

County Council of Howard County, Maryland

2022 Legislative Session

Legislative Day No.

Resolution No. 56-2022

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

A RESOLUTION approving certain transfers between major categories of the Howard County Board of Education Operating Budget for Fiscal Year 2022; transferring a total of \$280,000 to the Capital Outlay Category from the Operation of Plant and Maintenance of Plant Categories; and generally relating to the Fiscal Year 2022 Operating Budget of the Board of Education.

Introduced and read first time _____, 2022.

By order _____
Michelle Harrod, Administrator

Read for a second time at a public hearing on _____, 2022.

By order _____
Michelle Harrod, Administrator

This Resolution was read the third time and was Adopted___, Adopted with amendments___, Failed___, Withdrawn___, by the County Council on _____, 2022.

Certified By _____
Michelle Harrod, Administrator

Approved by the County Executive _____, 2022

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**, Section 5-105 of the Education Article of the Annotated Code of Maryland
2 provides that a transfer between major categories of the budget of a County Board of Education
3 shall be made only with the approval of the County Council; and
4

5 **WHEREAS**, Section 5-105 further provides that if a County Council fails to take action
6 on a written request for a transfer between major budget categories within 30 days of receipt of
7 the request, the failure to take action constitutes approval thereof; and
8

9 **WHEREAS**, on May 26, 2021, the County Council adopted Council Resolution No. 68-
10 2021 (“CR68”) that sets forth the Fiscal Year 2022 Operating Budget for the Board of
11 Education; and
12

13 **WHEREAS**, the Fiscal Year 2022 Operating Budget was subsequently amended by the
14 passage of Council Resolution No. 110-2021 and Council Resolution No. 163-2021; and
15

16 **WHEREAS**, the County Council has received a request from the Board of Education to
17 transfer, in the Fiscal Year 2022 operating budget, a total \$280,000 to the Capital Outlay
18 Category from the Operation of Plant (\$200,000) and Maintenance of Plant (\$80,000)
19 Categories; and
20

21 **WHEREAS**, this transfer is necessary to shift authority from a budget reserve account
22 within the Operation of Plant and Maintenance of Plant Categories to the Capital Outlay
23 Category in order to pay certain costs associated with boundary line consultants; and
24

25 **WHEREAS**, the Board of Education has indicated that the funds are available for
26 transfer from the respective categories.
27

28 **NOW, THEREFORE, BE IT RESOLVED** by the County Council of Howard County,
29 Maryland this _____ day of _____, 2022 that it approves the transfers between
30 major categories of the Fiscal Year 2022 expense fund budget of the Howard County Board of
31 Education as shown below:

FY 2022 Categorical Transfer Request

	CR68-2021, as amended by CR 110-2021 and CR163-2021	Categorical Transfer	Revised Appropriation
General Fund			
State Cat 01 Administration	14,319,356		
State Cat 02 Mid-Level Administration	65,764,001		
State Cat 03 Instructional Salaries & Wages	368,251,737		
State Cat 04 Instructional Textbooks/Supplies	9,397,916		
State Cat 05 Other Instructional Costs	4,848,375		
State Cat 06 Special Education	139,986,830		
State Cat 07 Student Personnel Services	7,558,344		
State Cat 08 Health Services	9,762,831		
State Cat 09 Transportation	46,221,782		
State Cat 10 Operation of Plant	43,742,414	(200,000)	43,542,414
State Cat 11 Maintenance	27,982,205	(80,000)	27,902,205
State Cat 12 Fixed Charges	214,160,362		
State Cat 14 Community Services	4,653,038		
State Cat 15 Capital Outlay	996,411	280,000	1,276,411
Total	957,645,602	0	957,645,602
Restricted Funds	415,624,549		
School Construction	90,438,000		
Food and Nutrition	16,937,099		
Print Services	2,482,014		
Information & Network Technology Services	15,030,233		
Health	179,035,849		
Worker's Compensation	2,816,500		
Grants	108,506,702		
Glenelg Wastewater Treatment Plant	242,912		
Jim Rouse Theater	135,240		
Other Expenses Paid by County	\$58,858,590		
Debt Service	52,123,590		
OPEB	6,735,000		
Total General Fund, Restricted Funds and Other Expense Budget	1,432,128,741	0	1,432,128,741



**BOARD OF EDUCATION OF HOWARD COUNTY
MEETING AGENDA ITEM**

TITLE: FY 2022 Categorical Budget Transfer **DATE:** April 28, 2022

PRESENTER(S): Darin Conforti and Sandra Austin

Strategic Call To Action Alignment:

Responsive and Efficient Operations: Operations and practices are responsive, transparent, fiscally responsible, and accountable, with students at the heart of all decisions.

