

BOARD OF EDUCATION OF FREDERICK COUNTY

191 South East Street
Frederick, Maryland 21701

Brad W. Young
President

Telephone 301-696-6850
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June 5, 2019

The Honorable Jan H. Gardner, County Executive
The Honorable M.C. Keegan-Ayer, Council President
Frederick County Government
12 East Church Street
Frederick, MD 21701

Dear Ms. Gardner and Ms. Keegan-Ayer:

On Wednesday, June 5, 2019, the Board of Education (BOE) approved the Fiscal Year 2020 Operating Budget for Frederick County Public Schools (FCPS), as well as the Capital, Self-Insurance, and Food and Nutrition Services Budgets.

Operating Budget revenues total \$637,141,096. The county appropriation totals \$295,576,318 (includes in-kind funds totaling \$12,111,313). State funds total \$302,334,408, federal funds are \$21,796,053, and other sources comprise the remaining \$17,434,317.

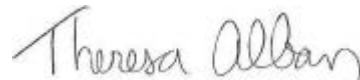
Attachment 1 details the revenues. Attachment 2 lists the allocations by the state-mandated categories. Attachment 3 provides the itemized budget adjustments. Attachments 4, 5 and 6 are the budgets for Capital, Self-Insurance, and Food and Nutrition Services, respectively.

We respectfully submit these BOE approved budgets and look forward to our continuing cooperation.

Sincerely,



Brad W. Young
President



Theresa R. Alban, Ph.D.
Superintendent

Attachments (6)

- c: Board of Education Members
- Frederick County Council Members
- Leslie Pellegrino, FCPS Chief Financial Officer
- Heather Jo Clabaugh, FCPS Budget Officer
- Rick Harcum, Frederick County Chief Administrative Officer
- Kelly Weaver, Frederick County Government Acting Budget Director

FREDERICK COUNTY BOARD OF EDUCATION
OPERATING BUDGET - SOURCES OF FUNDS

DESCRIPTION	BOE ACTUAL FY2018	BOE APPROVED FY2019	BOE APPROVED FY2020
REVENUE FROM LOCAL SOURCES:			
Frederick County Unrestricted Appropriation	\$ 260,826,623	\$ 272,386,838	\$ 283,465,005
Frederick County Restricted Revenue:			
County - In-kind - School Health Program	\$ 5,982,493	\$ 7,182,610	\$ 7,228,605
County - In-kind - Frederick Co. Devel. Cntr	2,355,955	2,454,024	2,795,146
County - In-kind - School Resource Officers	1,503,900	1,773,381	1,768,262
County - In-kind - Appraisals	-	3,000	-
County - In-kind - Internal Audit Services	86,087	100,525	62,827
County - In-kind - Crossing Guards	235,229	234,171	256,473
County - In-kind - OPEB Investment	10,000	11,000	-
Subtotal Frederick County Restricted **	\$ 10,173,664	\$ 11,758,711	\$ 12,111,313
TOTAL COUNTY FUNDS	\$ 271,000,287	\$ 284,145,549	\$ 295,576,318
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	11,918,413
Non-Public Placement	4,662,239	4,515,161	5,320,161
Limited English Proficiency	8,418,970	9,914,361	10,695,312
Net Taxable Income	2,020,474	2,957,873	3,441,992
Out of County Living	4,560	15,000	15,000
Blueprint for Maryland's Future	-	-	4,317,265
Subtotal State Unrestricted Revenue	\$ 238,356,371	\$ 245,614,754	\$ 260,368,142
State Restricted Funds:			
Various State Restricted Grants	\$ 783,336	\$ 990,414	\$ 2,583,647
Blueprint for Maryland's Future	-	-	4,402,431
Special Education - Intergovernmental Transfer	1,289,011	1,700,000	1,900,000
State Retirement Contribution	31,248,348	\$30,547,000	\$33,080,188
Subtotal State Restricted Revenue **	\$ 33,320,695	\$ 33,237,414	\$ 41,966,266
TOTAL STATE FUNDS	\$ 271,677,066	\$ 278,852,168	\$ 302,334,408
REVENUE FROM FEDERAL SOURCES:			
Federal Unrestricted Funds	\$ 40,582	\$ 150,000	\$ 150,000
Various Federal Restricted Grants **	16,454,302	21,633,002	21,646,053
TOTAL FEDERAL FUNDS	\$ 16,494,884	\$ 21,783,002	\$ 21,796,053
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	650,000
Facility Rentals	1,020,453	823,500	908,500
Pool Rentals	69,465	50,000	50,000
Cell Tower Rentals	154,311	150,000	150,000
Energy Rebates	55,781	-	1,780,968
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	\$ 5,211,828
Restricted Projects - Other **	\$ 813,983	\$ 1,762,265	\$ 2,795,467
TOTAL OTHER REVENUE	\$ 3,761,032	\$ 5,390,375	\$ 8,007,295
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	7,500,000
TOTAL USE OF FUND BALANCE	\$ 9,232,961	\$ 12,126,359	\$ 9,427,022
TOTAL UNRESTRICTED REVENUES	\$ 511,403,586	\$ 533,906,061	\$ 558,621,997
TOTAL RESTRICTED REVENUES **	\$ 60,762,644	\$ 68,391,392	\$ 78,519,099
TOTAL ALL SOURCES	\$ 572,166,230	\$ 602,297,453	\$ 637,141,096

