



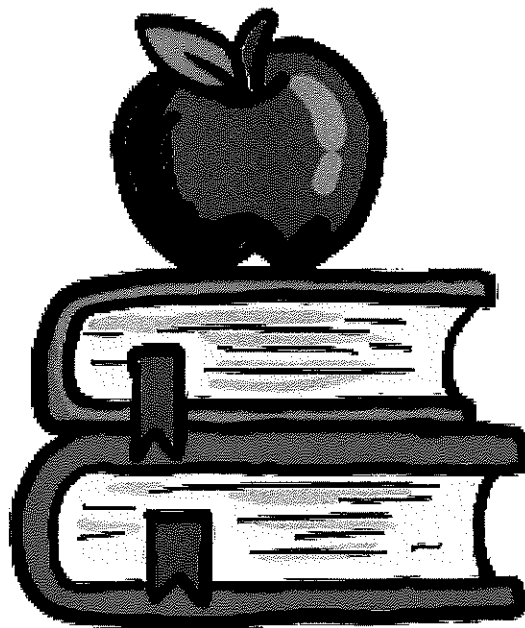
- **Howard Community College**
- **Howard County Library System**
- **Howard County Public School System**

Auditor's Summary

of the
Proposed Howard County

FY20 Capital & Operating Budgets

Education





Howard County Council

George Howard Building
3430 Court House Drive
Ellicott City, Maryland 21043-4392

COUNCILMEMBERS

Christiana Mercer Rigby, Chairperson
District 3
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District 2
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District 4
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District 1
David Yungmann
District 5

Budget Work Session
C. Vernon Gray Room
Monday, April 29, 2019
9:30 a.m.

Agenda

- Revenue Overview
- Education
 - Howard Community College (HCC)
 - Capital
 - Operating
 - Libraries (HCLS)
 - Capital
 - Operating
 - Board of Education (HCPSS)
 - Capital
 - Operating

FY 2020 Proposed Capital Budget and Program Points of Interest

Community College

General: Projects with significant changes from FY 2019

ID	Project	FY 2020 Programmed in FY 2019	FY 2020 Proposed	Increase (Reduction)
M0539	Mathematics and Athletics Complex	\$ 3,500,000	\$ 2,824,000	\$ (676,000)
M0550	Systemic Renovations	11,176,000	2,000,000	(9,176,000)

Mathematics and Athletics Complex (M0539)

- Initially, the size of the building was reported as 150,000 gross square feet. Howard Community College reports that this was a “placeholder” estimate before the planning analysis and feasibility study were conducted.
 - The study recommended 193,000 gross square feet, with 122,104 net assignable square feet (NASF).
 - The new design includes a food venue that was not part of the initial plan. The college reports that the food venue accounts for 1,700 NASF.
 - These are the three primary uses of space:
 - Athletics – 69,890 NASF
 - Class labs – 20,500 NASF
 - Offices – 15,684 NASF
- Grant funds of \$1.4 million are from a Maryland Higher Education Commission grant program.

Systemic Renovations (M0550)

- The college reports that the following reductions were made to planned systemic renovations to meet the \$9.2 million decrease from what was programmed for FY 2020:

**FY 2020 Proposed Capital Budget and Program
Points of Interest**

Community College (continued)

FY 2020 Deferred Systemic Renovations	Amount
Phased deferred maintenance:	
Horowitz Visual & Performing Arts and Rouse Company Foundation parapet and stone coping repair	\$ 50,000
Athletic & Fitness building remedial repairs	50,000
Major interior improvements:	
Carpet replacement campus-wide	100,000
Athletic & Fitness building interior tile replacements	50,000
Hickory Ridge building interior upgrades	45,000
Duncan Hall building interior upgrades	45,000
Hickory Ridge building elevator repairs	150,000
Café major equipment upgrade	100,000
Phased signage installation	350,000
Phased audiovisual upgrades	650,000
Information technology upgrades and modifications	300,000
Cable television upgrades	250,000
Phased campus-wide security camera system	280,000
Phased public restroom upgrades	671,000
Cell phone repeater upgrades campus-wide	610,000
Emergency digital clock upgrades	1,250,000
Athletic turf resurfacing	3,750,000
Theater storage and utilities	475,000
Total	\$ 9,176,000

**FY2020 Community College Capital Projects
Year-to-Year Comparison**

COMMUNITY COLLEGE

(In Thousands)

New Projects

None

Projects with changes from FY2019

Project No.	Project Name		Prior Approval	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Master Plan	Total Project
M0539	FY2020 Mathematics and Athletics Complex	FY2019 Budget	0	3,500	3,500	26,000	26,000	20,200	0	0	79,200
		FY2020 Request	0	2,824	14,635	28,848	28,588	24,075	0	0	98,970
		Increase (Dec.)	0	(676)	11,135	2,848	2,588	3,875	0	0	19,770
M0550	FY2018 Systemic Renovations	FY2019 Budget	6,456	11,176	11,498	1,407	1,809	3,110	11,985	17,740	65,181
		FY2020 Request	6,456	2,000	3,233	1,357	1,509	3,710	11,985	24,836	55,086
		Increase (Dec.)	0	(9,176)	(8,265)	(50)	(300)	600	0	7,096	(10,095)

Change in Funding For FY2020 Community College Projects

	FY2020
FY2020 Appropriation per the FY2019 Budget	14,676
FY2020 Funding per the FY2020 Request	4,824
Increase (Decr.)	(9,852)

FY 2020 Proposed Operating Budget Points of Interest

Howard Community College

- Howard Community College's total operating budget from all sources is \$177,926,527.
- The County Executive's proposed budget for the County's portion includes a \$35,843,000 fully funded request for general operations – a \$857,184 million (2.45 percent) increase.
- The amount budgeted for debt service is \$10,278,200 – a \$1,075,058 (11.68 percent) increase.
- The amount budgeted for Other Post-Employment Benefits (OPEB) is \$392,084 – a \$30,809 (7.3 percent) decrease.
- Tuition:
 - In-county tuition will increase \$2 per credit hour to \$140. This will result in an estimated \$316,674 in additional revenue net of fees and expenses.
 - Out-of-county and out-of-state tuition will increase \$8 per credit hour to \$234 and \$284, respectively. These increases are estimated to generate an additional \$306,594 in revenue.
- Faculty Salaries:
 - The College requested a 5 percent increase costing \$2,254,578. The County Executive's proposed budget provides a 4.1 percent increase totaling \$1,312,312.
- Full-Time Faculty and Staff Additions:
 - The County Executive's proposed budget calls for funding one faculty position and increasing one staff position from part time to full time at a total cost of \$126,988. Through a reallocation of funds and the elimination of one position, a net increase of 2.8 positions will be achieved.
 - The College initially requested 11.67 new positions. The Budget Book incorrectly shows this as the approved personnel increase.
- Part-Time Faculty:
 - A tiered hourly teacher increase was proposed. It included a 5 percent increase for levels I and II and a 4 percent increase for level III with a total cost of \$371,436. The County Executive's proposed budget calls for a 4 percent increase for levels I and II and a 3 percent increase for level III totaling \$297,152.

FY 2020 Proposed Operating Budget Points of Interest

Howard Community College (continued)

- Consolidated Fee:
 - The consolidated fee will remain the same at 18.82 percent of the in-county tuition rate. This fee is charged to all for-credit students for a variety of purposes including student activities, technology, the building fund, instructional materials, and facility expenses.
 - The College's portion of the debt on garages and the Horowitz Visual and Performing Arts Center is paid from the building fund portion of this fee. For FY 2020, the budgeted amount is \$1,299,600.
- Other Income is projected to increase \$328,814 (58 percent) due to rising interest rates.

FY 2020 Proposed Capital Budget and Program Points of Interest

Library

Elkridge Branch/Senior Center (L0015)

- The remaining appropriation in this project is \$588,469. These funds will be used by the Department of Public Works (DPW) to improve drainage around the library.

Glenwood Branch Renovation (L0018)

- The initial conceptual design indicates an estimated \$632,000 for construction. This estimate excludes fire alarms, security, design fees, FFE (furniture, fixtures, and equipment), and future Phase II scope.
- DPW – Facilities renegotiated design fees, resulting in a total project reduction of \$315,000 (from \$1,580,000 down to \$1,265,000).

New HCLS Central Branch & Relocation (L0020)

- It's possible that the current site will be re-purposed. Options are still being vetted, but the current plan is to construct a new facility on a different site.
- This project will likely be located in the Merriweather District, south of Merriweather Post Pavilion.
- Other sources represent an appropriation from the Reserve Fund for Permanent Public Improvements, which is a new funding source:
 - The Reserve Fund Reserves are from fees paid per Section IV of the Downtown Columbia Development Memorandum of Understanding dated November 9, 2016.
 - The Howard Research and Development Corporation is required to contribute \$1 per square foot of all new building area developed in Downtown Columbia, to a maximum of \$12 million.
 - The Reserve Fund was created to construct educational and cultural facilities to serve Downtown Columbia.
- This will likely be a low-income housing tax credit project owned by the Housing Commission, which would fund and manage the construction.

