

BOARD OF EDUCATION OF FREDERICK COUNTY

191 South East Street
Frederick, Maryland 21701

Jean A. Smith
President

Telephone 301-698-6850
Fax 301-696-6950

June 18, 2013

The Honorable Blaine R. Young, President
Board of County Commissioners
12 East Church Street
Frederick, Maryland 21701

Dear Commissioner Young:

On Wednesday, June 12, 2013, the Board of Education (BOE) approved the Fiscal Year 2014 Operating Budget for Frederick County Public Schools, as well as the Capital, Self-Insurance, and Food and Nutrition Services Budgets.

Operating Budget revenues total \$532,697,886. The county appropriation totals \$244,225,731 (including \$4,000,000 of one-time funds). State funds total \$259,364,617, federal funds are \$18,592,273, and other sources comprise the remaining \$10,515,265.

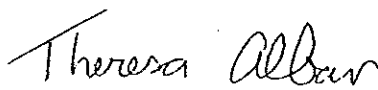
Revenues are detailed in Attachment 1. Allocations by the state-mandated categories are listed in Attachment 2. Budget adjustments are itemized in Attachment #3. The budgets for Capital, Self Insurance, and Food and Nutrition Services are shown in Attachments 4, 5, and 6 respectively.

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

Sincerely,



Jean A. Smith
President



Theresa R. Alban, Ph.D.
Superintendent

Attachments

cc: Board of Education
Frederick County Commissioners
Leslie Pellegrino, Executive Director, FCPS Fiscal Services
Diane Penn, Budget Officer, FCPS Fiscal Services
Lori Depies, Frederick County Manager
Regina Howell, Budget Officer, Frederick County Government

We Set the Standard for Public Education

**FREDERICK COUNTY BOARD OF EDUCATION
APPROVED OPERATING BUDGET
SOURCES OF FUNDS**

DESCRIPTION	ACTUAL FY 2012	BOE APPROVED FY 2013	BOE APPROVED FY 2014
REVENUE FROM LOCAL SOURCES:			
Frederick County Unrestricted Appropriation	\$ 220,790,370	\$ 221,654,363	\$ 221,884,100
Frederick County Restricted Revenue:			
County Support for Pension Cost Sharing	\$ -	\$ 5,893,461	\$ 7,470,128
County Sale of Surplus Properties			4,000,000
County - In-kind - I.I.T. Computer Services	503,659	505,000	505,000
County - In-kind - School Health Program	5,353,720	6,155,539	6,454,012
County - In-kind - Frederick Co. Devel. Cntr	1,563,879	1,865,996	2,032,047
County - In-kind - School Resource Officers	1,117,092	1,469,017	1,529,264
County - In-kind - Appraisals	900	2,500	3,000
County - In-kind - Internal Audit Services	63,610	92,310	145,777
County - In-kind - Crossing Guards	197,038	203,035	202,403
Subtotal Frederick County Restricted **	\$ 8,799,898	\$ 16,186,858	\$ 22,341,631
Subtotal County Revenue	\$ 229,590,268	\$ 237,841,221	\$ 244,225,731
Tuition from Patrons:			
Regular Day Tuition	\$ 70,402	\$ -	\$ 65,000
Nonresident Pupils	93,484	115,000	115,000
Summer Programs	44,980	30,000	30,000
Subtotal Tuition	\$ 208,866	\$ 145,000	\$ 210,000
Other Revenue:			
Sports Fees	\$ 674,390	\$ 663,000	\$ 688,000
Professional Development Fees	28,113	16,000	16,000
Unanticipated Revenue		500,000	500,000
Community Services	920,333	900,000	900,000
Subtotal Other Revenue	\$ 1,622,836	\$ 2,079,000	\$ 2,104,000
Restricted Projects - Other **	\$ 1,260,919	\$ 1,087,265	\$ 1,262,265
TOTAL LOCAL FUNDS	\$ 232,682,889	\$ 241,152,486	\$ 247,801,996
REVENUE FROM STATE SOURCES:			
State Unrestricted Funds:			
State Share of Current Expenses	\$ 184,884,138	\$ 189,986,666	\$ 193,373,207
Transportation	10,668,310	10,816,865	10,828,151
Transportation - Special Education	903,000	869,000	897,000
Special Education Formula	11,837,903	11,654,466	10,318,026
Non-Public Placement	3,015,360	2,600,000	3,500,000
Limited English Proficiency	6,028,897	6,460,598	6,530,079
Net Taxable Income			469,554
Out of County Living	19,195	-	15,000
Subtotal State Unrestricted Revenue	\$ 217,356,803	\$ 222,387,595	\$ 225,931,017

