



**Committee:** Directly to Council  
**Committee Review:** N/A  
**Staff:** Essie McGuire, Senior Legislative Analyst  
**Purpose:** To receive testimony/final action - vote expected  
**Keywords:** #MCPS #techmodernization

AGENDA ITEM # 12  
June 13, 2023  
**Public Hearing/Action**

## SUBJECT

Amendment to the FY23-28 Capital Improvements Program and Supplemental Appropriation #23-103 to the FY23 Capital Budget, Montgomery County Public Schools, Technology Modernization (No. 036510), \$623,758 (Source of Funds: Federal Aid)

## EXPECTED ATTENDEES

None

## COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- This amendment was introduced on May 16, 2023.
- No Committee recommendation. Action is scheduled immediately after the public hearing.

## DESCRIPTION/ISSUE

The Council will hold a public hearing on and consider action on a special appropriation of \$623,758 to the Montgomery County Public Schools (MCPS) FY23-28 Capital Budget for technology modernization.

## SUMMARY OF KEY DISCUSSION POINTS

- The Council has approved the expenditure of Federal Education Rate (E-Rate) funds in Montgomery County Public Schools (MCPS) Technology Modernization (Tech Mod) Project Capital Improvements Program since Fiscal Year 2010. The E-Rate, Federal Communications Commission Schools and Libraries Program, provides incentives for using technology in schools by offering rebates on Internet and telecommunication service costs.
- On April 20, 2023, the Board of Education requested a supplemental appropriation to for the Technology Modernization Project Capital Improvements Program (CIP) to expend Federal Education Rate funds received in 2023 to support the Maintenance of Effort for student Internet hotspots.
- On May 2, 2023, the County Executive recommended the Council approve a supplemental appropriation totaling \$623,758.
- According to the Executive, these funds can be used to support digital divide and “homework gap” costs that were previously supported with Federal Elementary and Secondary School Emergency Relief (ESSER) funds.

- In its April 19, 2023, worksession to review the FY24 Operating Budget and Amendments to the FY23-28 CIP, the Education and Culture Committee reviewed the Technology Modernization CIP project. As part of that discussion, the Committee acknowledged that this appropriation request would be expected from the Board of Education, and the Committee indicated its support.

**This report contains:**

County Executive Transmittal Memorandum  
Appropriation Resolution  
MCPS Superintendent Memorandum

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© # 4-5  
© # 6-7

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OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich  
*County Executive*

MEMORANDUM

May 2, 2023

TO: Evan Glass, President  
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Amendment to the FY23-28 Capital Improvements Program and  
Supplemental Appropriation #23-103 to the FY23 Capital Budget  
Montgomery County Public Schools  
Technology Modernization (No. 036510), \$623,758

I am recommending a supplemental appropriation to the FY23 Capital Budget and an amendment to the FY23-28 Capital Improvements Program (CIP) in the amount of \$623,758 for the Technology Modernization Project (No. 036510).

This increase is needed to cover technology costs that are eligible under the Federal program for E-Rate rebates. The recommended amendment is consistent with the criteria for amending the CIP because it leverages non-county sources of funds through the Federal E-Rate rebates program. As a result of the E-Rate funding, local funds can then be used to support digital divide and “homework gap” costs that were previously supported with Federal Elementary and Secondary School Emergency Relief (ESSER) funds.

I recommend that the County Council approve this supplemental appropriation and an amendment to the FY23-28 Capital Improvements Program in the amount of \$623,758 and specify the source of funds as Federal aid.

I appreciate your prompt consideration of this action.