**FY2020 Library Capital Projects
Year-to-Year Comparison**

LIBRARY

(In Thousands)

New Projects

None

Projects with changes from FY2019

Project No.	Project Name		Prior Approval	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Master Plan	Total Project
L0018	FY2018 Glenwood Branch Renovation	FY2019 Budget	730	850	0	0	0	0	0	0	1,580
		FY2020 Request	730	0	535	0	0	0	0	0	1,265
		Increase (Dec.)	0	(850)	535	0	0	0	0	0	(315)
L0019	FY2022 Southwest Branch	FY2019 Budget	0	285	5,211	32,960	2,575	0	0	0	41,031
		FY2020 Request	0	0	0	296	5,211	32,960	2,575	0	41,042
		Increase (Dec.)	0	(285)	(5,211)	(32,664)	2,636	32,960	2,575	0	11
L0020	FY2021 New HCLS Central Branch & Relocation	FY2019 Budget	0	0	488	487	0	0	0	0	975
		FY2020 Request	0	488	487	0	0	0	0	0	975
		Increase (Dec.)	0	488	(1)	(487)	0	0	0	0	0

Change in Funding For FY2020 Library Projects

	FY2020
FY2020 Appropriation per the FY2019 Budget	1,135
FY2020 Funding per the FY2020 Request	488
Increase (Decr.)	(647)

FY 2020 Proposed Operating Budget Points of Interest

Howard County Library System (HCLS)

- The County Executive's proposed budget includes an increase of \$513,128, which is 2.5 percent more than the FY 2019 proposal.
- The Library Board of Trustees requested an increase in County funding of \$2,008,249. The proposed budget adds \$513,129, a reduction of \$1,495,121.
- The Library System has indicated that they will fund merit increases of 3 percent for staff members and a 2 percent cost-of-living adjustment (COLA). In order to accomplish this, they will utilize \$95,494 of fund balance and hold five full-time equivalent (FTE) positions open. To reduce impact to the community, 3.5 FTE of the positions will be held open at the Administrative Branch.
- Due to receiving decreased funding, the Library System will not be able to fund all of the initiatives that they had proposed for FY 2020. These include:
 - One Program Manager - \$75,000
 - One Hi-Tech Instructor - \$85,000
 - One part-time instructor for HCLS Project Literacy - \$21,000
 - Additional security personnel - \$228,000
 - Publisher cost increases of 2 percent - \$55,665
 - Vendor increases and expanded classes - \$49,000
 - Lease on radio-frequency identification (RFID) self-checkout machines - \$110,000
 - Security cameras for two branches - \$28,000
- No new positions are included in the FY 2020 budget.
- Potential grant revenue remains constant at \$1,000,000.

**Comparison Board of Education Request vs.
FY 2020 Proposed Capital Project**

(In Thousands)

Project #	Project Title	FY 2020 BOE Request	FY 2020 Exec. Proposed	Difference
School Projects				
E1043	Talbot Springs ES Replacement	\$ 9,500	\$ 9,500	\$ -
E1035	New High School #13	15,600	9,000	(6,600)
E1024	Hammond High School Renovation/Addition	12,500	12,500	-
E1028	New Elementary School #42	-	(2,000)	(2,000)
System Projects				
E1044	Systemic Renovations	\$ 38,115	\$ 17,118	\$ (20,997)
E1046	Roofing Projects	5,000	4,497	(503)
E0990	Playground Equipment	250	-	(250)
E1045	Relocatable Classrooms	3,200	3,000	(200)
E1047	Site Acquisition/Construction Reserve	2,000	-	(2,000)
E1048	Technology	5,500	1,000	(4,500)
E1038	Planning and Design	400	-	(400)
E0989	Barrier Free	200	-	(200)
Totals		\$ 92,265	\$ 54,615	\$ (37,650)

Note: *The County Executive's \$20.1 million in reductions to Capital Project E1044 will have the following effect on subprojects:*

E1044 - Systemic Renovations	FY 2020 BOE Request	FY 2020 Exec. Proposed	Difference	
Fulton ES HVAC Replacement	\$ 8,500	\$ 8,500	\$ -	
Long Reach HS - Building Envelope	2,000	2,000	-	
Modification of FY 2019 HVAC Projects Scopes	4,000	4,000	-	
Cradlerock ES/Lake Elkhorn MS Boiler Replacement	692	692	-	
Emergency Reserve	5,000	626	(4,374)	
Indoor Environmental Quality Repairs	3,500	900	(2,600)	
School Security Measures	1,000	400	(600)	
Ascend One Relocation/Renovations	3,000	-	(3,000)	
West Friendship ES MBR/Well	3,000	-	(3,000)	
Applications and Research Lab Maintenance	2,500	-	(2,500)	
Guilford ES Exterior Windows/Doors	1,300	-	(1,300)	
Room Reconfigurations and Modernizations	1,000	-	(1,000)	
Grounds/Fleet Infrastructure Capital Needs	913	-	(913)	
Forrest Ridge ES Office Reconfiguration	750	-	(750)	
Dump Trucks for Grounds Services (Two)	360	-	(360)	
Kitchen Modernizations	300	-	(300)	
Special Education/Regional Program Needs	300	-	(300)	
Totals		\$ 38,115	\$ 17,118	\$ (20,997)

FY 2020 BOE Requested Capital Budget compared to Executive Proposed Capital Budget for all Projects

Projects with FY2020 Requests

Project	Title		Prior	FY2020	Total	FY2021	FY2022	FY2023	FY2024	FY2025	Master	Total
E0989	FY1989 Barrier-Free Projects	FY2020 Executive Proposed	5,753	0	5,753	200	200	200	200	200	800	7,553
		FY2020 BOE Requested	5,603	200	5,803	200	200	200	200	200	800	7,603
		Difference	150	(200)	(50)	0	0	0	0	0	0	(50)
E0990	FY2002 Playground Equipment	FY2020 Executive Proposed	2,930	0	2,930	250	250	250	250	500	2,000	6,430
		FY2020 BOE Requested	2,930	250	3,180	250	250	250	250	500	2,000	6,680
		Difference	0	(250)	(250)	0	0	0	0	0	0	(250)
E1024	FY2019 Hammond High School Renovation	FY2020 Executive Proposed	4,000	12,500	16,500	27,955	28,075	28,156	14,494	0	0	115,180
		FY2020 BOE Requested	4,000	12,500	16,500	27,955	28,075	28,156	14,494	0	0	115,180
		Difference	0	0	0	0	0	0	0	0	0	0
E1028	FY2016 New Elementary School #42	FY2020 Executive Proposed	43,723	(2,000)	41,723	0	0	0	0	0	0	41,723
		FY2020 BOE Requested	0	0	0	0	0	0	0	0	0	0
		Difference	43,723	(2,000)	41,723	0	0	0	0	0	0	41,723
E1035	FY2018 New High School #13	FY2020 Executive Proposed	6,732	9,000	15,732	38,860	32,280	32,260	19,564	0	0	138,696
		FY2020 BOE Requested	6,732	15,600	22,332	32,260	32,280	32,260	19,564	0	0	138,696
		Difference	0	(6,600)	(6,600)	6,600	0	0	0	0	0	0
E1038	FY2017 Planning and Design	FY2020 Executive Proposed	700	0	700	400	300	300	300	300	1,200	3,500
		FY2020 BOE Requested	700	400	1,100	400	300	300	300	300	1,200	3,900
		Difference	0	(400)	(400)	0	0	0	0	0	0	(400)
E1043	FY2019 Talbott Springs Elem School Renovation	FY2020 Executive Proposed	8,050	9,500	17,550	14,218	9,878	0	0	0	0	41,646
		FY2020 BOE Requested	8,050	9,500	17,550	14,218	9,878	0	0	0	0	41,646
		Difference	0	0	0	0	0	0	0	0	0	0
E1044	FY2019 Systemic Renovations	FY2020 Executive Proposed	25,955	17,118	43,073	24,589	23,327	20,270	19,974	11,948	74,000	217,181
		FY2020 BOE Requested	25,455	38,115	63,570	24,589	23,327	20,270	19,974	11,948	74,000	237,678
		Difference	500	(20,997)	(20,497)	0	0	0	0	0	0	(20,497)

FY 2020 BOE Requested Capital Budget compared to Executive Proposed Capital Budget for all Projects

Projects with FY2020 Requests (continued)

Project	Title		Prior	FY2020	Total	FY2021	FY2022	FY2023	FY2024	FY2025	Master	Total
E1045	FY2019 Relocatable Classrooms	FY2020 Executive Proposed	1,800	3,000	4,800	1,500	1,500	1,500	1,500	1,500	6,000	18,300
		FY2020 BOE Requested	1,800	3,200	5,000	1,500	1,500	1,500	1,500	1,500	6,000	18,500
		Difference	0	(200)	(200)	0	0	0	0	0	0	(200)
E1046	FY2019 Roofing	FY2020 Executive Proposed	12,500	4,497	16,997	1,000	5,000	1,000	1,000	5,000	20,000	49,997
		FY2020 BOE Requested	12,500	5,000	17,500	1,000	5,000	1,000	1,000	5,000	20,000	50,500
		Difference	0	(503)	(503)	0	0	0	0	0	0	(503)
E1047	FY2025 Site Acquisition & Construction	FY2020 Executive Proposed	0	0	0	2,000	2,000	2,000	2,000	2,000	8,000	18,000
		FY2020 BOE Requested	0	2,000	2,000	2,000	2,000	2,000	2,000	2,000	8,000	20,000
		Difference	0	(2,000)	(2,000)	0	0	0	0	0	0	(2,000)
E1048	FY2019 Technology	FY2020 Executive Proposed	2,750	1,000	3,750	5,500	7,500	7,500	7,500	7,500	30,000	69,250
		FY2020 BOE Requested	2,750	5,500	8,250	5,500	7,500	7,500	7,500	7,500	30,000	73,750
		Difference	0	(4,500)	(4,500)	0	0	0	0	0	0	(4,500)
TOTALS		FY2020 Executive Proposed	114,893	54,615	169,508	116,472	110,310	93,436	66,782	28,948	142,000	727,456
		FY2020 BOE Requested	70,520	92,265	162,785	109,872	110,310	93,436	66,782	28,948	142,000	714,133
		Difference	44,373	(37,650)	6,723	6,600	0	0	0	0	0	0

FY 2020 BOE Requested Capital Budget compared to Executive Proposed Capital Budget for all Projects