**FREDERICK COUNTY BOARD OF EDUCATION
APPROVED OPERATING BUDGET
SOURCES OF FUNDS**

DESCRIPTION	ACTUAL FY 2012	BOE APPROVED FY 2013	BOE APPROVED FY 2014
State Restricted Funds:			
Various State Restricted Grants	\$ 841,037	\$ 1,441,108	\$ 1,441,108
Special Education - Intergovernmental Transfer	-	-	1,180,000
State Retirement Contribution	36,705,953	36,705,953	30,812,492
Subtotal State Restricted Revenue **	\$ 37,546,990	\$ 38,147,061	\$ 33,433,600
TOTAL STATE FUNDS	\$ 254,903,793	\$ 260,534,656	\$ 259,364,617
REVENUE FROM FEDERAL SOURCES:			
Federal Unrestricted Funds	\$ 184,043	\$ 175,000	\$ 175,000
Various Federal Restricted Grants **	15,304,303	17,517,273	18,417,273
TOTAL FEDERAL FUNDS	\$ 15,488,346	\$ 17,692,273	\$ 18,592,273
TOTAL REVENUE RECEIPTS	\$ 503,075,028	\$ 519,379,415	\$ 525,758,886
NON REVENUE RECEIPTS:			
Facility Rentals	\$ 491,158	\$ 500,000	\$ 500,000
Cell Tower Rentals	80,873	100,000	100,000
Pool Rentals	98,744	90,000	90,000
Earnings from Investments	46,680	100,000	100,000
Sale of Auto/Print Fund Liquidation	165,649	-	-
EnerNoc Energy Rebates	-	50,000	75,000
Pcard Rebates	-	-	165,000
Other Miscellaneous	353,251	-	80,000
TOTAL NON REVENUE RECEIPTS	\$ 1,236,355	\$ 840,000	\$ 1,110,000
USE OF FUND BALANCE:			
Audited Surplus Available	\$ 10,004,345	\$ 68,225	\$ 829,000
Estimated Unaudited Surplus Available	-	2,800,000	5,000,000
TOTAL USE OF FUND BALANCE	\$ 10,004,345	\$ 2,868,225	\$ 5,829,000
TOTAL UNRESTRICTED REVENUES	\$ 451,403,618	\$ 450,149,183	\$ 457,243,117
TOTAL RESTRICTED REVENUES **	\$ 62,912,110	\$ 72,938,457	\$ 75,454,769
TOTAL ALL SOURCES	\$ 514,315,728	\$ 523,087,640	\$ 532,697,886

