introduced 05	5.01	p. 20	224	
Public Hearing 💪	5.	20.	2024	./
Council Action —	810.	03.	2021	
	06	.05	. 200	24
Executive Action			- 200	LY
Effective Date —				

## County Council of Howard County, Maryland

2024 Legislative Session	n	essio	S	ative	egis	2024	2
--------------------------	---	-------	---	-------	------	------	---

Legislative Day No. 5

Bill No. 7-2024

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

Short Title: Emergency Appropriation – Risk Management Self-Insurance Fund - \$1,000,000

Title: AN ACT making emergency appropriations pursuant to Section 610(b) of the Howard County Charter and amending the Annual Budget and Appropriation for Fiscal Year 2024 to provide additional spending authority in the Risk Management Self-Insurance fund due to significant increases in claim expenditures of the fund; and declaring that this Act is an Emergency Bill necessary to meet a public emergency affecting life, health or property.

Introduced and read first time
Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read for a second time at a public hearing on
This Bill was read the third time on, 2024 and Passed, Passed with amendments, Failed  By order
Sealed with the County Seal and presented to the County Executive for approval this day of the day
Approved by the 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, Council Bill No. 21-2023 (CB21) is kn	own as the Annual Budget and
2	Appropriation Ordinance of Howard County, Fiscal Year 20	24 and contains the capital and
3	operating budget for the fiscal year beginning July 1, 2023 a	nd ending June 30, 2024; and
4		
5	WHEREAS, settlement expenditures have increased	above the level anticipated in the
6	development of the Fiscal Year 2024 budget; and;	
7		
8	WHEREAS, these cost increases have resulted in	an insufficient amount of spending
9	authority being available for the processing of claim paymen	ts; and
10		
11	WHEREAS, the Fiscal Year 2024 budget needs to b	e amended to increase the spending
12	authority to cover unanticipated non-controllable costs and to	o continue delivery of these essential
13	County services during the remainder of Fiscal Year 2024; a	nd
14		
15	WHEREAS, the funding source to cover these unant	cicipated one-time expenses is the
16	use of prior year fund balance in the amount of \$1,000,000;	and
17		
18	WHEREAS, pursuant to Section 610(b) of the Howa	ard County Charter, this Emergency
19	Bill is necessary to meet a public emergency affecting life, h	ealth or property.
20		
21	NOW, THEREFORE,	
22		
23	Section 1. Be It Enacted by the County Council of Howard	County, Maryland, that the following
24	emergency appropriation of the Risk Management Self-Insur	ance fund is authorized and approved
25	for the fiscal year beginning July 1, 2023 and ending June 3	0, 2024, as shown below:
26		
27	Department of County Administration	
28	6040020000 - Risk Management Self-Insurance Fund	
29	Fiscal Year 2024 Appropriation before transfer	\$ 12,181,537
30	Plus Additional Appropriation	<u>\$1,000,000</u>

1	Fiscal Year 2024 Appropriation after transfer	\$13,181,537
2		
3	Section 2. And Be It Further Enacted that the Risk Manage	ement Self-Insurance fund total for
4	Fiscal Year 2024 is amended to be \$13,181,537 and, in the c	urrent expense budget attached to
5	Council Bill No. 21-2023 or incorporated by reference, all su	ubtotals, totals, and other calculated
6	figures shall be adjusted, as needed, to accommodate this Ac	t.
7		
8	Section 3. And Be It Further Enacted by the County Counc	il of Howard County, Maryland that
9	this Act is adopted as an emergency measure to address an i	mmediate public emergency
10	affecting life, health or property and having been passed by t	wo-thirds of its members, this Act

shall be effective immediately upon its enactment.



DATE:

April 4, 2024

TO:

Brandee Ganz, Chief Administrative Officer

FROM:

Anju Bennett, Administrator

Gabriel Ross, Deputy Administrator/Acting Risk Manager Office of Human Resources/Risk Management Division

**SUBJECT:** 

Risk Management Self Insurance Fund

Emergency Budget Amendment - Testimony/Fiscal Impact Statement

The Office of Human Resources (Division of Risk Management) requests an emergency budget amendment to increase the Fiscal 2024 spending authority for the Risk Management Self Insurance Fund by \$1 million to cover unanticipated and high value claims following the adoption of the Fiscal 2024 budget.

In particular, the County experienced a single claim which exceeded the total general liability budget. In addition, the fund is experiencing higher workers' compensation claim costs than projected.

The funding source to cover the unanticipated expenses will come from prior year surplus in the Risk Management Self Insurance Fund.

CC: Jennifer Sager

# Office of the County Auditor Auditor's Analysis

#### Council Bill 17-2024

Introduced: May 6, 2024 Auditor: Maya Cameron

#### Fiscal Impact:

This legislation would result in an increase in budget appropriation of \$1.0 million for the Risk Management Self-Insurance Fund (Fund). According to the Office of Human Resources, this increase is needed to cover unanticipated and high value claims that occurred after the adoption of the Fiscal Year 2024 Budget.

As of May 14, 2024, we confirmed that the Fund had \$1.7 million of available appropriations. Based upon a review of spending to date and anticipated spending through FY 2024, available appropriations in the Fund may not be sufficient to cover the remaining FY 2024 obligations without this transfer.

#### Purpose:

The purpose of the proposed legislation is to provide emergency appropriation of \$1.0 million from the Risk Management Self-Insurance Fund's balance to provide additional spending authority in FY 2024, due to unanticipated increases in claims.

#### Other Comments:

This fund is used to account for activities including workers' compensation; general liability; and environmental, vehicle, and property insurance. It provides services to other County Agencies on a cost reimbursement basis.

In the FY 2025 Proposed Operating Budget, the Fund projects an operating loss of \$1.9 million at the end of FY 2024. It further projects an operating loss for FY 2025 of \$1.8 million and an ending fund balance of \$1.6 million, prior to the request for the emergency appropriation.

The additional request of \$1 million is expected to cover unanticipated costs for workers' compensation, general liability, and vehicle liability claims.

### BY THE COUNCIL

This Bill, having been approved by the Executive and returned to the Council, stands enacted on , 2024,
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
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.
Michelle R. Harrod, 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
Michelle R. Harrod, Administrator to the County Council