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To: Board of Education  
From: Mitch Taylor  
Date: December 2nd, 2019  
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 # 2**

### **State Funds**

#### **1) A net increase of \$192,760.00 to the State Budget Fund (Fund 1):**

\$44,312.00 increase in PRC 015 (Technology) – The state provides this allotment for technology. It is based on the collection of fines and forfeitures at the state level.

\$34,448.00 increase to PRC 048 (Principal Bonus) – The State pays a bonus to principals based on their schools growth scores. To be eligible for the bonus, a school must rank in the top 50% statewide. The state provides funding to pay the bonus.

\$114,000.00 increase to PRC 029 (EC Behavioral Support) – This funding is to provide additional staffing for EC students needing behavioral support.

### **Local Funds**

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

### **Federal Funds**

#### **3) A net increase of \$430,498.00 to the Federal Budget Fund (Fund 3):**

\$43,500.00 increase to PRC 101 (Abstinence Education) – This was our expected federal allotment related to the funding of our district's Abstinence Education program.

\$386,998.00 increase to PRC 110 (21<sup>st</sup> Century Grant) - This grant supports our Merit Afterschool Program at the elementary schools.

### **Capital Outlay Funds**

#### **4) A net increase of \$28,178.00 to the Capital Outlay Budget Fund (Fund 4)**

\$6000 increase to PRC 056 (Transportation) – We had a state owned yellow work truck to hit a deer. The state only provides liability insurance on its vehicles, so we had to pay for the repairs to the vehicle. We can apply for reimbursement for this local expenditure at the end of the year.

\$22,178.00 increase to PRC 120 (New bus lease payment) – When we are allotted new school buses by the state, they are financed with a three year lease agreement. We are billed the payment, however the state provides the funds to make the payment.

### **Child Nutrition**

#### **5) There is a correction to the Child Nutrition Fund. (Fund 5)**

While there was no change to the budget, an error was discovered. On the Budget Resolution dated October 7, 2019, the budget amount for Fund 5 was correct. However, in Budget Amendment #1 dated November 4<sup>th</sup>, 2019, the total balance in Fund 5 was listed incorrectly. It was understated by \$240,000, and this entry is to correct that error.

### **Special Local Fund 8**

#### **6) An increase of \$51,694.00 to the Special Local Fund (Fund 8)**

\$51,694.00 increase to PRC 413 (NC Pre-K Program). This allotment is in addition to our regular Pre-K funding. It is provided to support our Pre- K Program as a result of our enrollment exceeding the original capacity used to fund our initial allotment.

\$1093.17 increase to PRC 379 (RESTORE Grant) in school level funding and a \$1093.17 decrease to PRC 379 in central office funding (RESTORE Grant) – This transaction accounts for funds being moved from one budget category to another category. There was not increase or decrease to the total budget, but the transaction has to be reported as a budget amendment since it moved funds from one purpose code (central office) to another purpose code (school level).

**7) Overall, these adjustments resulted in an increase of \$703,130.00 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 # 2

## Montgomery County Administration Unit

The Montgomery County Board of Education at a meeting on the 2nd day of December 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, 2020.

| Expense Code                                                        | Description of Code                      | Increase                   | Decrease        |
|---------------------------------------------------------------------|------------------------------------------|----------------------------|-----------------|
| <b><u>STATE FUNDS</u></b>                                           |                                          |                            |                 |
| <b><u>Revenues</u></b>                                              |                                          |                            |                 |
| 1.3100.000.                                                         | State Funds PRC 015                      | \$44,312.00                |                 |
| 1.3100.000.                                                         | State Funds PRC 048                      | \$34,448.00                |                 |
| 1.3100.000.                                                         | State Funds PRC 029                      | 114,000.00                 |                 |
|                                                                     |                                          |                            |                 |
|                                                                     |                                          |                            |                 |
|                                                                     |                                          |                            |                 |
|                                                                     |                                          |                            |                 |
|                                                                     | <b>Net Change in State Revenues</b>      | <b>\$192,760.00</b>        |                 |
| <b><u>Expenses</u></b>                                              |                                          |                            |                 |
| 1.5000.015                                                          | Technology                               | \$44,312.00                |                 |
| 1.5000.048                                                          | Principal Bonus                          | \$34,448.00                |                 |
| 1.5000.029                                                          | Behaviorial Support                      | \$114,000.00               |                 |
|                                                                     |                                          |                            |                 |
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|                                                                     |                                          |                            |                 |
|                                                                     |                                          |                            |                 |
|                                                                     | <b>Net Change in State Expenses</b>      | <b>\$192,760.00</b>        |                 |
|                                                                     |                                          |                            |                 |
|                                                                     | <b><u>Net Change in State Budget</u></b> | <b><u>\$192,760.00</u></b> |                 |
| Explanation: Adjustments made for actual revenues and expenditures. |                                          |                            |                 |
| Total Appropriation in Current Budget                               |                                          |                            | \$26,428,422.00 |
| Amount of Increase                                                  |                                          |                            | \$192,760.00    |
| Total Appropriation in Current Amended Budget                       |                                          |                            | \$26,621,182.00 |