Projects with Funding in Out-Years

Project	Title		Prior	FY2020	Total	FY2021	FY2022	FY2023	FY2024	FY2025	Master	Total
E1012	FY2008 School	FY2020 Executive Proposed	4,200	0	4,200	0	0	0	0	600	2,400	7,200
	Parking Lot	FY2020 BOE Requested	4,200	0	4,200	0	0	0	0	600	2,400	7,200
	Expansion	Difference	0	0	0	0	0	0	0	0	0	0
E1025	FY2023 Centennial	FY2020 Executive Proposed	0	0	0	0	0	0	11,333	16,367	92,744	120,444
	High School	FY2020 BOE Requested	0	0	0	0	0	0	11,333	16,367	92,744	120,444
	Renovation Addition	Difference	0	0	0	0	0	0	0	0	0	0
E1036	FY2019 Oakland	FY2020 Executive Proposed	0	0	0	0	0	0	7,500	15,500	15,310	38,310
	Mills Middle School	FY2020 BOE Requested	0	0	0	0	0	0	7,500	15,500	15,310	38,310
	Renovation	Difference	0	0	0	0	0	0	0	0	0	0
E1037	FY2023 Ellicott Mills	FY2020 Executive Proposed	0	0	0	0	1,000	6,415	1,000	0	0	8,415
	Middle School	FY2020 BOE Requested	0	0	0	0	1,000	6,415	1,000	0	0	8,415
	Addition	Difference	0	0	0	0	0	0	0	0	0	0
E1039	FY2020 New Elem	FY2020 Executive Proposed	0	0	0	4,000	15,500	14,500	12,439	4,588	0	51,027
	School #43	FY2020 BOE Requested	0	0	0	4,000	15,500	14,500	12,439	4,588	0	51,027
		Difference	0	0	0	0	0	0	0	0	0	0
E1040	FY2024 New Elem	FY2020 Executive Proposed	0	0	0	0	0	4,000	15,550	14,500	18,963	53,013
	School #44	FY2020 BOE Requested	0	0	0	0	0	4,000	15,550	14,500	18,963	53,013
		Difference	0	0	0	0	0	0	0	0	0	0
E1041	FY2026 New Elem	FY2020 Executive Proposed	0	0	0	0	0	0	0	0	28,000	28,000
	School #45	FY2020 BOE Requested	0	0	0	0	0	0	0	0	28,000	28,000
		Difference	0	0	0	0	0	0	0	0	0	0

FY 2020 BOE Requested Capital Budget compared to Executive Proposed Capital Budget for all Projects

Projects with Funding in Out-Years (continued)

Project	Title	Prior	FY2020	Total	FY2021	FY2022	FY2023	FY2024	FY2025	Master	Total	
E1049	FY2021 Dunloggin Middle School Renovation Addition	FY2020 Executive Proposed	0	0	0	2,000	8,694	11,671	11,534	5,000	0	38,899
		FY2020 BOE Requested	0	0	0	2,000	8,694	11,671	11,534	5,000	0	38,899
		Difference	0	0	0	0	0	0	0	0	0	0
E1052	FY2024 New High School #14	FY2020 Executive Proposed	0	0	0	0	0	0	13,905	19,948	113,041	146,894
		FY2020 BOE Requested	0	0	0	0	0	0	13,905	19,948	113,041	146,894
		Difference	0	0	0	0	0	0	0	0	0	0
TOTALS		FY2020 Executive Proposed	4,200	0	4,200	6,000	25,194	36,586	73,261	76,503	270,458	492,202
		FY2020 BOE Requested	4,200	0	4,200	6,000	25,194	36,586	73,261	76,503	270,458	492,202
		Difference	0	0	0	0	0	0	0	0	0	0

FY 2020 BOE Requested Capital Budget compared to Executive Proposed Capital Budget for all Projects

Projects with only Prior Year Funding (only shown in Executive Proposed, not shown in BOE Request)

Project	Title		Prior	FY2020	Total	FY2021	FY2022	FY2023	FY2024	FY2025	Master	Total
E0973	FY2003 Waverly Elem Addition	FY2020 Executive Proposed	40,769	0	40,769	0	0	0	0	0	0	40,769
		FY2020 BOE Requested	0	0	0	0	0	0	0	0	0	0
		Difference	40,769	0	40,769	0	0	0	0	0	0	0
E0980	FY2004 Systemic Renovations	FY2020 Executive Proposed	265,830	0	265,830	0	0	0	0	0	0	265,830
		FY2020 BOE Requested	0	0	0	0	0	0	0	0	0	0
		Difference	265,830	0	265,830	0	0	0	0	0	0	0
E0994	FY2004 Roofing Program	FY2020 Executive Proposed	44,588	0	44,588	0	0	0	0	0	0	44,588
		FY2020 BOE Requested	0	0	0	0	0	0	0	0	0	0
		Difference	44,588	0	44,588	0	0	0	0	0	0	0
E0995	Site Acquisition and Construction	FY2020 Executive Proposed	19,153	0	19,153	0	0	0	0	0	0	19,153
		FY2020 BOE Requested	0	0	0	0	0	0	0	0	0	0
		Difference	19,153	0	19,153	0	0	0	0	0	0	0
E1021	FY2011 Technology	FY2020 Executive Proposed	41,986	0	41,986	0	0	0	0	0	0	41,986
		FY2020 BOE Requested	0	0	0	0	0	0	0	0	0	0
		Difference	41,986	0	41,986	0	0	0	0	0	0	0
E1030	FY2014 Deep Run Elem Renovation	FY2020 Executive Proposed	23,641	0	23,641	0	0	0	0	0	0	23,641
		FY2020 BOE Requested	0	0	0	0	0	0	0	0	0	0
		Difference	23,641	0	23,641	0	0	0	0	0	0	0
E1031	FY2014 Wilde Lake Middle Renovation	FY2020 Executive Proposed	40,847	0	40,847	0	0	0	0	0	0	40,847
		FY2020 BOE Requested	0	0	0	0	0	0	0	0	0	0
		Difference	40,847	0	40,847	0	0	0	0	0	0	0

FY 2020 BOE Requested Capital Budget compared to Executive Proposed Capital Budget for all Projects

Projects with only Prior Year Funding (only shown in Executive Proposed, not shown in BOE Request)

Project	Title	Prior	FY2020	Total	FY2021	FY2022	FY2023	FY2024	FY2025	Master	Total	
E1033	FY2015 Patuxent Valley Middle School Renovation	FY2020 Executive Proposed	28,075	0	28,075	0	0	0	0	0	0	28,075
		FY2020 BOE Requested	0	0	0	0	0	0	0	0	0	0
		Difference	28,075	0	28,075	0	0	0	0	0	0	28,075
E1034	FY2015 Swansfield Elementary School Renovation	FY2020 Executive Proposed	24,712	0	24,712	0	0	0	0	0	0	24,712
		FY2020 BOE Requested	0	0	0	0	0	0	0	0	0	0
		Difference	24,712	0	24,712	0	0	0	0	0	0	24,712
TOTALS		FY2020 Executive Proposed	529,601	0	529,601	0	0	0	0	0	0	529,601
		FY2020 BOE Requested	0	0	0	0	0	0	0	0	0	0
		Difference	529,601	0	529,601	0	0	0	0	0	0	529,601
GRAND TOTALS		FY2020 Executive Proposed	648,694	54,615	703,309	122,472	135,504	130,022	140,043	105,451	412,458	1,749,259
		FY2020 BOE Requested	74,720	92,265	166,985	115,872	135,504	130,022	140,043	105,451	412,458	1,206,335
		Difference	573,974	(37,650)	536,324	6,600	0	0	0	0	0	542,924

**FY2020 Education - School Construction Capital Projects
Year-to-Year Comparison**

SCHOOL SYSTEM

(In Thousands)

New Projects

Project No.	Project Name		Prior Approval	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Master Plan	Total Project
E1025	FY2023 Centennial High Renovation Addition	FY2020 Request		0	0	0	0	11,333	16,367	92,744	120,444
E1052	FY2024 New High School #14	FY2020 Request		0	0	0	0	13,905	19,948	113,041	146,894
Total New Projects				0	0	0	0	25,238	36,315	205,785	267,338

Projects with changes from FY2019

Project No.	Project Name		Prior Approval	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Master Plan	Total Project
E0989	FY1989 Barrier-Free Projects	FY2019 Budget	5,603	200	200	200	200	200	200	600	7,403
		FY2020 Request	5,753	0	200	200	200	200	200	800	7,553
		Increase (Decr.)	150	(200)	0	0	0	0	0	0	200
E0990	FY2002 Playground Equipment	FY2019 Budget	2,930	250	250	250	250	250	500	1,500	6,180
		FY2020 Request	2,930	0	250	250	250	250	500	2,000	6,430
		Increase (Decr.)	0	(250)	0	0	0	0	0	500	250
E1012	FY2008 School Parking Lot Expansion	FY2019 Budget	4,200	0	0	0	0	0	600	1,800	6,600
		FY2020 Request	4,200	0	0	0	0	0	600	2,400	7,200
		Increase (Decr.)	0	0	0	0	0	0	0	600	600

**FY2020 Education - School Construction Capital Projects
Year-to-Year Comparison**

Projects with changes from FY2019 (continued)

Project No.	Project Name		Prior Approval	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Master Plan	Total Project
E1024	FY2019 Hammond High School Renovation	FY2019 Budget	4,000	20,695	18,795	18,895	19,995	15,147	0	0	97,527
		FY2020 Request	4,000	12,500	27,955	28,075	28,156	14,494	0	0	115,180
		Increase (Decr.)	0	(8,195)	9,160	9,180	8,161	(653)	0	0	17,653
E1028	FY2018 New Elementary School #42	FY2019 Budget	43,873	0	0	0	0	0	0	0	43,873
		FY2020 Request	43,723	(2,000)	0	0	0	0	0	0	41,723
		Increase (Decr.)	(150)	(2,000)	0	0	0	0	0	0	(2,150)
E1031	FY2014 Wilde Lake Middle School Replacement	FY2019 Budget	41,147	0	0	0	0	0	0	0	41,147
		FY2020 Request	40,847	0	0	0	0	0	0	0	40,847
		Increase (Decr.)	(300)	0	0	0	0	0	0	0	(300)
E1034	Swansfield Elementary School Renovation/Addition	FY2019 Budget	24,912	0	0	0	0	0	0	0	24,912
		FY2020 Request	24,712	0	0	0	0	0	0	0	24,712
		Increase (Decr.)	(200)	0	0	0	0	0	0	0	(200)
E1035	FY2019 New High School #13	FY2019 Budget	6,732	25,315	25,415	25,515	25,115	15,972	0	0	124,064
		FY2020 Request	6,732	9,000	38,860	32,280	32,260	19,564	0	0	138,696
		Increase (Decr.)	0	(16,315)	13,445	6,765	7,145	3,592	0	0	14,632
E1036	FY2020 Oakland Mills Middle School Renovation	FY2019 Budget	0	0	0	0	0	9,003	14,404	12,603	36,010
		FY2020 Request	0	0	0	0	0	7,500	15,500	15,310	38,310
		Increase (Decr.)	0	0	0	0	0	(1,503)	1,096	2,707	2,300

**FY2020 Education - School Construction Capital Projects
Year-to-Year Comparison**

Projects with changes from FY2019 (continued)

