



**MARYLAND**  
*Association of*  
**COUNTIES**

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# **Non-Recurring Costs For County School Budgeting**

*A County Official's Guide  
to the Process and Laws  
Behind the System*

*March 2015*

## Contents

<i>Executive Summary</i>	1
<i>Context for this report</i>	2
- <i>The State Maintenance of Effort Law</i>	
- <i>Nonrecurring Costs as a MACo and County Issue</i>	
<i>Timing for filing requests</i>	4
<i>Process and forms for filing requests</i>	5
<i>Recent history and guidelines for filings</i>	
- <i>Cost categories allowable under law</i>	6
- <i>Costs approved by MSDE in recent requests</i>	8
- <i>Costs denied by MSDE in recent requests</i>	8
<i>Appendices</i>	
<i>MSDE Submission forms for Nonrecurring costs</i>	A1
<i>Relevant Statute: Md. Code Ann., Edu. § 5-202(d)(6) (LexisNexis 2014)</i>	A8
<i>Relevant Regulations: COMAR 13A.02.05.03</i>	A12
<i>FY2015 budget language requesting MSDE report</i>	A15
<i>MSDE Report on Nonrecurring Costs, December 2014</i>	A17
<i>MSDE Local Finance Reporting Manual 2009 excerpt</i>	A33

## *Executive Summary*

The state's Maintenance of Effort laws have been in place for nearly 30 years. One element, allowing "nonrecurring" costs to be spent but excluded from the permanent funding base, has been inconsistently and sparsely used. This report lays out that process, and hopes to guide counties with the best information available to make use of it, if their situation warrants.

### **In this report, we cover:**

- How does a county apply to have nonrecurring costs approved?
- What categories of costs can be considered as nonrecurring?
- When does the school board need to agree with the request?
- What requests have been approved and denied in recent years?

**Additionally, all the submission forms, statutes, regulations, and guideline documents relevant to this process are assembled as appendices to this report.**

**All nonrecurring cost exclusion applications must be submitted to the Maryland State Department of Education by March 31, 2015 to be excluded from maintenance of effort.**

*The State Maintenance of Effort Law*

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Maryland’s “maintenance of effort,” enacted by the General Assembly, requires that counties maintain the same amount of funding for education per pupil each year. The maintenance of effort name derives from the concept that a county is maintaining a level effort towards education funding from year-to-year. In most years, counties have exceeded the maintenance of effort requirement. According to recent data, in total, counties have increased their annual appropriations to education by over \$400 million over the past four years.

Some education costs are excluded from the maintenance of effort calculation, including: nonrecurring costs that are supplemental to the regular school budget; costs of programs that have been shifted from the school budget to the county budget; and debt service on school construction projects. For a county to exclude a nonrecurring cost from its maintenance of effort calculation, it must be approved by the State Board according to regulations promulgated by the Maryland State Department of Education (MSDE). Nonrecurring costs that represent funding above the county’s maintenance of effort payment may be removed from the school budget by the county.

The maintenance of effort law has been in effect for many years, and has been subject to many revisions. The most recent significant reforms were in 2012, when the General Assembly created new provisions for one-year waivers for the maintenance of effort. Nonrecurring cost regulations were first adopted on March 24, 1997.

On February 24, 2015, the State Board granted permission to publish proposed updates to the regulations on maintenance of effort waivers and nonrecurring costs. There are no major changes proposed to the nonrecurring cost regulation; however, comments on the proposed regulations may be submitted for a 30-day period following their publication. The tentative comment period is April 17 to May 18, 2015 and the tentative final adoption date is June 23, 2015. MACo will be submitting comments on the proposed revised regulation.

*Nonrecurring Costs as a MACo and County Issue*

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While annual recurring operating expenses of the school system are by law included in the maintenance of effort formula for county education funding, one-time investments are by law excluded, through their designation and approval as nonrecurring costs. This distinction – between nonrecurring and recurring costs – is essential to the balance of the maintenance of effort law which serves to provide budgeting stability and security for county governments and county school boards.

Maintenance of effort was intended to ensure adequate support for our local school systems, without discouraging funding for one-time capital and start-up expenses. By distinguishing one-time costs as nonrecurring, and outside the maintenance of effort calculation, the law avoids threatening county government with unsustainable and unsubstantiated budgetary increases. Despite the law's distinction, however, the Maryland Association of Counties (MACo) has found that very few county governments use the nonrecurring cost exclusion from year-to-year.

MACo's concern about underutilization of the nonrecurring cost exclusion led to our research into the causes for the underutilization and ultimately, advocacy in the General Assembly's 2014 Session. Advice from county elected officials and county budget and finance officers indicated that the Maryland State Department of Education's regulatory deadlines create hurdles to applying for nonrecurring cost approval, effectively closing the door on any county with a budget process that begins after March 31. For those counties that do make the application deadline, uncertainty regarding whether a cost will be approved or denied until thirty days later can create difficulties in finalizing county budgets within their statutory timelines.

In response to our discussions with legislators about these issues, the Budget Committee asked the Maryland State Department of Education (MSDE) to report on the past five years of nonrecurring cost history. MSDE's 2014 report bore out concerns with the current system. Over the past five years, an average of one-third of all counties applied for nonrecurring costs each year, and about one-fifth of their applications were denied. MACo asked MSDE to provide some guidance on the nonrecurring cost process within the report. The final report substantively provides a list of items in nonrecurring cost applications from each of the past five years, noting the cost and category of each item, the county from which it came, and whether it was approved or denied.

This report is MACo's analysis of the information in MSDE's report and shares what we have learned about the nonrecurring cost application process. MACo hopes this will be helpful to county government officials applying for nonrecurring costs as MACo continues to advocate for more clarity and a better process for nonrecurring cost exclusions.

### *Timing for filing requests*

A county may apply to the Maryland State Department of Education (MSDE) for approval of a nonrecurring cost at any time throughout the year for additional budget appropriations. However, to receive approval of a nonrecurring cost in the next fiscal year's budget, nonrecurring cost applications must be submitted to MSDE between January 1 and March 31 each year.

Whether during the budget cycle or at another point in the year, a county must obtain written approval from MSDE to ensure that the cost will be excluded from the following fiscal year's maintenance of effort calculation as a nonrecurring cost. Also, before submitting the written request to MSDE, a county must confer with their respective local school board and send the local school board a written copy of its request to exclude certain nonrecurring costs.

The timing of the nonrecurring cost process presents some challenges with the local budget cycle. Many counties do not submit their budgets until after the deadline for nonrecurring cost applications in March. For those who do begin their budget deliberations then, the time that elapses while MSDE is reviewing their request can create uncertainty in their final budget negotiations. County budget officers who have made use of the nonrecurring cost exclusion advise their colleagues to apply for nonrecurring costs even if there is still uncertainty as to whether the county will ultimately be able to provide the funding.

