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To: Board of Education  
From: Mitch Taylor  
Date: March 5<sup>th</sup>, 2018  
Subject: Agenda Item (Section – Consent Agenda)

Attached you will find a budget amendment for your consideration for the year ending June 30, 2018.

### **Budget Amendment #5 represents:**

#### **State Funds**

##### **1) The following transactions led to an increase of \$715,784.62 to the State Budget Fund (Fund 1):**

**-\$30,000 increase in PRC 045 – This was reimbursement for a special retention bonus of \$385 the state paid to all teachers with 25 or more years of experience.**

**-\$135,500 and \$42,000 increase in PRC 009 – Employees who receive longevity and, when an employee who retire and are paid for up to 30 days of their annual leave, are paid from this account. This was a reimbursement from the state for these expenses.**

**-\$15 increase in PRC 015 – Interest earned by the state and distributed to the school districts.**

**-\$30,000 increase in PRC 061 and a corresponding decrease in PRC 130 – PRC 130 is our textbook funds, but purchase orders cannot be paid from this account. To spend this money, it has to be deducted from the textbook account and added to our supply funding, PRC 061. Once the funds are transferred to the supplies account, then it can be used to pay a purchase order for textbooks or digital learning material.**

**-\$6300 increase in PRC 032 – the state provided this funding for children with special needs that live in a group home.**

**-\$395,245.28 and \$93,940.34 increase in PRC 052 – This is the ELLIS Grant funding recently received for funding an afterschool program at our middle schools.**

\$12,784 increase in PRC 056 – This is to offset the additional transportation costs for busing at the Early College.

#### Local Funds

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

#### Federal Funds

##### 3) A decrease to the Federal Budget (Fund 3) in the amount of \$2,587

-\$1625 decrease in PRC 101 – This is a federal program for abstinence education. This amount expired in December 2017 and had to be reverted back to the state.

-\$962 decrease in PRC 111 - This is a federal program for language acquisition. This amount expired in October 2017 and had to be reverted back to the state.

#### Capital Outlay Funds

##### 4) An increase of \$297,486 to the Capital Outlay Budget (Fund 4)

-\$297,486 increase in PRC 056 – when the district receives new yellow buses from the state, they are financed through a leasing arrangement with Wells Fargo. The annual lease payment is charged to the district, but the state provides the district the funds to make the payment. This amount represents this year's lease payment.

#### Child Nutrition

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

#### Special Local Fund 8

##### 6) An increase of \$5237.81 to the Local Fund 8 Budget (Fund 8)

-\$3477.33 increase received from the sale of recycled goods

-\$1759.98 increase in PRC 371 (I-3 Grant) – a review of the I-3 grant revealed that there were more funds remaining in the I-3 grant than were budgeted. \$1759.98 was added to the revenue and expense budgets.

-\$9939.00 increase in PRC 371 (I-3) and a like decrease in PRC 802 (utilities) – a review of the I-3 grant revealed that the I-3 revenue budget was budgeted for \$252,897, however the I-3 expense budget was only

showing an amount of \$242,958, a difference of \$9939.00. To correct this error, funds were transferred to the I-3 budget from the miscellaneous utilities account.

**7) The total change to the MCS budget was an increase of \$1,015,921.43**

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

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

# Budget Amendment # 5

## Montgomery County Administration Unit

The Montgomery County Board of Education at a meeting on the 5th day of March 2018.  
passed the following resolution:

**Be it resolved that the following amendments be made to the Budget Resolution for the fiscal year ending June 30, 2018.**

Expense Code	Description of Code	Increase	Decrease
<b><u>STATE FUNDS</u></b>			
<b><u>Revenues</u></b>			
1.3100.000.	State Funds	\$30,000.00	\$0.00
1.3100.000.	State Funds	\$177,500.00	
1.3100.000.	State Funds Bud Revision #29	\$489,185.62	
1.3100.000.	State Funds Bud Revision #32	\$6,300.00	
1.3100.000.	State Funds Bud Revision #33	\$12,784.00	
<u>1.3100.000.</u>	<u>State Funds Bud Revision #33</u>	<u>\$15.00</u>	
	<b>Net Change in State Revenues</b>	<b>\$715,784.62</b>	
<b><u>Expenses</u></b>			
1.5000.045	Non Contributory Benefits	\$30,000.00	
1.5000.009	Longevity, Leave Payout	\$135,500.00	
1.6000.009	Longevity, Leave Payout	\$42,000.00	\$0.00
1.5000.015	Technology	\$15.00	
1.5000.061	Instructional Supplies	\$30,000.00	
1.5000.130	Textbook Fund		\$30,000.00
1.5000.032	Children With Special Needs	\$6,300.00	
1.5000.052	ELISS Grant	\$395,245.28	
1.6000.052	ELISS Grant	\$93,940.34	
<u>1.5000.056</u>	<u>Transportation</u>	<u>\$12,784.00</u>	
	<b>Net Change in State Expenses</b>	<b>\$715,784.62</b>	
	<b>Net Change in State Budget</b>	<b>\$715,784.62</b>	
<b>Explanation: Adjustments made for actual revenues and expenditures.</b>			
<b>Previous Appropriation in Current State Fund 1 Budget</b>			<b>\$26,359,266.50</b>
<b>Amount of Increase</b>			<b>\$715,784.62</b>
<b>New Total Appropriation in Amended State Fund 1 Budget</b>			<b><u>\$27,075,051.12</u></b>

