

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

County Council of Howard County, Maryland

2025 Legislative Session

Legislative Day No. 7

Bill No. 45 -2025

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

Short Title: Use of Excess Surplus Revenue – up to \$14,500,000 – FY26 Operating Budget of the Board of Education- Emergency Act.

Title: 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 further support the Operating Budget request of the Board of Education in the Fiscal Year 2026 budget; providing that this act shall be temporary and shall expire by June 30, 2026; and declaring that this Act is an Emergency Bill necessary to meet an immediate emergency affecting public health, safety or welfare.

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
3 for the fiscal year beginning July 1, 2025 and ending June 30, 2026 (FY26 Budget); and
4

5 **WHEREAS**, the FY26 Budget is pending in Council Bill No. 36-2025; and
6

7 **WHEREAS**, the FY26 Budget has been developed under conditions of great uncertainty
8 that have been amplified by major workforce changes at the federal level and funding changes at
9 the state level, including cost shifts of approximately \$8 million to Howard County Government
10 from the State in FY26; and
11

12 **WHEREAS**, the Howard County Public School System (HCPSS) is facing significant
13 funding needs in the FY26 budget related to employee compensation, special education,
14 transportation, fixed costs, and State mandates including implementation of the Blueprint for
15 Maryland's Future; and
16

17 **WHEREAS**, in his proposed FY26 Budget, the County Executive proposed an increase
18 of \$39 million in direct recurring County funding to support the Howard County Public School
19 System (HCPSS), reflecting a 5.1% increase and totaling \$800 million in County funding
20 proposed to HCPSS in FY26; and
21

22 **WHEREAS**, the County Executive proposed an additional \$6.7 million in County
23 funding to cover HCPSS pension liabilities in the FY26 Budget, a cost passed from the State to
24 the County, bringing the total increase in County investment to \$45.7 million for HCPSS
25 expenses in the proposed FY26 Budget, which reflects 64% of all new revenue growth; and
26

27 **WHEREAS**, the Board of Education and Superintendent have identified that additional
28 funds are needed above the County increase of \$45.7 million to avoid reductions in staff and
29 impacts to core educational services in the FY26 Budget; and
30

1 **WHEREAS**, in order to avoid reductions in staff and impacts to core educational
2 services, the County Executive intends to further support the County’s portion of the Board of
3 Education’s Operating Budget request; and
4

5 **WHEREAS**, for Fiscal Year 2026, only, the County has determined that excess surplus
6 revenue from prior fiscal years in the amount of up to \$14,500,000 is necessary to further support
7 the Fiscal Year 2026 Operating Budget request of the Board of Education; and
8

9 **WHEREAS**, pursuant to Section 615B of the Howard County Charter, the use of excess
10 surplus revenue is restricted to (1) fund capital projects, (2) reduce existing County debt; and/or
11 (3) fund appropriations in the current expense budget for capital outlay and for non-recurring
12 expenses; and
13

14 **WHEREAS**, Section 615B also provides that the restriction on the use of excess surplus
15 may be modified by an ordinance passed by an affirmative vote of 2/3 of the members of the
16 County Council; and
17

18 **WHEREAS**, the County wishes to temporarily modify the restriction on the use of
19 excess surplus revenue to further support the Fiscal Year 2026 Operating Budget request of the
20 Board of Education; and
21

22 **WHEREAS**, because there may be reductions in staff and impacts to core educational
23 services, pursuant to Section 209(d) of the Howard County Charter, this Emergency Bill is
24 necessary to meet an immediate emergency affecting the public health, safety, and welfare of the
25 County.
26

27 **NOW, THEREFORE,**
28

29 ***Section 1. Be It Enacted** by the County Council of Howard County, Maryland, the restriction on*
30 *the use of excess surplus revenue required by Section 615B of the Charter is temporarily modified*

1 *to allow the use of excess surplus revenue from prior fiscal years in the amount of up to*
2 *\$14,500,000 to further support the County's portion of the Fiscal Year 2026 Operating Budget*
3 *request of the Board of Education.*

4
5 ***Section 2. And Be It Further Enacted*** *by the County Council of Howard County, Maryland*
6 *that, this modification is temporary in nature in that it only applies to the Fiscal Year 2026*
7 *budget, and at the end of Fiscal Year 2026, this Act, with no further action required by the*
8 *County Council, shall be abrogated and of no further force and effect.*

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