



June 24, 2020

Honorable Calvin Ball
Howard County Executive
George Howard Building
3430 Court House Drive
Ellicott City, Maryland 21043

Honorable Deb Jung
County Council Chairperson
George Howard Building
3430 Court House Drive
Ellicott City, Maryland 21043

Dear Dr. Ball and Chairperson Jung:

Thank you for your continued support of the Howard County Public School System. As you know, the HCPSS FY 2021 Operating Budget was adopted unanimously by the Board of Education (“the Board”) on June 18, 2020. The Board made a series of changes to the final budget after careful deliberation and working with our bargaining units to reduce the impact of negotiated salary increases while avoiding deep cuts that would have severely impacted class sizes and led to a reduction in force.

We are pleased that the final adopted budget supports modest compensation increases for employees while investing in Special Education and accelerating the system’s diversity, equity and inclusion work. At the same time, the budget fully funds our obligations for employee benefits, ensuring that we fund our health care costs at the actuarial project levels for the third year in a row. Our commitment to eliminating the deficit continues and we look forward to our continued partnership to accomplish that goal.

On behalf of the Board, I am submitting this request for County approval of an amendment to the Howard County Public School System’s FY 2021 Operating Budget, which includes a supplemental budget appropriation to use \$5 million from the HCPSS unassigned fund balance to support the adopted budget and \$3 million of unassigned fund balance for a COVID-19 contingency reserve that we anticipate needing for the 2020-2021 school year for technology, PPE and other related needs. In addition to the supplemental appropriation from the HCPSS unassigned fund balance, we request the County Council’s support of a categorical transfer to align the County approved budget with the Board’s final adopted budget. It is important to note that while we are using \$5

million of one-time funds for recurring expenses, this is a significant decrease from the FY20 use of \$12 million of one-time funds for recurring expenses and represents another step forward in making the HCPSS budget more sustainable.

The request also includes an update to General Fund revenue to reflect changes in state, federal and other revenues. The General Fund revenue changes are as follows:

**Summary of Amendments to FY 2021 HCPSS Operating Budget
Supplemental Budget**

	FY 2021 County Approved	Board Revision Changes	FY 2021 Revised Approved
General Fund Revenues			
Local	\$ 620,300,000	\$ -	\$ 620,300,000
State	282,654,203	(1)	282,654,202
Federal	410,000	250,000	660,000
Other	7,573,507	7,502,000	15,075,507
Total GF Revenues	\$ 910,937,710	\$ 7,751,999	\$ 918,689,709

**Summary of Amendments to FY 2021 HCPSS Operating Budget
Categorical Adjustments and Supplemental Budget**

	FY 2021 County Approved	Board Revision Changes	FY 2021 Revised Approved
General Fund Expenditures			
State Category 1: Administration	\$ 13,578,591	\$ (234,979)	\$ 13,343,612
State Category 2: Mid-Level Admin.	64,089,827	(1,032,638)	63,057,189
State Category 3: Instructional Salaries	370,553,367	(9,752,510)	360,800,857
State Category 4: Instructional Supplies	9,023,193	367,836	9,391,029
State Category 5: Instructional Other	4,151,692	722,400	4,874,092
State Category 6: Special Education	120,805,585	11,373,434	132,179,019
State Category 7: Student Personnel	3,982,752	296,835	4,279,587
State Category 8: Student Health Services	9,302,729	900,981	10,203,710
State Category 9: Student Transportation	42,801,337	3,942,938	46,744,275
State Category 10: Operation of Plant	42,167,830	1,249,320	43,417,150
State Category 11: Maintenance of Plant	26,703,528	(79,357)	26,624,171
State Category 12: Fixed Charges	195,558,711	840,675	196,399,386
State Category 14: Community Services	7,289,364	(826,840)	6,462,524
State Category 15: Capital Outlay	929,204	(16,096)	913,108
Total GF Expenditures	\$ 910,937,710	\$ 7,751,999	\$ 918,689,709

Amendments are requested in the following funds to adjust for changes that were necessary to align funding in the appropriate category and fund.

	FY 2021 County Approved	Board Revision Changes	FY 2021 Revised Approved
Other Funds			
Food and Nutrition Services	\$ 16,545,406	\$ (113,617)	\$ 16,431,789
Print Services	\$ 1,606,347	\$ 861,877	\$ 2,468,224
Technology Services	\$ 14,184,998	\$ (919,198)	\$ 13,265,800
Health	\$ 173,202,400	\$ (10,138,626)	\$ 163,063,774
Workers' Compensation	\$ 2,617,775	\$ (208,500)	\$ 2,409,275
Grants	\$ 40,000,000	\$ 5,000,000	\$ 45,000,000

Please contact Jahantab Siddiqui, Chief Administrative Officer at 410-313-6680 or Jahantab_Siddiqui@hcpss.org with any questions related to this request.

Sincerely,



Michael J. Martirano, Ed.D.
Superintendent

cc: County Council Members
County Council Administrator
Board of Education Members
Board of Education Administrator
Lonnie Robbins, Chief Administrative Officer, HCGOV
Jennifer Sager, County Council
Sameer Sidh, County Executive's Chief of Staff
Jahantab Siddiqui, Chief Administrative Officer, HCPSS
Darin Conforti, Executive Director of Budget