Project No.	Project Name		Prior Approval	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Master Plan	Total Project
E1037	FY2023 Ellicott Mills Middle School Addition	FY2019 Budget	0	0	0	0	1,000	6,415	1,000	0	8,415
		FY2020 Request	0	0	0	1,000	6,415	1,000	0	0	8,415
		Increase (Decr.)	0	0	0	1,000	5,415	(5,415)	(1,000)	0	0
E1038	FY2018 Planning and Design	FY2019 Budget	700	400	400	300	300	300	300	900	3,600
		FY2020 Request	700	0	400	300	300	300	300	1,200	3,500
		Increase (Decr.)	0	(400)	0	0	0	0	0	300	(100)
E1039	FY2020 New Elementary School #43	FY2019 Budget	0	6,000	11,500	15,215	17,927	8,000	0	0	58,642
		FY2020 Request	0	0	4,000	15,500	14,500	12,439	4,588	0	51,027
		Increase (Decr.)	0	(6,000)	(7,500)	285	(3,427)	4,439	4,588	0	(7,615)
E1040	FY2024 New Elementary School #44	FY2019 Budget	0	0	0	0	0	5,705	15,881	37,056	58,642
		FY2020 Request	0	0	0	0	4,000	15,550	14,500	18,963	53,013
		Increase (Decr.)	0	0	0	0	4,000	9,845	(1,381)	(18,093)	(5,629)
E1041	FY2026 New Elementary School #45	FY2019 Budget	0	0	0	0	0	0	0	42,761	42,761
		FY2020 Request	0	0	0	0	0	0	0	28,000	28,000
		Increase (Decr.)	0	0	0	0	0	0	0	(14,761)	(14,761)
E1043	FY2020 Talbott Springs ES Renovation	FY2019 Budget	8,050	16,250	14,218	3,106	0	0	0	0	41,624
		FY2020 Request	8,050	9,500	14,218	9,878	0	0	0	0	41,646
		Increase (Decr.)	0	(6,750)	0	6,772	0	0	0	0	22

**FY2020 Education - School Construction Capital Projects
Year-to-Year Comparison**

Projects with changes from FY2019 (continued)

Project No.	Project Name		Prior Approval	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Master Plan	Total Project
E1044	FY2019 Systemic Renovations	FY2019 Budget	25,455	19,150	19,644	17,007	18,841	18,298	17,598	55,000	190,993
		FY2020 Request	25,955	17,118	24,589	23,327	20,270	19,974	11,948	74,000	217,181
		Increase (Decr.)	500	(2,032)	4,945	6,320	1,429	1,676	(5,650)	19,000	26,188
E1045	FY2019 Relocatable Classrooms	FY2019 Budget	1,800	3,200	1,500	1,500	1,500	1,500	1,500	4,500	17,000
		FY2020 Request	1,800	3,000	1,500	1,500	1,500	1,500	1,500	6,000	18,300
		Increase (Decr.)	0	(200)	0	0	0	0	0	1,500	1,300
E1046	FY2019 Roofing	FY2019 Budget	12,500	5,000	1,000	5,000	1,000	1,000	5,000	15,000	45,500
		FY2020 Request	12,500	4,497	1,000	5,000	1,000	1,000	5,000	20,000	49,997
		Increase (Decr.)	0	(503)	0	0	0	0	0	5,000	4,497
E1047	FY2025 Site Acquisition Construction Reserve	FY2019 Budget	0	0	0	0	0	0	2,000	6,000	8,000
		FY2020 Request	0	0	2,000	2,000	2,000	2,000	2,000	8,000	18,000
		Increase (Decr.)	0	0	2,000	2,000	2,000	2,000	2,000	0	2,000
E1048	FY2019 Technology	FY2019 Budget	2,750	5,500	5,500	7,500	7,500	7,500	7,500	22,500	66,250
		FY2020 Request	2,750	1,000	5,500	7,500	7,500	7,500	7,500	30,000	69,250
		Increase (Decr.)	0	(4,500)	0	0	0	0	0	7,500	3,000
E1049	FY2021 Dunloggin MS Renovation/Addition	FY2019 Budget	0	0	2,000	10,694	12,671	9,534	4,000	0	38,899
		FY2020 Request	0	0	2,000	8,694	11,671	11,534	5,000	0	38,899
		Increase (Decr.)	0	0	0	(2,000)	(1,000)	2,000	1,000	0	0

**FY2020 Education - School Construction Capital Projects
Year-to-Year Comparison**

Projects with no changes from FY2019

Project No.	Project Name		Prior Approval	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Master Plan	Total Project
E0973	FY2003 Waverly Elem Renovation/Phase II Add	FY2019 Budget	40,769	0	0	0	0	0	0	0	40,769
		FY2020 Request	40,769	0	0	0	0	0	0	0	40,769
		Increase (Decr.)	0	0	0	0	0	0	0	0	0
E0980	FY2004 Systemic Renovations	FY2019 Budget	265,830	0	0	0	0	0	0	0	265,830
		FY2020 Request	265,830	0	0	0	0	0	0	0	265,830
		Increase (Decr.)	0	0	0	0	0	0	0	0	0
E0994	FY2004 Roofing Program	FY2019 Budget	44,588	0	0	0	0	0	0	0	44,588
		FY2020 Request	44,588	0	0	0	0	0	0	0	44,588
		Increase (Decr.)	0	0	0	0	0	0	0	0	0
E0995	Site Acquisition and Construction Reserve	FY2019 Budget	19,153	0	0	0	0	0	0	0	19,153
		FY2020 Request	19,153	0	0	0	0	0	0	0	19,153
		Increase (Decr.)	0	0	0	0	0	0	0	0	0
E1021	FY2011 Technology	FY2019 Budget	41,986	0	0	0	0	0	0	0	41,986
		FY2020 Request	41,986	0	0	0	0	0	0	0	41,986
		Increase (Decr.)	0	0	0	0	0	0	0	0	0
E1030	Deep Run Elementary School Renovation/Addition	FY2019 Budget	23,641	0	0	0	0	0	0	0	23,641
		FY2020 Request	23,641	0	0	0	0	0	0	0	23,641
		Increase (Decr.)	0	0	0	0	0	0	0	0	0

**FY2020 Education - School Construction Capital Projects
Year-to-Year Comparison**

Projects with no changes from FY2019 (continued)

Project No.	Project Name		Prior Approval	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Master Plan	Total Project
E1033	FY2015 Patuxent Valley MS Renovation	FY2019 Budget	28,075	0	0	0	0	0	0	0	28,075
		FY2020 Request	28,075	0	0	0	0	0	0	0	28,075
		Increase (Decr.)	0	0	0	0	0	0	0	0	0

Change in Funding For FY2020 School System Projects

	FY2020
FY2020 Appropriation per the FY2019 Budget	101,960
FY2020 Funding per the FY2020 Request	54,615
Increase (Decr.)	(47,345)

Note:

TAO#2-2019 transfers \$650,000 from various projects to E1044 & E0989 as follows:

E1031	(300,000)
E1034	(200,000)
E1028	(150,000)
E1044	500,000
E0989	150,000

**Board of Education
Operating Budget – FY 2020
Auditor’s Analysis**

Funding

For FY 2020, the HCPSS Board of Education requested a budget of \$972.7 million, a \$110.4 million (12.8 percent) increase over the approved FY 2019 budget (see Table 1). The Executive’s Proposed Budget for FY 2020 totaled \$605.2 million, an increase of \$5.1 million (0.9 percent) over the FY 2019 Approved Budget (see Table 2).

Table 1 Board of Education Operating Budget Request – FY 2020				
	Approved Budget FY 2019	Board Request FY 2020	Inc/(Dec) Over Prior Year	Percent Change
County Share - Operating	\$600,053,881	\$689,328,101	\$89,274,220	14.9%
State/Federal/Other	262,332,125	283,409,704	21,077,579	8.0%
Total	\$862,386,006	\$972,737,805	\$110,351,799	12.8%

Table 2 Executive Proposed Operating Budget – FY 2020				
	Approved Budget FY 2019	Executive Proposed FY 2020	Inc/(Dec) Over Prior Year	Percent Change
County Share - Operating	\$600,053,881	605,200,000	\$5,146,119	0.9%
State/Federal/Other	262,332,125	287,034,594	24,702,469	9.4%
Total	\$862,386,006	\$892,234,594	\$29,848,588	3.5%

Table 3 shows the breakdown of the FY 2020 Board Request compared with the Executive’s Proposed Budget by State funding category.

Table 3 Funding by State Category – All Fund Sources				
	Board Request FY 2020	Executive Proposed FY 2020	Inc/(Dec)	Percent Change
Administration	\$15,356,125	\$13,906,449	(\$1,449,676)	(9.4%)
Mid-Level Administration	67,074,229	65,443,710	(1,630,519)	(2.4%)
Instruction	383,425,015	374,083,851	(9,341,164)	(2.4%)
Special Education	121,724,524	116,929,685	(4,794,839)	(3.9%)
Pupil Services	4,950,666	3,787,418	(1,163,248)	(23.5%)
Health Services	9,889,241	9,336,918	(552,323)	(5.6%)
Transportation	43,957,275	41,292,289	(2,664,986)	(6.0%)
Operation of Plant	45,556,012	43,768,771	(1,787,241)	(3.9%)
Maintenance of Plant	38,017,085	26,803,691	(11,213,394)	(29.5%)
Fixed Charges	233,152,563	188,644,566	(44,507,997)	(19.1%)
Community Services	7,854,045	7,294,848	(559,197)	(7.1%)
Capital Outlay	1,781,025	942,398	(838,627)	(47.1%)
Total	\$972,737,805	\$892,234,594	(\$80,503,211)	(8.3%)

**Board of Education
Operating Budget – FY 2020
Auditor’s Analysis**

Table 4 shows the Executive’s Proposed Budget, including County, State, Federal, and Other funding, by State funding category. It includes comparative actual amounts from FY 2017 and FY 2018. Major increases for FY 2020 include Instruction (\$12.7 million) and Special Education (\$7.7 million).

