanish Transcriber	Recurring	1.00	49,271
56	Cyber Security Engineer - Funded for Portion of FY19	Recurring		49,662
57	Ombudsman Salary - Funded for Half of FY19	Recurring		43,950
58	Itinerant Teacher (Incarcerated Youth & Home Hospital)	Recurring	0.50	35,736
59	Contracted Services - Security	Recurring		37,800
60	Contracted Services for Interpreter Services	Recurring		35,000
61	Extend Work Calendar - Child Find Teachers	Recurring		33,657
62	CPR/First Aid Training	Recurring		27,000
63	OPEB Fund Transfer for Administrative Costs	Recurring		20,000
64	National Board Certification Program	Recurring		9,159
65	Reduction in Warehouse Recovery	Recurring		16,270
66	Start-up Costs for New Positions	One-Time		12,000
67	Facilities Rent	Recurring		10,000
68	Composting Initiative	Recurring		10,000
69	Subtotal Continuation of Programs & Services		7.50	\$ 5,214,793
70	Salary Resource Pool (subject to negotiation)			
71	Salary/Staffing Resource Pool (subject to negotiation)	Recurring		\$ 17,660,000
72	Transitioning & Restructuring of Pay Scales		0.00	\$ 17,660,000
73	TOTAL OPERATING EXPENDITURE INCREASE/(DECREASE)		85.40	\$ 27,373,793

	Description	One-time/ Recurring	FTE Positions	BOE Requested Budget
74	Revenues			
75	State Revenue - Estimated Increase in State Aid	Recurring		\$ 9,631,037
76	County Revenue - Required Increase in Maintenance of Effort	Recurring		3,851,390
77	County Revenue - Reversal of FY2019 Non-Recurring Revenue	One-time		(373,223)
78	Increase in Athletic Fee	Recurring		35,000
79	Increase in State Reimbursement for Non-Publics	Recurring		250,000
80	Reversal of Transfer from Self-Insurance Fund	One-time		(617,250)
81	Reversal of Estimated Surplus (Used in FY2019)	One-time		(11,376,359)
82	Audited FY2018 Additional Surplus/(Deficit)	One-time		1,177,022
83	Estimated Surplus from FY2019 (to be used in FY2020)	One-time		5,000,000
82	TOTAL ESTIMATED REVENUE INCREASE/(DECREASE)			<u>\$ 7,577,617</u>
83	Budget Variance			\$ 19,796,176
84	FY2020 Totals			<u>\$ 629,671,246</u>