

County Council Of Howard County, Maryland

2020 Legislative Session

Legislative Day No. 3

Resolution No. 34 -2020

Introduced by: The Chairperson at the request of the County Executive

A RESOLUTION amending the Howard County Board of Education Operating Budget for Fiscal Year 2020 to appropriate \$7,200,000 from its Fiscal Year 2019 unassigned General Fund Balance to its Fiscal Year 2020 Operating Budget Fixed Charges category to reduce its Health Fund Deficit; and generally relating to the Board of Education Operating Budget for Fiscal Year 2020.

Introduced and read first time March 2, 2020.

By order Diane Schwartz Jones  
Diane Schwartz Jones, Administrator

Read for a second time at a public hearing on May 18, 2020.

By order Diane Schwartz Jones  
Diane Schwartz Jones, Administrator

This Resolution was read the third time and was Adopted , Adopted with amendments , Failed , Withdrawn , by the County Council on May 22nd, 2020.

Certified By Diane A. Jones  
Diane Schwartz Jones, Administrator

Approved by the County Executive May 23, 2020

Calvin Ball  
Calvin Ball, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN SMALL CAPITALS indicates additions to existing law; Strike-out indicates material deleted by amendment; Underlining indicates material added by amendment

1           **WHEREAS**, on May 29, 2020, the County Council adopted Council Resolution No. 68-  
2 2019 (“CR68”) that sets forth the Fiscal Year 2020 Operating Budget for the Board of  
3 Education; and

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5           **WHEREAS**, the Fiscal Year 2020 Operating Budget was amended by the passage of  
6 Council Resolution No. 107-2019 (“CR107”); and

7  
8           **WHEREAS**, the Board of Education has requested an appropriation of \$7,200,000 from  
9 its Fiscal Year 2019 unassigned General Fund balance to its Fiscal Year 2020 Fixed Charges  
10 Category to reduce the nearly \$39,200,000 deficit in the Health and Dental Fund; and

11  
12           **WHEREAS**, the Board of Education has indicated that the funds are available for  
13 transfer from its Fiscal Year 2019 unassigned fund balance in its General Fund.

14  
15           **NOW, THEREFORE, BE IT RESOLVED** by the County Council of Howard County,  
16 Maryland this \_\_\_\_\_ day of \_\_\_\_\_, 2020 that the Howard County Board of  
17 Education Operating Budget for Fiscal Year 2020, approved by CR68 and amended by CR107,  
18 is further amended to appropriate \$7,200,000 from its Fiscal Year 2019 unassigned General Fund  
19 balance to its Fiscal Year 2020 Fixed Charges Category to reduce the Health Fund deficit.

20  
21           **AND BE IT RESOLVED**, that the total appropriation for the General Fund, Restricted  
22 Funds and Other Expense Budget, will increase from \$1,245,466,876 to \$1,252,666,876.

23  
24           **AND BE IT RESOLVED**, by the County Council of Howard County, Maryland that the  
25 Fiscal Year 2020 General Fund budget of the Howard County Board of Education is amended as  
26 shown in the attached Exhibit A.

27  
28           **AND BE IT FURTHER RESOLVED** by the County Council of Howard County,  
29 Maryland that a copy of this Resolution shall be placed in the County Council’s legislative file  
30 for CR68.