	Actual FY 2017	Actual FY 2018	Approved Budget FY 2019	Executive Proposed FY 2020	Inc/(Dec) Over Prior Year
Administration	\$13,582,729	\$13,521,593	\$13,567,320	\$13,906,449	\$339,129
Mid-Level Administration	59,654,568	61,815,726	62,658,494	65,443,710	2,785,216
Instruction	337,481,665	352,476,553	361,342,128	374,083,851	12,741,723
Special Education	98,652,503	104,714,199	109,184,782	116,929,685	7,744,903
Pupil Services	3,279,643	3,405,119	3,641,641	3,787,418	145,777
Health Services	7,890,221	8,172,791	8,966,402	9,336,918	370,516
Transportation	37,872,734	39,011,564	41,216,993	41,292,289	75,296
Operation of Plant	38,996,338	37,974,825	42,593,699	43,768,771	1,175,072
Maintenance of Plant	23,447,705	23,828,343	26,217,132	26,803,691	586,559
Fixed Charges	170,296,393	159,178,603	184,960,057	188,644,566	3,684,509
Community Services	6,477,624	6,950,104	7,128,926	7,294,848	165,922
Capital Outlay	786,861	844,428	908,432	942,398	33,966
Total	\$798,418,984	\$811,893,848	\$862,386,006	\$892,234,594	\$29,848,588

Table 5 shows the County share of the Budget for FY 2011 to FY 2020 including the BOE Request and the Council Approved or Executive Proposed (FY 2020 only). The table shows the differences in the requested amounts.

Fiscal Year	BOE Request	Council Approved	Inc/(Dec) Over BOE
2011	\$464,476,658	\$464,708,788	\$232,130
2012	467,617,041	467,617,041	0
2013	476,050,094	482,384,818	6,334,724
2014	507,162,719	497,485,719	(9,677,000)
2015	530,439,861	530,439,861	0
2016	547,064,576	544,144,625	(2,919,951)
2017	612,594,438	562,260,253	(50,334,185)
2018	626,165,573	572,871,655	(53,293,918)
2019	644,974,772	600,053,881	(44,920,891)
Fiscal Year	BOE Request	Executive Proposed	Inc/(Dec) Over BOE
2020	\$689,328,101	\$605,200,000	(\$84,128,101)

**Board of Education
Operating Budget – FY 2020
Auditor’s Analysis**

Table 6 shows the year to year increase in the County share along with the amount funded over the required Maintenance of Effort. Fiscal Year 2019 funding included \$11 million in one-time funds for the health fund deficit.

Table 6 Year to Year Increase in County Funding and Funding Above Maintenance of Effort				
Fiscal Year	County Funds	\$ Increase	% Increase	Funding Above MOE
2011	464,708,788	7,148,364	1.6%	0
2012	467,617,041	2,908,253	0.6%	0
2013	482,384,818	14,767,777	3.2%	0
2014	497,485,719	15,100,901	3.1%	8,848,357
2015	530,439,861	32,954,142	6.6%	23,801,717
2016	544,144,625	13,704,764	2.6%	2,768,311
2017	562,260,253	18,115,628	3.3%	7,028,940
2018	572,871,655	10,627,030	1.9%	2,896,354
2019	600,053,881	27,182,226	4.7%	17,000,000
2020	605,200,000	5,146,119	0.9%	5,400,000

Table 7 shows the Executive Proposed funding for Other Post-Employment Benefits (OPEB) and debt service on BOE capital projects funded by the County. These amounts are in addition to funding by the County for general operating costs included in the amounts shown in Table 3.

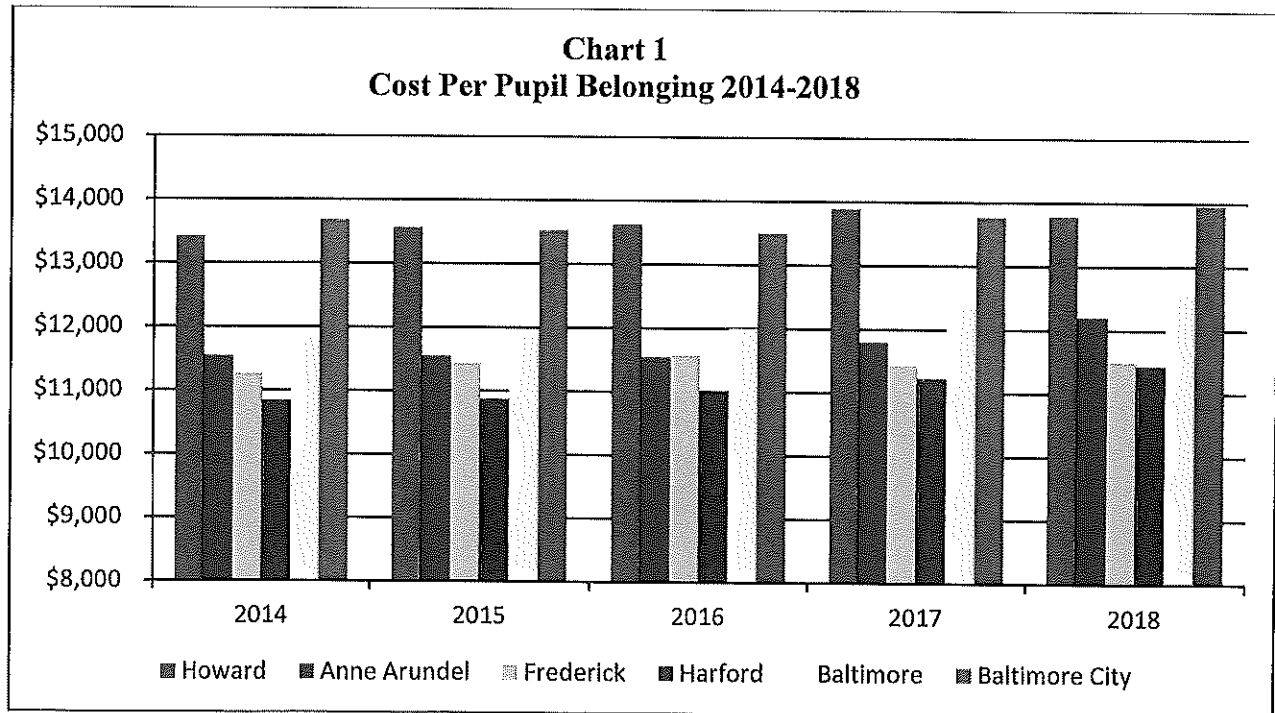
Table 7 County Funding - Other HCPSS Expenses						
	Approved Budget FY 2017	Approved Budget FY 2018	Approved Budget FY 2019	Executive Proposed FY 2020	Inc/(Dec) Over Prior Year	Percent Change
County Share-OPEB	\$8,580,000	\$10,606,000	\$10,344,737	\$8,426,553	(\$1,918,184)	(18.5%)
Debt Service	46,712,221	55,944,513	55,198,943	55,575,800	376,857	0.7%
Total	\$55,292,221	\$66,550,513	\$65,543,680	\$64,002,353	(\$1,541,327)	(2.35%)

**Board of Education
Operating Budget – FY 2020
Auditor’s Analysis**

Table 8 reflects Restricted Fund activity including the BOE request for FY 2020. The County does not specifically fund these areas. Rather, these are funded through user charges, internal transfers, and State and Federal grants.

	Actual Expenditures FY 2017	Actual Expenditures FY 2018	Approved Budget FY 2019	Board Request FY 2020	Inc/(Dec) Over Prior Year	Percent Change
Grants	\$29,784,188	\$28,162,106	\$30,000,000	\$35,000,000	\$5,000,000	16.7%
Food & Nutrition Svc.	14,856,665	15,483,257	14,990,200	15,669,469	679,269	4.5%
Glenelg Wastewater	197,431	226,190	232,350	253,000	20,650	8.9%
Jim Rouse Theatre	109,353	122,804	170,000	171,330	1,330	0.8%
Print Services	1,282,418	1,153,890	1,446,646	1,580,467	133,821	9.3%
Technology Services	12,153,112	12,561,140	15,937,428	19,426,763	3,489,335	21.9%
Health and Dental	131,797,534	135,526,450	138,434,065	192,041,065	53,607,000	38.7%
Workers' Compensation	5,492,991	2,686,910	2,602,775	2,617,775	15,000	0.6%

Chart 1 shows the cost per student from FY 2014 to FY 2018 for HCPSS and that of surrounding or similarly sized school systems. Costs exclude student transportation and the State share of teacher retirement. Howard County Public School System is among the top five annually in cost per student among all State school systems.



Source: MSDE Selected Financial Data-Part 3 – Table 2-Cost Per Pupil Belonging for Current Expenses

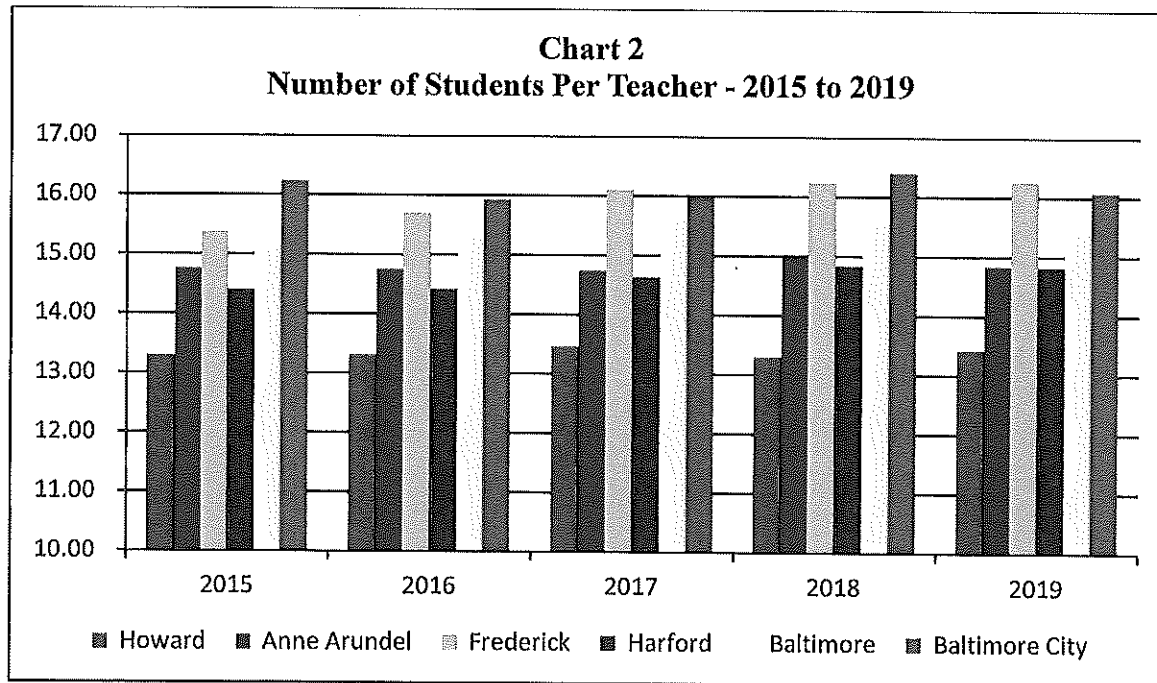
**Board of Education
Operating Budget – FY 2020
Auditor’s Analysis**

Staffing

Table 9 includes staffing along with the BOE proposed changes by Fund for FY 2020. Staffing is within the purview of HCPSS based on available funds.