The Maryland State Department of Education will inform the county whether its requested costs are approved or denied as nonrecurring within 30 days from receipt of the county's written request, and, for applications made by March 31, no later than May 1 of the same year. The county or the local board may appeal to the State Board within 15 days of the date of a decision to approve or reject a cost as nonrecurring.

*Process and forms for filing requests*

According to MSDE's Local Finance Reporting Manual, no later than March 1 of each year, the MSDE Division of Business Services sends school superintendents, local school board chief financial officers, county administrators, and county budget officers the forms to be used as the written request to exclude qualifying nonrecurring costs. There is a separate form for each of the six categories of nonrecurring costs. The county's submission to MSDE should include the complete set of forms, including those that do not carry a requested item.

The county should mark forms where no request is made "not applicable" to indicate that no request is being made for items in that category. While each form provides columns to indicate whether the school system and the county government are in agreement with regard to each specified item, agreement is only required on items in the category of "other unique one-time costs," the last form in packet. In addition, the signature certification statement on this form also covers the items checked as "agreed" on all forms for the county government and the school board.

When completed, forms must be mailed in hard copy with original signatures to the following address:

Diane Naparstek, Administrator  
Local Financial Reporting Office  
Maryland State Department of Education  
200 West Baltimore Street  
Baltimore, MD 21201

The deadline for submission of nonrecurring cost application forms is March 31. Forms may be sent in advance via email to Diane, at [dnaparstek2@msde.state.md.us](mailto:dnaparstek2@msde.state.md.us). Upon request, Diane will send you an electronic version of the form in excel. If you have any other questions, you may reach Diane at 410-767-0905.

In an appendix to this memo, we provide an excerpt from the *Maryland State Department of Education's Local Finance Reporting Manual 2009* that includes a summary of the nonrecurring cost process.

## *Recent history and guidelines for filings*

The categories of costs that can be approved as “nonrecurring” are guided by three layers of policy, in descending order of formality:

- Md. Code Ann., Edu. § 5-202(d)(6) (LexisNexis 2014)
- COMAR 13A.02.05.03
- Prior decisions/precedent set by MSDE in interpreting these laws and regulations.

In this section, MACo aims to isolate the relevant law and guidance to help county governments contemplating a nonrecurring cost request to properly frame and support their submissions.

### *Categories defined by law as approvable*

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Non-recurring costs include but are not limited to four categories, according to state law. The categories include: computer laboratories; technology enhancement; new instructional program start-up costs; and books other than classroom textbooks.

These categories have been further refined in regulations promulgated according to the statute. The regulations add some specificity to the categories outlined in the code, and they also add an extra allowable category of items that the county government and the local school board both agree are nonrecurring costs.

#### Computer Laboratories

As described in the regulations, qualifying nonrecurring costs in this category include the costs to establish new computer laboratories. These include the costs for equipment, furniture, wiring, hardware, software, space renovations, and the initial up-front cost for staff development, and training, but not ongoing costs of maintenance, salaries, staff development, and training.

#### Technology Enhancement

The regulations describe the nonrecurring costs associated with technology enhancement as including the costs of equipment, furniture, wiring, hardware, software, and space renovations. The initial up-front costs for staff development and training that might accompany new technology are also part of the regulatory definition of this category. The regulations explicitly exclude ongoing costs of maintenance, staff salaries, staff development, and training.

### New Instructional Program Start-up Costs

The regulations define this category as the costs for equipment, furniture, wiring, hardware, software, space renovations, textbooks, manipulatives, staff development, and training.

### Books Other Than Classroom Textbooks

The regulations describe this category as including books to establish a new library collection and new books required in new and renovated schools.

### Capital Items

The regulations add a category of nonrecurring cost for capital items with a useful life of 5 years or more. These are described as including the cost to acquire fixed assets other than land and buildings.

### Other Unique One-time Costs – With the School Board’s Agreement

The regulations add a special category for other unique one-time costs that the local board and county mutually agree to be one-time expenditures to be considered nonrecurring. While these items require joint approval from the county government and the school board, this category provides significant latitude for inclusion of unexpected costs that may arise in a particular school system.

As is often the case, the law and formally adopted regulations lay a broad groundwork for the process, but its multi-year implementation also creates its own additional refinement.

In December 2014, MSDE prepared a report highlighting a five-year history of nonrecurring cost requests, and indicated those that had been approved and denied. While the full MSDE report is contained in an appendix to this document, MACo seeks to highlight some relevant trends in these approvals and denials that may be useful to counties seeking to use the system to allow funding for specific costs that may fall into related areas.

### *Costs approved by MSDE in recent requests*

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Over the past five years, MSDE has approved over \$65 million in nonrecurring cost requests. Counties have applied for nonrecurring cost approvals for various items in each of the categories of approvable nonrecurring costs. The following list identifies some items that have been approved by MSDE over the past five years to serve as a reference for county officials making nonrecurring cost applications.

- New computers for students and staff, and IT equipment and software for new schools
- New IT infrastructure, equipment and software for new administrative and instructional programs, such as the new online Partnership for Assessment of Readiness for College and Careers (PARCC) and new curriculum for the College and Career-Ready Standards (CCRS), or Common Core
- School security equipment, such as school building security systems, cameras, fencing, special doors and locks, and school bus video cameras have been approved as nonrecurring costs.
- Safety investments to outdoor areas, landscaping, repairing sinkholes, and upgrading a playground slide
- Items associated with the start-up of a new program, including books, student materials, and professional development training materials for new instructional programs and new schools.
- Funding for special programs, such as after-school programs and summer programs
- Funding for studies and review, such as a study of special, choice, and signature programs and a review of special education services

### *Costs denied by MSDE in recent requests*

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MSDE has generally denied the cost of items that appear to be upgrading, repairing or maintaining existing infrastructure. MSDE has also denied several items that appear to be supplies and materials, rather than new technology or start-up relating to new programs. Studies or software that must be purchased every few years have been denied as nonrecurring by MSDE.