# Budget Amendment # 5

Expense Code	Description of Code	Increase	Decrease
<b><u>LOCAL FUNDS</u></b>			
<b><u>Revenues</u></b>			
	Net Change in Local Revenues	\$0.00	
<b><u>Expenses</u></b>			
	Net Change in Local Expenses	\$0.00	
	<b><u>Net Change in Local Budget</u></b>	<b><u>\$0.00</u></b>	
<p>Explanation: Adjustments made for actual revenues and expenditures.</p> <p>Previous Total Appropriation in Local Fund 2 Budget <span style="float: right;">\$6,492,948.16</span></p> <p>Amount of Increase <span style="float: right;">\$0.00</span></p> <p>New Total Appropriation in Amended Local Fund 2 Budget <span style="float: right;"><b><u>\$6,492,948.16</u></b></span></p>			

# Budget Amendment # 5

Expense Code	Description of Code	Increase	Decrease
<b><u>FEDERAL FUNDS</u></b>			
<b><u>Revenues</u></b>			
3.3600.101	Abstinence Education Prgm		1,625.00
3.3600.111	Language Acquisition		962.00
	<b>Net Change in Federal Revenues</b>	<b>-\$2,587.00</b>	
<b><u>Expenses</u></b>			
3.5000.101	Abstinence Education Prgm		1,625.00
3.5000.111	Language Acquisition		962.00
	<b>Net Change in Federal Expenses</b>	<b>-\$2,587.00</b>	
	<b><u>Net Change in Federal Budget</u></b>	<b><u>-\$2,587.00</u></b>	
Explanation: <b>Adjustments made for actual revenues and expenditures.</b>			
<b>Previous Total Appropriation in Federal Fund 3 Budget</b>			<b>\$3,232,402.11</b>
<b>Amount of Increase</b>			<b>(\$2,587.00)</b>
<b>New Total Appropriation in Amended Federal Fund 3 Budget</b>			<b><u>\$3,229,815.11</u></b>

# Budget Amendment # 5

Expense Code	Description of Code	Increase	Decrease
<b><u>CAPITAL OUTLAY FUND</u></b>			
	<b><u>Revenues</u></b>		
1.31	State Revision #29 PRC 056	\$297,486.00	
	<b>Net Change in Capital Outlay Revenues</b>	<b>\$297,486.00</b>	
	<b><u>Expenses</u></b>		
1.6000.056	Transportation	\$297,486.00	
	<b>Net Change in Capital Outlay Expenses</b>	<b>\$297,486.00</b>	
	<b>Net Change in Capital Outlay Budget</b>	<b>\$297,486.00</b>	
Explanation: Adjustments made for actual revenues and expenditures.  Previous Total Appropriation in Capital Outlay Fund 4 Budget <span style="float: right;">\$2,810,147.00</span>  Amount of Increase <span style="float: right;">\$297,486.00</span>  New Total Appropriation in Amended Capital Outlay Fund 4 Budget <span style="float: right;"><b>\$3,107,633.00</b></span>			

Expense Code	Description of Code	Increase	Decrease
<b><u>CHILD NUTRITION FUND</u></b>			
	<b><u>Revenues</u></b>		
	<b>Net Change in Child Nutrition Revenues</b>	<b>\$0.00</b>	
	<b><u>Expenses</u></b>		
	<b>Net Change in Child Nutrition Expenses</b>	<b>\$0.00</b>	
	<b>Net Change in Child Nutrition Budget</b>	<b>\$0.00</b>	
Explanation: Adjustments made for actual revenues and expenditures.  Previous Total Appropriation in Child Nutrition Fund 5 Budget <span style="float: right;">\$3,482,314.00</span>  Amount of Increase <span style="float: right;">\$0.00</span>  New Total Appropriation in Amended Child Nutrition Fund 5 Budget <span style="float: right;"><b>\$3,482,314.00</b></span>			

# Budget Amendment # 5

Expense Code	Description of Code	Increase	Decrease
<b>LOCAL FUND 8</b>			
<b>Revenues</b>			
8.4000.802	Recycling Revenues	\$3,477.83	
8.3690.371	I-3 Grant	\$1,759.98	
	<b>Total Changes in Fund 8 Revenues</b>	<b>\$5,237.81</b>	
<b>Expenses</b>			
8.6000.802	Recycling Revenues	\$3,477.83	
8.6300.371	I-3 Grant	\$1,759.98	
8.6300.371	I-3 Grant	\$9,939.00	
8.6530.802	Utilities		<b>-\$9,939.00</b>
	<b>Total Change in Fund 8 Expenses</b>	<b>\$5,237.81</b>	
	<b>Net Change in Local Fund 8 Budget</b>	<b>\$5,237.81</b>	

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

**Previous Total Appropriation in the Special Fund 8 Budget** **\$2,268,568.57**

**Amount of Increase** **\$5,237.81**

**New Total Appropriation in Amended Special Fund 8 Budget** **\$2,273,806.38**

<b>Summary of Budget Changes</b>	
<b>Previous Budget Balance</b>	<b>\$44,645,646.34</b>
State Budget Change	\$715,784.62
Local Budget Change	\$0.00
Federal Budget Change	-\$2,587.00
Capital Outlay Budget Change	\$297,486.00
Child Nutrition Budget Change	\$0.00
<b>Fund 8 Budget Change</b>	<b>\$5,237.81</b>
<b>Current Budget Balance</b>	<b>\$45,661,567.77</b>

1,015,921.43

Passed by majority vote by the Board of Education of Montgomery County on the 5th day of March 2018.

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Chairman, Board of Education

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Secretary, Board of Education