

Introduced 05.06.2024
Public Hearing 05.20.2024
Council Action 06.03.2024
Executive Action 06.05.2024
Effective Date 06.05.2024

County Council of Howard County, Maryland

2024 Legislative Session

Legislative Day No. 5

Bill No. 18 -2024

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

Short Title: Emergency Appropriation – Employee Benefits Self-Insurance Fund - \$3,000,000

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 Employee Benefits 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 May 6, 2024. Ordered posted and hearing scheduled.

By order

Michelle Harrod
Michelle Harrod, Administrator

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 May 20, 2024.

By order

Michelle Harrod
Michelle Harrod, Administrator

This Bill was read the third time on June 3, 2024 and Passed , Passed with amendments _____, Failed _____.

By order

Michelle Harrod
Michelle Harrod, Administrator

Sealed with the County Seal and presented to the County Executive for approval this 4 day of June, 2024 at 9 a.m. p.m.

By order

Michelle Harrod
Michelle Harrod, Administrator

Approved by the County Executive June 5, 2024

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	Plus Additional Appropriation	<u>\$3,000,000</u>
2	Fiscal Year 2024 Appropriation after transfer	\$76,761,349

3

4 ***Section 2. And Be It Further Enacted*** that the Employee Benefits Self-Insurance fund total for
5 Fiscal Year 2024 is amended to be \$76,761,349 and, in the current expense budget attached to
6 Council Bill No. 21-2023 or incorporated by reference, all subtotals, totals, and other calculated
7 figures shall be adjusted, as needed, to accommodate this Act.

8

9 ***Section 3. And Be It Further Enacted*** by the County Council of Howard County, Maryland that
10 this Act is adopted as an emergency measure to address an immediate public emergency
11 affecting life, health or property and having been passed by two-thirds of its members, this Act
12 shall be effective immediately upon its enactment.



Howard County

Internal Memorandum

DATE: April 4, 2024

TO: Brandee Ganz, Chief Administrative Officer

FROM: Anju Bennett, Administrator
Gabriel Ross, Deputy Administrator
Office of Human Resources

SUBJECT: Employee Benefits Self Insurance Fund
Emergency Budget Amendment - Testimony/Fiscal Impact Statement

The Office of Human Resources requests an emergency budget amendment to increase the Fiscal 2024 spending authority for the Employee Benefits Self Insurance Fund by \$3 million to cover unanticipated and high value medical claims expenses following the adoption of the Fiscal 2024 budget.

While the Fiscal 2024 budget was based on actuarial assessments and analysis of historical claim trends, the County experienced unusually higher than projected claims expenses due to greater frequency of large medical claims and higher volume of claims from medical treatment and procedures likely deferred during the COVID pandemic.

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

CC: Jennifer Sager

Office of the County Auditor
Auditor's Analysis

Council Bill 18-2024

Introduced: May 6, 2024

Auditor: Maya Cameron

Fiscal Impact:

This legislation would result in an increase in budget appropriation of \$3.0 million for the Employee Benefits 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 \$11.7 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 \$3.0 million from the Employee Benefits 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 the costs of employee benefits, including health and disability 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 \$2.9 million at the end of FY 2024. It further projects an operating loss for FY 2025 of \$4.2 million and an ending fund balance deficit of \$2.3 million, prior to the request for the emergency appropriation.

The additional request of \$3.0 million is expected to cover unanticipated costs for medical and dental claims.

BY THE COUNCIL

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

Michelle R. 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.

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 _____, 2024.

Michelle R. Harrod, Administrator to the County Council