- Upgrades, repairs, and renovation to existing buildings
- Computer software, motion sensing faucets, and air conditioning in computer labs
- Web security appliances that are updated every few years
- Actuarial studies performed by a consultant every two years
- Renovations required for compliance with federal law, such as the cost of installing a parking lot ramp built for ADA compliance, and replacing a gym balcony railing for OSHA requirements



**Maryland State**  
**Department of Education**  
**Office of Finance**  
*Submission forms for*  
*Nonrecurring costs, 2015*















# Maryland Annotated Code

*Education Article:*

*State financial assistance  
for public education*

§ 5-202. *State financial assistance for public education*

(d) *Distribution of State share of foundation program funds -- Waivers. --*

(1) (i) *Subject to § 5-213.1 of this subtitle, the county governing body shall levy and appropriate an annual tax sufficient to provide an amount of revenue for elementary and secondary public education purposes equal to the local share of the foundation program.*

(ii) 1. *Except as provided in subparagraph 2 of this subparagraph and subject to § 5-213 of this subtitle, the county governing body shall appropriate local funds to the school operating budget in an amount no less than the product of the county's full-time equivalent enrollment for the current fiscal year and the local appropriation on a per pupil basis for the prior fiscal year.*

2. *Except as provided in paragraph (3)(ii) of this subsection and subject to subparagraph (iii) of this paragraph, in each fiscal year if a county's education effort, as defined in paragraph (10) of this subsection, is below 100% of the statewide 5-year moving average of education effort, the required maintenance of effort amount for the county shall be adjusted by increasing the per pupil amount by the lesser of:*

A. *A county's increase in the local wealth per pupil;*

B. *The statewide average increase in local wealth per pupil; or*

C. *2.5%.*

(iii) *The calculation of local wealth for the purposes of paragraphs (1) and (10) of this subsection shall use the amount certified for net taxable income under subsection (k)(2)(ii) of this section based on tax returns filed on or before:*

1. *For fiscal years 2015 through 2017, September 1; and*

2. *For fiscal year 2018 and each fiscal year thereafter, November 1.*

*(2) Except as provided in paragraph (3)(i) of this subsection, for purposes of this subsection, the local appropriation on a per pupil basis for the prior fiscal year for a county is derived by dividing the county's highest local appropriation to its school operating budget for the prior fiscal year by the county's full-time equivalent enrollment for the prior fiscal year. For example, the calculation of the foundation aid for fiscal year 2003 shall be based on the highest local appropriation for the school operating budget for a county for fiscal year 2002. Program shifts between a county operating budget and a county school operating budget may not be used to artificially satisfy the requirements of this paragraph.*

*(3) (i) For purposes of this subsection, for fiscal year 1997 and each subsequent fiscal year, the calculation of the county's highest local appropriation to its school operating budget for the prior fiscal year shall exclude:*

- 1. A nonrecurring cost that is supplemental to the regular school operating budget, if the exclusion qualifies under regulations adopted by the State Board;*
- 2. A cost of a program that has been shifted from the county school operating budget to the county operating budget;*
- 3. The cost of debt service incurred for school construction projects; and*
- 4. For a county that shifts the recurring costs associated with providing retiree health benefits for current retirees to the county board, any reduction in those retiree health costs from the amount the county was required to appropriate in the previous year.*

*(ii) For purposes of the adjustment required under paragraph (1)(ii)2 of this subsection, a county that dedicates to public school construction any additional State funds received from recurring retiree health costs shifted to the county board may exclude those retiree health costs from the highest local appropriation on a per pupil basis.*

*(4) The county board must present satisfactory evidence to the county government that any appropriation under paragraph (3)(i) 1 of this subsection is used only for the purpose designated by the county government in its request for approval.*

*(5) Any appropriation that is not excluded under paragraph (3)(i)1 of this subsection as a qualifying nonrecurring cost shall be included in calculating the county's highest local appropriation to its school operating budget.*

*(6) Qualifying nonrecurring costs, as defined in regulations adopted by the State Board, shall include but are not limited to:*

*(i) Computer laboratories;*

*(ii) Technology enhancement;*

*(iii) New instructional program start-up costs; and*

*(iv) Books other than classroom textbooks.*



# Code of Maryland Regulations

## *Nonrecurring Cost Exclusion*

**COMAR 13A.02.05.03 Nonrecurring Cost Exclusion.**

*A. Calculation.*

*(1) The calculation of the county's highest local appropriation to its school operating budget for the prior fiscal year shall exclude a qualifying nonrecurring cost that is supplemental to the regular school operating budget in accordance with the format developed by the Department.*

*(2) Qualifying nonrecurring costs shall be limited to:*

*(a) Costs to establish new computer laboratories that include the cost for equipment, furniture, wiring, hardware, software, space renovations, and the initial up-front cost for staff development, and training but not ongoing costs such as maintenance, staff salaries, staff development, and training;*

*(b) Costs for new technology that include the cost for equipment, furniture, wiring, hardware, software, space renovations, and the initial up-front cost for staff development, and training but not ongoing costs such as maintenance, staff salaries, staff development, and training;*

*(c) New instructional program start-up costs that include the cost for equipment, furniture, wiring, hardware, software, space renovations, textbooks, manipulatives, staff development, and training;*

*(d) Books other than classroom textbooks to establish a new library collection and new books required in new and renovated schools;*

*(e) Capital items with a useful life of 5 years or more that include the cost to acquire fixed assets other than land and buildings; and*

*(f) Other unique one-time costs that the local board and county mutually agree to be one-time expenditures.*

*(3) An approved qualifying nonrecurring cost may not be included in the county's appropriation for purposes of satisfying the county's maintenance of effort requirement.*

*B. Procedure.*

*(1) Beginning with fiscal year 1998, the county shall submit to the Department between January 1 and March 31 of the prior fiscal year, a written request to exclude qualifying nonrecurring costs that are supplemental to the regular school operating budget. The request shall include an explanation of why the cost qualifies as nonrecurring. Before submitting the written request, the county shall confer with the local board. The county shall send a copy of the written request to the local board.*

*(2) The Department shall inform the local board of education and the county within 30 days from receipt of the written request, but no later than May 1 of the prior fiscal year, whether the qualifying nonrecurring costs that are supplemental to the regular school operating budget are approved for exclusion from the calculation of the county's highest local appropriation to its school operating budget.*

*(3) The county or the local board may appeal to the State Board within 15 days of the date of a decision to approve or reject a cost as nonrecurring.*

*(4) The county may decide to appropriate additional funds to its school operating budget during a fiscal year. The county shall obtain written approval from the Department to classify any additional appropriation as a nonrecurring cost.*

*(5) The provisions of this regulation do not apply to a county if the county is granted a waiver, in whole or in part, by the State Board of Education based on a determination that the county's fiscal condition significantly impedes the county's ability to fund the maintenance of effort requirement.*



# The Maryland General Assembly's

*Joint Chairmen's Report  
2014 Committee Narrative*

**R00A02**  
**Aid to Education**  
**State Department of Education**

**Budget Amendments**

Add the following language:

Provided that the Maryland State Department of Education shall notify the budget committees of any intent to transfer the funds from program R00A02 Aid to Education to any other budgetary unit. The budget committees shall have 45 days to review and comment on the planned transfer prior to its effect.

