MEMORANDUM

February 24, 2017

TO: County Council
FROM: Craig Howard, Senior Legislative Analyst
SUBJECT: Introduction – Supplemental Appropriation to the FY17 Operating Budget, Montgomery County Public Schools Entrepreneurial Activities Fund, $1,500,000 for the School Bus Safety Camera Program

Today the County Council will introduce a supplemental appropriation to the FY17 Operating Budget of the Montgomery County Public Schools (MCPS) Entrepreneurial Activities Fund in the amount of $1,500,000 for the School Bus Safety Camera Program. The source of funds is the School Bus Safety Camera Program citation revenue in the County Government General Fund.

The Board of Education requested this appropriation on January 10, 2017 (transmittal attached on ©5-7). A draft appropriation resolution is attached at ©3-4. The County Executive recommends approval (©1-2).

As authorized by the Board of Education on March 26, 2016, MCPS entered into:

- A contract with Force Multiplier Solutions, Inc. (FXS) to provide a comprehensive school bus safety system to MCPS; and
- 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.

This increase is needed because the contract between MCPS and Force Multiplier Solutions, Inc. (FXS) and the memorandum of understanding with the County stipulate that 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 FXS until such time that FXS recovers its capital investment. The joint Public Safety and Education Committee held a worksession on July 11, 2016 to review the school bus safety camera program, including MCPS’ contract with FXS and the planned payment structure.

The appropriation will give MPCS the authority to spend a maximum ceiling of $1.5 million in FY17, however the County will only transfer the actual amount of citation revenue received.

Public Hearing and Action on this supplemental appropriation are scheduled for March 14, 2017.
MEMORANDUM

February 9, 2017

TO: Roger Berliner, President, County Council

FROM: Isiah Leggett, County Executive

SUBJECT: Supplemental Appropriation #17-407 to the FY17 Operating Budget

Montgomery County Public Schools
Entrepreneurial Activities Fund
School Bus Safety Camera Program, $1,500,000

I am recommending a supplemental appropriation to the FY17 Operating Budget of the Montgomery County Public Schools (MCPS) Entrepreneurial Activities Fund in the amount of $1,500,000 for the School Bus Safety Camera Program. This appropriation will fund contractual payments to the vendor, Force Multiplier Solutions, Inc. (FXS), for its capital investment for the BusGuard™ System, including the cost of equipment and operating costs.

This increase is needed because the contract between MCPS and FXS and the memorandum of understanding with the County stipulate that 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 FXS for the BusGuard™ System until such time that FXS recovers its capital investment. An agreement has not yet been reached between the County and FXS regarding revenue sharing of citation fines after FXS recovers its costs.

This appropriation will give MCPS the authority to spend a maximum ceiling of $1,500,000 in FY17, however the County will only transfer the actual amount of citation revenue received.

I recommend that the County Council approve this supplemental appropriation in the amount of $1,500,000 and specify the source of funds as School Bus Safety Camera Program citation revenue in the County General Government Fund. Appropriation to the MCPS Entrepreneurial Activities fund will not impact Maintenance of Effort (MOE) calculations for FY18.
I appreciate your prompt consideration of this action.

IL:jdm

Attachment: Supplemental Appropriation #17-407, Request from MCPS

cc: Dr. Jack R. Smith, Superintendent, Montgomery County Public Schools
Dr. Andrew Zuckerman, Chief Operating Officer, Montgomery County Public Schools
Mr. Michael Durso, President, Montgomery County Board of Education
J. Thomas Manger, Chief, Montgomery County Police Department
Bonnie Kirkland, Assistant Chief Administrative Officer
Cindy Gibson, Chief of Staff to the Council President
COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

SUBJECT: Supplemental Appropriation #17-407 to the FY17 Operating Budget
Montgomery County Public Schools
Entrepreneurial Activities Fund
School Bus Safety Camera Program, $1,500,000

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 FY17 Operating Budget appropriation increases for the Montgomery County Public Schools (MCPS) Entrepreneurial Activities Fund:

<table>
<thead>
<tr>
<th>Personnel Services</th>
<th>Operating Expenses</th>
<th>Total</th>
<th>Source of Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>$1,500,000</td>
<td>$1,500,000</td>
<td>School Bus Safety Camera Program Citation Fines Revenue – County General Fund</td>
</tr>
</tbody>
</table>
Supplemental Appropriation #17-407
Page Two

3. This increase is needed because the contract between MCPS and Force Multiplier Solutions, Inc. (FXS) and the memorandum of understanding with the County stipulate that 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 FXS for the BusGuard™ System until such time that FXS recovers its capital investment, including costs of equipment and operating costs.

