

Subject: Public Hearing/Action – Supplemental Appropriation to the FY19 Operating Budget, Montgomery County Public Schools, \$4,000,000 for New Curriculum (Source of Funds: MCPS Fund Balance)	
Purpose: Final action – vote expected	
Analyst: Craig Howard, Senior Legislative Analyst	Committee: Directly to Council
Keywords: #MCPS, curriculum	

DESCRIPTION/ISSUE

The County Council will hold a public hearing and consider action on a supplemental appropriation to the FY19 Operating Budget, Montgomery County Public Schools (MCPS), \$4,000,000 for New Curriculum. The source of funds is unappropriated MCPS Fund Balance.

SUMMARY OF KEY DISCUSSION POINTS

- The County Executive recommended approval of this appropriation on April 29, 2019. The Board of Education requested this appropriation on March 25. The Council introduced this resolution on May 7.
- The supplemental appropriation is needed to provide spending authority for the purchase of curriculum, instructional materials, and professional development necessary to implement the new curriculum for prekindergarten through Grade 8 English language arts and mathematics.
- Funds were first appropriated for these materials in FY18, however the Board of Education and Superintendent's decided to re-issue its Request-for-Proposals (RFP) for a new curriculum. As a result, the budgeted FY18 funding for the new curriculum was not used and accrued to the fund balance. These funds cannot be spent in FY19 until the Council re-appropriates them.
- The Education and Culture Committee discussed this request on April 25 in advance of receiving the Executive's recommendation and indicated its unanimous support for the Board's request.
- **Council staff recommends approval.**

This report contains:

County Executive Recommendation (April 29, 2019)	©1
Draft Supplemental Appropriation Resolution	©2-3
Board of Education Request (March 25, 2019)	©4-6

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OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Marc Elrich
County Executive

MEMORANDUM

April 29, 2019

TO: Nancy Navarro, President, County Council

FROM: Marc Elrich, County Executive *Marc Elrich*

SUBJECT: Supplemental Appropriation #19-440 to the FY19 Operating Budget
Montgomery County Public Schools
New Curriculum, \$4,000,000

I am recommending a supplemental appropriation to the FY19 Operating Budget of Montgomery County Public Schools (MCPS) in the amount of \$4,000,000 for the New Curriculum. This appropriation will provide for materials to implement the new curriculum from prekindergarten through Grade 8.

This supplemental appropriation is needed to provide spending authority for the purchase of curriculum, instructional materials, and professional development necessary to implement the new curriculum for prekindergarten through Grade 8 English language arts and mathematics. Funds were first appropriated for these materials in FY18. Due to a change in plans for issuing the Request For Proposals, the appropriation was not spent in FY18, and the funds were a part of the FY18 Fund Balance. This is above the \$25 million fund balance projected to be available at the beginning of FY20.

I recommend that the County Council approve this supplemental appropriation in the amount of \$4,000,000 and specify the source of funds as Montgomery County Public Schools Fund Balance.

I appreciate your prompt consideration of this action.

ME:brm

Attachments

Resolution No: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

SUBJECT: Supplemental Appropriation #19-440 to the FY19 Operating Budget
Montgomery County Public Schools
New Curriculum, \$4,000,000

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:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$4,000,000	\$0	\$4,000,000	MCPS Fund Balance

Supplemental Appropriation #19-440
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3. This increase is needed to provide spending authority for the purchase of curriculum, instructional materials, and professional development necessary to implement the new curriculum for prekindergarten through Grade 8 English language arts and mathematics. Funds were first appropriated for these materials in FY18. Due to a change in plans for issuing the Request For Proposals, the appropriation was not spent in FY18, and the funds were a part of the FY18 Fund Balance.
4. The County Executive recommends a supplemental appropriation to the FY19 Operating Budget in the amount of \$4,000,000 for the New Curriculum and specifies that the source of funds will be Montgomery County Public Schools Fund Balance.
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>Capital Outlay</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$4,000,000	\$0	\$4,000,000	MCPS Fund Balance

This is a correct copy of Council action.