**FREDERICK COUNTY BOARD OF EDUCATION
OPERATING BUDGET
FISCAL YEAR 2014**

APPROPRIATIONS	UNRESTRICTED OPERATING BUDGET	RESTRICTED OPERATING BUDGET	TOTAL APPROVED OPERATING BUDGET
01 Administration	\$8,455,000	\$1,010,295	\$9,465,295
02 Mid-Level Management	\$31,185,024	\$586,461	\$31,771,485
03 Instructional Salaries	\$194,309,500	\$4,305,238	\$198,614,738
04 Instructional Supplies	\$6,924,979	\$993,520	\$7,918,499
05 Instruction - Other	\$1,667,579	\$854,842	\$2,522,421
06 Special Education	\$44,248,512	\$11,309,316	\$55,557,828
07 Pupil Personnel	\$2,731,159	\$128,248	\$2,859,407
08 Health Services	\$221,578	\$6,504,012	\$6,725,590
09 Transportation	\$19,742,312	\$934,097	\$20,676,409
10 Operations	\$35,220,301	\$1,620,861	\$36,841,162
11 Maintenance	\$11,129,801	\$45,993	\$11,175,794
12 Fixed Charges	\$98,552,209	\$46,786,299	\$145,338,508
13 Food Service	\$0	\$10,000	\$10,000
14 Community Service	\$1,040,720	\$315,412	\$1,356,132
15 Capital Outlay	\$1,814,443	\$50,175	\$1,864,618
Total Appropriations	<u>\$457,243,117</u>	<u>\$75,454,769</u>	<u>\$532,697,886</u>

FISCAL YEAR 2014 OPERATING BUDGET

List of Expenditure Adjustments

Description	Position	Amount
FY 2013 Unrestricted Operating Budget		\$ 450,149,183
Reversals & Adjustments		
Workers Compensation Rate Stabilization Fund		110,000
Textbook Replacement		500,000
Technology Replacement		(500,000)
Oakdale High School Start-up		(100,000)
Phase II of Energy Conservation Pilot	(1.00)	(79,300)
Regular Salary - STEP		4,052,157
Move IGT Budget to Restricted Operating Budget		(1,180,000)
Continuation of Programs & Services		
Health & Dental Insurance		4,639,381
Health & Dental Insurance - New Retirees		783,600
Workers Compensation		147,651
Employee Transition - Temporary to Regular Status		525,900
Utilities - Gas/ Heating Oil/ Water & Sewer		(729,323)
Parking - Frederick and Brunswick		29,925
Liability Insurance		100,000
Regular Salary Savings		(1,650,000)
FCPS Consolidation Recovery - Warehouse		(44,251)
Tuition Reimbursement		(200,000)
Energy Conservation Projects		25,000
School Based Allocation Reduction \$ (241,305)		
Elementary Schools - Increase to 15%		(94,011)
Middle Schools - Increase to 15%		(49,900)
High Schools - Increase to 20%		(97,394)
Middle School Schedule Change \$ 357,961		
Regular Salary	2.30	128,644
Curriculum Workshops		118,317
School Improvement Teams		26,000
Start-up Materials of Instruction		85,000
School Security		
Security Equipment Technician	0.50	23,660
Security Equipment Supplies & Materials		25,000
Inter-scholastic Athletic Wages, Contracts, and Transportation		85,000
Other Post Employment Benefits (OPEB)		(11,294,035)

FISCAL YEAR 2014 OPERATING BUDGET		
Description	Position	Amount
Enrollment		
Enrollment Growth (Elementary Formula)	(26.60)	(1,487,580)
Enrollment Growth (Middle Formula)	(1.50)	(85,200)
Enrollment Growth (High Formula)	(14.40)	(870,120)
Business Manager - High School	(1.00)	(86,162)
Enrollment Growth (Reading Intervention Formula)	(0.60)	(34,080)
Enrollment Growth (Special Education Formula)	5.44	308,992
Enrollment Growth (English Language Learner Program)	(0.60)	(34,080)
Enrollment Growth (School Based Foundation)		(59,561)
Special Education Pyramid Program	10.00	355,888
Mandated		
Medical Supplies - Epinephrine Auto-Injectors		18,000
Replacement of 14 & 15 year old Busses		(1,040,000)
Department of Juvenile Services		125,000
Tuition to Other LEAs - Out of County Living		90,000
Non-Public Placement of Special Education Students		700,000
FCPS Support Employee Retirement Contribution		468,435
Dual Enrollment Payments per Senate Bill 740		55,407
Charter Schools \$ 2,809,653		
Charter School - Monocacy Valley Montessori		63,221
Charter School - Carroll Creek Montessori		282,505
Charter School - Frederick Classical		2,463,927
Salary/Staffing Pool		
Salary Resource Pool		10,283,387
Staffing Resource Pool		188,934
Net FY 2014 Unrestricted Budget Increase/(Decrease)	(27.46)	\$ 7,093,934