**EXHIBIT A**

**BOARD OF EDUCATION GENERAL FUND BUDGET  
FISCAL YEAR 2020**

	FY20 Approved Appropriation**	Supplemental from BOE FY19 unassigned General Fund Balance	Revised FY20 Appropriation
<b>General Fund Budget</b>	<b>\$901,341,297</b>		
Administration	13,578,591		
Mid-Level Administration	64,089,827		
Instruction	374,639,001		
Special Education	120,298,423		
Student Personnel Services	3,982,752		
Student Health Services	9,302,729		
Student Transportation	42,801,337		
Operation of Plant and Equipment	42,167,830		
Maintenance of Plant	26,703,528		
Fixed Charges	195,558,711	7,200,000	202,758,711
Community Services	7,289,364		
Capital Outlay	929,204		
<b>Restricted Funds</b>	<b>\$280,123,226</b>		
School Construction	54,615,000		
Food and Nutrition	15,669,469		
Print Services	1,423,433		
Information & Network Technology Services	15,335,728		
Health	155,037,491		
Worker's Compensation	2,617,775		
Grants	35,000,000		
Glenelg Wastewater Treatment Plant	253,000		
Jim Rouse Theater	171,330		
<b>Other Expenses Paid by County</b>	<b>\$64,002,353</b>		
Debt Service	55,575,800		
OPEB	8,426,553		
<b>Total General Fund, Restricted Funds and Other Expense Budget</b>	<b>\$1,245,466,876</b>	<b>7,200,000</b>	<b>1,252,666,876</b>

\*\* Adopted by CR68-2019 and amended by CR107-2019

**Office of the County Auditor  
Auditor's Analysis - Revised**

**Council Resolution No. 34-2020**

Introduced: March 2, 2020

Auditor: Michael A. Martin

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Fiscal Impact:

There will be no fiscal impact to the County due to this legislation.

Council Resolution 34-2020 will increase the Board of Education (BOE) Fiscal Year 2020 appropriation in the Health Fund by \$7.2 million. The revenue source will be the Howard County Public School System General Fund Unassigned Fund Balance.

Purpose:

The purpose of this legislation is to appropriate \$7.2 million of General Fund Unassigned Fund Balance to reduce the BOE's Health Fund Deficit and associated interfund deficit.

Other Comments:

This legislation is part of an agreement between the County and the Board of Education aimed at eliminating the Health Fund deficit by Fiscal Year 2024. A Health Fund Deficit Elimination Plan has been provided to the County by the BOE.

Per the plan, the BOE will utilize a combination of (1) year-end budget savings, (2) unassigned fund balance, and (3) one-time funding from the County to eliminate the Health Fund deficit.

**Office of the County Auditor**  
**Auditor's Analysis**

**Council Resolution No. 34-2020**

Introduced: March 2, 2020

Auditor: Michael Martin

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Purpose:

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Other Comments:

This legislation is part of an agreement between the County and the Board of Education aimed at eliminating the Health Fund deficit by Fiscal Year 2024. A Memorandum of Understanding has been provided to the County by the BOE relating to this agreement.

Contribution of the \$13 million of one-time County funding toward the elimination of the deficit is contingent upon (1) the BOE meeting having \$17 million of year-end savings and (2) the Maryland State Department of Education excluding one-time County funding from the Maintenance of Effort base calculation.

<b>HEALTH FUND DEFICIT ELIMINATION PLAN (JOINT BOE &amp; COUNTY PLAN)</b>							
LINE ITEM	ACTUALS		PROJECTED				
	FY19	FY20*	FY21	FY22	FY23	FY24	FY25
Operating Revenues	144,611,237	155,037,491	167,202,400	176,777,606	186,906,559	197,621,506	208,956,583
Operating Expenditures	151,247,814	155,037,491	167,202,400	176,694,568	186,741,676	197,376,244	208,632,698
<i>Operating Income (Loss)</i>	<i>(6,636,577)</i>	-	-				
Year End Transfer - Budget Savings	4,459,335	2,500,000	5,000,000	4,000,000	4,000,000	4,000,000	
Use of Unassigned Fund Balance		7,200,000					
One-Time County Funding			6,000,000	3,000,000	2,000,000	2,000,000	
Beginning of Year Fund Balance	(37,019,302)	(39,196,544)	(29,496,544)	(18,496,544)	(11,496,544)	(5,496,544)	503,456
Change in Fund Balance	(2,177,242)	9,700,000	11,000,000	7,000,000	6,000,000	6,000,000	-
<b>Year End Fund Balance</b>	<b>(39,196,544)</b>	<b>(29,496,544)</b>	<b>(18,496,544)</b>	<b>(11,496,544)</b>	<b>(5,496,544)</b>	<b>503,456</b>	<b>503,456</b>

\*After the \$7.2 million appropriation of General Fund Unassigned Fund Balance, the remaining balance will be \$8 million.