

County Council of Howard County, Maryland

2024 Legislative Session

Legislative Day No. 5

Resolution No. 44 -2024

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

Short Title: Howard County Board of Education – Fiscal Year 2024 – Supplemental appropriation from fund balance – Food and Nutrition Service Fund

Title: A RESOLUTION approving supplemental appropriation of unassigned fund balance to the Howard County Board of Education’s Operating Budget for Fiscal Year 2024, to increase the Board of Education’s Food and Nutrition Service Fund appropriation by \$4,326,363 through using this fund’s Fund Balance; and generally relating to the Fiscal Year 2024 Operating Budget of the Board of Education.

Introduced and read first time May 6, 2024.

By order Michelle Harrod
Michelle Harrod, Administrator

Read for a second time at a public hearing on May 20, 2024.

By order Michelle Harrod
Michelle Harrod, Administrator

This Resolution was read the third time and was Adopted , Adopted with amendments , Failed , Withdrawn , by the County Council on June 3, 2024.

Certified By Michelle Harrod
Michelle Harrod, Administrator

Approved by the County Executive June 5, 2024

Carvin Ball
Carvin 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 24, 2023, the County Council adopted Council Resolution No. 69-
10 2023 that sets forth the Fiscal Year 2024 Operating Budget for the Board of Education; and
11

12 **WHEREAS**, the County Council has received a request from the Board of Education to
13 approve a supplemental appropriation in the amount of \$4,326,363 from its Fund Balance to be
14 added to the General Fund; and
15

16 **WHEREAS**, the appropriation from fund balance is necessary to support increased food
17 costs and increased student participation in meal services; and
18

19 **WHEREAS**, the Board of Education has indicated that the requested supplemental
20 appropriation from the School System’s unassigned fund balance in the General Fund is
21 available for use in the Board of Education’s Fiscal Year 2024 Operating Budget.
22

23 **NOW, THEREFORE, BE IT RESOLVED** by the County Council of Howard County,
24 Maryland this 3 day of June, 2024 that it approves the supplemental
25 appropriation of unassigned fund balance in the amount of \$4,326,363 to the General Fund.
26

27 **AND BE IT FURTHER RESOLVED** by the County Council of Howard County,
28 Maryland that Council Resolution No. 69-2024 is amended as follows:

- 29 1. On page 1, in line 15, strike “\$426,199,955” and substitute “\$430,526,318”
- 30 2. The Restricted Funds table is amended as shown in the attached Exhibit A.

EXHIBIT A

FY 2024 Request for supplemental appropriation

	CR69-2023	Supplemental Appropriation - Fund Balance	Revised Appropriation
Restricted Funds	\$426,199,955	<u>4,326,363</u>	\$430,526,318
School Construction	109,127,000		109,127,000
Food and Nutrition	19,676,014	4,326,363	\$ 24,002,377
Print Services	2,815,615		2,815,615
Information & Network Technology Services	26,007,606		26,007,606
Health	192,101,185		192,101,185
Worker's Compensation	3,187,700		3,187,700
Grants	72,790,684		72,790,684
Glenelg Wastewater Treatment Plant	244,151		244,151
Jim Rouse Theater	250,000		250,000
Other Expenses Paid by County	\$57,300,357		\$57,300,357
Debt Service	49,781,450		49,781,450
OPEB	7,518,907		7,518,907
Total General Fund, Restricted Funds and Other Expense Budget	\$1,588,076,449	<u>4,326,363</u>	\$1,592,402,812

Amendment 1 to Council Resolution No. 44-2024

**BY: The Chairperson at the request
of the County Executive**

**Legislative Day No. 7
Date: June 3, 2024**

Amendment No. 1

(This amendment makes a technical correction to the Exhibit to reflect certain total amounts.)

- 1 In Exhibit A, in the column titled **“Supplemental Appropriation – Fund Balance”**:
- 2 • In the row titled **“Restricted Funds”**, insert **“4,326,363”**; and
- 3 • In the row titled **“Total General Fund, Restricted Fund and Other Expense Budget”**,
- 4 inset **“4,326,363”**

I certify that this a true copy of
Am 1 CR 44-2024
passed on June 3, 2024
Michelle Garrison
Council Administrator



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

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.

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.