Table 9 Staffing by Fund Source						
	Approved Budget FY 2017	Approved Budget FY 2018	Approved Budget FY 2019	Board Request FY 2020	Inc/(Dec) Over Prior Year	Percent Change
General Fund	7,826.0	7,844.0	7,918.1	8,202.7	284.6	3.6%
Restricted Funds	275.2	268.2	269.5	277.5	8.0	3.0%
Grants Fund	182.6	193.0	208.2	213.5	5.3	2.5%
Total	8,283.8	8,305.2	8,395.8	8,693.7	297.9	3.5%

Chart 2 compares the ratio of students to teachers for the same systems. Howard County Public School System generally has the lowest ratio of students to teachers for the systems reviewed.



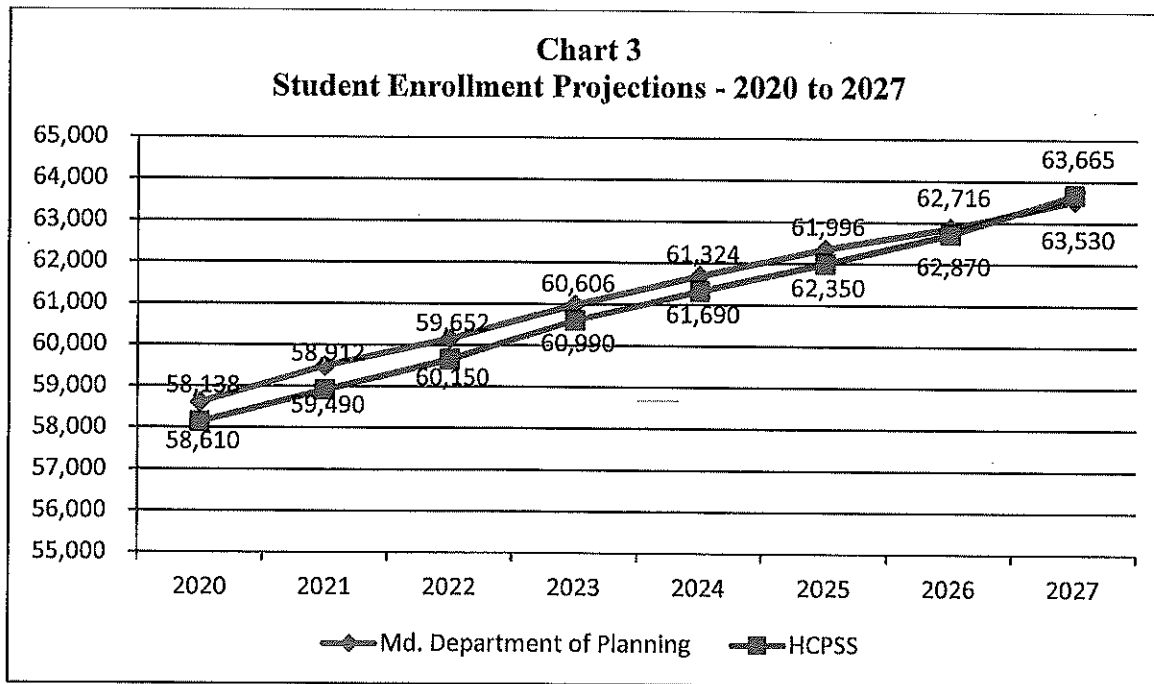
Source: MSDE Staff Employed at School and Central Office Levels-Maryland Public Schools

**Board of Education
Operating Budget – FY 2020
Auditor’s Analysis**

Enrollment

Table 10 shows enrollment data by school type for FY 2017 through FY 2019 and projected enrollment for FY 2020. Chart 3 shows projected enrollment for FY 2020 through FY 2027 as projected by HCPSS and the Maryland Department of Planning. While the projections differ to some degree, both predict continued increases in student enrollment.

Table 10 Student Enrollment – Fiscal Year 2017 to 2020 (Projected)						
	Actual FY 2017	Actual FY 2018	Actual FY 2019	Projected FY 2020	Increase	Percent Change
Elementary (K-5)	25,872	26,292	26,657	26,667	10	0.0%
Middle School (6-8)	12,897	13,180	13,427	13,864	437	3.3%
High School (9-12)	16,768	17,233	17,724	18,121	397	2.2%
Cedar Lane	101	94	99	105	6	6.1%
Total Enrollment	55,638	56,799	57,907	58,757	850	1.5%



Source: Maryland Department of Planning Public School Enrollment Projections 2018-2027
FY 2020 Superintendent’s Proposed Capital Budget



Holly ✓

Karen B. Salmon, Ph.D.
State Superintendent of Schools

August 13, 2018

RECEIVED

AUG 21 2018

Dr. Michael J. Martirano
Superintendent
Howard County Public Schools
10910 Route 108
Ellicott City, Maryland 21042

HOWARD COUNTY
ADMINISTRATION

Dear Dr. Martirano:

This letter is to acknowledge receipt of the Howard County Maintenance of Effort (MOE) Certification Statement to be eligible for the State Share of the Foundation Program for Fiscal Year 2019.

The attached Certification Statement is approved.

If any figures should change after this approval letter, please prepare and submit revised forms, complete with certifying signature.

Sincerely,

Amalie Brandenburg
Amalie E. Brandenburg
Deputy Superintendent/COO
Office of Finance

Enclosure

AB:dn

Cc: Mr. Lonnie R. Robbins, Chief Administrative Officer (HCG)
Dr. Holly H. Sun, Ph.D, Budget/Finance Director, (HCG)
Mr. Rafiu Ighile, Chief Financial Officer, Howard County Public Schools
Ms. Sandra Austin, Budget Manager, Howard County Public Schools

ADD to HCPSS
SECTION

Howard County Public School System

(Local Unit)

ANNUAL BUDGET

for the Fiscal Year Ending June 30, 2019

Authorized under §5-101, §5-102, and §5-111 of
Education Article of the Annotated Code of Maryland

Refer to the *Financial Reporting Manual for Maryland Public Schools*, Revised 2009
for definitions of accounts to be reported on this budget.

CERTIFICATION STATEMENT

To the Board of County Commissioners or the County/City Council:

In accordance with the requirements of the Acts of the General Assembly, and the rules and regulations of the State Board of Education, and on and with the advice of the State Superintendent of Schools, the Board of Education herewith submits the itemized school budget, showing the financial needs and estimated federal, state, local, and other revenue sources of the County/City for Current Expenses, School Construction, and Debt Service:

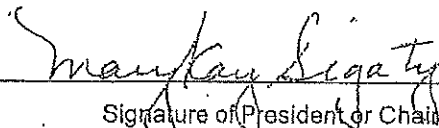
Agreeably, thereto you are hereby requested to provide from County/City sources the following appropriation, respectively:

Current Expense – Recurring Local Appropriation	\$588,986,461
Current Expense – Nonrecurring Local Appropriation	\$ 11,067,420 ✓
Total Local Appropriation	\$600,053,881 ✓
School Construction	\$ 54,626,000 ✓
Debt Service	\$ 46,328,193 ✓
Duly submitted by	Date: June 8, 2018

Cynthia L. Vaillancourt, President

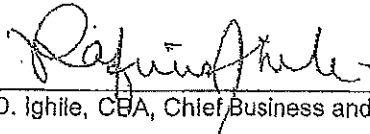
Michael J. Martirano, Ed.D., Secretary

The above appropriations from County/City sources have been approved.



Mary Kay Sigaty

Signature of President or Chair
of the County/City Council or County Commissioners



Preparer: Rafiu O. Ighile, CBA, Chief Business and Technology Officer

Telephone: 410-313-1530

Date: June 8, 2018

AUG - 2 2018



HOWARD COUNTY GOVERNMENT

3430 Courthouse Drive

Ellicott City, Maryland 21043

Ms. Kristy L. Michel
Deputy Superintendent for Finance and Administration
Maryland State Department of Education
200 West Baltimore Street
Baltimore, Maryland 21201

March 29, 2018

Dear Ms. Michel:

Thank you for coming to Howard County last week to meet with representatives of the County and the local school system.

In accordance with the State Maintenance of Effort (MOE) regulations, Howard County requests the enclosed items in the Board of Education's FY 2019 operating budget request be considered nonrecurring one-time expenses and excluded from the base for calculating the FY 2020 local contribution for MOE. The County recognizes the school system's challenge in addressing a growing structural imbalance and a sizable deficit in its Health Fund developed over the past several years. To address this issue the County and the school system have agreed to work together on a multi-year approach, combining permanent solutions with one-time assistance.

The requested nonrecurring items to comply with the MOE regulation deadline of March 31, 2018 is based on the Board of Education's FY2019 operating budget request, before the County budget is proposed by the County Executive or approved by the County Council. Once the Howard County budget is adopted in May 2018, we will forward a revised list of nonrecurring costs for exclusion to your office based on the adopted budget. If you have any questions, please reach out to the County's Budget Office at (410) 313-2085.

Thank you in advance for your consideration.