**FREDERICK COUNTY BOARD OF EDUCATION
FY2020 APPROVED OPERATING BUDGET**

APPROPRIATIONS	UNRESTRICTED OPERATING BUDGET	RESTRICTED OPERATING BUDGET	TOTAL OPERATING BUDGET
01 Administration	\$ 11,298,066	\$ 602,366	\$ 11,900,432
02 Mid-Level Management	36,833,141	1,202,590	38,035,731
03 Instructional Salaries	223,697,012	6,382,900	230,079,912
04 Instructional Supplies	9,884,393	3,685,349	13,569,742
05 Instruction - Other	2,327,131	1,074,967	3,402,098
06 Special Education	59,100,995	14,158,312	73,259,307
07 Pupil Personnel	2,103,817	173,534	2,277,351
08 Health Services	395,338	7,614,875	8,010,213
09 Transportation	23,221,023	536,245	23,757,268
10 Operations	40,098,379	1,987,719	42,086,098
11 Maintenance	13,380,196	85,413	13,465,609
12 Fixed Charges	133,577,929	40,096,366	173,674,295
13 Food Service	-	80,820	80,820
14 Community Service	693,890	337,642	1,031,532
15 Capital Outlay	2,010,688	500,000	2,510,688
Total Appropriations	<u>\$558,621,998</u>	<u>\$78,519,098</u>	<u>\$637,141,096</u>

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

Description	One-time/ Recurring	FTE Positions	
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 Reversal of Charter School Transportation Settlement Expenditure	One-time		(588,000)
10 Subtotal Reversals & Adjustments			<u>\$ (1,148,923)</u>
11 Enrollment/Growth			
12 Enrollment Growth Projection			
13 Enrollment Growth (Elementary Teachers)	Recurring	18.50	\$ 1,125,207
14 Enrollment Growth (Middle Teachers)	Recurring	3.80	231,124
15 Enrollment Growth (High Teachers)	Recurring	15.10	918,412
16 Enrollment Growth (School Administration & Support)	Recurring	13.00	836,631
17 Enrollment Growth (Special Education Teachers)	Recurring	5.50	334,521
18 Enrollment Growth (English Learner Teachers)	Recurring	3.00	182,466
19 Enrollment Growth (School-Based Foundation)	Recurring		59,996
20 Contingency Positions - Assistant Principal	Recurring	2.00	212,290
21 Sign Language Interpreters	Recurring	9.00	443,439
22 System Support Specialists	Recurring	3.00	204,714
23 Speech Language Pathologists	Recurring	3.00	189,954
24 Vehicle Mechanic	Recurring	1.00	63,071
25 Grounds Crew Technician	Recurring	1.00	47,248
26 Start-up Costs for New Positions	One-Time		116,850
27 Bus Replacement Cycle	Recurring		94,000
28 Subtotal Enrollment/Growth		<u>77.90</u>	<u>\$ 5,059,923</u>
29 Continuation of Programs & Services, including Mandated Items			
30 Salary Savings	Recurring		\$ (4,300,000)
31 Health & Dental Insurance - 2% Increase (Subject to Negotiation)	Recurring		1,388,521
32 Maryland State Retirement - Employees	Recurring		881,994
33 Technology Replacement Cycle (Teacher Laptops, Chromebooks, Infrastructure)	Recurring		750,000
34 Health & Dental Insurance (New Retirees)	Recurring		599,625
35 Non-Public Placement	Recurring		1,610,000
36 Transportation - Repair of Buses, Diesel Exhaust Fluid & Diagnostic Software	Recurring		285,000
37 Contracted Services & Supplies (Storm Water Mgmt., Custodial & Environmental)	Recurring		210,000