4. An agreement has not yet been reached between the County and FXS regarding revenue sharing of citation fines after FXS recovers its costs.

5. This appropriation will give MCPS the authority to spend a maximum ceiling of $1,500,000 in FY17, however the County will only transfer the actual amount of citation revenue received.

6. Appropriation of these funds to the MCPS Entrepreneurial Activities Fund will not impact Maintenance of Effort (MOE) calculations for FY18.

7. The County Executive recommends a supplemental appropriation to the FY17 Operating Budget of the Montgomery County Public Schools Entrepreneurial Activities Fund in the amount of $1,500,000 for the School Bus Safety Camera Program and specifies that the source of funds will be School Bus Safety Camera Program Citation Fines Revenue – County General Fund.

8. 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 FY17 Operating Budget of the Montgomery County Public Schools Entrepreneurial Activities Fund is approved as follows:

<table>
<thead>
<tr>
<th>Personnel Services</th>
<th>Operating Expenses</th>
<th>Total</th>
<th>Source of Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>$1,500,000</td>
<td>$1,500,000</td>
<td>School Bus Safety Camera Program Citation Fines Revenue – County General Fund</td>
</tr>
</tbody>
</table>

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council
MEMORANDUM

To: The Honorable Isiah Leggett, County Executive  
The Honorable Roger Berliner, President,  
Montgomery County Council

From: Jack R. Smith, Superintendent of Schools

Subject: Transmittal of Board of Education Agenda Item #8.7

Recommended Fiscal Year 2017 Supplemental Appropriation for School Bus Safety Camera Program

BOE Meeting Date: January 10, 2017

Amount: $1,500,000

Type of Action: Approval

JRS:ND:jp

Attachment

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

To: Members of the Board of Education
From: Jack R. Smith, Superintendent of Schools
Subject: Fiscal Year 2017 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 four 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 $125.

As authorized by the Board of Education on May 26, 2016, MCPS entered into (1) a contract with Force Multiplier Solutions, Inc. (FXS), a firm specializing in security and safety solutions for the school transportation industry, to provide its BusGuard™ System, a comprehensive school bus safety system, to MCPS; and (2) a memorandum of understanding with Montgomery County to set forth the parties' respective obligations for effective implementation of the School Bus Safety Camera Program. The FXS BusGuard™ System is capable of equipping every school bus in MCPS' fleet with interior, exterior, and stop-arm enforcement video cameras with recording and real-time viewing capabilities, live and historical Global Positioning System location reporting, two-way internet communication between each school bus and the MCPS Department of Transportation (DOT), and a panic button for each bus operator to alert DOT of any emergencies. FXS also provides school systems with ongoing maintenance and upgrades for all equipment installed on the school buses. Through a unique business model, where FXS is compensated entirely from the citation fines paid by drivers who illegally overtake or pass stopped school buses, FXS is able to offer its BusGuard™ System at no cost to its clients.

Pursuant to the contract and memorandum of understanding, 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 FXS for the BusGuard™ System until such time that FXS recovers the cost of its capital investment, including the cost of equipment and operating
costs. After FXS recovers its capital investment costs, revenue from citation fines will be shared between FXS, MCPS, and Montgomery County. Currently, 99 MCPS school buses are equipped with the BusGuard™ System and approximately 775 citations have been issued. It is anticipated that additional buses will be operating the BusGuard™ System by the end of Fiscal Year (FY) 2017.

Authorization is requested to receive and expend, subject to County Council approval, a FY 2017 supplemental appropriation of the estimated revenue generated from the payment of citation fines in the amount of $1,500,000 to the MCPS Entrepreneurial Activities Fund for MCPS to compensate FXS for the installation and operation of the BusGuard™ System on MCPS school buses.

Recommended Resolution

WHEREAS, Pursuant to Board Action dated May 26, 2016, Montgomery County Public Schools entered into a contract with Force Multiplier Solutions Inc. to provide the school system with a comprehensive school bus safety camera system, the BusGuard™ System, at no cost to the school system; and

WHEREAS, Pursuant to Board Action dated May 26, 2016, 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 Force Multiplier Solutions, Inc. for its BusGuard™ System until such time that Force Multiplier Solutions Inc. recovers its capital investment, after which, fine revenue will be shared between Force Multiplier Solutions Inc., Montgomery County Schools, 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 2017 supplemental appropriation of $1,500,000 to the Montgomery County Public Schools Entrepreneurial Activities Fund for payment to Force Multiplier Solutions Inc. as compensation for the BusGuard™ System; and be it further

Resolved, That a copy of this resolution be forwarded to the county executive, the Montgomery County Police Department, 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.