

MEMORANDUM

September 9, 2019

TO: Education and Culture Committee

FROM: Craig Howard, Senior Legislative Analyst *CH*

SUBJECT: **Supplemental Appropriation to MCPS' FY19 Operating Budget, Entrepreneurial Activities Fund - \$3,500,000 for the School Bus Safety Camera Program**

PURPOSE: Review and make recommendation to full Council

Background

The Board of Education requested this supplemental appropriation on June 24. The County Executive recommended approval on July 12. The Council introduced this supplemental appropriation on July 30 and held a public hearing on September 10 (staff report is attached at ©1-8).

As authorized by the Board of Education on May 26, 2016, MCPS entered into: 1) a contract with Bus Patrol America (BPA) (formerly Force Multiplier Solutions, Inc.) to provide a comprehensive school bus safety system to MCPS; and, 2) a memorandum of understanding with Montgomery County Government to set forth the parties' respective obligations for effective implementation of the School Bus Safety Camera Program.

Pursuant to the contract and the MOU, all citations are reviewed and approved by the Montgomery County Police Department and citation revenues are received in the County's General Fund. Revenues are then transferred from the County General Fund to the MCPS Entrepreneurial Activities Fund to enable MCPS to compensate BPA for the school bus safety system until such time that BPA recovers the cost of its capital investment. The Council previously approved an FY19 supplemental of \$5.6 million for this purpose in June 2019.

Requested Technical Amendment

As detailed above, this appropriation request relates to revenues collected from bus camera citations. When the Board requested the \$3.5 million appropriation in June, it was based on projected revenue at that time. However, total FY19 bus camera citation revenue was \$230,827 higher than projected. As a result, the Board has requested a technical amendment to increase the supplemental by that amount in order to provide MCPS with sufficient appropriation authority for the total revenue received from the School Bus Safety Camera Program (©9-10). County Government Office of Management and Budget staff has indicated that the County Executive supports this amendment.

Staff Recommendation

Amend the resolution as introduced to increase the supplemental appropriation to \$3,730,827 as requested by the Board of Education and recommended by the County Executive. A draft resolution showing the proposed amendment is attached at ©11-12.



Montgomery
County Council

Committee: E&C

Staff: Craig Howard, Senior Legislative Analyst

Purpose: To receive testimony – no vote expected

Keywords: MCPS, budget, bus cameras

AGENDA ITEM #7

September 10, 2019

Public Hearing

SUBJECT

Supplemental Appropriation to the FY19 Operating Budget, Montgomery County Public Schools, \$3,500,000 for the School Bus Camera Safety Program

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

None

DESCRIPTION/ISSUE

The Council will hold a public hearing on a supplemental appropriation to the MCPS FY19 Operating Budget, Entrepreneurial Activities Fund, in the amount of \$3,500,000 for the School Bus Camera Safety Program. The source of funds is the School Bus Camera Program citation revenue in the County Government General Fund. This appropriation is needed to provide MCPS spending authority for payments to the contractor based on actual revenues collected.

SUMMARY OF KEY DISCUSSION POINTS

- The Board of Education requested this appropriation on June 24. The County Executive recommended approval on July 12.
- As authorized by the Board of Education on May 26, 2016, MCPS entered into: 1) a contract with Bus Patrol America (BPA) (formerly Force Multiplier Solutions, Inc.) to provide a comprehensive school bus safety system to MCPS; and, 2) a memorandum of understanding with Montgomery County Government to set forth the parties' respective obligations for effective implementation of the School Bus Safety Camera Program.
- Pursuant to the contract and the MOU, all citations are reviewed and approved by the Montgomery County Police Department and citation revenues are received in the County's General Fund. Revenues are then transferred from the County General Fund to the MCPS Entrepreneurial Activities Fund to enable MCPS to compensate BPA for the school bus safety system until such time that BPA recovers the cost of its capital investment. The Council previously approved an FY19 supplemental of \$5.6 million for this purpose in June 2019.
- The Education and Culture Committee is scheduled to review this supplemental appropriation request on September 12, 2019.

