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To: Board of Education

From: Mitch Taylor

Date: July 6th 2020

Subject: Agenda Item (Section – Consent Agenda)

Attached you will find a budget amendment for your consideration for the year ending June 30, 2020.

Fiscal Year 2019/2020 Budget Amendment # 8

State Funds

1) **A net increase of $412,805.00 to the State Budget Fund (Fund 1):**

$13.00 increase in PRC 015 (Technology Fund) – An increase in the technology allotment as a result interest earned from Indian Gaming revenues.

$279,616.00 increase in PRC 125 (CARES Act Funding-Child Nutrition) – This is an allotment received as a result of the Federal COVID relief CARES Act. This allotment is to be used to offset unforeseen expenses related to feeding students during school shutdown because of the pandemic.

$86,704.00 increase in PRC 124 (CARES Act Funding-Student Devices) – This is an allotment received as a result of the Federal COVID relief CARES Act. This allotment is to purchase student digital devices to assist schools with educating students during the pandemic.

$12,290.00 increase in PRC 126 (CARES Act Funding-Personnel Devices) – This is an allotment received as a result of the Federal COVID relief CARES Act. This allotment is to purchase digital devices for educators to assist schools with educating students during the pandemic.

$34,182.00 increase in PRC 128 (CARES Act Funding-Home/Community WiFi) – This is an allotment received as a result of the Federal COVID relief CARES Act. This allotment is to purchase WiFi digital devices to assist schools with educating students during the pandemic.

$40,000.00 increase in PRC 131 offset by a $40,000.00 decrease in PRC 130 (Textbook allotment)-This represents a transfer from the textbook allotment account to the textbook spending account. This ABC transfer enabled the district to expend the textbook funds.

$95,465.54 increase and decrease in PRC 002 (Central Office) – This budget amendment is to comply with a state requirement regarding the salary expense for the Director of Child Nutrition. This inter-fund transfer allows the director's compensation expense to be appear in the Child Nutrition budget, even though it is expensed out the Fund 1 state budget.

$105,532.00 increase and decrease in PRC 154 (COVID 19 Funding) – the purpose code was originally set up for transactions involving child nutrition expenses, but this adjustment enabled for other COVID 19 related expenses to be paid from these funds. Even though this transaction did not result in a change in the budget amount, it did transfer funds from one purpose code (7000) to another (6000), thus requiring a budget amendment.

Local Funds

2) A net increase of $408,536.96 to the Local Fund Budget (Fund 2)

$408,536.96 increase in local fund 2 – this transaction establishes a budget line item so that the County's repayment of district funds used to construct the wing at East Middle School several years ago, which were applied to the Capital Outlay fund, can now be transferred to the Local fund 2.

Federal Funds

3) A net increase of $1,240,069.25 to the Federal Budget Fund (Fund 3):

$146,809.25 increase to PRC 060 (Exceptional Children) – This 2020 PRC 060 budget was submitted prior to the end of fiscal year 2019. Because the PRC 060 ending balance was not yet known, it was not carried over and included with the original budget for fiscal year 2020. This amendment applied the 2019 year end carryover balance to the 2020 budget.

$1,087,775.00 increase to PRC 163 (Federal CARES Act funding) – This is an allotment received as a result of the Federal COVID relief CARES Act. This allotment is to assist schools with educating students during the pandemic.

$485.00 increase to PRC 109 (Rural and Low Income Schools) – This represents the difference between the original planning allotment and the actual allotment received. It reconciles the district's budget with the state's figures.

$2,503.31 increase and decrease to PRC 017 – there was a transfer of funds from one budget line item to another line item, which caused the indirect cost expense (Purpose Code 8000) to decrease and caused an increase in the contract services expense (Purpose Code 5000). Even though this transaction did not result in a change in the budget amount, it did transfer funds from one purpose code to another, thus requiring a budget amendment.

$5000.00 increase to PRC 118 (Targeted Special Needs Students) – This is an allotment received as a result of the Federal COVID relief act. This allotment is to assist schools with educating students with exceptional needs during the pandemic.

Capital Outlay Funds

4) A net increase of $408,536.96 to the Capital Outlay Budget Fund (Fund 4)

$408,536.96 increase in Capital Outlay fund 4 – this transaction establishes a budget line item for the County's repayment of district funds used to construct the wing at East Middle School several years ago, which were applied to the Capital Outlay fund.

Child Nutrition

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

Special Local Fund 8

6**) A net increase of $408,755.00 to the Fund 8 Budget Fund (Fund 8)**

Due to a possible surplus in revenues received, the following three revenue line items were increased by $202,150.53:

$132,753.73 increase in PRC 000 (Indirect Costs) – this represents increased revenues from indirect costs charged to federal programs and child nutrition.

$25,000.00 increase in PRC 671 (Technology Fees) – this is funds received from the collection of student technology fees.

$44,396.80 increase in PRC 305 (Unrestricted Medicaid Fees) – these are funds received for Medicaid related services in the EC area. These funds have no restrictions in how they are spent.

The above possible increase in revenues resulted in a corresponding increase in the following expense line item:

$202,150.53 increase in PRC 802 (Utility Expenses) – Any surplus revenues from the above listed revenue budgets will be used to offset utility expenses paid from Fund 2.

Other amendments to fund 8:

$157,048.90 increase in PRC 306 (Restricted Medicaid Fees) – this increase is a result of Medicaid fees received in excess of the original amount budgeted.

$49,520.57 increase in PRC 372 (Golden Leaf Grant) – this represents the funds from the Golden Leaf Grant for the purpose of technology professional development provided to teachers through the Friday Institute in Raleigh.

