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To: Board of Education
From: Mitch Taylor
Date: March 7, 2022
Subject: Agenda Item (Section – Consent Agenda)

Attached you will find a budget amendment for your consideration for the year ending June 30, 2022.

Fiscal Year 2021/2022 Budget Amendment # 6

Special Note

During our recent mid-year review, I realized that I may be using school finance abbreviations that you may not be familiar with, specifically the term PRC, which stands for Program Report Code. The state assigns a PRC number to every allotment of funds. This number, or PRC code, defines what purpose or activity the money can be used for. For example, PRC 085 is the budget for addressing student literacy and PRC 071 is for the payment of a special teacher supplement. By assigning specific PRC numbers to different budget programs, it distinguishes how the funding is to be used in a manner that is uniform in every school district in the state and enables the user to know the exact purpose of the funding. When you look at the attached Budget Amendment spreadsheet that I submit to you each month, the first column will contain a set of numbers and the three digit number at the end is the PRC code.

State Funds

A net increase of $620,187.00 to the State Budget Fund (Fund 1):

$21,743.00 increase to PRC 085 (Literacy Intervention Funds) - The district received their annual allotment for Literacy Intervention funding to be used to pay stipends to teachers who are being required by the state to go through after-hours literacy training. The teachers involved will participate in 2 separate sessions and will receive a $100 stipend for each session.

$614,130.00 increase to PRC 071 (Supplemental Funding for Teacher Compensation) – The state is allocating funding to provide an additional supplement to teachers and instructional support personnel who are eligible to be paid from PRCs 001, 004, 006 and 007. The purpose is to provide additional funding to the district, so that when added to the existing local supplement already being paid by the district, the total supplement will more favorably compare to what districts with larger populations are offering teachers.

$15,686.00 decrease to PRC 001 (Classroom Teachers) – The district had to give funds used to pay classroom teachers back to the state as a result of Montgomery County students opting to receive their education through the state's virtual public school.

Local Funds

2) No change to the Local Fund Budget (Fund 2)

Federal Funds

3) A net increase of $588,017.77 to the Federal Budget Fund (Fund 3):

$314,881.77 increase to PRC 060 (Exceptional Children Funds) – Most federal grants are available to use for 27 months. Any funds not used during the initial 12 month budget period can be carried over and added to the new funding received for the next fiscal budget year. The district had $314,881.77 that were unspent during the 2020-2021 budget year and are being added to the funding received for the 2021 -2022 fiscal budget year. This is important because even though the new budget year begins on July 1, federal funding for the new year is not received until late October. These unspent funds carry the district over until the new funding is received in October and enables the district to meet payroll and other expenses during July, August and September.

$37,816.00 increase to PRC 192 (ESSER Cyberbullying Prevention Funds) – The purpose of this funding is to software programs to mitigate cyber bullying, monitor student internet activity, monitor classroom educational devices, and assist with suicide prevention services.

$6250.00 increase to PRC 118 (Special Needs Target Assistance) – This allotment is to provide professional development for staff working with special needs students and reimbursing staff for annual licensing and certifications fee required for EC staff.

$48,567.63 decrease and an offsetting increase to PRC 110 (21st Century Grant – Merit Program) – Because the district had remote learning for much of last year, the district had unspent funds related to the elementary afterschool Merit Program. Normally, these funds expire after 12 months, but the district received permission to carryover these funds to the 2021 – 2022 school year. This budget amendment reflects a redistribution of funds within the Merit budget to better align with the afterschool program being offered for the remainder of this school year.

$211,459.00 increase to PRC 185 (ESSER Exceptional Children funding) – The district was allotted additional funding that can be used to meet the needs of providing an education for children with exceptional needs.

$17,611.00 increase to PRC 186 (ESSER Pre-K Exceptional Children funding) – The district was allotted additional funding that can be used to meet the needs of providing an education for Pre-K children with exceptional needs.

Capital Outlay Funds

4) No change to the Capital Outlay Budget Fund (Fund 4):

Child Nutrition

5) No change to the Child Nutrition Fund. (Fund 5):

Special Local Fund 8

6) A net increase of $184,338.68 to the Special Local Fund 8 Budget (Fund 8):

$184,338.68 increase in PRC 378 (TQP Pfeiffer Grant) – This is a joint grant with Pfeiffer University and Stanly County Schools that funds our teacher cadet program. This is the district's Year 4 out of a 5 year allotment.

$23,353.00 increase in PRC 413 (NC Pre-K Grant) and a related decrease in PRC 464 (NC Pre-K Grant) – The state awarded Montgomery County Schools an additional allotment of Pre-K funding in the amount of $23,353.00. Originally, it was understood that this was to be a separate budget than our regular Pre-K funding, however it was later discovered that the additional funds were to be added to the regular Pre-K budget. This amendment removed the funding from PRC 464 and added the funds to the regular PRC 413 Pre-K budget.

7) Overall, these adjustments resulted in an increase of $1,392,543.45 to the total 2021 - 2022 budget for Montgomery County Schools.

I will be available to answer any questions you may have.

This amendment is an action item and will require a vote.

Budget Amendment # 6

Montgomery County Administration Unit

The Montgomery County Board of Education at a meeting on the 7th day of March 2022. passed the following resolution:

Be it resolved that the following amendments be made to the Budget Resolution for the fiscal year ending June 30, 2022.

