

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

TITLE: Operating Budget Financial Report **DATE:** 1/14/16

PRESENTER(S): Beverly Davis,
Executive Director, Budget and Finance

VISION 2018 GOAL: Students Staff Families and Community Organization

OVERVIEW:

The attached information contains the following:

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RECOMMENDATION/FUTURE DIRECTION:

None

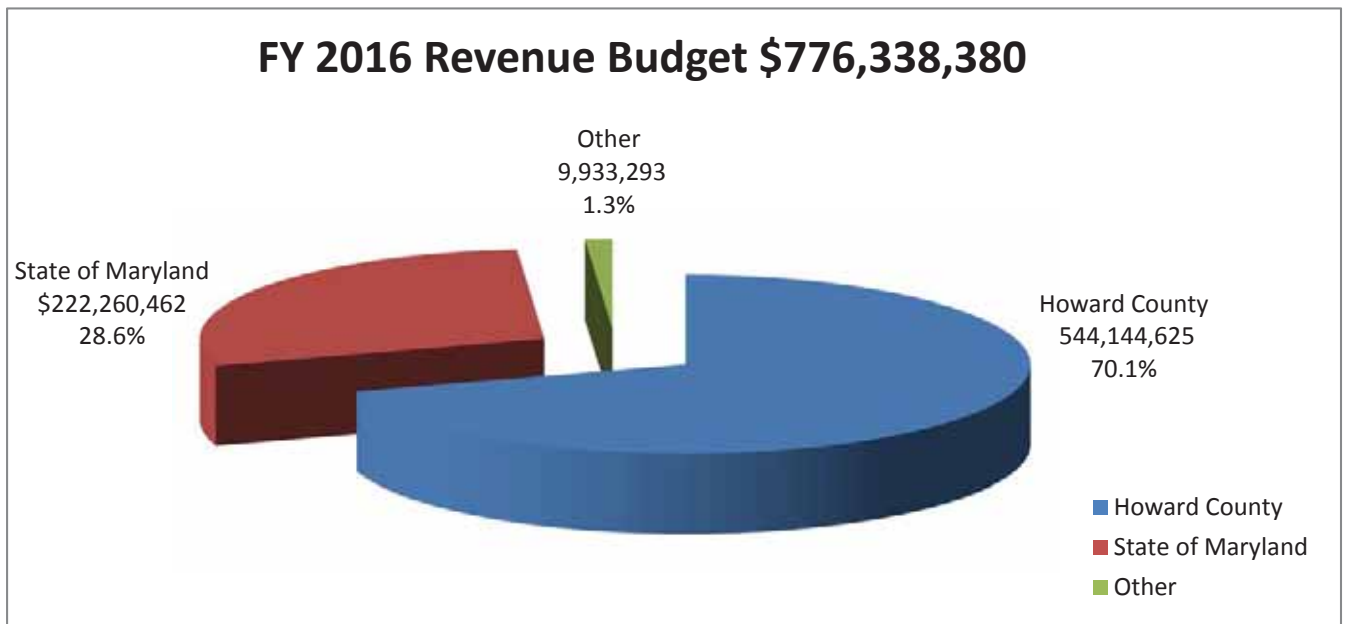
SUBMITTED BY: _____	APPROVAL/CONCURRENCE: _____
Beverly J. Davis, CPA Executive Director, Budget and Finance	Renee A. Foose, Ed.D. Superintendent

Executive Summary

Attached is the *General Fund Revenues, Expenditures, and Encumbrances – Budget to Actual* for the period ended November 30, 2015. These data are presented using State Department of Education categories and do not reflect ongoing projections of revenues and expenditures. Figure 1 presents a high level overview of the original FY 2016 General Fund Revenue Budget. Figure 2 provides an overview of the FY 2016 General Fund Expenditure Budget. Schedule A presents detailed revenues, Schedule B presents detailed expenditures and Schedule C presents a summary of expenditures by object.

