

County Council of Howard County, Maryland

2020 Legislative Session

Legislative Day No. 10

Resolution No. 106-2020

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 2021, as adopted by Council Resolution No. 63-2020, in order to: (1) increase the general fund budget of the BOE by \$7,751,999, based on a net increase of \$7,502,000 in other funding sources primarily through the use of unbudgeted \$8,000,000 in school fund balance and other revenue changes, an estimated additional \$250,000 in federal funding, and a decrease of \$1 in anticipated state funding; (2) make categorical transfers to align with anticipated funding and expenses; and (3) to adjust restricted funds based on final Board of Education decisions; and generally relating to the Board of Education Operating Budget for Fiscal Year 2021.

Introduced and read first time July 6, 2020.

By order Diane Schwartz Jones  
Diane Schwartz Jones, Administrator

Read for a second time at a public hearing on July 20, 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This Resolution was read the third time and was Adopted , Adopted with amendments , Failed , Withdrawn , by the County Council on July 29, 2020.

Certified By Diane Schwartz Jones  
Diane Schwartz Jones, Administrator

Approved by the County Executive July 30, 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 27, 2020, the County Council adopted Council Resolution No. 63-  
2 2020 (“CR63”) that sets forth the Fiscal Year 2021 Operating Budget for the Board of Education  
3 (“BOE”); and  
4

5           **WHEREAS**, on June 18, 2020, the BOE approved an increase of \$7,751,999 in the total  
6 general fund budget for the BOE from the amount approved in CR63 to account for: (1) an  
7 increase of \$7,502,000 in other funding primarily through use of school fund balance; (2) a  
8 decrease of \$1 in state funding due to a rounding adjustment in the MSDE Special Education  
9 formula; and (3) an increase of \$250,000 in federal funding to account for an estimated Federal  
10 Emergency Management Agency reimbursement to be received in Fiscal Year 2021; and  
11

12           **WHEREAS**, the \$7,502,000 increase in other funds reflects an increase of \$8,000,000 in  
13 the use of fund balance, a decrease of \$750,000 in estimated investment income, and an increase  
14 of \$252,000 related to the Gifted and Talented (G/T) Summer Institute; and  
15

16           **WHEREAS**, on June 18, 2020, the BOE voted to approve the additional funding  
17 identified in the general fund, make adjustments in restricted funds, and to make various  
18 categorical transfers pursuant to Section 5-105 of the Education Article of the Annotated Code of  
19 Maryland, in order to support strategic priorities and align with updated funding and expense  
20 levels, and the proposed revised budget by fund and by category as amended is reflected in the  
21 attached Exhibit A; and  
22

23           **WHEREAS**, the County Council has received a request from the BOE to allow (1) the  
24 appropriation of the additional non-county funding in the general fund of the BOE in Fiscal Year  
25 2021 as identified above, (2) to make adjustments in restricted funds, and (3) to transfer funding  
26 in the Fiscal Year 2021 Operating Budget among all categories to align with anticipated funding  
27 and expenses, as shown in the attached Exhibit A.  
28

29           **NOW, THEREFORE, BE IT RESOLVED** by the County Council of Howard County,  
30 Maryland this \_\_\_\_\_ day of \_\_\_\_\_, 2020 that Council Resolution No. 63-2020 is  
31 amended to reflect the funding changes in the Howard County Board of Education Operating  
32 Budget for Fiscal Year 2021 as follows:

1 On page 1:

- 2 • In line 4, strike "\$282,654,203" and substitute "\$282,654,202".
- 3 • In line 5, strike "\$410,000" and substitute "\$660,000".
- 4 • In line 6, strike "\$7,573,507" and substitute "\$15,075,507".
- 5 • In line 7, strike "\$910,937,710" and substitute "\$918,689,709".

6

7 **AND BE IT FURTHER RESOLVED** by the County Council of Howard County,  
8 Maryland that it approves the spending of non-county funds, restricted fund adjustments and  
9 categorical transfers within the Fiscal Year 2021 operating budget of the Howard County Board  
10 of Education as shown in the attached Exhibit A.

11

12 **AND BE IT FURTHER RESOLVED**, that a copy of this Resolution shall be kept with  
13 the legislative file for Council Resolution No. 63-2020.