	Description	One-time/ Recurring	FTE Positions	
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	Ombuds 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	Reduction in Lease Payment	Recurring		(7,234)
70	Increase in Dues - BOE	Recurring		7,234
71	State Retirement On-Behalf Teacher Pension	Recurring		2,533,188
72	Office of the Ombuds Operating Expenses	Recurring		5,000
73	Minimum Wage Increase for Lifeguards	Recurring		17,000
74	Concentration of Poverty State Funding - Restricted	Recurring	4.00	497,666
75	Expanding Half-Day Pre-K to Full-Day Pre-K	Recurring	3.00	243,557
76	Use of Facilities Custodial Overtime	Recurring		85,000
77	County In-Kind Services	Recurring		352,602
78	Restricted Expenses - Federal	Recurring		13,051
79	Restricted Expenses - State	Recurring		1,593,233
80	Restricted Expenses - Local/Other	Recurring		1,033,202
81	Lease Payment - Energy Savings Performance Contract	One-Time		1,780,968
82	Planning Principal (Full Year) & Secretary (1/2 Year) for UES Replacement	Recurring	2.00	141,830
83	Wireless Access Points	Recurring		115,699
84	Intervention Services (Dyslexia Tier 3 & Secondary)	Recurring		300,001
85	Reduction in Textbook Allocation	Recurring		(95,001)

	Description	One-time/ Recurring	FTE Positions	
86	Intergovernmental Transfer (Restricted Fund)	Recurring		200,000
87	Subtotal Continuation of Programs & Services		16.50	\$ 12,459,318
88	Salary Resource Pool (subject to negotiation)			
89	Salary/Staffing Resource Pool (subject to negotiation)	Recurring		\$ 18,473,325
90	Transitioning & Restructuring of Pay Scales		0.00	\$ 18,473,325
91	TOTAL OPERATING EXPENDITURE INCREASE/(DECREASE)		94.40	\$ 34,843,643

Expenditure #s highlighted in green are fully offset by corresponding revenues.

92 Revenues

93	State Revenue - Estimated Increase in State Aid	Recurring		\$ 9,631,123
94	State Revenue - Estimated Increase for Kirwan Funding	Recurring		4,317,265
95	State Revenue - Estimated Increase for Kirwan Funding (Restricted)	Recurring		4,402,431
96	State Revenue - Estimated Increase in On-Behalf Teacher Pension (Restricted)	Recurring		2,533,188
97	County Revenue - Required Increase in Maintenance of Effort	Recurring		3,851,390
98	County Revenue - Amount above MOE	Recurring		7,600,000
99	County Increase in In-kind Services	Recurring		352,602
100	County Revenue - Reversal of FY2019 Non-Recurring Revenue	One-time		(373,223)
101	Increase in Athletic Fee	Recurring		35,000
102	Increase in State Reimbursement for Non-Publics	Recurring		805,000
103	Interest Income	Recurring		300,000
104	Use of Facilities Labor Revenue	Recurring		85,000
105	Increase in Restricted Funds - Federal	Recurring		13,051
106	Increase in Restricted Funds - State	Recurring		1,593,233
107	Increase in Restricted Funds - Local/Other	Recurring		1,033,202
108	Rebate Income - Energy Savings Performance Contract	One-time		1,780,968
109	Intergovernmental Transfer (Restricted)	One-time		200,000
110	Reversal of Transfer from Self-Insurance Fund	One-time		(617,250)
111	Reversal of Estimated Surplus (Used in FY2019)	One-time		(11,376,359)
112	Audited FY2018 Additional Surplus/(Deficit)	One-time		1,177,022
113	Estimated Surplus from FY2019 (to be used in FY2020)	One-time		7,500,000

114 **TOTAL ESTIMATED REVENUE INCREASE/(DECREASE)** **\$ 34,843,643**

115 **Budget Variance** **\$ -**

116 **FY2020 Totals** **\$ 637,141,096**

**Frederick County Public Schools
School Construction Fund Capital Budget
Fiscal Year 2020 Funding**

	County	State	Total FY 2020
New Construction/Additions			
Butterfly Ridge ES: New	\$ (4,811,000)	\$ 4,811,000	\$ -
Urbana ES: Replacement	24,428,665	7,200,000	31,628,665
East County Area ES: New	10,000,000		10,000,000
Rock Creek: Replacement	16,797,024	1,702,976	18,500,000
Oakdale MS: Addition	13,451,216	-	13,451,216
New Construction/Additions Subtotal	\$ 59,865,905	\$ 13,713,976	\$ 73,579,881
Building and Site Improvements			
<u>Roof Replacements</u>			
Walkersville MS: Roof Repair	\$ 116,000	\$ 124,000	\$ 240,000
Gov. Thomas Johnson HS: Roof Replacement (Phase II)	457,000	-	457,000
<u>Mechanical</u>			
Catoctin HS: HVAC Replacement (Phase II)	1,906,000	1,944,000	3,850,000
Parkway ES: HVAC RTU Replacement	215,000	-	215,000
<u>Other</u>			
Carroll Manor ES: Windows & Doors (Phase II)	552,000	558,000	1,110,000
Security Access Control Upgrades	100,000	149,000	249,000
Green Valley ES: Domestic Water Storage Tank Replacement	100,000	-	100,000
Catoctin HS: Pavement Reconstruction & Lighting Repl. (Phase I)	348,900	-	348,900
Catoctin HS: Track Reconstruction	400,000	-	400,000
Systemic Contingency	500,000	-	500,000
Portable Classrooms	600,000	-	600,000
IT Equipment Replacement	500,000	-	500,000
<u>Aging School Program (ASP)</u>			
Thurmont Primary: Envelope Repair	-	145,000	145,000
Building and Site Improvements Subtotal	\$ 5,794,900	\$ 2,920,000	\$ 8,714,900
Grand Total	\$ 65,660,805	\$ 16,633,976	\$ 82,294,781