**Explanation:** The Maryland State Department of Education (MSDE) should not transfer any funds from Aid to Education until the transfer is reviewed by the budget committees.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Report on any transfer of funds from R00A02	MSDE	45 days prior to transfer

**Committee Narrative**

**AID TO EDUCATION**

**R00A02.01 State Share of Foundation Program**

**Nonrecurring Costs Under Maintenance of Effort:** The budget committees believe that greater transparency in the costs that are considered nonrecurring, and thus may be excluded from the required maintenance of effort amount that counties must provide to their local school systems, may incentivize counties to provide more local funding to public schools. To that end, the committees request that the Maryland State Department of Education (MSDE) provide a report on nonrecurring costs over the past five years (through fiscal 2015), including requests for nonrecurring cost exclusions that either a county or local school system has requested, a description of each requested nonrecurring cost, and the decisions of MSDE to approve or deny the requests. The report shall be submitted by December 31, 2014.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Nonrecurring costs under maintenance of effort	MSDE	December 31, 2014



# Maryland State Department of Education

*Report on Nonrecurring Costs,  
December 2014*

**Report to the Budget Committees**  
**Nonrecurring Costs under Maintenance of Effort**

**Maryland State Department of Education**

**Division of Business Services**

**200 West Baltimore Street**

**Baltimore, Maryland 21201**

**Lillian M. Lowery, Ed.D., State Superintendent of Schools**

**Kristy L. Michel, Deputy Superintendent for Finance and Administration**

**December 31, 2014**

In conjunction with the calculation of the required level of local maintenance of effort, Education Article Section 5-202 (d)(3) provides that “the calculation of the county’s highest local appropriation to its school operating budget shall exclude a nonrecurring cost that is supplemental to the regular school operating budget, if the exclusion qualifies under regulation adopted by the State Board.” Title 13A.02.05.03 of the Code of Maryland Regulation (COMAR) defines qualifying nonrecurring costs categories eligible for exclusion from the calculation of the local maintenance of effort.

Qualifying nonrecurring costs are limited to:

- Costs to establish new computer laboratories that include the cost for equipment, furniture, wiring, hardware, software, space renovations, and the initial up-front cost for staff development, and training but not ongoing costs such as maintenance, staff salaries, staff development, and training;
- Costs for new technology that include the cost for equipment, furniture, wiring, hardware, software, space renovations, and the initial up-front cost for staff development, and training but not ongoing costs such as maintenance, staff salaries, staff development, and training;
- New instructional program start-up costs that include the cost for equipment, furniture, wiring, hardware, software, space renovations, textbooks, manipulatives, staff development, and training;
- Books other than classroom textbooks to establish a new library collection and new books required in new and renovated schools;
- Capital items with a useful life of 5 years or more that include the cost to acquire fixed assets other than land and buildings; and
- Other unique one-time costs that the local board and county mutually agree to be one-time expenditures.

MSDE reflects those categories in a set of forms to be used by the county when submitting its request for approval on nonrecurring cost items.

The following page includes a summary of nonrecurring cost exclusion requests for fiscal years 2011 through 2015. The summary includes the total dollar value of the requests and the dollar value of the approved and denied requests for each fiscal year. The summary is followed by a series of more detailed tables that provide a description of each nonrecurring cost exclusion request, by local school system and fiscal year, the amount of the request, and whether MSDE approved or denied the request.

**Table 1: SUMMARY OF NONRECURRING COST EXCLUSION REQUESTS FOR FISCAL YEARS 2011-2015**

FY 2011 Seven (7)	\$ 4,304,741
FY 2012 Six (6)	\$ 21,441,322
FY 2013 Four (4)	\$ 10,269,084
FY 2014 Nine (9)	\$ 16,050,668
FY 2015 Ten (10)	\$ 20,751,985
<b>Total submitted requests</b>	<b>\$ 72,817,800</b>

**Approvable nonrecurring Cost requests:**

FY 2011	\$ 4,046,141
FY 2012	\$ 19,427,911
FY 2013	\$ 5,795,102
FY 2014	\$ 16,027,668
FY 2015	\$ 20,035,054
<b>Total approved requests</b>	<b>\$ 65,331,876</b>

**Denied nonrecurring cost requests:**

FY 2011	\$ 258,600
FY 2012	\$ 2,013,411
FY 2013	\$ 4,473,982
FY 2014	\$ 23,000
FY 2015	\$ 716,931
<b>Total denied nonrecurring costs</b>	<b>\$ 7,485,924</b>

Table 2:

FISCAL YEAR 2011 MAINTENANCE OF EFFORT NONRECURRING COST EXCLUSION REQUESTS AND MSDE DECISIONS

LEA	DESCRIPTION OF NONRECURRING COST REQUEST	CATEGORY	AMOUNT	MSDE DECISION
Allegany	No Request	N/A	0	
Anne Arundel	No Request	N/A	0	
Baltimore City	No Request	N/A	0	
Baltimore	Technology Infrastructure-File server replacements in 24 high schools	New Technology	420,000	Approved
	Technology Infrastructure-Laptop Carts	New Technology	1,000,000	Approved
	Technology Infrastructure-Core equipment for new data center	New Technology	300,000	Approved
Calvert	No Request	N/A	0	
Caroline	No Request	N/A	0	
Carroll	Computer Equipment, Computer Equipment	New Technology	76,234	Approved
	Additional Equipment, Audio/Visual furn. & equip.	New Technology	125,000	Approved
	Additional Equipment, Audio/Visual equip.	New Technology	3,400	Denied-Under \$5,000 Threshold
	Additional Equipment, Audio/Visual equip.	New Technology	1,100	Denied-Under \$5,000 Threshold
	Replacement Equipment, Audio/Visual equip.	New Technology	800	Denied-Under \$5,000 Threshold
	Replacement Equipment, portable tools and equip.	Capital Items Other Than Land and Building	1,500	Denied-Under \$5,000 Threshold
	Additional Equipment, office furn. & equip.	Capital Items Other Than Land and Building	1,000	Denied-Under \$5,000 Threshold
	Additional Equipment, office furn. & equip.	Capital Items Other Than Land and Building	1,500	Denied-Under \$5,000 Threshold
	Additional Equipment, classroom/office furn. & equip.	Capital Items Other Than Land and Building	137,815	Approved
	Replacement Equipment, classroom/office furn. & equip.	Capital Items Other Than Land and Building	24,968	Approved
	Replacement Equipment, office furn. & equip.	Capital Items Other Than Land and Building	3,000	Denied-Under \$5,000 Threshold
	Replacement Equipment, classroom furn. & equip.	Capital Items Other Than Land and Building	3,600	Denied-Under \$5,000 Threshold
	Shelves and bookcases for new school, Misc items due to new school (tools, etc.)	Capital Item moved to New Instructional Program Start Up Cost	3,700	Approved
	Athletic field Maintenance, Mulch for playgrounds, Playing field maintenance, Misc. repairs associated with renovation, Exhaust fan in concession stand, four new doors for relocatable, Kindergarten additional renovation expenses, Unscheduled office relocating/moving expenses, Track lighting for various offices	Capital Items Other Than Land and Building	15,400	Denied-Considered Maintenance of Plant
	ADA ramp at back parking lot	Capital Items Other Than Land and Building	1,500	Denied-ADA
	Placement of two water fountains	Capital Items Other Than Land and Building	1,600	Approved
	Other Charges-License Fee	Capital Items Other Than Land and Building	225,800	Denied-Renewal or continuation

