



**Division of Business and Technology**  
**Rafiu O. Ighile, CPA – Chief Financial Officer**  
**410-313-1530**

**Testimony Submitted to the Howard County Council Chairperson,  
Vice Chairperson, and Council Members**  
**May 20, 2019**

**FY 2019 Categorical Budget Transfer for the Howard County Public School System – CR62–2019**

Council Chairperson, Vice Chairperson, and members of the County Council, I am Rafiu Ighile, CFO for the Howard County Public School System. I am here today requesting your approval of our FY 2019 State Categorical Budget Transfer.

In accordance with the State of Maryland Code of Maryland Regulations (COMAR), all school systems are required to not exceed the approved budget in any state expenditure category within a fiscal year. In response to this mandate, the school system is requesting a categorical transfer of \$3,130,000, affecting 0.4 percent of budgeted expenditures, to provide sufficient funding to meet anticipated expenditures in each state category. An explanation of the transfers by state category follows:

Surplus funds through salary savings and attrition in Category 1 – Administration, Category 2 – Mid-Level Administration, Category 3 – Instructional Salaries and Wages, and Category 11 – Maintenance of Plant, totaling \$3,130,000, will be transferred to other state categories where a shortfall is projected.

The largest portion of this surplus savings is from Category 3 – Instructional Salaries and Wages, and while totaling \$1,160,000, accounts for only 0.3 percent of the budgeted expenditures in this category. Another instructional area, Category 6 – Special Education will receive \$700,000, or 60 percent of this transfer. Class size is set at the beginning of the fiscal year based on approved funding. Throughout the school year, attrition occurs. Replacement of departing seasoned, higher-salaried teachers at the start and during the year, with average-salaried teachers, is part of this savings, along with savings netted by use of long-term substitutes near school end. In comparison to the total budgeted expenditures in Category 3, this savings is a relatively small portion that cannot be more precisely forecasted in the budgeting process.

A transfer of \$700,000 to Category 6 – Special Education, will cover unexpected and rising costs of students in nonpublic placement settings.

Unanticipated increases in contracted obligations in Category 9 – Student Transportation requires a transfer in of \$200,000.

Category 10 – Operation of Plant, will receive an additional \$230,000 for rising utility costs.

Category 12 – Fixed Charges transfers in \$2,000,000 for increased expenses mainly due to high-cost claimants.

The school system appreciates your consideration of these categorical transfers to allow the most efficient use of end-of-year FY 2019 funding. Your approval of this categorical transfer will allow us to meet the state mandate and provide additional appropriations to the aforementioned state categories.

I am happy to answer any questions you may have at this time.



May 20, 2019

Christiana Mercer Rigby, Chairperson  
 Howard County Council  
 George Howard Building  
 3430 Court House Drive  
 Ellicott City, Maryland 21043

Dear Chairperson Rigby:

The Board of Education requests that the County Council authorize a categorical transfer of funds for the fiscal 2019 school system General Fund operating budget. This transfer moves a total of \$3,130,000 between categories. The transfers are summarized below:

**Summary of Requested Fiscal 2019 Categorical Appropriation Transfers**

<b>Major Category</b>	<b>General Fund Budget</b>	<b>Year-End Transfer</b>	<b>Revised Appropriation</b>
Administration	\$ 13,567,320	\$ (225,000)	\$ 13,342,320
Mid-Level Administration	62,658,494	(450,000)	62,208,494
Instructional Salaries and Wages	348,389,986	(1,160,000)	347,229,986
Textbooks & Instructional Supplies	9,823,425	(450,000)	9,373,425
Other Instructional Costs	3,128,717	-	3,128,717
Special Education	109,184,782	700,000	109,884,782
Student Personnel Services	3,641,641	-	3,641,641
Student Health Services	8,966,402	-	8,966,402
Student Transportation	41,216,993	200,000	41,416,993
Operation of Plant	42,593,699	230,000	42,823,699
Maintenance of Plant	26,217,132	(845,000)	25,372,132
Fixed Charges	184,960,057	2,000,000	186,960,057
Community Services	7,128,926	-	7,128,926
Capital Outlay	908,432	-	908,432
<b>Total</b>	<b>\$ 862,386,006</b>	<b>\$ -</b>	<b>\$ 862,386,006</b>



**Individual Transfers**

	From		To
1	Administration	\$ (225,000)	\$ 225,000 Fixed Charges
2	Mid-Level Administration	(450,000)	450,000 Fixed Charges
3	Instructional Salaries and Wages	(460,000)	460,000 Fixed Charges
4	Textbooks & Instructional Supplies	(450,000)	450,000 Fixed Charges
5	Maintenance of Plant	(415,000)	415,000 Fixed Charges
6	Instructional Salaries and Wages	(700,000)	700,000 Special Education
7	Maintenance of Plant	(200,000)	200,000 Student Transportation
8	Maintenance of Plant	(230,000)	230,000 Operation of Plant

**Explanations:**

- 1-5 Transfer of available funds from the identified categories to Fixed Charges to offset the increased cost of healthcare due to an unanticipated number of high-cost claimants.
- 6 Transfer needed to fund unanticipated costs for Special Education Nonpublic placements.
- 7 Transfer to cover increases in Student Transportation contract obligations.
- 8 Transfer to cover unanticipated utility costs.

Thank you for your attention to this matter.

Sincerely,

Michael J. Martirano, Ed.D.  
Superintendent

- cc: Calvin Ball, County Executive  
County Council Members  
County Council Administrator  
Board of Education Members  
Board of Education Administrator  
Jennifer Sager  
Rafiu Ighile, HCPSS CFO