This report contains:

County Executive Recommendation (May 6, 2019)
Draft Supplemental Appropriation Resolution
Board of Education Request (February 12, 2019)

©~~1~~ 3
©~~2~~ 4-5
©~~3~~ 6-9

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OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Marc Elrich
County Executive

MEMORANDUM

July 12, 2019

TO: Nancy Navarro, President, County Council

FROM: Marc Elrich, County Executive *Man El*

SUBJECT: Supplemental Appropriation #19-444 to the FY19 Operating Budget
Montgomery County Public Schools
Entrepreneurial Activities Fund
School Bus Safety Camera Program, \$3,500,000

I am recommending a supplemental appropriation to the FY19 Operating Budget of the Montgomery County Public Schools (MCPS) Entrepreneurial Activities Fund in the amount of \$3,500,000 for the School Bus Safety Camera Program. These funds are used to improve student safety and enforce traffic violations.

This supplemental appropriation is needed to provide MCPS with spending authority for payments to the contractor that provides the cameras and other systems necessary to issue citations. While citations need to be reviewed and approved by law enforcement, and the citation revenues are received in the County's General Fund, school buses remain the property of the school system, and the contract with the vendor was entered into by MCPS. Fine revenues are transferred from the County's General Fund to the MCPS Entrepreneurial Activities Fund to cover the payments to the vendor. The Council approved a supplemental of \$5,600,000 in June 2019 for this purpose.

I recommend that the County Council approve this supplemental appropriation in the amount of \$3,500,000 and specify the source of funds as School Bus Safety Camera Program Citation Fines Revenue – County General Fund.

I appreciate your prompt consideration of this action.

ME:nm

Attachments

③ ~~④~~

Resolution No: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

SUBJECT: Supplemental Appropriation #19-444 to the FY19 Operating Budget
Montgomery County Public Schools
Entrepreneurial Activities Fund
School Bus Safety Camera Program, \$3,500,000

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. The County Executive has requested the following FY19 Operating Budget appropriation increases for Montgomery County Public Schools (MCPS).

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$3,500,000	\$3,500,000	School Bus Safety Camera Program Citation Fines Revenue – County General Fund

(4) (2)

3. This supplemental appropriation is needed to provide MCPS spending authority for payments to the contractor that provides the cameras and other systems necessary to issue citations.
4. The County Executive recommends a supplemental appropriation to the FY19 Operating Budget of the Montgomery County Public Schools Entrepreneurial Fund in the amount of \$3,500,000 for the School Bus Safety Camera Program and specifies that the source of funds will be School Bus Safety Camera Program Citation Fines Revenues.
5. Notice of public hearing was given, and a public hearing was held.

Action

The County Council for Montgomery County, Maryland, approves the following action:

A supplemental appropriation to the FY19 Operating Budget of Montgomery County Public Schools is approved as follows:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$3,500,000	\$3,500,000	School Bus Safety Camera Program Citation Fines Revenue – County General Fund

This is a correct copy of Council action.

Megan Davey Limarzi, Esq.
Clerk of the Council

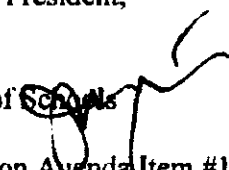
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Office of the Superintendent of Schools
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

June 26, 2019

MEMORANDUM

To: The Honorable Marc Elrich, County Executive
The Honorable Nancy Navarro, President,
Montgomery County Council

From: Jack R. Smith, Superintendent of Schools 

Subject: Transmittal of Board of Education Agenda Item #10.9

Fiscal Year 2019 Supplemental Appropriation for School Bus Safety Camera Program

BOE Meeting Date: June 24, 2019

Amount: \$3,500,000

Type of Action: Approval

JRS:ND:jp

Attachment

Copy to:
Ms. Diamond
Montgomery County Office of Management and Budget

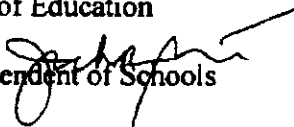
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Office of the Superintendent of Schools
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

June 24, 2019

MEMORANDUM

To: Members of the Board of Education

From: Jack R. Smith, Superintendent of Schools 

Subject: Fiscal Year 2019 Supplemental Appropriation for School Bus Safety Camera Program

Montgomery County Public Schools (MCPS) is collaborating with the Montgomery County Police Department to implement a school bus safety program for the use of monitoring cameras on all operating school buses to improve student safety and enforce school bus traffic violations (the "School Bus Safety Camera Program"). Drivers in Montgomery County illegally overtake or pass school buses at an alarming rate. In a national survey conducted during the past six years, MCPS bus operators consistently reported 800 to 1,200 drivers illegally overtaking or passing school buses in a single day. Under Maryland law, vehicle owners who illegally overtake or pass stopped school buses may be issued a citation with a fine amount of \$250.