Table 2:

FISCAL YEAR 2011 MAINTENANCE OF EFFORT NONRECURRING COST EXCLUSION REQUESTS AND MSDE DECISIONS

LEA	DESCRIPTION OF NONRECURRING COST REQUEST	CATEGORY	AMOUNT	MSDE DECISION
Cecil	No Request	N/A	0	
Charles	No Request	N/A	0	
Dorchester	No Request	N/A	0	
Frederick	No Request	N/A	0	
Garrett	No Request	N/A	0	
Harford	Transportation-Interscholastic athletic during school/field construction	Other Unique One Time Costs	17,000	Approved
Howard	No Request	N/A	0	
Kent	No Request	N/A	0	
Montgomery	Textbooks (Gibbs Elementary)	New Instructional Program Start Up Costs	183,352	Approved
	Media Center Materials (Gibbs Elementary)	New Instructional Program Start Up Costs	307,786	Approved
	Instructional Materials (Gibbs Elementary)	New Instructional Program Start Up Costs	132,663	Approved
Prince George's	No Request	N/A	0	
Queen Anne's	No Request	N/A	0	
St. Mary's	Post Employment Health (GASB-45)	Other Unique One Time Costs	1,094,107	Approved
	Post Employment Life (GASB-45)	Other Unique One Time Costs	95,140	Approved, The County Gov't funded only 15,851.28 of the two amounts
Somerset	Laptop Initiative Grades 8 and 9 (CHS, WHS)	New Technology	75,276	Approved
	Printers (13) for initiative (CHS, WHS)	New Technology	3,900	Approved
	Wireless access points for initiative	New Technology	12,000	Approved
	Secondary Computer Aided Design (CAD) Labs	Establishment of New Computer Labs.	24,000	Approved
	Student desks and chairs-(WHS renovation)	Other Unique One Time Costs	11,600	Approved
Talbot	No Request	N/A	0	
Washington	No Request	N/A	0	
Wicomico	No Request	N/A	0	

Total FY 2011 Nonrecurring Requests 4,304,741  
 FY 2011 Approved 4,046,141  
 FY 2011 Denied 258,600

Table 3:  
FISCAL YEAR 2012 MAINTENANCE OF EFFORT NONRECURRING COST EXCLUSION REQUESTS AND MSDE DECISIONS

LEA	DESCRIPTION OF NONRECURRING COST REQUEST	CATEGORY	AMOUNT	MSDE DECISION
Allegany	No Request	N/A	0	
Anne Arundel	No Request	N/A	0	
Baltimore City	No Request	N/A	0	
Baltimore	Start-up costs for new high school in Towson area	New Instructional Program Start-up Costs	500,000	Approved
	Technology infrastructure-File server replacements in 28 middle schools	New Technology	270,000	Approved
	Technology Infrastructure-Core equipment for Timonium Data Center	New Technology	825,410	Approved
Calvert	Set up Project Lead the Way (PLTW) Engineering Classrooms	New Instructional Program Start-Up Costs	32,531	Approved
Caroline	No Request	N/A	0	
Carroll	Supplies and Materials	New Technology	1,897,611	Denied-Coded as Supplies and Materials,
	Additional Equipment, data processing, Audio/Visual F/E	New Technology	175,000	Approved
	Replacement Equipment, data processing	New Technology	25,000	Approved
	Additional Equip., machinery, off. machines, furn. & equip	Capital Items Other than Land or Building	273,600	Approved
	Replacement Equipment, machinery, furn & equip.	Capital Items Other than Land or Building	324,000	Approved
	Replace Cooling Tower	Capital Items Other than Land or Building	25,000	Denied- Considered Maintenance of Plant
	Replace ceiling tile in cafeteria	Capital Items Other than Land or Building	6,000	Denied-Considered Maintenance of Plant
	Replace carpet with tile floor in four rooms	Capital Items Other than Land or Building	6,800	Denied-Considered Maintenance of Plant
	Upgrade house lights & replace dimmer bar	Capital Items Other than Land or Building	8,000	Denied-Considered Maintenance of Plant
	Upgrade Auto Service with SCHS equipment	Capital Items Other than Land or Building	12,000	Denied Considered Maintenance of Plant
	Replace eight classroom countertops	Capital Items Other than Land or Building	5,000	Denied-Considered Maintenance of Plant
	Remove tombstone floor receptacles	Capital Items Other than Land or Building	5,000	Denied-Considered Maintenance of Plant
	Re-point brick work as needed	Capital Items Other than Land or Building	21,000	Denied-Considered Maintenance of Plant
	Replace carpet in Media Center	Capital Items Other than Land or Building	13,000	Denied-Considered Maintenance of Plant
	Replace door fronts at Career & Tech Center	Capital Items Other than Land or Building	14,000	Denied-Considered Maintenance of Plant
Install new hardware and card reader-C&T Ctr.	Capital Items Other than Land or Building	8,000	Approved	
Cecil	No Request	N/A	0	
Charles	No Request	N/A	0	
Dorchester	No Request	N/A	0	
Frederick	No Request	N/A	0	
Garrett	No Request	N/A	0	
Harford	One Time Bonus	Other Unique On Time Cost	3,476,660	Approved
Howard	No Request	N/A	0	

Table 3:  
FISCAL YEAR 2012 MAINTENANCE OF EFFORT NONRECURRING COST EXCLUSION REQUESTS AND MSDE DECISIONS

LEA	DESCRIPTION OF NONRECURRING COST REQUEST	CATEGORY	AMOUNT	MSDE DECISION
Kent	No Request	N/A	0	
Montgomery	No Request	N/A	0	
Prince George's	Retirement Incentive	Other Unique One Time Costs	13,407,710	Approved
Queen Anne's	No Request	N/A	0	
St. Mary's	No Request	N/A	0	
Somerset	Laptop initiative Grade 10	New Technology	75,000	Approved
	Upgrade video cameras on school buses	Other Unique On Time Cost	10,000	Approved
	Replacement cycle and memory upgrade-computers (Hardware needed to do the on-line test that will be forthcoming)	Other Unique On Time Cost	25,000	Approved
Talbot	No Request	N/A	0	
Washington	No Request	N/A	0	
Wicomico	No Request	N/A	0	
Worcester	No Request	N/A	0	

A24

Total FY 2012 Nonrecurring Requests 21,441,322  
 FY 2012 Approved 19,427,911  
 FY 2012 Denied 2,013,411

