

Introduced _____
Public Hearing _____
Council Action _____
Executive Action _____
Effective Date _____

County Council of Howard County, Maryland

2025 Legislative Session

Legislative Day No. 3

Bill No. 20 -2025

Introduced by: Liz Walsh

Short Title: Excess Surplus Revenue- Modification

AN ACT To modify the restriction on the use of excess surplus revenue pursuant to Section 615B of the Howard County Charter in order to use excess surplus revenue from prior years to fund deferred school capital projects in the Fiscal Year 2026 budget; and generally relating to excess surplus revenue.

Introduced and read first time _____, 2025. Ordered posted and hearing scheduled.

By order _____
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 _____, 2025.

By order _____
Michelle Harrod, Administrator

This Bill was read the third time on _____, 2025 and Passed ____, Passed with amendments _____, Failed _____.

By order _____
Michelle Harrod, Administrator

Sealed with the County Seal and presented to the County Executive for approval this _____ day of _____, 2025 at ___ a.m./p.m.

By order _____
Michelle Harrod, Administrator

Approved by the County Executive _____, 2025

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**, the County Executive has prepared the Annual Budget and Appropriation
2 Ordinance of Howard County, Fiscal Year 2026 that contains the capital and operating budget for
3 the fiscal year beginning July 1, 2025, and ending June 30, 2026 (FY26 Budget); and

4 **WHEREAS**, the Board of Education for Howard County’s proposed capital budget for
5 Fiscal Year 2026 requests that the County Executive fund Howard County Public School System
6 projects – including all new construction, renovations, additions, and required maintenance-in the
7 amount of \$62.0 million; and

8
9 **WHEREAS**, six prior fiscal year’ capital budgets have similarly limited the County’s
10 annual allocation for all combined Howard County Public School System projects-to an average
11 \$56.9 million:

12 In FY2025, the County allocated to School System Projects \$61.2M in local
13 general bonds, excise tax, pay as you go, and transfer tax funds (State Aid for
14 Schools in FY2025 was \$14.5M);

15
16 In FY2024, the County allocated to School System Projects \$51.6M (State
17 Aid for Schools was \$57.5M);

18
19 In FY2023, the County allocated to School System Projects \$54.3M (State
20 Aid for Schools was \$51.5M);

21
22 In FY2022, the County allocated to School System Projects \$57.3M (State
23 Aid for Schools was \$33.1M);

24
25 In FY2021, the County allocated to School System Projects \$68.7M (State
26 Aid for Schools was \$33.7M); and

27
28 In FY2020, the County allocated to School System Projects \$48.5M (State
29 Aid for Schools was \$6.1M).

1 **WHEREAS**, the County for these several years has underfunded, and so deferred, an ever-
2 growing backlog of identified schools capital needs to the detriment of both the students and staff
3 daily inside those ailing buildings; and

4
5 **WHEREAS**, excess surplus revenue from prior fiscal years' budgets exists in material
6 respect:

7
8 In FY2024, in the amount of at least \$36.5M (Annual Comprehensive
9 Financial Report for the Fiscal Year Ended June 30, 2024, p. 87);

10
11 In FY2023, in the amount of at least \$76.1M (Annual Comprehensive
12 Financial Report for the Fiscal Year Ended June 30, 2023, p. 86);

13
14 In FY2022, in the amount of at least \$34.5M (Annual Comprehensive
15 Financial Report for the Fiscal Year Ended June 30, 2022, p. 82);

16
17 In FY2021, in the amount of at least \$24.5M (Annual Comprehensive
18 Financial Report for the Fiscal Year Ended June 30, 2021, p. 77);

19
20 In FY2020, in the amount of at least \$21.8M (Annual Comprehensive
21 Financial Report for the Fiscal Year Ended June 30, 2020, p. 75); and

22
23 In FY2019, in the amount of at least \$18.4M (Annual Comprehensive
24 Financial Report for the Fiscal Year Ended June 30, 2019, p. 76).

25
26 **WHEREAS**, pursuant to Section 615B of the Howard County Charter, the use of excess
27 surplus revenue is restricted to: (1) fund capital projects, (2) reduce existing County debt; and/or
28 (3) fund appropriations in the current expense budget for capital outlay and for non-recurring
29 expenses; and

1 **WHEREAS**, Section 615B also provides that the restriction on the use of excess surplus
2 revenue may be modified by an ordinance passed by an affirmative vote of 2/3 of the members of
3 the County Council; and

4
5 **WHEREAS**, The County Council wishes to modify the restriction on the use of excess
6 surplus revenue to allow for the use of excess surplus revenue to fund deferred capital needs of
7 the Howard County Public School System capital projects in the FY 2026 Budget.

8 **NOW, THEREFORE,**

9
10 *Section 1. Be It Enacted by the County Council of Howard County, Maryland, the*
11 *restriction on the use of excess surplus revenue permitted in section 615B of the County Charter*
12 *is modified to allow the use of excess surplus revenue from prior fiscal years for deferred capital*
13 *needs of Howard County Public School System FY 2026 Capital Budget.*

14
15 *Section 2. And Be It Enacted by the County Council of Howard County, Maryland that,*
16 *this modification only applies to the Fiscal Year 2026 Operating and Capital Budgets, and at the*
17 *end of Fiscal Year 2026, this Act, with no further action required by the County Council, shall be*
18 *abrogated and of no further force and effect.*