General Fund Revenue

Figure 1



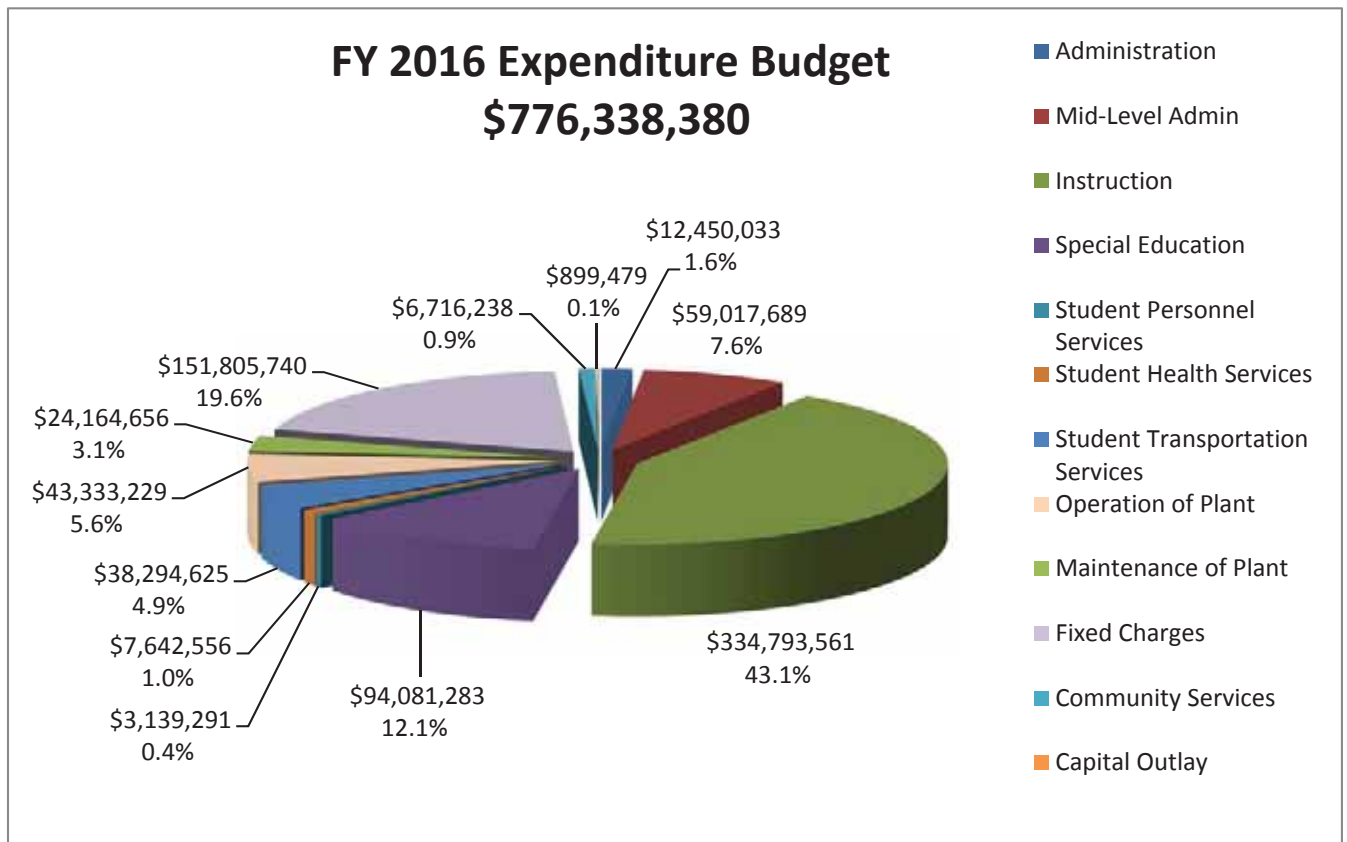
Year-to-Date Revenue Comparison

- Howard County** – The FY 2016 County appropriation totaled \$544.1 million, an increase of 2.58% over the FY 2015 budget. County funds are disbursed to the Board in twelve monthly draws scheduled with the county to meet our cash flow requirements. Our year-to-date county revenue received is \$214.0 million at November 30, 2015, approximately 39.3% of the budget, compared to 39.5% of budget received at this time in FY 2015.

- **State of Maryland** – The FY 2016 state appropriation totaled \$222.3 million. The majority of state funds are received bi-monthly in six equal installments beginning at the end of July. Three of the bi-monthly payments have been received, which is consistent with being five months into the fiscal year, and actual revenues are in line with the budget.
- **Other Revenue** – Other Revenue includes Federal Impact Aid, charges for use of facilities, administration charges, E-Rate rebates, gate receipts, investment earnings, and summer school tuition as well as other miscellaneous items. Many of these revenues are collected after the first quarter or at year end. Year-to-date actual revenue includes summer school tuition, student fees, investment earnings, E-Rate rebates, fund balance carryover, and other miscellaneous items.