Expense Code	Description of Code	Increase	Decrease
	STATE FUNDS		
	Revenues		
1.3100	State Revision #36 PRC 085	$21,743.00	
1.3100	State Revision #39 PRC 071	$614,130.00	
1.3100	State Revision #42 PRC 001		$15,686.00
	Net Change in State Revenues	**$620,187.00**	
	Expenses		
1.5000.085	Literacy Intervention	$21,743.00	
1.5000.071	Supplemental Funds for Teacher Compensation	$614,130.00	
1.5000.001	Classroom Teachers		$15,686.00
	Net Change in State Expenses	**$620,187.00**	
	Net Change in State Budget	**$620,187.00**	

Explanation: Adjustments made for actual revenues and expenditures.

Total Appropriation in Current Budget	**$27,903,053.84**
Amount of Increase	**$620,187.00**
Total Appropriation in Current Amended Budget	**$28,523,240.84**

Budget Amendment # 6

Expense Code		Description of Code			Increase	Decrease
		LOCAL FUNDS				
		Revenues				
		Expenses				
		Net Change in Local Budget			$0.00	

Explanation: Adjustments made for actual revenues and expenditures.

Total Appropriation in Current Budget	**$6,646,016.00**
Amount of Increase	**$0.00**
Total Appropriation in Current Amended Budget	**$6,646,016.00**

Budget Amendment # 6

Expense Code		Description of Code	Increase	Decrease
		FEDERAL FUNDS		
		Revenues		
3.3600.060		Carryover funding from 2021 Exceptional Children Budget	$314,881.77	
3.3600.192		Cyberbullying Prevention	$37,816.00	
3.3600.118		Special Needs Targeted Assistance	$6,250.00	
3.3600.185		ESSER Exceptional Children Funding	$211,459.00	
3.3600.186		ESSER Pre-K Exceptional Children Funding	$17,611.00	
		Net Change in Federal Revenues	**$588,017.77**	
		Expenses		
3.5000.060		PRC 060 Exceptional Children	306,897.30	
3.8000.060		PRC 060 Exceptional Children	7,984.47	
3.5000.192		PRC 192 Cyberbullying Prevention	$37,816.00	
3.5000.118		Special Needs Targeted Assistance PRC 118	$6,084.86	
3.8000.118		Special Needs Targeted Assistance PRC 118	$165.14	
3.5000.110		21st Century Grant Merit Program	$48,567.63	
3.6000.110		21st Century Grant Merit Program		$42,120.55
3.8000.110		21st Century Grant Merit Program		$6,447.08
3.5000.185		ESSER Exceptional Children Funding	$211,459.00	
3.5000.186		ESSER Pre-K Exceptional Children Funding	$17,611.00	
		Net Change in Federal Expenses	**$588,017.77**	
		Net Change in Federal Budget	**$588,017.77**	

Explanation: **Adjustments made for actual revenues and expenditures.**

Total Appropriation in Current Budget	**$17,876,862.00**
Amount of Increase	**$588,017.77**
Total Appropriation in Current Amended Budget	**$18,464,879.77**

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Expense Code	Description of Code	Increase	Decrease
	CAPITAL OUTLAY FUND		
	Revenues		
	Net Change in Capital Outlay Revenues	**0.00**	
	Expenses		
	Net Change in Capital Outlay Expenses	**0.00**	
	Net Change in Capital Outlay Budget	**$0.00**	

Explanation: **Adjustments made for actual revenues and expenditures.**

Total Appropriation in Current Budget **$3,074,806.51**

Amount of Increase **$0.00**

Total Appropriation in Current Amended Budget **$3,074,806.51**

Expense Code	Description of Code	Increase	Decrease
	CHILD NUTRITION FUND		
	Revenues		
		0.00	
	Expenses		
		0.00	
	Net Change in Child Nutrition Budget	**$0.00**	

Explanation: **Adjustments made for actual revenues and expenditures.**

Total Appropriation in Current Budget **$3,246,560.00**

Amount of Increase **$0.00**

Total Appropriation in Current Amended Budget **$3,246,560.00**

Budget Amendment # 6

Expense Code	Description of Code	Increase	Decrease
	LOCAL FUND 8		
	Revenues		
8.4890.378	TQP Pfeiffer Grant	184,338.68	
8.3700.464	NC Pre-K Funding		$23,353.00
8.3700.413	NC Pre-K Funding	23,353.00	
	Total Changes in Fund 8 Revenues	**$184,338.68**	
	Expenses		
8.5000.378	TQP Pfeiffer Grant	184,338.68	
8.5000.464	NC Pre-K Funding		$23,353.00
8.5000.413	NC Pre-K Funding	23,353.00	
	Total Change in Fund 8 Expenses	**$184,338.68**	
	Net Change in Local Fund 8 Budget	**$184,338.68**	

Explanation: Adjustments made for actual revenues and expenditures.

Total Appropriation in Current Budget	**$4,697,957.12**
Amount of Increase	**$184,338.68**
Total Appropriation in Current Amended Budget	**$4,882,295.80**

Summary of Budget Changes

Previous Budget	**$63,445,255.47**
State Budget Change	$620,187.00
Local Budget Change	$0.00
Federal Budget Change	$588,017.77
Capital Outlay Budget Change	$0.00
Child Nutrition Budget Change	$0.00
Fund 8 Budget Change	$184,338.68
Current Budget	**$64,837,798.92**

Passed by majority vote by the Board of Education of Montgomery County on the 7th day of March 2022.

Chairman, Board of Education

Secretary, Board of Education