SUBMITTED BY:

APPROVAL/CONCURRENCE:

Darin Conforti
Executive Director of Budget

William J. Barnes
Acting Superintendent

Brian Ralph,
Director of Food and Nutrition Services

Karalee Turner-Little, Ph.D.
Deputy Superintendent

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 Appropriation
Revenues	\$ 22,434,449	\$ 18,680,800	\$ -	\$ 18,680,800
Use of Fund Balance	-	995,214	4,326,363	5,321,577
Total Sources of Funds	\$ 22,434,449	\$ 19,676,014	\$ 4,326,363	\$ 24,002,377
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
Total Expenditures	\$ 19,852,763	\$ 19,676,014	\$ 4,326,363	\$ 24,002,377
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)
Ending Fund Balance	\$ 17,285,713	\$ 16,290,499		\$ 11,964,136

EXHIBIT A

FY 2024 Request for supplemental appropriation

	CR69-2023	Supplemental Appropriation - Fund Balance	Revised Appropriation
Restricted Funds	\$426,199,955		\$430,526,318
School Construction	109,127,000		109,127,000
Food and Nutrition	19,676,014	4,326,363	\$ 24,002,377
Print Services	2,815,615		2,815,615
Information & Network Technology Services	26,007,606		26,007,606
Health	192,101,185		192,101,185
Worker's Compensation	3,187,700		3,187,700
Grants	72,790,684		72,790,684
Glenelg Wastewater Treatment Plant	244,151		244,151
Jim Rouse Theater	250,000		250,000
Other Expenses Paid by County	\$57,300,357		\$57,300,357
Debt Service	49,781,450		49,781,450
OPEB	7,518,907		7,518,907
Total General Fund, Restricted Funds and Other Expense Budget	\$1,598,076,449		\$1,592,402,812

Office of the County Auditor
Auditor's Analysis

Council Resolution No. 44-2024

Introduced: May 6, 2024

Auditor: Lisa Geerman

Fiscal Impact:

This resolution increases the Board of Education's (BOE) total budget by \$4,326,363. However, this resolution has no effect on the County budget or County expenditures. The County General Fund Appropriation remains at \$721,187,000.

The net effect to the Board of Education's FY 2024 Operating Budget is noted in the attached **Exhibit A**. We have confirmed the validity of the transfer amounts by reconciling them with the supplemental appropriation request that was voted on and approved by the BOE at its April 25, 2024, meeting.

Purpose:

The purpose of Council Resolution 44-2024 is to approve a supplemental appropriation of unassigned fund balance in the amount of \$4,326,363.

According to the BOE, this transfer is necessary to add funding to support increased food costs and increased student participation in meal services.

Other Comments:

Council Resolution 43-2024 increases the FY 2025 General Fund budget by \$4,900,000, from \$1,104,576,137 to a total of \$1,109,476,137. This increase is not shown on **Exhibit A**.

Exhibit A: Net Effect of Changes

Category	Approved Budget	Supplemental Appropriation	Revised Budget
General Fund	\$ 1,104,576,137	\$ -	\$ 1,104,576,137
Restricted Funds	426,199,955	4,326,363	430,526,318
School Construction	109,127,000	-	109,127,000
Food and Nutrition	19,676,014	4,326,363	24,002,377
Print Services	2,815,615	-	2,815,615
Technology Services	26,007,606	-	26,007,606
Health	192,101,185	-	192,101,185
Worker's Compensation	3,187,700	-	3,187,700
Grants	72,790,684	-	72,790,684
Glenn Wastewater Treatment Plant	244,151	-	244,151
Jim Rouse Theater	250,000	-	250,000
Other Expenses Paid by County	57,300,357	-	57,300,357
Debt Service	49,781,450	-	49,781,450
OPEB	7,518,907	-	7,518,907
Total General Fund, Restricted Funds and Other Expense Budget	\$ 1,588,076,449	\$ 4,326,363	\$ 1,592,402,812

BY THE COUNCIL

This Bill, having been approved by the Executive and returned to the Council, stands enacted on June 5, 2024.

Michelle Harrod
Michelle R. Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, having been passed by the yeas and nays of two-thirds of the members of the Council notwithstanding the objections of the Executive, stands enacted on _____, 2024.

Michelle R. Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, having received neither the approval nor the disapproval of the Executive within ten days of its presentation, stands enacted on _____, 2024.

Michelle R. Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, not having been considered on final reading within the time required by Charter, stands failed for want of consideration on _____, 2024.

Diane Schwartz Jones, Administrator to the County Council

BY THE COUNCIL

This Bill, having been disapproved by the Executive and having failed on passage upon consideration by the Council stands failed on _____, 2024.

Michelle R. Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, the withdrawal of which received a vote of two-thirds (2/3) of the members of the Council, is withdrawn from further consideration on _____, 2024.

Michelle R. Harrod, Administrator to the County Council