As authorized by the Board of Education on May 26, 2016 (Resolution No. 260-16), MCPS entered into (1) a contract with Bus Patrol America (BPA) (formerly Force Multiplier Solutions), a firm specializing in security and safety solutions for the school transportation industry, to provide its Bus Patrol School Bus Safety System™ to MCPS; and (2) a Memorandum of Understanding (MOU) with Montgomery County to set forth the parties' respective obligations for effective implementation of the School Bus Safety Camera Program. The Bus Patrol School Bus Safety System™ provides the capability to equip every school bus in MCPS' fleet with interior, exterior, and stop-arm enforcement video cameras with recording and real-time viewing capabilities, and live and historical global positioning system location reporting. BPA also provides school systems with ongoing maintenance and upgrades for all equipment installed on the school buses. Through a unique business model, where BPA is compensated entirely from the citation fines paid by drivers who illegally overtake or pass stopped school buses, BPA is able to offer its Bus Patrol School Bus Safety System™ at no cost to its clients.

Pursuant to the contract and the MOU, all revenue generated from citation fines are to be transferred from the County General Fund to the MCPS Entrepreneurial Activities Fund to enable MCPS to compensate BPA for the Bus Patrol School Bus Safety System™ until such time that BPA recovers the cost of its capital investment, including the cost of equipment and operating costs. After BPA recovers its capital investment costs, revenue from citation fines will be shared

between BPA and Montgomery County. Currently, 1,000 MCPS school buses are operating the Bus Patrol School Bus Safety System™. The remainder of the school bus fleet is scheduled to be equipped with the Bus Patrol system by the start of the 2019–2020 school year.

The adopted Fiscal Year (FY) 2019 Operating Budget includes \$2,000,000 to support the School Bus Safety Camera Program. On February 12, 2019, a supplemental appropriation in the amount of \$5,600,000 was approved by the Board of Education (Resolution No. 68-19) and County Council to increase the School Bus Safety Camera Program budget to \$7,700,000. Authorization is requested to receive and expend, subject to County Council approval, a FY 2019 supplemental appropriation of the estimated revenue generated from the payment of citation fines in the amount of \$3,500,000 to the MCPS Entrepreneurial Activities Fund for MCPS to compensate BPA for the installation and operation of the Bus Patrol School Bus Safety System™ on MCPS school buses.

Recommended Resolution

WHEREAS, Pursuant to Board Action dated May 26, 2016 (Resolution No. 260-16), Montgomery County Public Schools entered into a contract with Bus Patrol America (formerly Force Multiplier Solutions) to provide the school system with a comprehensive school bus safety camera system, the Bus Patrol School Bus Safety System™, at no cost to the school system; and

WHEREAS, Pursuant to Board Action dated May 26, 2016 (Resolution No. 260-16), Montgomery County Public Schools entered into a Memorandum of Understanding with Montgomery County defining each party's obligations regarding the School Bus Camera Safety Program; and


WHEREAS, The Memorandum of Understanding states that all fine revenue collected by Montgomery County from vehicle owners who illegally overtake or pass stopped school buses will be transferred to Montgomery County Public Schools for payment to Bus Patrol America for its Bus Patrol School Bus Safety System™ until such time that Bus Patrol America recovers its capital investment, after which fine revenue will be shared between Bus Patrol America and Montgomery County; now therefore be it

Resolved, That the superintendent of schools be authorized to receive and expend, subject to County Council approval, a Fiscal Year 2019 supplemental appropriation of \$3,500,000 to the Montgomery County Public Schools Entrepreneurial Activities Fund for payment to Bus Patrol America as compensation for the Bus Patrol School Bus Safety System™; and be it further

Resolved, That a copy of this resolution be forwarded to the county executive, the County Council, and the Montgomery County Police Department; and be it further

Resolved, That the county executive be requested to recommend approval of this resolution to the County Council.

JRS:ND:jp



ACTION

Office of the Superintendent of Schools
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

August 29, 2019

MEMORANDUM

To: Members of the Board of Education

From: Jack R. Smith, Superintendent of Schools

Subject: Technical Amendment to Fiscal Year 2019 Second Supplemental Appropriation
for School Bus Safety Camera Program

Montgomery County Public Schools (MCPS) has collaborated with the Montgomery County Police Department to implement a school bus safety program by using monitoring cameras on all operating school buses to improve student safety and enforce school bus traffic violations (the "School Bus Safety Camera Program"). Vehicle drivers in Montgomery County illegally overtake or pass school buses at an alarming rate. Under Maryland law, vehicle owners who illegally overtake or pass stopped school buses may be issued a citation with a fine amount of \$250.