Table: 4

## FISCAL YEAR 2013 MAINTENANCE OF EFFORT NONRECURRING COST EXCLUSION REQUESTS AND MSDE DECISIONS

LEA	DESCRIPTION OF NONRECURRING COST REQUEST	CATEGORY	AMOUNT	MSDE APPROVAL/DENIAL
Allegheny	No Request	N/A	0	
Anne Arundel	No Request	N/A	0	
Baltimore City	No Request	N/A	0	
Baltimore	Start-up costs for Stoneleigh and Hampton Elementary schools	New Instructional Program Start-up Costs	49,000	Approved
	Kiln and ventilation replacement	New Instructional Program Start-up Costs	112,000	Approved
	Technology infrastructure-File server replacements in elementary schools	New Technology	594,252	Approved
	Safari Montage library software upgrade	New Technology	237,035	Denied-Considered Supplies & Materials
	Library desktop upgrades to support Windows 7	New Technology	106,000	Denied-Considered Supplies & Materials
Calvert	No Request	N/A	0	
Caroline	No Request	N/A	0	
Carroll	Additional Equipment, data process., Audio/Visual furn. & Replacement Equipment, data processing equip.	New Technology	170,000	Approved
	Additional Equipment, furn., off. machines & machinery	Capital Items Other than Land or Buildings	20,000	Approved
Cecil	No Request	N/A	919,600	Approved
Charles	No Request	N/A	0	
Dorchester	No Request	N/A	0	
Frederick	No Request	N/A	0	
Garrett	No Request	N/A	0	
Harford	No Request	N/A	0	
Howard	No Request	N/A	0	
Kent	No Request	N/A	0	
Montgomery	No Request	N/A	0	
Prince George's	No Request	N/A	0	
Queen Anne's	No Request	N/A	0	
St. Mary's	Post Employment Life (GASB-45)	Other Unique One Time Cost	2,472,430	Approved
	Post Employment Life (GASB-45)	Other Unique One Time Cost	157,820	Approved
	New Science textbook adoption-Replacing aging obsolete textbooks in all schools	Other Unique One Time Cost	1,000,000	Approved-Removed in the revision
	Consultant-Cost for new Bolton actuarial study-required every 2 years	Other Unique One Time Cost	15,000	Denied-Recurring
	State Teacher retirement shift-mandatory amount as might be determined by legislation	Other Unique One Time Cost	4,115,947	Denied- Can not pre determine until end of legislative session

Table: 4

FISCAL YEAR 2013 MAINTENANCE OF EFFORT NONRECURRING COST EXCLUSION REQUESTS AND MSDE DECISIONS

LEA	DESCRIPTION OF NONRECURRING COST REQUEST	CATEGORY	AMOUNT	MSDE APPROVAL/DENIAL
Somerset	No Request	N/A	0	
Talbot	No Request	N/A	0	
Washington	No Request	N/A	0	
Wicomico	No Request	N/A	0	
Worcester	In July 2012 Worcester County Public Schools was notified by the MD. State Dept. of Ed. that two of their 21st Century grants were not being renewed for FY 13. These grants were supporting after-school programs for approx. 900 of their students in five schools. The financial loss to the school system was over \$635,000 in FY 13. In August 2012 the school system requested County approval of inter-category budget transfers to allow these successful programs to continue for the first half of the FY 13 school year. The Board of Education is requesting \$300,000 in supplementary funding from the County to continue these programs during the second half of the school year.	Other Unique One Time Costs	300,000	Approved

FY 2013 Total Nonrecurring Requests

FY 2013 Approved

FY 2013 Denied

10,269,084

5,795,102

4,473,982

Table: 5

## FISCAL YEAR 2014 MAINTENANCE OF EFFORT NONRECURRING COST EXCLUSION REQUESTS AND MSDE DECISIONS

LEA	DESCRIPTION OF NONRECURRING COST REQUEST	CATEGORY	AMOUNT	MSDE DECISION
Allegany	No Request	N/A	0	
Anne Arundel	No Request	N/A	0	
Baltimore City	No Request	N/A	0	
Baltimore	Technology Infrastructure-File server replacements in elementary schools	New Technology	583,400	Approved
	Technology Infrastructure-APC transfer switches for main servers at schools	New Technology	198,950	Approved
	Common Core Curriculum Developer	New Technology	2,820,000	Approved
	Start-up costs for 700 seat Lutherville area elementary school	New Instructional Program Start-up Costs	1,214,000	Approved
	School safety and security equipment	Other Unique One -Time Costs	2,500,000	Approved
Calvert	Architectural Services for Lock Down Survey	Capital Items Other than Land or Building	118,000	Approved
	Civil Services for Huntingtown High School Force Main	Request under Capital Items Other than Land or Building	110,000	Approved
Caroline	No Request	N/A	0	
Carroll	Convert Storage to Computer Lab	Establishment of New Computer Laboratories	8,600	Denied-County reported as Supplies & Materials
	Install A/C in Computer Lab	Establishment of New Computer Laboratories	4,200	Denied-County reported as Supplies & Materials
	Replacement Equipment , Audio/Visual equip.	New Technology	45,000	Approved
	Additional Equipment, furn.,equip.,off. Machines	Capital Items Other than Land or Building	187,062	Approved
	Install Motion Sensing Faucets	Capital Items Other than Land or Building	10,200	Denied-County reported as Supplies & Materials
	Investigate Sink Holes and Fill at Elmer Wolfe Elem.	Other Unique One-Time Costs	15,000	Approved
Cecil	No Request	N/A	0	
Charles	One-Time Monetary Payment (bonus) paid out in a lump sum. Specific distribution subject to Union negotiations, Also includes FICA	Other Unique One Time Costs	9,000	Approved
Dorchester	Summer Reading Academy and STARS Program	Other Unique One Time Costs	854,000	Approved
	No Request	N/A	0	
Frederick	Contracted Services Lease Payment	Other Unique One Time Costs	4,000,000	Approved
Garrett	No Request	N/A	0	
Harford	No Request	N/A	0	
Howard	No Request	N/A	0	
Kent	Maintenance Van	Capital Item Other than Land or Building	25,000	Approved-County did not fund
Montgomery	No Request	N/A	0	