Sincerely,

Allan H. Kittleman
County Executive

Mary Kay Sigaty
County Council Chairperson

Dr. Michael J. Martirano
Interim Superintendent of Schools


CC: Howard County Council Members
Lonnie R. Robbins, Chief Administrative Officer
Dr. Holly Sun, Budget Administrator
Howard County Board of Education Members
Rafiu O. Ighile, Chief Business and Technology Officer, HCPSS

Qualifying Non-recurring Cost Category (Use Drop Down Menu)	Object/Type (Use Drop Down Menu)	MSDE Category and Object*	Amount	Detailed Justification for Request including description of item, location, if applicable, and rationale for identifying item as a non-recurring cost.	Agree	Disagree
Other One Time Costs	Other - must specify	201-400	\$ 356,560	Former Superintendent Severance		
Other One Time Costs	Other - must specify	212-400	11,067,420	Payment to offset increases in employee health care costs		
-	-					
Other One Time Costs	Other - must specify	212-400	22,164,389	Re-establish Health Fund balance reserve - Paydown the deficit per Audited Statements FY 2017		
Other One Time Costs	Other - must specify	212-400	28,356,502	Re-establish Health Fund balance reserve - Paydown the deficit per estimates for FY 2018		
-	-					
-	-					
-	-					
-	-					
-	-					
-	-					
-	-					

*Please refer to the Financial Reporting Manual for Maryland Public Schools for this information.

Certification of Mutual Agreement

The undersigned representative(s) from the local board of education and county/city government have mutually agreed that the items identified as Other One Time Costs and items checked as "agree" represent one-time expenditures and are therefore, jointly requesting that these costs be approved as nonrecurring costs to be excluded from the local appropriation for the maintenance of effort calculation for Fiscal Year 2019.



Superintendent of Schools



Chairperson of the County Council

April 28, 2019

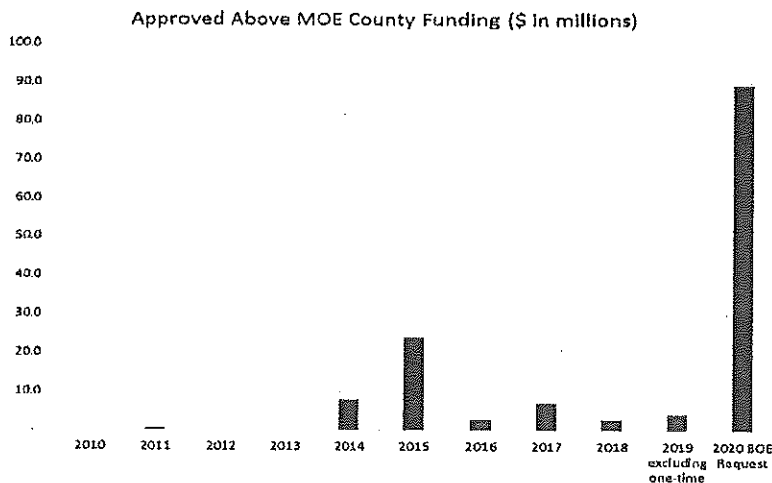
The honorable Christiana Mercer Rigby
Chairperson, Howard County Council
3430 Courthouse Drive
Ellicott City, MD 21043

Dear Chairperson Rigby:

The Maryland Annotated Code requires the County Executive to indicate in writing which major categories of the annual budget of the Howard County Board of Education have been denied in whole or reduced in part and the reason for the denial or reduction. Hopefully this letter can provide some insight on the level of funding included in County Executive FY 2020 proposed budget for HCPSS.

FY 2020 BOE request (\$89.3 million increase in County funding) set a record and is not affordable.

The BOE requested County funding in FY 2020 represents a 15% growth from FY 2019 and is \$90 million above Maintenance of Efforts (MOE) requirement. For reference, BOE requested growth averaged \$30.4 million in the past 10 years. BOE requested amount over MOE in FY 2020 is almost double the total above MOE funding of the past 10 years.



Such a high increase is unrealistic and well beyond affordability. To fully meet the BOE request would require either significant service cuts to other county agencies (e.g., equivalent of eliminating the entire Police Department), or significant tax increases (e.g., equivalent of raising Real Property Tax by 17 cents). The administration has decided not to take those severe measures and not to incur these potential significant impacts to our tax payers.

The Spending Affordability Advisory Committee, on which two Board of Education members served, pointed out in its March 1 report that: "Howard County is a 'full service county'. While continuing to make education a priority, it should **not** come at the expense of other critical services. Meeting the full request from HCPSS would require a significant increase of County taxes or greatly compromising or even fully eliminating other critical services." The Committee recommended that "the HCPSS develops their budget request in concert with other County policy makers and departments in order to produce a budget that acknowledges the financial reality that the County faces."

Proposed FY 2020 HCPSS Budget represents the highest growth in a decade

Total FY 2020 proposed HCPSS General Fund budget reaches \$892.2 million, combining County, State and school source funding. FY 2020 HCPSS budget grows by \$40.9 million from FY 2019, the highest year-to-year growth in the past decade. In addition, \$5.1 million new grants are anticipated in the Grant Fund from the State per Kirwan legislation for teachers' salary growth (beyond 3%) and pre-K education. Including these new grants, total HCPSS budget grows by \$46.0 million in FY 2020; or \$36.0 million if excluding \$10 million use of fund balance included in school sources, still the highest in a decade.

HCPSS General Fund Budget (\$ in Millions)

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 Proposed
HCPSS General Fund Budget	656.7	675.3	683.8	703.7	725.3	758.7	776.3	808.3	819.1	851.3	892.2
\$ Change from Prior Year	(0.4)	18.6	8.5	19.9	21.6	33.4	17.6	32.0	10.8	32.2	40.9
% Change from Prior Year	(0.1%)	2.8%	1.3%	2.9%	3.1%	4.6%	2.3%	4.1%	1.3%	3.9%	4.8%

Note 1: FY 2019 amount excludes one-time County funding of \$11.1 million for non-recurring expenditures.

Note 2: FY 2020 amount excludes \$5.1 million new grants in the Grant Fund (\$4.4 million for teachers' salary and \$0.7 million for Pre-K) per Kirwan legislation. Total growth reaches \$46 million if including new grants.

Proposed FY 2020 County Funding exceeds 10-year average above MOE amount

County Funding to HCPSS budget totals \$605.2 million, which represents an increase of \$16.2 million or 2.8% from FY 2019. Proposed County funding is \$5.4 million above MOE. Both County funding increase and the above MOE amount exceed the average in the past decade.

Direct County Funding of HCPSS (\$ in Millions)

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 Proposed
County Funding	457.6	464.7	467.6	482.4	497.5	530.4	544.1	562.2	572.9	589.0	605.2
\$ Change from Prior Year	2.8	7.1	2.9	14.8	15.1	32.9	13.7	18.1	10.7	16.1	16.2
Above MOE amount	0.1	0.6	0.0	0.0	8.1	24.1	3.0	7.2	2.9	5.7	5.4

Note: FY 2019 amount excludes one-time County funding of \$11.1 million for non-recurring expenditures.

A report released by the State Department of Legislative Services in January indicates that Howard County ranked the 3rd among 24 counties in Maryland in term of per pupil County funding, with \$10,603 per student, 41% higher than Statewide average. The County also continues to fund, separately, debt service payments and retiree health benefits of school employees, totaling \$64 million in FY 2020.

Proposed FY 2020 HCPSS Budget fully funds HCPSS collective bargaining agreements

The Board of Education and the Howard County Education Association completed a negotiated agreement as of June 21, 2018 including 4% salary increases (2% COLA and 2% increment) and other changes with an estimated total cost of \$21.5 million. The Board also signed other collective bargaining agreements at the same time frame. Total estimated cost of salary increases and benefits for collective bargaining agreements and non-unionized employees is \$25.7 million in FY 2020 per HCPSS report. The County government was not involved in HCPSS collective bargaining process or decision making. Moreover, the BOE determines its own priorities in term of funding allocation. Nevertheless, the administration supports the BOE's decision of making collective bargaining agreements a priority, and our support of that Board of Education priority has helped secure new state funding of \$4.4 million for teachers' salary increases beyond 3%.

The proposed budget provides sufficient funding to fully implement the collective bargaining agreements approved by the BOE if the Board chooses to keep the agreements unchanged. According to SB1030 (Kirwan legislation), the BOE needs to submit to the State by June 30, 2019 "documentation that a total salary increase for teachers of at least 3% over the current fiscal year was negotiated and funded in

fiscal year 2020” in order to receive additional state grant of \$4.4 million for teachers’ salary increase. The qualification and relevant calculation are only applicable to “teachers” and “excluding one-time stipends or payments, retirement and other benefits” as defined and stipulated in SB1040. We believe the proposed budget satisfied these requirements to secure additional State funding of \$4.4 million for teachers’ salary increase beyond 3%.

The categorical breakdown below as included in the proposed budget supports BOE identified strategic priorities, including: negotiated teacher salary increases, additional funding towards health fund, and special education. The allocation also allows funding increases for every category of the school budget compared to FY 2019.

HCPSS General Fund Budget (\$ In millions)

	FY19 Budget	FY20 BOE Request	FY20 Proposed	FY 20 Proposed - General Fund Year-Over-Year Increases Details						Chg. from FY 19		Chg. from BOE
				Prior Step Annualization	Salary Increase	Savings	Shift to Grants (2)	Special Education	Health Fund (3)	\$	%	
Administration	\$13.6	\$15.4	\$13.9	\$0.1	\$0.4	(\$0.1)				\$0.3	2.5%	(\$1.4)
Mid-Level Administration	\$62.7	\$67.1	\$65.4	\$0.6	\$2.2					\$2.8	4.4%	(\$1.6)
Instruction	\$361.3	\$383.4	\$374.1	\$3.7	\$14.2		(\$5.1)			\$12.7	3.5%	(\$9.3)
Special Education	\$109.2	\$121.7	\$116.9	\$1.1	\$3.9			\$2.7		\$7.7	7.1%	(\$4.8)
Student Personnel Serv.	\$3.6	\$5.0	\$3.8	\$0.0	\$0.1					\$0.1	4.0%	(\$1.2)
Student Health Services	\$9.0	\$9.9	\$9.3	\$0.1	\$0.3					\$0.4	4.1%	(\$0.6)
Student Transportation	\$41.2	\$44.0	\$41.3	\$0.0	\$0.1					\$0.1	0.2%	(\$2.7)
Operation of Plant	\$42.6	\$45.6	\$43.8	\$0.2	\$0.9					\$1.2	2.8%	(\$1.8)
Maintenance of Plant	\$26.2	\$38.0	\$26.8	\$0.1	\$0.5					\$0.6	2.2%	(\$11.2)
Fixed Charges(1)	\$173.9	\$233.2	\$188.6	\$0.8	\$3.0	(\$4.3)			\$15.3	\$14.8	8.5%	(\$44.5)
Community Services	\$7.1	\$7.9	\$7.3	\$0.0	\$0.1					\$0.2	2.3%	(\$0.6)
Capital Outlay	\$0.9	\$1.8	\$0.9	\$0.0	\$0.0					\$0.0	3.7%	(\$0.8)
Total	\$851.3	\$972.7	\$892.2	\$6.7	\$25.7	(\$4.4)	(\$5.1)	\$2.7	\$15.3	\$40.9	4.8%	(\$80.5)

Notes

1. Fixed charges: FY 2019 amount in Fixed Charges excludes \$11.1 million one-time County funding for non-recurring expenditures. Per County Charter and State certification, this amount could not be used for recurring expenditures. FY 2020 amount in Fixed Charges assumes school own sources (\$10 million) as contribution to Health Fund to replenish the \$11.1 million one-time County funding in FY 2019.
2. Shifts to Grants in “Instruction” category: \$5.1 million shifted to new grants based on Kirwan legislation for teacher salary increase (\$4.4 million) and Pre-K (\$0.7 million)
3. Health Fund: increase in contribution to the Health Fund from “Fixed Charges” assumes Health Fund total cost increase of 7.0%, higher than historical average of 4~6% per year.
4. Savings: \$4.4 million savings were identified by the HCPSS and shown in BOE budget request primarily attributable to an early retirement program started several years ago.