OVERVIEW:

The year-end categorical transfer recommended for the Board's approval proposes to transfer funds between state categories to address budget authority needed in Category 15.

Accordingly, the following FY 2022 General Fund categorical transfers are recommended, including:

- Transfer of available budget authority that was placed in budget reserves from Operations of Plant (Category 10) and Maintenance of Plant (Category 11) to Capital Outlay (Category 15) to pay for boundary line consultants approved by the Board of Education on December 16, 2021.
-

RECOMMENDATION/FUTURE DIRECTION: It is recommended that the Board approve the categorical transfer request to be submitted to the County Council by May 4, 2022, for action at its June 6, 2022, legislative session.

SUBMITTED

BY:

Darin Conforti
Executive Director, Budget

Sandra Austin
Budget Manager

APPROVAL/CONCURRENCE:

Michael J. Martirano, Ed.D.
Superintendent

Karalee Turner-Little
Deputy Superintendent

Jahantab Siddiqui
Chief Administrative Officer

Attachment 1- Categorical Budget Transfer Details

Review of FY 2022 Expenditures

The budget office has completed a cost to complete analysis and has concluded there is only one state category in need of a categorical transfer. This request for a categorical transfer is to shift budget authority from both Operations of Plant (Category 10) and Maintenance of Plant (Category 11) out of a budget reserve account that was utilized at the time the Board of Education approved the bid for a boundary line consultant used in Capital Outlay (Category 15). The Board was advised when approving the boundary line consultant contract that funds would be placed in budget reserve in Categories 10 and 11 to cover this budgetary need. The categorical transfer moves the funds placed in reserve into state category 15.

The cost to complete analysis includes preliminary projections of FY 2022 revenues, expenditures, and fund balance. These projections are subject to change and year-end close analysis. Based on this preliminary analysis, the operating fund will use less than expected fund balance in FY 2022. Instead of using \$27 million, it is projected that \$17 million will be used, approximately \$10 million less, which will fall to unassigned fund balance available for future year's appropriation. Details on the cost to complete fund summary are provided at the end of this report.

Categorical Expenditures

The categorical transfer request for FY 2022 includes transferring \$280,000 in projected budget savings from budget reserves in Categories 10 and 11 to Category 15.

Category 1 – Administration

This category includes costs for activities associated with the general regulations, direction, and control of the school system. This category is expected to utilize its budgeted funds.

Category 2 – Mid-Level Administration

This category contains instructional support services including central office instructional personnel, professional development, school-based office staff, school administration, media processing, and temporary employee services. This category is expected to utilize its budgeted funds.

Category 3 – Instructional Salaries and Wages

This category funds instructional salaries and wages. This category is expected to utilize its budgeted funds.

Category 4 – Textbooks and Instructional Supplies

This category is comprised of expenditures and commitments for textbooks and instructional supplies for all schools. This category is expected to utilize its budgeted funds.

Category 5 – Other Instructional Costs

This category is comprised of commitments for contracted services, professional development, and equipment used to support the instructional program. This category is expected to utilize its budgeted funds.

Category 6 – Special Education

The Special Education category includes costs associated with the instructional needs of students receiving special education services. This category is projected to utilize its budgeted funds.

Category 7 – Student Personnel Services

The Student Personnel Services category includes programs to improve student attendance and to solve student problems involving the home, school, and community. This category is expected to utilize its budgeted funds.

Category 8 – Health Services

The Student Health Services category provides staffing for school health rooms, maintains student health records, identifies health problems, enforces immunization laws, and provides other services. This category is expected to utilize its budgeted funds.

Category 9 – Student Transportation

The Student Transportation category provides funding for the transportation of students. This category is expected to utilize its budgeted funds.

Category 10 – Operation of Plant

This category includes custodial salaries and the cost of utilities. At the time the Board was presented the need for a boundary line consultant, \$200,000 was placed in a budget reserve account in order to fund the consultant in the School Planning program in State Category 15. Savings has been identified to meet this need.

Category 11 – Maintenance of Plant

This category includes costs of building, grounds, and environmental maintenance. At the time the Board was presented the need for a boundary line consultant, \$80,000 was placed in a budget reserve account in order to fund the consultant in the School Planning program in State Category 15. Savings has been identified to meet this need.

Category 12 – Fixed Charges

This category includes the cost of employee benefits and other fixed charges and costs such as vehicle insurance, retirement contributions, life insurance, workers' compensation contributions from the General Fund, and unemployment insurance. This category is expected to utilize its budgeted funds.

Category 14 – Community Services

This category provides for the usage of our facilities by the community, transportation for some parochial students in Howard County, grounds maintenance of school sites for community use, and other school system community services. This category is expected to utilize its budgeted funds.