Table: 5

FISCAL YEAR 2014 MAINTENANCE OF EFFORT NONRECURRING COST EXCLUSION REQUESTS AND MSDE DECISIONS

LEA	DESCRIPTION OF NONRECURRING COST REQUEST	CATEGORY	AMOUNT	MSDE DECISION
Prince George's	No Request	N/A	0	
Queen Anne's	No Request	N/A	0	
St. Mary's	Employment Health (GASB-45)	Other Unique One-Time Cost	2,455,256	Approved
	Employment Life (GASB-45)	Other Unique One-Time Cost	500,000	Approved
Somerset	Promethean Boards (WES,PAES,GES,DIS)	New Technology	25,000	Approved
	Laptops (WES,PAES,GES,DIS)	New Technology	5,000	Approved
	Document Camera WES,AES,GES,DIS	New Technology	3,000	Approved
	Video Comm. Security System (All Schools)	Other Unique One Time Costs	27,500	Approved
	Interior Security Door (PAES)	Other Unique One Time Costs	5,000	Approved
	Security Cameras, (JIMT<MSP<DIS)	Other Unique One Time Costs	15,000	Approved
	Security Fencing (PAES)	Other Unique One Time Costs	2,500	Approved
	Interior Door Locks (WES,PAES,GES,DIS,WHS,SHS,SIS)	Other Unique One Time Costs	10,000	Approved
	No Request	N/A	0	
	No Request	N/A	0	
Washington	No Request	N/A	0	
Wicomico	No Request	N/A	0	
Worcester	Purchase student computer laptops	New Technology	200,000	Approved
	Purchase new financial/payroll/HR software	New Technology	100,000	Approved

FY 2014 Total Nonrecurring Request

16,050,668

FY 2014 Approved

16,027,668

FY 2014 Denied

23,000

Table: 6

## FISCAL YEAR 2015 MAINTENANCE OF EFFORT NONRECURRING COST EXCLUSION REQUEST and MSDE DECISIONS

LEA	DESCRIPTION OF NONRECURRING COST REQUEST	CATEGORY	AMOUNT	MSDE Decision
Allegheny	No Request	N/A	0	
Anne Arundel	No Request	N/A	0	
Baltimore City	No Request	N/A	0	
Baltimore	Start-up costs for 700 seat Northwest area Elem. school	New Instructional Prog. Start-Up Costs	1,214,000	Approved
	Instructional materials	New Instructional Prog. Start-Up Costs	3,886,362	Approved
	School safety and security equipment	Other Unique-One-Time Costs	2,500,000	Approved
Calvert	No Request	N/A	0	
Caroline	No Request	N/A	0	
Carroll	Improve cooling of communications room 116 Elmer Wolfe Elementary	Capital Items Other than Land or Building	7,500	Approved
	Install Storage Shed 10' x12'	Capital Items Other than Land or Building	3,000	Approved
	Office Furniture, Equipment & Office Machines	Capital Items Other than Land or Building	7,000	Approved
	Classroom Furniture & Equipment	Capital Items Other than Land or Building	30,000	Approved
	Update upper gym balcony railing to meet OSHA	Capital Items Other than Land or Building	7,000	Denied-Considered Maintenance of Plant
	Install roll-up doors on field house concession stand	Capital Items Other than Land or Building	5,000	Approved
	Install Heat exhaust fans	Capital Items Other than Land or Building Moved	4,000	Approved
	Convert Weight Room into Autism Program Classroom	Capital Items Other than Land or Building Moved	100,000	Approved
	Install drop ceiling Bio-Medical science area & duct in HVAC Career & Tech Center	Capital Items Other than Land or Building Moved from New Instructional Program Start-Up Cost	5,300	Approved
	Convert storage to faculty work space in Media Center	Capital Items Other than Land or Building Moved	6,800	Approved
	Replace A/C Ceiling mounted unit in Computer Lab	Establishment of New Computer Laboratories	6,500	Denied-Considered Maintenance of Plant
	Data Processing Equipment	New Technology	6,000	Approved
	County Contribution for One-Time Employee Bonuses	Other Unique One Time Costs	3,300,000	Approved
Cecil	No Request	N/A	0	
Charles	No Request	N/A	0	
Dorchester	No Request	N/A	0	
Frederick	Contracted Services Lease Payment	Other Unique One Time Costs	2,000,000	Approved
Garrett	Multiple Paving Projects	Other Unique One Time Costs	40,000	Denied-Considered Maintenance of Plant
Harford	No request	N/A	0	
Howard	No Request	N/A	0	

Table: 6  
FISCAL YEAR 2015 MAINTENANCE OF EFFORT NONRECURRING COST EXCLUSION REQUEST and MSDE DECISIONS

LEA	DESCRIPTION OF NONRECURRING COST REQUEST	CATEGORY	AMOUNT	MSDE Decision
Kent	Student Desks, Chairs, Tables, Computer Stations	Other Unique One Time Costs	19,750	Approved
	Fire Proof Cabinet for sensitive documents	Other Unique One Time Costs	2,250	Approved
	2 Refrigerators staff lounge at two Elem. Schools	Other Unique One Time Costs	3,000	Approved
	Playground slide (current one out of compliance)	Other Unique One Time Costs	5,000	Approved
	Food Warmer (current one out of compliance)	Other Unique One Time Costs	3,000	Approved
	Bleachers (New)	Other Unique One Time Costs	50,000	Approved
	Staff Development-New Discovery Initiative	Move from Other Unique Time Cost to New	50,000	Approved
	Web Security Appliance (purchased every 3 yrs)	New Technology	429,431	Denied-Recurring
Montgomery	Tier 1 Professional development training on administration and use of new MSDE Kindergarten Entrance Assessment	New Instructional Program Start-Up Costs	306,671	Approved
	Textbooks, media and materials for start-up of new elementary school	Books moved to New Instructional Program Start-Up Costs	675,087	Approved
	Funding to replace an aging inventory of equipment including burnishers, etc.	Other Unique One time Costs	200,000	Denied-Considered Supplies and Materials
	Cultural Competency Training	Other Unique One time Costs	125,000	Approved
	Study of Special, Choice and Signature Programs	Other Unique One time Costs	200,000	Approved
	Special Education and Services Review	Other Unique One time Costs	150,000	Approved
	Purchase Educational Communication Equipment for New School (Hyattsville ES)	Establishment of New Computer Laboratories.	60,000	Approved
	Purchase Software for Hyattsville ES (New School)	Establishment of New Computer Laboratories.	15,000	Approved
	Purchase Library Books (Hyattsville ES)	New Instruction Program Start-Up Costs moved from Books	380,000	Approved
	Purchase Text Core Books (Hyattsville ES)	New Instruction Program Start-Up Costs moved from	504,274	Approved
Prince George's	Purchase Text Non-Core Books (Hyattsville ES)	New Instruction Program Start-Up Costs moved from	356,042	Approved
	Eight New Pre-K Expansion Sites	Books	176,000	Approved
Queen Anne's	No Request	N/A	0	
St. Mary's	Post Employment Health (GASB-45)	Other Unique One-Time Costs	2,388,518	Approved
	Post Employment Life (GASB-45)	Other Unique One-Time Costs	300,000	Approved
	Health Care Reserve	Other Unique One-Time Costs	625,000	Approved
Somerset	Sixty New Computers in the computer Lab-needed for the new online assessments	Establishment of New Computer Laboratories.	60,000	Approved
	Promethean Boards for PK-1st grade (10)	New Technology	45,000	Approved
	Teacher Laptops for PK-1st grade (19)	New Technology	17,290	Approved
	Document Cameras for PK-1st Classrooms (4)	New Technology	2,400	Approved