**Frederick County Public Schools
Self-Insurance Fund
Fiscal Year 2020 Budget**

	FY 2018 Actual	FY 2019 Approved Budget	FY 2020 Recommended Budget
Operating Revenue			
General Fund Contribution	\$ 69,531,855	\$ 71,779,529	\$ 74,702,990
Other Funds Contribution	4,356,262	5,165,894	5,550,329
Contribution from Employees	14,765,942	14,985,614	15,740,690
Contribution from Retirees	7,429,493	8,118,661	8,265,698
Medicare Part D Subsidy	3,362,293	2,565,789	2,728,016.00
Subtotal	\$ 99,445,845	\$ 102,615,487	\$ 106,987,723
Nonoperating Revenue			
Interest Income	132,018	50,000	114,000
Use of Fund Balance	-	1,617,250	3,598,426
Subtotal	\$ 132,018	\$ 1,667,250	\$ 3,712,426
Total Revenues	\$ 99,577,863	\$ 104,282,737	\$ 110,700,149
Operating Expenses			
Salary and Wages	\$ 293,532	\$ 307,257	\$ 321,759
Health Claims Paid	93,097,760	96,195,259	100,636,853
Administrative Contracts	4,763,415	4,949,204	4,170,519
Stop Loss Insurance	719,987	1,012,891	1,623,345
OPEB Contribution	1,000,000	1,000,000	3,620,953
Transfer to GF for new retirees	420,821	617,250	-
Wellness	123,351	60,000	200,000
Fixed Charges	99,836	105,876	126,720
Affordable Health Care Act Fees	36,321	35,000	-
Total Expenses	\$ 100,555,023	\$ 104,282,737	\$ 110,700,149
Excess of Revenues over Expenses	\$ (977,160)		

**Frederick County Public Schools
Food & Nutrition Services Fund
Fiscal Year 2020 Budget**

	FY 2018 Actual	FY 2019 Approved Budget	FY 2020 Recommended Budget
Revenues			
Federal	\$ 7,057,536	\$ 7,194,233	\$ 7,335,300
State	269,331	219,144	373,314
Charges for Services	4,744,567	5,389,155	5,560,616
Other	232,114	106,538	148,892
Subtotal	\$ 12,303,548	\$ 12,909,070	\$ 13,418,122
Nonoperating Revenue			
Transfer from General Fund	-	35,000	-
Total Revenues	\$ 12,303,548	\$ 12,944,070	\$ 13,418,122
Operating Expenses			
Salaries			
Administrative	\$ 784,106	\$ 825,232	\$ 847,952
Schools	3,364,445	3,556,404	3,766,624
Subtotal	\$ 4,148,551	\$ 4,381,636	\$ 4,614,576
Contracted Services	\$ 145,342	\$ 145,000	\$ 145,000
Supplies and Materials			
Purchased Food	\$ 3,900,056	\$ 3,924,335	\$ 4,046,678
USDA Commodities & Processing	1,195,832	1,199,187	1,159,586
Other Supplies	230,687	258,700	248,700
Subtotal	\$ 5,326,575	\$ 5,382,222	\$ 5,454,964
Other			
Employee Insurance and Benefits	\$ 2,556,727	\$ 2,658,629	\$ 2,742,162
Other	221,754	220,899	231,420
Subtotal	\$ 2,778,481	\$ 2,879,528	\$ 2,973,582
Equipment	\$ 46,700	\$ 155,684	\$ 230,000
Total Operating Expenses	\$ 12,445,649	\$ 12,944,070	\$ 13,418,122
Excess of Revenues over Expenses	\$ (142,101)		

	<u>FY 2019 Prices</u>	<u>Recommended FY 2020 Prices</u>
Elementary Breakfast	\$ 1.60	\$ 1.60
Secondary Breakfast	\$ 1.85	\$ 1.85
Reduced-Price Breakfast	\$ 0.30	\$ 0.30
Elementary Lunch	\$ 2.65	\$ 2.65
Secondary Lunch	\$ 2.90	\$ 2.90
Reduced-Price Lunch	\$ 0.40	\$ 0.40