$35.00 increase in PRC 061 (Local COVID donation) – this was a local donation to be used to offset the expenses incurred due to the pandemic.

7) Overall, these adjustments resulted in an increase of $2,878,703.17 to the total 2019/2020 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 # 8

Montgomery County Administration Unit

The Montgomery County Board of Education at a meeting on the 8th day of July 2019 passed the following resolution:

Be it resolved that the following amendments be made to the Budget Resolution for the fiscal year ending June 30, 2019.

Expense Code		Description of Code			Increase	Decrease
		STATE FUNDS				
		Revenues				
1.3100		State Revenues - regular			$387.54	
1.3100						
1.3100						
1.3211.130						
1.3211.130						
1.3100						
1.3100						
1.3100						
1.3100						
1.3100						
1.3100						
		Net Change in State Revenues			**$387.54**	
		Expenses				
1.5000.011		NBPTS Educational Leave			$387.54	
1.5000.131		Textbook Spending Account			$35,321.00	
1.5000.130		Textbook & Digital Resource Fund				$35,321.00
1.5000.015		PRC 015 Technology Rev #43				
1.5000.003		PRC 003 Non Instr Support Rev #43				
1.5000.003		PRC 003 Non Instr Support Rev #47				
1.6000.056		PRC 056 Transportation Rev #47				
1.6000.056		PRC 056 Transportation Rev #48				
1.5000.015		PRC 015 Technology Rev #47				
		Net Change in State Expenses			**$387.54**	
		Net Change in State Budget			**$387.54**	

Explanation: Adjustments made for actual revenues and expenditures.

Previous Appropriation in Current State Fund 1 Budget	**$28,428,425.52**
Amount of Increase	**$387.54**
New Total Appropriation in Amended State Fund 1 Budget	**$28,428,813.06**

Budget Amendment # 8

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

Explanation: Adjustments made for actual revenues and expenditures.

Previous Total Appropriation in Local Fund 2 Budget	**$7,031,330.16**
Amount of Increase	**$0.00**
New Total Appropriation in Amended Local Fund 2 Budget	**$7,031,330.16**

Budget Amendment # 8

Expense Code		Description of Code			Increase	Decrease
		FEDERAL FUNDS				
		Revenues				
3.3600.118		State Revision #49			1,750.00	
		Net Change in Federal Revenues			1,750.00	
		Expenses				
3.5000.118		Special Needs Targeted Assistance			1,750.00	
		Net Change in Federal Expenses			**$1,750.00**	
		Net Change in Federal Budget			**$1,750.00**	

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

Previous Total Appropriation in Federal Fund 3 Budget	**$3,572,572.85**
Amount of Increase	**$1,750.00**
New Total Appropriation in Amended Federal Fund 3 Budget	**$3,574,322.85**

Budget Amendment # 8

Expense Code	Description of Code	Increase	Decrease
	CAPITAL OUTLAY FUND		
	Revenues		
4.3000.802.528.334	State Hurricane Relief Star Gym		
4.4840.056.529	Insurance Settlement for Yellow bus accident		
4.3400.120	Yellow Bus Annual Lease Payment		
4.4850.120	Yellow Bus Purchase 2019		
	Net Change in Capital Outlay Revenues	**$0.00**	
	Expenses		
4.9000.802.528.334	Repairs to Star Gym-State Hurricane Relief		
4.6550.056.529	Repairs for Yellow bus accident		
4.6550.120.551	Bus Purchase/Lease Payment		
	Net Change in Capital Outlay Expenses	**$0.00**	
	Net Change in Capital Outlay Budget	**$0.00**	

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

Previous Total Appropriation in Capital Outlay Fund 4 Budget **$1,267,229.29**

Amount of Increase **$0.00**

New Total Appropriation in Amended Capital Outlay Fund 4 Budget **$1,267,229.29**

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

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

Previous Total Appropriation in Child Nutrition Fund 5 Budget **$3,324,040.00**

Amount of Increase **$0.00**

New Total Appropriation in Amended Child Nutrition Fund 5 Budget **$3,324,040.00**

Budget Amendment # 8

Expense Code	Description of Code	Increase	Decrease
	LOCAL FUND 8		
	Revenues		
8.4890.378.	Phieffer Grant	$8,223.15	
8.4890.423	PPEERS Grant	$14,995.00	
	Total Changes in Fund 8 Revenues	**$23,218.15**	
	Expenses		
8.5830.378	Phieffer Grant	$8,223.15	
8.5402.423	PPEERS Grant	$14,995.00	
	Total Change in Fund 8 Expenses	**$23,218.15**	
	Net Change in Local Fund 8 Budget	**$23,218.15**	

Explanation: Adjustments made for actual revenues and expenditures.

Previous Total Appropriation in the Special Fund 8 Budget	**$3,084,951.95**
Amount of Increase	**$23,218.15**
New Total Appropriation in Amended Special Fund 8 Budget	**$3,108,170.10**

Summary of Budget Changes	
Previous Budget Balance	**$46,708,549.77**
State Budget Change	$387.54
Local Budget Change	$0.00
Federal Budget Change	$1,750.00
Capital Outlay Budget Change	$0.00
Child Nutrition Budget Change	$0.00
Fund 8 Budget Change	$23,218.15
Current Budget Balance	**$46,733,905.46**
Total Budget Change	**$25,355.69**

Passed by majority vote by the Board of Education of Montgomery County on the 3rd day of June 2019.

Chairman, Board of Education

Secretary, Board of Education