Category 15 – Capital Outlay

The Capital Outlay category includes costs for planning, administration, and oversight of the Capital Budget. This categorical request includes \$280,000 of additional budget to be added to this category for the boundary line consultants approved by the Board of Education on December 16, 2021.

The following chart provides the Categorical Transfer request that will be submitted to the County Council.

FY 2022 Categorical Transfer Request

Major Category	General Fund Budget	Year-End Transfer	Revised Appropriation
State_Cat_01 Administration	\$ 14,319,356		\$ 14,319,356
State_Cat_02 Mid-Level Administration	65,764,001		65,764,001
State_Cat_03 Instructional Salaries & Wages	368,251,737		368,251,737
State_Cat_04 Textbooks and Instructional Supplies	9,397,916		9,397,916
State_Cat_05 Other Instructional Costs	4,873,375		4,873,375
State_Cat_06 Special Education	139,986,830		139,986,830
State_Cat_07 Student Personnel Services	7,558,344		7,558,344
State_Cat_08 Health Services	9,762,831		9,762,831
State_Cat_09 Transportation	46,196,782		46,196,782
State_Cat_10 Operation of Plant	43,742,414	(200,000)	43,542,414
State_Cat_11 Maintenance of Plant	27,982,205	(80,000)	27,902,205
State_Cat_12 Fixed Charges	214,160,362		214,160,362
State_Cat_14 Community Services	4,653,038		4,653,038
State_Cat_15 Capital Outlay	996,411	280,000	1,276,411
Total	\$ 957,645,602	\$ -	\$ 957,645,602

Individual Transfers

1	State_Cat_10 Operation of Plant	\$(200,000)	State_Cat_15 Capital Outlay	\$200,000
2	State_Cat_11 Maintenance of Plant	(80,000)	State_Cat_15 Capital Outlay	80,000

Explanations:

1-2 Transfer needed to fund boundary line consultants.

FY 2022 Budget Cost to Complete Estimates

General Fund	Revised	
	Approved FY 2022	Estimated FY2022
SOURCES OF FUNDING		
Howard County Funding	\$ 628,300,000	\$ 628,300,000
Howard County-Above MOE	-	-
County-Nonrecurring	12,500,000	12,500,000
Subtotal Howard County	\$ 640,800,000	\$ 640,800,000
State Funding		
Foundation	\$ 183,454,982	\$ 183,454,982
GCEI	6,180,469	6,180,469
Transportation	18,784,838	18,784,838
Compensatory Education	35,840,000	35,840,000
Limited English Proficiency	10,633,763	10,633,763
Special Education	13,751,474	13,095,539
LEA Tuition	200,000	100,000
SB 1030 funding - Kirwan Comm	7,613,023	7,613,023
Less Medicaid Grant	(1,700,000)	-
State - Hold Harmless	7,726,982	7,726,982
Subtotal State Funds	\$ 282,485,531	\$ 283,429,596
Federal Funding		
Total Federal Funds	\$ 410,000	\$ 303,311
Other Funding		
Total Other Funds	\$ 6,950,071	\$ 3,930,829
Use of Fund Balance	27,000,000	-
Total Sources of Funds	\$ 957,645,602	\$ 928,463,736
USES OF FUNDING		
Categories		
Administration	\$ 14,319,356	\$ 13,097,266
Mid-Level Administration	65,764,001	64,724,766
Instruction	382,498,028	376,474,258
Special Education	139,986,830	139,075,974
Student Personnel Services	7,558,344	7,034,046
Student Health Services	9,762,831	9,733,193
Student Transportation	46,221,782	44,000,198
Operation of Plant	43,742,414	43,067,767
Maintenance of Plant	27,982,205	27,839,961
Fixed Charges	214,160,362	214,160,362
Community Services	4,653,038	4,458,740
Capital Outlay	996,411	1,256,942
Total Uses of Funds	\$ 957,645,602	\$ 944,923,471
Sources Over(Under) Uses	\$ -	\$ (16,459,735)
Fund Balance Summary (Budgetary Basis)		
Beginning Fund Balance	\$ 50,362,065	\$ 50,362,065
Revenues Over Expenditures (Use) or Gain of Fund Balance	(27,000,000)	(16,459,735)
Ending Fund Balance	\$ 23,362,065	\$ 33,902,330
Ending Fund Balance Summary (Budgetary Basis)		
Nonspendable Prepaid Expense	\$ 171,264	\$ 171,264
Nonspendable Inventories	881,098	881,098
Committed	-	-
Assigned	-	-
Unassigned	22,309,703	32,849,968
Total Ending Fund Balance	\$ 23,362,065	\$ 33,902,330
Unassigned Fund Balance as % of Total		
Uses	2.33%	3.48%