FY 2014 UNRESTRICTED OPERATING BUDGET	\$ 457,243,117
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FY 2013 APPROVED RESTRICTED BUDGET		\$ 72,938,457
Move IGT Budget from Unrestricted Operating Budget		1,180,000
Surplus Property Proceeds to Pay Down Lease		4,000,000
MABE Food Service Grant		10,000
Increase in Medical Assistance		575,000
MD State Pension Cost Sharing		1,576,667
BOCC In-kind Services		
Student Health Services		298,473
Frederick County Developmental Center		166,051
School Resource Officers		60,247
School Crossing Guards		(632)
Internal Audit Services		53,467
Insurance Appraisals		500
All Other Grant Adjustments (Pension & Health)		(5,403,461)
Net FY 2014 Restricted Budget Increase/(Decrease)	-	\$ 2,516,312

FY 2014 RESTRICTED OPERATING BUDGET	\$ 75,454,769
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TOTAL FY 2014 BOE OPERATING BUDGET	\$ 532,697,886
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**CAPITAL BUDGET
FY 2014 FUNDING
as of 6/1/2013**

	County	State	Total FY14
<u>New Construction/Additions</u>			
Linganore HS Replacement	(3,023,000)	3,023,000	-
Walkersville ES Addition/Renovation	(2,251,000)	2,251,000	-
Lincoln ES Addition/Modern	(6,497,000)	6,497,000	-
North Frederick ES Replacement	20,426,230	5,329,000	25,755,230
Frederick HS Replacement	7,138,000	-	7,138,000
Urbana ES Renovation Feasibility Study	200,000	-	200,000
Urbana Area ES - New	2,653,844	-	2,653,844
NEW CONST/ADD SUBTOTAL	18,647,074	17,100,000	35,747,074
<u>Bldg. and Site Improvements</u>			
<u>Roof Replacements</u>			
Myersville ES	102,000	107,000	209,000
Career Tech Center	386,000	400,000	786,000
<u>Mechanical</u>			
Glade ES Chiller	331,000	342,000	673,000
Career & Technology Boilers	206,000	213,000	419,000
Liberty ES Chiller	172,000	-	172,000
Brunswick HS HVAC	160,000	165,000	325,000
<u>Other</u>			
Middletown MS Piping	212,000	219,000	431,000
Sabillasville ES Water Tank	193,000	201,000	394,000
New Market MS Windows/Doors	245,000	253,000	498,000
Portable Classrooms	350,000	-	350,000
**Digital Bus Radios	1,300,000	-	1,300,000
**Technology Improvements Initiative	768,000	-	768,000
Security Initiative Projects	700,000	1,163,000	1,863,000
Aging School Program (ASP)	-	225,141	225,141
Qualified Zone Academy Bond (QZAB)	-	-	-
Ballenger Creek ES Floor Replacement	-	300,000	300,000
Emmitsburg ES Fire Alarm Replacement	-	80,000	80,000
BLDG/SITE IMPROV SUBTOTAL	5,125,000	3,668,141	8,793,141
GRAND TOTAL	23,772,074	20,768,141	44,540,215

