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

March 26, 2025

MEMORANDUM

To: Members of the Board of Education

From: Thomas W. Taylor, Superintendent of Schools

Subject: Operating Budget Funding and Staffing Allocations

During the January 28, 2025, Fiscal Management Committee discussion, Ms. Silvestre requested the following information.

Question
Ms. Silvestre would like to know what the rules are on where money is pulled from to cover other funds.

Response
State of Maryland requirements govern how Montgomery County Public Schools (MCPS) may reallocate funding from one part of the Operating Budget to address the needs of another area. Information about these requirements may be found in the FY 2025 MCPS Financial Manual, *Chapter 9, Operating Budget Administration and Financial Monitoring*.

MCPS funding is budgeted by the object of expenditure and the state budget category. There are five major objects of expenditures including (1) salaries and wages; (2) contractual services; (3) supplies and materials; (4) other costs including benefits; and (5) equipment. There are 13 state budget categories that MCPS frequently uses such as instructional salaries, special education, student transportation, administration, and fixed charges.

The Transfer section of Chapter 9 of the MCPS financial manual governs the reallocation of funding and reads as follows:

> *A transfer of funds is performed in the MCPS Business Hub by the Division of Management and Budget specialist, via MCPS Form 210-1, if a manager determines that there is a need to spend budgeted funds differently than what was anticipated when the budget was developed and, as a result, funds must be moved from an account in one object of expenditure to an account in a different object of expenditure.*
>
> *While transfers can be made between objects of expenditure, funds may not be transferred between funds, tax-supported and nontax-supported accounts, or state categories.*

An example of a transfer is the movement of $500 from the account for consultants (Fund 1, Category 1, Object 02, Subobject 001) to the account for office supplies (Fund 1, Category 1, Object 03, Subobject 030). Transfers cannot be performed for amounts that exceed $100,000 unless approved by the Board of Education. Prior to executing the transfer in the MCPS Business Hub, approval signatures must be obtained on MCPS Form 210-1 from the account owner, the primary account manager, the supervisor of the Division of Management and Budget, and the deputy chief of finance.

The Board of Education is required to submit monthly reports of all transfers to the County Council. These reports are prepared by the Division of Management and Budget and approved by the deputy chief of finance.

It is important to note that funding may not be moved from one state budget category to another. However, as state budget categories end a fiscal year in deficit, MCPS prepares a single end-of-year transfer among categories to reverse any deficits. Subsequently, the Board of Education approves the end-of-year categorical transfer request which then is sent to the Montgomery County Council for final approval.

Chapter 9 of the MCPS Financial Manual also addresses grant and enterprise resources which are separate funds for MCPS and are managed as separate distinct sources of funds.

Question
Ms. Silvestre would like to get the staffing formulas in elementary schools for this year and for community schools.

Response
The K–12 Staffing Guidelines for Fiscal Year 2026 formulas were transmitted to the Board in the March 5, 2025, *Board Weekly Bulletin.*

There are no staffing formulas specifically for community schools.

If you have any questions, please contact Mr. Robert Reilly, deputy chief of finance, via email.

TWT:IAW:RR:tk

Copy to:
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