**BOARD OF EDUCATION BUDGET  
FISCAL YEAR 2021**

	<b>FY 2021 Budget Adopted by CR63-2020</b>	<b>Amendment</b>	<b>FY 2021 Revised</b>
<b>General Fund Budget</b>	<b>\$910,937,710</b>	<b>7,751,999</b>	<b>918,689,709</b>
Administration	13,578,591	(234,979)	13,343,612
Mid-Level Administration	64,089,827	(1,032,638)	63,057,189
Instruction Salaries and Wages	370,553,367	(9,752,510)	360,800,857
Instructional Textbooks/Supplies	9,023,193	367,836	9,391,029
Other Instructional Costs	4,151,692	722,400	4,874,092
Special Education	120,805,585	11,373,434	132,179,019
Student Personnel Services	3,982,752	296,835	4,279,587
Student Health Services	9,302,729	900,981	10,203,710
Student Transportation	42,801,337	3,942,938	46,744,275
Operation of Plant and Equipment	42,167,830	1,249,320	43,417,150
Maintenance of Plant	26,703,528	(79,357)	26,624,171
Fixed Charges	195,558,711	840,675	196,399,386
Community Services	7,289,364	(826,840)	6,462,524
Capital Outlay	929,204	(16,096)	913,108
<b>Restricted Funds</b>	<b>\$341,276,926</b>	<b>\$(5,518,064)</b>	<b>\$335,758,862</b>
School Construction	92,652,000	0	92,652,000
Food and Nutrition	16,545,406	(113,617)	16,431,789
Print Services	1,606,347	861,877	2,468,224
Information & Network Technology Services	14,184,998	(919,198)	13,265,800
Health	173,202,400	(10,138,626)	163,063,774
Worker's Compensation	2,617,775	(208,500)	2,409,275
Grants	40,000,000	5,000,000	45,000,000
Glenelg Wastewater Treatment Plant	253,000	0	253,000
Jim Rouse Theater	215,000	0	215,000
<b>Other Expenses Paid by County</b>	<b>\$60,287,632</b>	<b>\$0</b>	<b>\$60,287,632</b>
Debt Service	52,328,909	0	52,328,909
OPEB	7,958,723	0	7,958,723
<b>Total General Fund, Restricted Funds and Other Expense Budget</b>	<b>\$1,312,502,268</b>	<b>\$2,233,935</b>	<b>\$1,314,736,203</b>



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**

	<b>FY 2021 County Approved</b>	<b>Board Revision Changes</b>	<b>FY 2021 Revised Approved</b>
<b>General Fund Revenues</b>			
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
<b>Total GF Revenues</b>	<b>\$ 910,937,710</b>	<b>\$ 7,751,999</b>	<b>\$ 918,689,709</b>

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

	<b>FY 2021 County Approved</b>	<b>Board Revision Changes</b>	<b>FY 2021 Revised Approved</b>
<b>General Fund Expenditures</b>			
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
<b>Total GF Expenditures</b>	<b>\$ 910,937,710</b>	<b>\$ 7,751,999</b>	<b>\$ 918,689,709</b>

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
<b>Other Funds</b>			
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](mailto: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

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

**Council Resolution No. 106-2020**

Introduced: July 6, 2020

Auditor: Lisa Geerman

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Fiscal Impact:

The Resolution increases the Board of Education's total general fund budget by \$7,751,999 but has no impact on the County budget or County expenditures. The County General Fund Appropriation remains at \$620,300,000.

The net effect to the Fiscal Year 2021 Board of Education (BOE) Operating Budget is noted in the attached Exhibit A. We have confirmed the validity of the transfer amounts by tying them to the score sheets that were voted on by the BOE at their meeting on June 18, 2020.

Purpose:

The purpose of Council Resolution 106-2020 is to amend the Howard County BOE Operating Budget for FY 2021, as adopted by CR63-2020, to add an additional \$7,751,999 appropriation in the General Fund. This amount includes the following:

- \$7,502,000 from the use of school funds consisting of:
  - An \$8,000,000 increase from the use of fund balance,
  - A \$750,000 decrease in estimated investment income, and
  - A \$252,000 increase related to the Gifted and Talented (G/T) Summer Institute
- \$250,000 from an increase in federal funding for an estimated Federal Emergency Management Agency reimbursement to be received in FY 2021
- A decrease of \$1 in state funding due to a rounding adjustment in the MSDE Special Education formula

The resolution also makes categorical transfers to align with anticipated funding and expenses. Refer to Exhibit A for the details.

Other Comments:

None.



**Exhibit A: Net Effect of Changes**

Category	Approved Budget	Transfer Inc./.(Dec.)	Revised Budget
Administration	\$13,578,591	(\$234,979)	\$13,343,612
Mid-Level Administration	64,089,827	(1,032,638)	63,057,189
Instruction	383,728,252	(8,662,274)	375,065,978
Special Education	120,805,585	11,373,434	132,179,019
Student Personnel Services	3,982,752	296,835	4,279,587
Student Health Services	9,302,729	900,981	10,203,710
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Community Services	7,289,364	(826,840)	6,462,524
Capital Outlay	929,204	(16,096)	913,108
<b>Total General Fund Budget</b>	<b>\$910,937,710</b>	<b>\$7,751,999</b>	<b>\$918,689,709</b>

School Construction	92,652,000	-	92,652,000
Food and Nutrition	16,545,406	(113,617)	16,431,789
Print Services	1,606,347	861,877	2,468,224
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Worker's Compensation	2,617,775	(208,500)	2,409,275
Grants	40,000,000	5,000,000	45,000,000
Glenelg Wastewater Treatment Plant	253,000	-	253,000
Jim Rouse Theater	215,000	-	215,000
<b>Total Restricted Funds</b>	<b>\$341,276,926</b>	<b>(\$5,518,064)</b>	<b>\$335,758,862</b>

Debt Service	52,328,909	-	52,328,909
Other Post-Employment Benefits	7,958,723	-	7,958,723
<b>Total Other Expenses</b>	<b>\$60,287,632</b>	<b>-</b>	<b>\$60,287,632</b>

<b>Grand Total</b>	<b>\$1,312,502,268</b>	<b>\$2,233,935</b>	<b>\$1,314,736,203</b>
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