Table: 6

FISCAL YEAR 2015 MAINTENANCE OF EFFORT NONRECURRING COST EXCLUSION REQUEST and MSDE DECISIONS

LEA	DESCRIPTION OF NONRECURRING COST REQUEST	CATEGORY	AMOUNT	MSDE Decision
Somerset	Laptop Carts with Laptops for student use (4)	New Technology	64,500	Approved
	Laptops for Non-instructional supervisors (5)	New Technology	5,000	Approved
	Laptops for Technicians (4)	New Technology	4,000	Approved
	Computers for new elementary classroom (5)	New Technology	5,000	Approved
	New computers for Food Service Program-Point of Sales system for cafeteria	New Technology	22,000	Approved
	Vehicle for Superintendent (not purchased in past 12 years)	Capital Items other than Land and Buildings	25,000	Approved
	Additional Vehicle for Staff use	Capital Items other than Land and Buildings	25,000	Approved
	Replacing a Van purchased in 1998 for Maintenance	Capital Items other than Land and Buildings	25,000	Approved
	Desk & Chairs for Science Lab at WHS	Other Unique One Time Cost-Moved to Capital Items	6,375	Approved
	Computer Lab Tables for CHS	Other Unique One Time Cost-Moved to Capital Items	3,000	Approved
	Lab Tables Science Classroom at SIS	Other Unique One Time Cost-Moved to Capital Items	5,000	Approved
	Sensory chairs for Special Ed. classroom WES	Other Unique One Time Cost	400	Approved
	Larger Size Student Chairs (22)-GES & WES	Other Unique One Time Cost-Moved to Capital Items	1,200	Approved
	Locking File Cabinets (8) BOE, WES	Other Unique One Time Cost	1,000	Denied-Considered Supplies and Materials
	Intervention Tables	Other Unique One Time Cost-Moved to Capital Items	1,500	Approved
	Individuals Study Carrels (10)	Other Unique One Time Cost	3,000	Approved
	Teacher desk & Chair	Other Unique One Time Cost-Moved to Capital Items	750	Approved
	Adjustable Height Tables (3)	Other Unique One Time Cost-Moved to Capital Items	450	Approved
	Office Chairs (2) BOE	Other Unique One Time Cost-Moved to Capital Items	500	Approved
	Shop Stools for Students (16)-JMT	Other Unique One Time Cost-Moved to Capital Items	960	Approved
	Zero Turn Mowers	Other Unique One Time Cost-Moved to Capital Items	15,000	Approved
	Vacuum Cleaners	Other Unique One Time Cost	1,500	Denied-Considered Supplies and Materials
	Floor Buffer (1), Burnishers (2)	Other Unique One Time Cost	4,200	Denied-Considered Supplies and Materials
	Sidewalk Repairs, Flooring Replacement, Painting of hallways and Window Tinting	Other Unique One Time Cost	22,600	Denied-Considered Maintenance of Plant
	Permanent Trash Receptacles	Other Unique One Time Costs	3,175	Approved
	Electrical Supplies	Other Unique One Time Cost	4,700	Denied-Considered Supplies and Materials
	Landscaping & Tree Removal	Other Unique One Time Cost	12,000	Approved
Floor Scrubbers (Shared)	Other Unique One Time Cost	12,000	Approved	
No Request	N/A	0		
No Request	N/A	0		

Table: 6

FISCAL YEAR 2015 MAINTENANCE OF EFFORT NONRECURRING COST EXCLUSION REQUEST and MSDE DECISIONS

LEA	DESCRIPTION OF NONRECURRING COST REQUEST	CATEGORY	AMOUNT	MSDE Decision
Wicomico	No Request	N/A	0	
Worcester	Purchase student laptops   preparation for online testing	New Technology	200,000	Approved

FY 2015 Total Nonrecurring Request 20,751,985  
 FY 2015 Approved 20,035,054  
 FY 2015 Denied 716,931



# Maryland State Department of Education

## *Financial Reporting Manual for Maryland Public Schools: Non-Recurring Cost Waiver Request*

*Non-Recurring  
Cost Waiver Request*

In conjunction with the calculation of the required level of local maintenance of effort, Education Article Section 5-202 (d)(3) provides that “the calculation of the county’s highest local appropriation to its school operating budget shall exclude a nonrecurring cost that is supplemental to the regular school operating budget, if the exclusion qualifies under regulations adopted by the State Board.” The Maryland State Board of Education adopted the Code of Maryland Regulation (COMAR) Title 13A.02.05 to administer the process of filing the local maintenance of effort that encompasses the approval of the county\* request for nonrecurring cost exclusion.

COMAR chapter 13A.02.05.03 defines qualifying nonrecurring costs categories eligible for exclusion from the calculation of the local maintenance of effort. The Maryland State Department of Education (MSDE) reflects those categories in a set of forms to be used by the county when submitting its request for approval of nonrecurring cost items.

The county government may request the exclusion of nonrecurring costs between January 1 and March 31 of the fiscal year prior to the applicable fiscal year. No later than March 1 of each year, the MSDE Division of Business Services sends letters to each county administrator and local school superintendent transmitting the set of forms to be used as the written request to exclude qualifying nonrecurring costs. Before submitting the written request, the county shall confer with their respective local board. The county shall send a copy of the written request to their respective local board. The deadline for submission of requests is March 31 of the fiscal year preceding the applicable fiscal year.

The county may decide to appropriate additional funds to its school operating budget during a fiscal year. The county shall obtain written approval from the Department to classify any additional appropriation as a nonrecurring cost.

Exhibit B is a sample of the nonrecurring cost forms by qualifying categories. Each form provides columns to indicate whether the school system and the county government are in agreement with regard to each specified item. The last form is to be used to indicate other unique one-time qualifying nonrecurring costs upon which the local school board and county government mutually agree. In addition, the certification statement on this form covers the items checked as “agreed” on all forms.

The county’s submission to MSDE should include the complete set of forms, including those that do not carry a requested item. Those forms should be marked “not applicable” or otherwise indicate that no request is being made for items in that category.

The Department of Education shall inform the local board of education and the county whether the qualifying nonrecurring costs that are supplemental to the regular school operating budget are approved for exclusion from the calculation of the county's highest local appropriation to its school operating budget. This notification shall be within 30 days from receipt of the written request, but no later than May 1 of the fiscal year preceding the applicable fiscal year.

The county or the local board may appeal to the State Board within 15 days of the date of a decision to approve or reject a cost as nonrecurring.

\* County refers to any or all of Maryland’s 23 Counties and Baltimore City.