**Project budgets (in aggregate) total \$2,068,000 which agrees with Frederick County Government records.

FREDERICK COUNTY PUBLIC SCHOOLS

SELF INSURANCE FUND

FISCAL YEAR 2014 BUDGET
FOR THE PERIOD JULY 1, 2013 - JUNE 30, 2014

	Actual FY 2012	Budget Approved FY 2013	Projected FY 13 Actuals	Budget Approved FY 2014
<u>REVENUES</u>				
GENERAL FUND CONTRIBUTION	\$ 48,113,639	\$ 51,747,485	\$ 51,901,112	\$ 57,068,994
FCPS EMPLOYEE CONTRIBUTION	9,648,765	10,244,194	10,459,705	11,920,110
FCPS RETIREE CONTRIBUTION	4,034,879	4,613,689	5,081,771	5,507,585
FOOD SVC, SELF INSURANCE, & RESTRICTED	3,778,653	5,226,563	4,486,752	5,544,090
MEDICARE PART D SUBSIDY	1,071,605	635,000	635,000	700,000
ERRP REBATE	269,789	0	0	0
INTEREST INCOME	16,383	16,500	10,468	10,000
USE OF FUND BALANCE	2,452,892	5,061,896	2,374,715	2,491,593
TRANSFER FROM GENERAL FUND	<u>3,100,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	\$ <u>72,486,605</u>	\$ <u>77,545,327</u>	\$ <u>74,949,523</u>	\$ <u>83,242,372</u>

EXPENSES

FCPS OPERATING EXPENSE	\$ 333,603	\$ 349,302	\$ 348,924	\$ 362,651
MEDICAL, RX, DENTAL, VISION CLAIMS	64,943,089	73,197,859	70,514,064	78,235,278
ADMINISTRATIVE CONTRACT PAYMENTS	3,425,485	3,484,782	3,582,942	4,047,091
STOP LOSS INSURANCE PREMIUM	584,428	513,384	503,593	569,626
AFFORDABLE HEALTH CARE ACT FEES	0	0	0	27,726
CONTRIBUTION TO BOCC	100,000	0	0	0
TRANSFER TO BOCC	<u>3,100,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	\$ <u>72,486,605</u>	\$ <u>77,545,327</u>	\$ <u>74,949,523</u>	\$ <u>83,242,372</u>

FCPS FOOD & NUTRITION SERVICES FUND
FY 2014 APPROVED BUDGET

REVENUE:	<u>FY13 BUDGET</u>	<u>FY13 PROJECTIONS</u>	<u>FY14 BUDGET</u>
LUNCH SALES	\$ 2,715,240	\$ 2,239,697	\$ 2,257,394
BREAKFAST SALES	134,274	118,228	119,847
OTHER FOOD SALES	2,982,128	2,750,620	2,773,518
VENDING MACHINE SALES	<u>85,796</u>	<u>71,498</u>	<u>72,090</u>
TOTAL SALES	<u>5,917,438</u>	<u>5,180,043</u>	<u>5,222,849</u>
NATIONAL SCHOOL LUNCH	3,477,436	3,611,070	3,637,999
PERFORMANCE BASED REIMB.	-	119,413	131,979
FEDERAL SCHOOL BRKFT	997,231	1,053,192	1,063,093
AFTER SCHOOL SNACKS	22,324	11,237	13,193
SUPPER PROGRAM	60,858	96,005	101,125
USDA COMMODITIES	587,984	562,426	644,699
SUMMER FEEDING	<u>15,000</u>	<u>3,893</u>	<u>3,992</u>
TOTAL FEDERAL ASSISTANCE	<u>5,160,833</u>	<u>5,457,236</u>	<u>5,596,080</u>
STATE GRANT	113,429	115,315	115,315
STATE MMFA REIMBURSEMENT	<u>85,003</u>	<u>101,691</u>	<u>126,125</u>
TOTAL STATE ASSISTANCE	<u>198,432</u>	<u>217,006</u>	<u>241,440</u>
CATERING	20,000	17,923	20,000
MISC. REVENUES - INVOICED	60,333	96,551	100,795
INTEREST INCOME	<u>5</u>	<u>6</u>	<u>6</u>
TOTAL OTHER REVENUES	<u>80,338</u>	<u>114,480</u>	<u>120,801</u>
TOTAL REVENUES	<u>11,357,041</u>	<u>10,968,764</u>	<u>11,181,170</u>
 # OF SERVING DAYS	 178	 177	 178