# Budget Amendment # 2

| Expense Code                                                        |  | Description of Code                      | Increase             | Decrease       |
|---------------------------------------------------------------------|--|------------------------------------------|----------------------|----------------|
| <b><u>LOCAL FUNDS</u></b>                                           |  |                                          |                      |                |
| <b><u>Revenues</u></b>                                              |  |                                          |                      |                |
|                                                                     |  |                                          |                      |                |
|                                                                     |  |                                          |                      |                |
|                                                                     |  | <b><u>Expenses</u></b>                   |                      |                |
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|                                                                     |  |                                          |                      |                |
|                                                                     |  |                                          |                      |                |
|                                                                     |  | <b><u>Net Change in Local Budget</u></b> | <b><u>\$0.00</u></b> |                |
| Explanation: Adjustments made for actual revenues and expenditures. |  |                                          |                      |                |
| Total Appropriation in Current Budget                               |  |                                          |                      | \$7,181,016.00 |
| Amount of Increase                                                  |  |                                          |                      | \$0.00         |
| Total Appropriation in Current Amended Budget                       |  |                                          |                      | \$7,181,016.00 |

# Budget Amendment # 2

| Expense Code         |    | Description of Code                |  | Increase     | Decrease |
|----------------------|----|------------------------------------|--|--------------|----------|
| <u>FEDERAL FUNDS</u> |    |                                    |  |              |          |
| Revenues             |    |                                    |  |              |          |
| 3.3600.101           |    | Title V - Abstinence Education     |  | \$43,500.00  |          |
| 3.3600.110           |    | 21st Century Grant - Merit Program |  | \$386,998.00 |          |
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# Budget Amendment # 2

| Expense Code                                                               | Description of Code                               | Increase                  | Decrease                   |
|----------------------------------------------------------------------------|---------------------------------------------------|---------------------------|----------------------------|
| <b><u>CAPITAL OUTLAY FUND</u></b>                                          |                                                   |                           |                            |
|                                                                            | <b><u>Revenues</u></b>                            |                           |                            |
| 4.4000.056                                                                 | Fund Balance Appropriation                        | 6,000.00                  |                            |
| 4.4000.120                                                                 | State Revision #14                                | 22,178.00                 |                            |
|                                                                            |                                                   |                           |                            |
|                                                                            |                                                   |                           |                            |
|                                                                            | <b>Net Change in Capital Outlay Revenues</b>      | <b>28,178.00</b>          |                            |
|                                                                            | <b><u>Expenses</u></b>                            |                           |                            |
| 4.6000.056                                                                 | Repairs to Yellow Service Trucks                  | 6,000.00                  |                            |
| 4.6000.120                                                                 | Yellow Bus lease payment                          | \$22,178.00               |                            |
|                                                                            |                                                   |                           |                            |
|                                                                            |                                                   |                           |                            |
|                                                                            | <b>Net Change in Capital Outlay Expenses</b>      | <b>28,178.00</b>          |                            |
|                                                                            |                                                   |                           |                            |
|                                                                            | <b><u>Net Change in Capital Outlay Budget</u></b> | <b><u>\$28,178.00</u></b> |                            |
| Explanation: <b>Adjustments made for actual revenues and expenditures.</b> |                                                   |                           |                            |
| <b>Total Appropriation in Current Budget</b>                               |                                                   |                           | <b>\$735,728.94</b>        |
| <b>Amount of Increase</b>                                                  |                                                   |                           | <b>\$28,178.00</b>         |
| <b><u>Total Appropriation in Current Amended Budget</u></b>                |                                                   |                           | <b><u>\$763,906.94</u></b> |