Amendment to the FY23-28 Capital Improvements Program and Supplemental Appropriation  
#23-103 to the FY23 Capital Budget Montgomery County Public Schools  
Technology Modernization (No. 036510), \$623,758  
May 2, 2023  
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ME: vj

Enclosure: Amendment and Supplemental Appropriation #23-103

cc: Jennifer Bryant, Director, Office of Management and Budget  
Mary Beck, Capital Budget Manager, Office of Management and Budget  
Seth Adams, Director, Department of Facilities Management, Montgomery County  
Public Schools  
Adrienne Karamihas, Director, Division of Capital Planning, Montgomery County Public  
Schools



# Technology Modernization (P036510)

Category	Montgomery County Public Schools	Date Last Modified	05/20/22
SubCategory	Countywide	Administering Agency	Public Schools
Planning Area	Countywide	Status	Ongoing

Total	Thru FY21	Est FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
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### EXPENDITURE SCHEDULE (\$000s)

Planning, Design and Supervision	530,979	345,251	28,866	156,862	30,198	26,664	25,000	25,000	25,000	25,000	-
<b>TOTAL EXPENDITURES</b>	<b>530,979</b>	<b>345,251</b>	<b>28,866</b>	<b>156,862</b>	<b>30,198</b>	<b>26,664</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>-</b>

### FUNDING SCHEDULE (\$000s)

Current Revenue: General	234,993	84,542	16,165	134,286	20,995	26,623	23,231	21,544	22,401	19,492	-
Current Revenue: MCPS	750	-	-	750	750	-	-	-	-	-	-
Federal Aid	27,886	25,695	(511)	2,702	2,702	-	-	-	-	-	-
Recordation Tax	267,350	235,014	13,212	19,124	5,751	41	1,769	3,456	2,599	5,508	-
<b>TOTAL FUNDING SOURCES</b>	<b>530,979</b>	<b>345,251</b>	<b>28,866</b>	<b>156,862</b>	<b>30,198</b>	<b>26,664</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>-</b>

### APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 23 Request	26,746	Year First Appropriation	FY03
Appropriation FY 24 Request	26,664	Last FY's Cost Estimate	476,221
Supplemental Appropriation Request	624		
Cumulative Appropriation	378,759		
Expenditure / Encumbrances	-		
Unencumbered Balance	378,759		

### PROJECT DESCRIPTION

The Technology Modernization (Tech Mod) project is a key component of the Montgomery County Public School strategic technology plan, Educational Technology for 21st Century Learning. This plan builds upon the following four goals: students will use technology to become actively engaged in learning, schools will address the digital divide through equitable access to technology, staff will improve technology skills through professional development, and staff will use technology to improve productivity and results. An FY 2019 appropriation was approved to continue this project and the technology modernization program to our schools throughout the system. However, due to fiscal constraints, the County Council approved a reduction of \$3.622 million in FY 2019 from the Board of Education's request. An FY 2020 appropriation was approved to continue this project; however, due to fiscal constraints, the County Council shifted expenditures from FY 2021 and FY 2022 to FY 2023 and FY 2024. An FY 2021 appropriation was approved to continue this project and provide technology modernization to schools throughout the system. However, due to fiscal constraints, the County Council, in the adopted FY2021-2026 CIP, reduced the FY2021 and FY2022 expenditures for this project with respect the Board of Education's request. An FY 2022 appropriation was approved to continue this level of effort project and provide technology modernization to schools throughout the system. An FY 2023 appropriation was approved to continue this level of effort project and provide technology modernization to schools systemwide.

### FISCAL NOTE

FY19 and FY20 funding switch between Recordation Tax and Current Revenue General for \$10,296,000 and \$6,280,000 respectively. FY21 reduction in requested Current Revenue: General for \$3.616 million and in FY22 for \$1.0 million with the assumption that in FY21 there will be \$1.2 million in Federal E-Rate.

FY21 supplemental for \$1,815,267 under Federal E-Rate Reimbursement

FY23 supplemental in Federal Aid for the amount of \$2,077,854.96 (Federal E-Rate).

FY23 supplemental in Current Revenue: MCPS for the amount of \$750,000 from MCPS fund balance.

FY23 supplemental in Federal Aid for the amount of \$623,758 (Federal E-Rate).

### COORDINATION

FY 2023 -- Salaries and Wages: \$5M, Fringe Benefits: \$893K, Workyears: 36.5 FY 2024-2028 -- Salaries and Wages \$24M, Fringe Benefits \$5M, Workyears: 182.5.

