



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

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**TITLE:** FY 2024 Supplemental Food & Nutrition Service Fund Appropriation **DATE:** April 25, 2024

**PRESENTER(S):** Brian Ralph and Darin Conforti

**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.

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**OVERVIEW:**

This action requests the Board’s approval for a supplemental appropriation of additional revenues and unassigned fund balance in the Food and Nutrition Service Fund in the amount of \$4,326,363 to support the increased student participation and cost of services.

**RECOMMENDATION/~~FUTURE DIRECTION:~~**

It is recommended that the Board approve the supplemental appropriation for the Food and Nutrition Service Fund to be submitted to the County Council by April 25, 2024, for action at its June 3, 2024, legislative session.

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**SUBMITTED BY:**

**APPROVAL/CONCURRENCE:**

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Darin Conforti  
Executive Director of Budget

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William J. Barnes  
Acting Superintendent

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Brian Ralph,  
Director of Food and Nutrition Services

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Karalee Turner-Little, Ph.D.  
Deputy Superintendent

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Jahantab A. Siddiqui  
Chief Administrative Officer

## Background

The supplemental budget appropriation presented for the Board’s approval appropriates available fund balance in the Food and Nutrition Services Fund increasing budget authority to support the food and related cost increases for FY 2024. With an increase in participation and inflation of food, supply, and equipment costs, contract modifications increasing the purchasing limits for several food and related contracts were approved by the Board on March 18, 2024. This supplemental appropriation action will augment the FY 2024 Operating Budget, Food and Nutrition Service Fund by \$4,326,363. The additional funds will be appropriated from available fund balance as of June 30, 2023, of which there is \$17.0 million available.

This supplemental appropriation will ensure there is sufficient funding to manage the expenditure increases for the remainder of FY 2024. The action will increase the Food and Nutrition Service Fund budget by \$4.3 million to a total of \$24,002,377. The action requires the approval of the County Council, who have been made aware of the required supplemental appropriation and committed to advance the necessary legislation as soon as possible.

### Summary of Requested Supplemental Appropriation

Expenditures in contracted services, supplies, equipment, and other charges are driven by two key components: student participation in meals and the costs of providing those meals. As participation increases, so do the revenues that fund operations. In addition, the available fund balance is significant due to increases in participation and federal reimbursement during the COVID-19 pandemic. The state requires that fund balance in the Food and Nutrition Service Fund not exceed three months of expenditures, and management has submitted a plan to MSDE which outlines the spend down strategy over the next two years. The supplemental appropriation is consistent with this strategy. The available fund balance is assigned to the cost of operations, and the proposed use is consistent with accounting practices as well. Any excess revenue received will fall to the fund balance at year end, offsetting somewhat the fund balance utilized in the supplemental appropriation. This revenue offset is not reflected in the table below.

|  | FY23 Actual          | FY24 Approved        | Supplemental        | FY24 Revised<br>Appropriation |
|--|----------------------|----------------------|---------------------|-------------------------------|
| Revenues                                   | \$ 22,434,449        | \$ 18,680,800        | \$ -                | \$ 18,680,800                 |
| Use of Fund Balance                        | -                    | 995,214              | 4,326,363           | 5,321,577                     |
| <b>Total Sources of Funds</b>              | <b>\$ 22,434,449</b> | <b>\$ 19,676,014</b> | <b>\$ 4,326,363</b> | <b>\$ 24,002,377</b>          |
| Salaries and Wages                         | \$ 6,679,719         | \$ 7,437,816         | \$ 201,883          | \$ 7,639,699                  |
| Contracted Services                        | 523,629              | 568,720              | 116,444             | 685,164                       |
| Supplies and Materials                     | 8,802,058            | 6,884,000            | 3,699,087           | 10,583,087                    |
| Other Charges                              | 3,667,117            | 4,240,478            | 119,297             | 4,359,775                     |
| Equipment                                  | 60,240               | 200,000              | 189,652             | 389,652                       |
| Transfers-Indirect Costs                   | 120,000              | 345,000              | -                   | 345,000                       |
| <b>Total Expenditures</b>                  | <b>\$ 19,852,763</b> | <b>\$ 19,676,014</b> | <b>\$ 4,326,363</b> | <b>\$ 24,002,377</b>          |
| Beginning Fund Balance                     | \$ 14,704,027        | \$ 17,285,713        |                     | \$ 17,285,713                 |
| Excess (Deficit) Revenue Over Expenditures | 2,581,686            | (995,214)            |                     | (5,321,577)                   |
| <b>Ending Fund Balance</b>                 | <b>\$ 17,285,713</b> | <b>\$ 16,290,499</b> |                     | <b>\$ 11,964,136</b>          |