Basis of Request

During Fiscal Year (FY) 2019, two supplemental appropriations were adopted by the Board of Education and requested of County Council by MCPS to increase the authorization to receive and expend funds for the School Bus Safety Camera Program. MCPS requested \$5,600,000 February 12, 2019 (Resolution No. 68-19), and \$3,500,000 June 24, 2019 (Resolution No. 396-19), with the latter currently under review by Montgomery County Council. The combined total of the two supplemental appropriations increased the total authorized budget from \$2,000,000 to \$11,100,000. However, according to staff in the Montgomery County Office of Management and Budget, MCPS has transferred a total of \$11,330,827 for Bus Patrol America payments in FY 2019, resulting in a budget deficit of \$230,827. It has been determined that an additional \$230,827 is needed as a technical amendment to the second supplemental appropriation of \$3,500,000 requested June 24, 2019, in order to balance the total amount spent and received in the School Bus Safety Camera Program.

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Authorization is requested to receive and expend, subject to County Council approval, a FY 2019 supplemental appropriation of the estimated revenue generated from the payment of citation fines in the amount of \$230,827 to the MCPS Entrepreneurial Activities Fund. Your approval is requested to allow the Montgomery County Council to increase the June 24, 2019, supplemental appropriation from \$3,500,000 to \$3,730,827.

Recommended Resolution

WHEREAS, Pursuant to Board Action dated May 26, 2016, Montgomery County Public Schools entered into a contract with Bus Patrol America (formerly Force Multiplier Solutions) to provide the school system with a comprehensive school bus safety camera system, the Bus Patrol School Bus Safety System™, at no cost to the school system; and

WHEREAS, The Memorandum of Understanding for the School Bus Safety Camera Program states that all fine revenue collected by Montgomery County from vehicle owners who illegally overtake or pass stopped school buses will be transferred to Montgomery County Public Schools for payment to Bus Patrol America for its Bus Patrol School Bus Safety System™ until such time that Bus Patrol America recovers its capital investment, after which, fine revenue will be shared between Bus Patrol America and Montgomery County; now therefore be it

Resolved, That the superintendent of schools be authorized to receive and expend, subject to County Council approval, an additional \$230,827 as a technical amendment to the Fiscal Year 2019 supplemental appropriation of \$3,500,000 to a revised total of \$3,730,827 to the Montgomery County Public School Entrepreneurial Activities Fund for payment to Bus Patrol America as compensation for the Bus Patrol School Bus Safety System™; and be it further

Resolved, That a copy of this resolution be forwarded to the county executive, the Montgomery County Police Department, and County Council; and be it further

Resolved, That the county executive be requested to recommend approval of this resolution to the County Council.

JRS:ND:jp

Includes proposed
technical amendment

Resolution No: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

SUBJECT: Supplemental Appropriation #19-444 to the FY19 Operating Budget
Montgomery County Public Schools
Entrepreneurial Activities Fund
School Bus Safety Camera Program, ~~\$3,500,000~~

\$3,730,827

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. The County Executive has requested the following FY19 Operating Budget appropriation increases for Montgomery County Public Schools (MCPS).

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$3,500,000	\$3,500,000	School Bus Safety Camera Program Citation
	\$3,730,827	\$3,730,827	Fines Revenue – County General Fund

3. This supplemental appropriation is needed to provide MCPS spending authority for payments to the contractor that provides the cameras and other systems necessary to issue citations.
4. The County Executive recommends a supplemental appropriation to the FY19 Operating Budget of the Montgomery County Public Schools Entrepreneurial Fund in the amount of ~~\$3,500,000~~ for the School Bus Safety Camera Program and specifies that the source of funds will be School Bus Safety Camera Program Citation Fines Revenues.
\$3,730,827
5. Notice of public hearing was given, and a public hearing was held.

Action

The County Council for Montgomery County, Maryland, approves the following action:

A supplemental appropriation to the FY19 Operating Budget of Montgomery County Public Schools is approved as follows:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$3,500,000	\$3,500,000	School Bus Safety Camera Program Citation
	<u>\$3,730,827</u>	<u>\$3,730,827</u>	Fines Revenue – County General Fund

This is a correct copy of Council action.

Megan Davey Limarzi, Esq.
Clerk of the Council