Resolution No.: \_\_\_\_\_  
Introduced: \_\_\_\_\_  
Adopted: \_\_\_\_\_

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsor: Council President at the Request of the County Executive

**SUBJECT:** Amendment to the FY23-28 Capital Improvements Program and Supplemental Appropriation #23-103 to the FY23 Capital Budget Montgomery County Public Schools Technology Modernization (No. 036510), \$623,758

**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 six Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of seven 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. Section 302 of the Montgomery County Charter provides that the Council may amend an approved capital improvements program at any time by an affirmative vote of no fewer than six members of the Council.
3. The County Executive recommends the following capital project appropriation increases:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u>
Technology Modernization	036510	Planning, Design, & Supervision	<u>\$623,758</u>	
TOTAL			<u>\$623,758</u>	Federal Aid

4. This increase is needed to cover technology costs that are eligible under the Federal program for E-Rate rebates. The recommended amendment is consistent with the criteria for amending the CIP because it leverages non-county sources of funds through the Federal E-Rate rebates program. As a result of the E-Rate funding, local funds can then be used to support digital divide and “homework gap” costs that were previously supported with Federal Elementary and Secondary School Emergency Relief (ESSER) funds.
5. The County Executive recommends an amendment to the FY23-28 Capital Improvements Program and a supplemental appropriation in the amount of \$623,758 for the Technology Modernization Project (No. 036510) and specifies that the source of funds will be Federal Aid.
6. Notice of public hearing was given and a public hearing was held.

**Action**

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

The FY23-28 Capital Improvements Program of the Montgomery County Government is amended as reflected on the attached project description form and a supplemental appropriation is approved as follows:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u>
Technology Modernization	036510	Planning, Design, & Supervision	<u>\$623,758</u>	
TOTAL			<u>\$623,758</u>	Federal Aid

This is a correct copy of Council action.

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Judy Rupp, Clerk of the Council

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

April 20, 2023

MEMORANDUM

To: Members of the Board of Education

From: Monifa B. McKnight, Superintendent of Schools

Subject: Fiscal Year 2023 Supplemental Appropriation Request for Technology Modernization

**Background**

The County Council has approved the expenditure of Federal Education Rate (E-Rate) funds in Montgomery County Public Schools (MCPS) Technology Modernization (Tech Mod) Project Capital Improvements Program since Fiscal Year 2010. E-Rate, Federal Communications Commission Schools and Libraries Program, provides incentives for using technology in schools by offering rebates on Internet and telecommunication service costs. MCPS has been using E-Rate rebates for many years to expand student access to technology by purchasing hardware and software as part of the larger technology modernization plan. These rebates apply to the district's expenditure costs for Internet, access points, routers, switches, hubs, wiring, repairs, and upkeep of eligible internal connections.

Tech Mod expenditures include programs that aim to eliminate what is described as the digital divide or the “homework gap” in Montgomery County, which has been a core strategy for MCPS as we have implemented an umbrella of services for several years. The COVID-19 pandemic accelerated the implementation of this strategy, and funding was realigned to meet this need. E-Rate reimbursement funding will be used in the Tech Mod budget to contribute to the Maintenance of Effort to provide connectivity to students and families now and as we move forward into the future. MCPS has distributed more than 12,000 Internet hotspots to families in need of Internet access for learning and support resources. E-Rate reimbursements will be used to offset a portion of the costs incurred.

It is recommended that the Board request \$623,758 supplemental appropriation to assist with the additional funding necessary to help offset costs, and support the continued work of the Tech Mod Project Capital Improvements Program. The source of revenue is Federal E-Rate reimbursement funding.



Therefore, I recommend that the Board of Education approve the following resolution:

WHEREAS, Federal Education Rate funds in the amount of \$623,758 made available as a Fiscal Year 2023 Supplemental Appropriation for Technology Modernization to provide the additional funding necessary to support the Maintenance of Effort for student Internet hotspots; now therefore be it

Resolved, That the Board of Education request a Fiscal Year 2023 Supplemental Appropriation in the amount of \$623,758 for the Technology Modernization Project Capital Improvements Program to expend Federal Education Rate funds received in 2023 to support the Maintenance of Effort for student Internet hotspots; and be it further

Resolved, That a copy of this resolution be provided to the county executive and the County Council; and be it further

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

MBM:PKM:SSS:kt