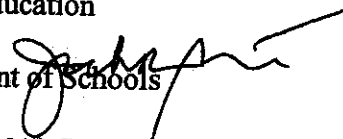
Megan Davey Limarzi, Esq.
Clerk of the Council

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

March 25, 2019

MEMORANDUM

To: Members of the Board of Education

From: Jack R. Smith, Superintendent of Schools 

Subject: Recommended Fiscal Year 2019 Supplemental Appropriation from MCPS Fund Balance for New Curriculum

Recommendation in Brief

Authorization is requested to receive and expend, subject to County Council approval, a Fiscal Year (FY) 2019 supplemental appropriation of \$4,000,000 from fund balance for Montgomery County Public Schools (MCPS) for award of contracts for the purchase of textbooks and instructional materials for the new curriculum.

Background

As a result of additional savings realized at the end of FY 2018, the beginning fund balance in FY 2019 was \$6,848,599. The beginning FY 2019 fund balance amount is more than typical because of the change in plans for the curriculum Request for Proposals (RFP) 4478.1 that now will be implemented in FY 2019 rather than FY 2018. The monthly financial reports to the Board for FY 2019 indicated that MCPS will request the necessary funding for the contract awards be appropriated in FY 2019 from the MCPS fund balance. MCPS cannot utilize its fund balance until it is reappropriated by the County Council. A supplemental appropriation request approved by the Board is necessary for this reappropriation of fund balance.

At its September 11, 2018, meeting, the Board was provided with an update on the MCPS process that had been initiated to evaluate and select externally developed curriculum and instructional materials for kindergarten through Grade 8 in English language arts and mathematics. MCPS issued a RFP and received numerous responses, and then conducted a rigorous evaluation and selection process that included multiple levels of teacher and content specialist reviews, stakeholder input, external ratings, presentations, interviews, references, and additional analysis.

At its January 8, 2019, meeting, the Board approved the purchase of curriculum and instructional materials and professional development for prekindergarten through Grade 5 Mathematics, Grades 6, 7, and 8 English Language Arts, and Grades 6, 7, and 8 Mathematics, and authorized the Board president and the superintendent of schools to negotiate and execute agreements with selected vendors (Resolution No. 9-19). Subsequently, at its February 12, 2019, meeting, the Board approved the purchase of English Language Arts curriculum and instructional materials for prekindergarten through Grade 5 (Resolution 114-19).

As implementation plans are being developed and finalized, teacher access to instructional materials and professional learning will begin immediately in spring 2019. The FY 2019 supplemental appropriation request for \$4,000,000 from MCPS fund balance will be used for the purchase of textbooks and instructional materials related to the new curriculum.

All schools will be implementing the new curricular materials in some manner by the 2020–2021 school year. The plan also calls for all teachers—regardless of the cohort of implementation—to immediately have access to the materials.

As a result, expenditures for curriculum materials are not evenly split throughout the first three years of initial implementation and result in greater upfront costs. There are upfront costs for instructional materials that need to be incurred now, utilizing this supplemental appropriation for the initial phase of the three-year rollout plan. In time, the annual expenditures will decrease as internal capacity and expertise takes hold to lead the professional development and school support.

Use of Funds

Funds will be used in the following state budget category:

- Textbooks and Instructional Materials

Recommended Resolution

WHEREAS, Montgomery County Public Schools had a fund balance of \$6,848,599 at the beginning of Fiscal Year 2019; and

WHEREAS, The amount of fund balance at the start of Fiscal Year 2019 was more than typical because of the change in plans for the new curriculum Request for Proposals 4478.1 that now will be awarded in Fiscal Year 2019 rather than Fiscal Year 2018, and

WHEREAS, In order for Montgomery County Public Schools to spend any portion of its fund balance, it must be reappropriated by the Montgomery County Council, and

WHEREAS, During separate meetings on January 8, 2019, and February 12, 2019, the Board of Education approved a multi-year plan for the purchase of prekindergarten through Grade 8 curricular, instructional materials, and professional development; now therefore be it

Resolved, That the superintendent of schools be authorized to receive and expend, subject to County Council approval, a supplemental appropriation of \$4,000,000 for the award of contracts for new curriculum and instructional materials in the following category:

<u>Category</u>	<u>Amount</u>
04 Textbooks and Instructional Materials	\$4,000,000
<u>Total</u>	<u>\$4,000,000</u>

and be it further

Resolved, That a copy of this resolution be forwarded to the county executive 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:tkp