Proposed FY 2020 HCPSS Budget supports HCPSS Health Fund and special education

As shown in the categorical breakdown above, proposed budget also allows for additional funding towards the Health Fund as well as Special Education. Proposed fixed charges level in FY 2020 assumes total Health Fund expenditure of \$148.1 million in FY 2020, or a growth of 7.0% from FY 2019, exceeding historical spending growth level.

HCPSS Health Fund Expense (\$ In Millions)

	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2020 BOE Request	FY 2020 Proposed
Health Fund Expense	87.8	83.0	99.0	107.7	112.9	123.7	133.6	131.8	135.5	138.4	155.0	148.1
\$ Change from Prior Year	6.6	(4.8)	16.0	8.7	5.2	10.8	9.9	(1.8)	3.7	2.9	16.6	9.7
% Change from Prior Year	8.1%	(5.5%)	19.3%	8.8%	4.8%	9.6%	8.0%	(1.3%)	2.8%	2.1%	12.0%	7.0%

Note: HCPSS Health Fund actual expenditure growth averaged 4.2% in past five years and 5.7% in past 10 years.

In FY 2019, County funding to the HCPSS budget included \$11.1 million PAYGO as one-time resources in fixed charges as contribution to the Health Fund. Per County Charter, this funding can only be spent on non-recurring expenditures that do not stay in the base for the following fiscal year. On March 27, 2018, previous County Executive, County Council Chair and School Superintendent sent a letter jointly to the State based on proposed budget, requesting to exclude this one-time, non-recurring expenditure item from the base for next year's MOE calculation. A revised letter followed in June based on the approved budget. In a letter dated August 13, 2018, the State Department of Education approved this \$11.1 million as non-recurring expenditure to be excluded from the base in HCPSS budget for calculation of future MOE.

In the transmittal letter to County Council in FY 2019 budget, previous County Executive Allan Kittleman made it clear that: "I have included \$11 million in one-time funding to assist in addressing the school system's Health Fund shortage. I have requested that the school system develop a feasible, multi-year plan to address the deficit in its Health Fund." As of today, neither the previous administration nor the current administration has received such a plan from HCPSS yet. The County already made good-faith efforts (as indicated in the \$11.1 million in FY 2019) and is open to discussion and collaboration opportunities in developing a feasible multi-year plan. It needs to be pointed out that to shift the ownership of the school system's significant current and historical Health Fund problems to the County essentially demands either significant increases of tax burdens or severe reductions of County services to our tax payers. Moreover, to fix such a significant problem developed over almost a decade require efforts over multiple years.

Prioritization needs

As indicated earlier, proposed HCPSS General Fund budget in FY 2020 increases by \$40.9 million, or 4.8%, from prior year, making the growth the highest in a decade. Despite this historical high growth, the amount is still \$80.2 million shy of the BOE requested level. All government entities have to live within the fiscal reality and every other government entity/agency and nonprofit in the proposed FY 2020 operating budget has. It is up to the Board to decide how to prioritize and maximize outcome within fiscal constraints. While we all wish that years of historical problems could be fixed in one year, we have done the best we could this year with a historically high FY 2020 school budget of \$1.2 billion, including \$892.2 million in General Fund plus additional \$5.1 million Kirwan legislation grants and other restricted funds.

Please do not hesitate to contact me with any questions.

Sincerely,



Holly Sun,
Budget Administrator

Cc: Dr. Calvin Ball, County Executive
County Council
Board of Education
Dr. Michael J. Martirano, Superintendent



HOWARD COUNTY GOVERNMENT

3430 Courthouse Drive

Ellicott City, Maryland 21043

Ms. Kristy L. Michel
Deputy Superintendent for Finance and Administration
Maryland State Department of Education
200 West Baltimore Street
Baltimore, Maryland 21201

June 8, 2018

Dear Ms. Michel:

In accordance with the State Maintenance of Effort (MOE) regulations, Howard County submits the revised list of nonrecurring one-time expenses in the approved FY 2019 Board of Education operating budget to be excluded from the base for calculating the FY 2020 local contribution for MOE.

The nonrecurring one-time expenses are based on the approved FY 2019 budget that was adopted on May 31, 2018. If you have any questions, please reach out to us at (410) 313-2085.

Sincerely,

Allan H. Kittleman
County Executive

Mary Kay Sigaty
County Council Chair

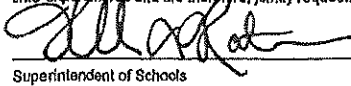
Dr. Michael J. Martirano
Interim Superintendent of Schools

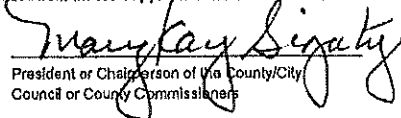
CC: Howard County Board of Education Members
Lonnie R. Robbins, Chief Administrative Officer
Dr. Holly Sun, Budget Administrator
Rafiu O. Ighile, Chief Business and Technology Officer

Qualifying Non-recurring Cost Category (Use Drop Down Menu)	Object/Type (Use Drop Down Menu)	MSDE Category and Object*	Amount	Detailed Justification for Request including description of item, location, if applicable, and rationale for identifying item as a non-recurring cost.	Agree	Disagree
Other One Time Costs	Other - must specify	212-400	11,067,420	One-time payment to offset employee healthcare cost		

*Please refer to the Financial Reporting Manual for Maryland Public Schools for this information.

Certification of Mutual Agreement
 The undersigned representative(s) from the local board of education and county/city government have mutually agreed that the items identified as Other One Time Costs and items checked as "agree" represent one time expenditures and are therefore, jointly requesting that these costs be approved as non-recurring costs to be excluded from the local appropriation for the maintenance of effort calculation for Fiscal Year 2020.


 Superintendent of Schools


 President or Chairperson of the County/City Council or County Commissioners

Sayers, Margery

From: Feldmark, Jessica
Sent: Monday, April 29, 2019 7:29 AM
To: Sayers, Margery
Subject: Fwd: FY20 County General Fund - Where the \$ Goes

...and this. Thanks!

Sent from my iPhone

Begin forwarded message:

From: "Sun, Holly" <hsun@howardcountymd.gov>
Date: April 28, 2019 at 7:15:44 PM EDT
To: "Rigby, Christiana" <crigby@howardcountymd.gov>, "Jung, Deb" <djung@howardcountymd.gov>, "Yungmann, David" <dyungmann@howardcountymd.gov>, "Walsh, Elizabeth" <ewalsh@howardcountymd.gov>, "Jones, Opel" <ojones@howardcountymd.gov>
Cc: "Feldmark, Jessica" <jfeldmark@howardcountymd.gov>, "Wimberly, Theo" <twimberly@howardcountymd.gov>, "Glendenning, Craig" <cglendenning@howardcountymd.gov>, "Harrod, Michelle R" <mrharrod@howardcountymd.gov>, "Mamo, Brook" <bmamo@howardcountymd.gov>
Subject: FY20 County General Fund - Where the \$ Goes

BTW, I put together a summary of major funding changes in FY 2020 proposed County General Fund budget (see below). As we indicated earlier, it is a challenging year for many county agencies and services.

Where the Money Goes (FY 2020 County Funding Increase Excluding One-Time) - \$ in Millions

HCPSS - direct appropriation	16.2
HCC - direct appropriation	0.9
HCLS - direct appropriation	0.5
Debt service payments for capital projects	7.2
Police - restore funding to offset \$1.2M last-minute chargeback cuts in FY19 (shifted to BOE)	1.2
Police - new radio system lease	0.7
Police - school bus camera program	0.5
Police - pension increase (sworn officers)	1.3
New lease (strategic relocation related to courthouse, gateway center, and non-profit center)	3.5
All county agencies (including salaries, benefits, operating, etc.)	<u>1.0</u>
	33.0

Holly

From: Sun, Holly

Sent: Sunday, April 28, 2019 7:10 PM

To: Rigby, Christiana <crigby@howardcountymd.gov>; Jung, Deb <djung@howardcountymd.gov>; Yungmann, David <dyungmann@howardcountymd.gov>; Walsh, Elizabeth <ewalsh@howardcountymd.gov>; Jones, Opel <ojones@howardcountymd.gov>

Cc: Feldmark, Jessica <jfeldmark@howardcountymd.gov>; Wimberly, Theo <twimberly@howardcountymd.gov>; Glendenning, Craig <cglendenning@howardcountymd.gov>; Harrod, Michelle R <mrharrod@howardcountymd.gov>; Mamo, Brook <bmamo@howardcountymd.gov>

Subject: HCPSS operating budget letter

Dear Council Chair and Council Members,

Attached please find a letter on the FY 2020 proposed school operating budget. For your reference, attached please also find a few letters between the County and the State regarding the non-recurring nature of the \$11.1 million expenditures based on on-time County funding included in FY 2019 budget. Thanks and see you tomorrow.

Holly

Holly Sun, Ph.D.
Budget Administrator
Howard County Government, Office of Budget
3430 Courthouse Dr., Ellicott City, MD 21043
410-313-3190