FCPS FOOD & NUTRITION SERVICES FUND
FY 2014 APPROVED BUDGET

EXPENDITURES:	FY13 BUDGET	FY13 PROJECTIONS	FY14 BUDGET
<u>SALARIES</u>			
ADMINISTRATIVE	474,113	397,175	454,985
WAREHOUSE DRIVERS	38,406	38,898	40,259
MANAGERS	383,055	350,391	364,508
ASST MANAGERS	263,416	265,176	276,123
WORKERS	1,075,628	1,032,376	1,058,822
DRIVERS	129,964	124,178	129,004
SITE ASSISTANTS	930,641	924,494	976,333
SUPPLEMENTAL - ADMIN	5,110	722	1,056
SUPPLEMENTAL - MANAGERS	5,110	7,000	7,172
SUPPLEMENTAL - ASST MANAGERS	14,819	7,183	7,426
SUPPLEMENTAL - WORKERS	56,210	42,184	43,535
SUPPLEMENTAL - DRIVERS	61,320	41,957	43,453
SUPPLEMENTAL - SITE ASSISTANTS	51,100	33,473	34,668
WORKERS - (NON-BEN)	350,000	332,695	353,612
TEMP SUBS - (NON-BEN)	7,500	21,405	22,206
TOTAL SALARIES	3,846,392	3,619,306	3,813,162
<u>EMPLOYEE BENEFITS</u>			
HEALTH INSURANCE	1,711,058	1,688,073	1,838,080
DENTAL INSURANCE	64,768	62,934	62,935
LIFE INSURANCE	11,625	11,652	11,648
RETIREMENT	360,497	268,468	361,024
FICA	294,249	276,877	290,990
UNEMPLOYMENT	47,600	49,136	47,940
WORKERS COMP	78,182	87,552	96,017
TOTAL EMPLOYEE BENEFITS	2,567,979	2,444,690	2,708,634
<u>SUPPLIES</u>			
PURCHASED FOOD	2,999,281	2,763,906	2,836,190
USDA COMMODITIES	587,984	562,426	644,699
PAPER	128,050	116,807	117,500
OFFICE SUPPLIES	16,000	16,239	16,400
KITCHEN/CAFETERIA SUPPLIES	25,000	10,617	15,000
CUSTODIAL/DETERGENT	54,400	44,650	45,000
TECH MATERIALS / SUPPLIES	10,000	10,631	10,700
UNIFORMS	13,560	8,369	13,760
PRINTING	6,000	4,863	5,000
POSTAGE	7,000	7,718	7,800
SUBSCRIPTIONS/DUES	1,630	1,167	1,630
TOTAL SUPPLIES	3,848,905	3,547,394	3,713,679

FCPS FOOD & NUTRITION SERVICES FUND
FY 2014 APPROVED BUDGET

EXPENDITURES:	FY13 BUDGET	FY13 PROJECTIONS	FY14 BUDGET
<u>OPERATIONS</u>			
COMMODITY PROCESSING	470,118	465,443	477,433
FOOD LOSS	8,000	6,639	8,000
MAINT/REPAIRS EQUIP	37,000	62,400	47,000
VEHICLE FUEL	42,000	46,467	47,000
CONTRACTED SERVICES	125,000	108,526	110,000
TRAVEL	15,000	16,933	20,000
TELE - COMMUNICATIONS	2,600	1,487	1,487
COMMODITY STORAGE	25,000	10,724	25,000
PROF MEETINGS / CONF	5,000	4,082	5,000
PROMOTIONAL/MARKETING	4,000	4,000	4,000
AUDIT	753	740	740
BANK/CREDIT CARD FEES	3,000	33	35
EQUIPMENT	250,000	202,514	200,000
TOTAL OPERATIONS	987,471	929,988	945,695
TOTAL EXPENDITURES	11,250,747	10,541,378	11,181,170
SURPLUS(DEFICIT) OF REVENUES OVER EXPENDITURES	\$ 106,294	\$ 427,386	\$ -