| Expense Code                                                               | Description of Code                                | Increase                   | Decrease                     |
|----------------------------------------------------------------------------|----------------------------------------------------|----------------------------|------------------------------|
| <b><u>CHILD NUTRITION FUND</u></b>                                         |                                                    |                            |                              |
|                                                                            | <b><u>Revenues</u></b>                             |                            |                              |
| 5.4000.035                                                                 | Correction to Child Nutrition                      | 240,000.00                 |                              |
|                                                                            |                                                    |                            |                              |
|                                                                            | <b><u>Expenses</u></b>                             |                            |                              |
| 5.8000.035                                                                 | Correction to Child Nutrition                      | 240,000.00                 |                              |
|                                                                            |                                                    |                            |                              |
|                                                                            | <b><u>Net Change in Child Nutrition Budget</u></b> | <b><u>\$240,000.00</u></b> |                              |
| Explanation: <b>Adjustments made for actual revenues and expenditures.</b> |                                                    |                            |                              |
| <b>Total Appropriation in Current Budget</b>                               |                                                    |                            | <b>\$3,185,964.00</b>        |
| <b>Amount of Increase</b>                                                  |                                                    |                            | <b>\$240,000.00</b>          |
| <b><u>Total Appropriation in Current Amended Budget</u></b>                |                                                    |                            | <b><u>\$3,425,964.00</u></b> |

# Budget Amendment # 2

| Expense Code        | Description of Code                      | Increase           | Decrease |
|---------------------|------------------------------------------|--------------------|----------|
| <b>LOCAL FUND 8</b> |                                          |                    |          |
| <b>Revenues</b>     |                                          |                    |          |
| 8.3700.413          | PRE-K Funding - Add'l capacity           | 51,694.00          |          |
|                     |                                          |                    |          |
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|                     | <b>Total Changes in Fund 8 Revenues</b>  | <b>\$51,694.00</b> |          |
| <b>Expenses</b>     |                                          |                    |          |
| 8.5000.413          | PRE-K Funding - Add'l capacity           | 51,694.00          |          |
| 8.5000.379          | RESTORE Grant                            | 1,093.17           |          |
| 8.6000.379          | RESTORE Grant                            |                    | \$96.29  |
| 8.8000.379          | RESTORE Grant                            |                    | \$996.88 |
|                     |                                          |                    |          |
|                     |                                          |                    |          |
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|                     |                                          |                    |          |
|                     | <b>Total Change in Fund 8 Expenses</b>   | <b>\$51,694.00</b> |          |
|                     |                                          |                    |          |
|                     | <b>Net Change in Local Fund 8 Budget</b> | <b>\$51,694.00</b> |          |

Explanation: Adjustments made for actual revenues and expenditures.

Total Appropriation in Current Budget \$4,336,414.64

Amount of Increase \$51,694.00

Total Appropriation in Current Amended Budget \$4,388,108.64

| <b>Summary of Budget Changes</b> |                        |
|----------------------------------|------------------------|
| <b>Previous Budget</b>           | <b>\$45,301,657.78</b> |
| State Budget Change              | \$192,760.00           |
| Local Budget Change              | \$0.00                 |
| Federal Budget Change            | \$430,498.00           |
| Capital Outlay Budget Change     | \$28,178.00            |
| Child Nutrition Budget Change    | \$240,000.00           |
| <u>Fund 8 Budget Change</u>      | <u>\$51,694.00</u>     |
| <b>Current Budget</b>            | <b>\$46,244,787.78</b> |

Passed by majority vote by the Board of Education of Montgomery County on the 2nd day of December 2019.

Chairman, Board of Education

Secretary, Board of Education

## Budget Amendment # 2

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