General Fund Expenditures Budget

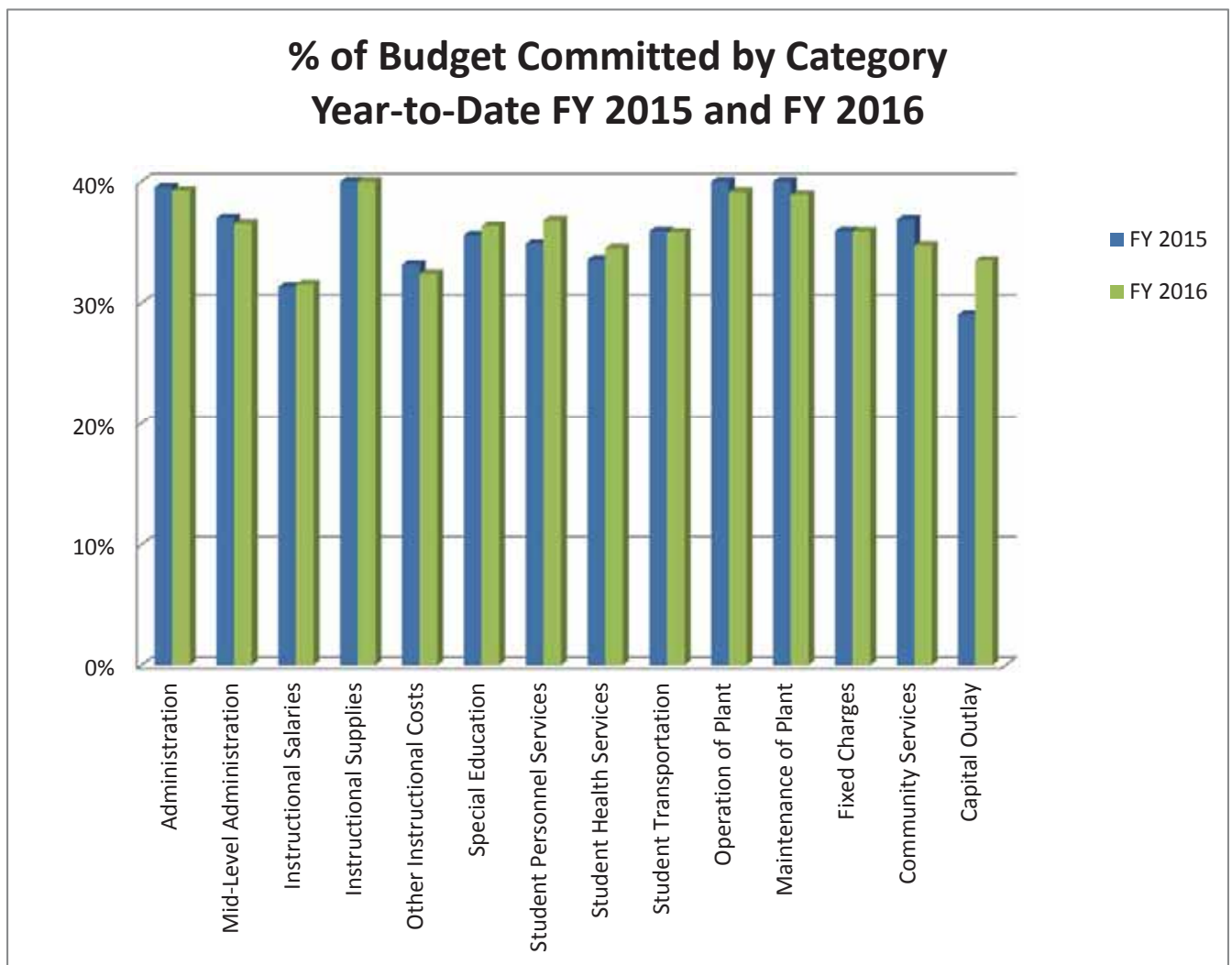
Figure 2



Year-to-Date Expenditure Analysis

Total Expenditures and Encumbrances – Year-to-date expenditures and encumbrances through November 30, 2015, are approximately \$268.8 million which is approximately 34.6% committed. Salary expenditures within categories that are primarily comprised of 12-month positions (e.g., Administration, Mid-Level Administration, Transportation, Operation of Plant, Maintenance of Plant, and Capital Outlay) range from 34.0–37.0% of the budget. This is consistent with the fact that five months of the fiscal year have elapsed. Salary expenditures in categories with large concentrations of 10-month, school-based personnel (e.g., Instructional Salaries, Special Education, Student Personnel Services, Student Health Services, and Community Services) range from 31.0–36.5% of budget. Salaries in the Community Services category, are only at 28.0% after a mild summer and fall.

General Fund Expenditures and Encumbrances YTD
Figure 3



- **Administration** – This category includes costs for activities associated with the general regulations, direction, and control of the school system. Total expenditures in Administration appear reasonable for five months of the budget year, though marginally lower than last year at this time.
- **Mid-level Administration** – Year-to-date FY 2016 expenditures and encumbrances in Mid-level Administration are consistent with prior year costs and are reasonable for the five months of FY 2016.
- **Instructional Salaries** – Year-to-date Instructional Salaries are 31.6% expended at November 30, 2015, as compared to 31.3% at the same time last year, which is reasonable for three months into the school year.
- **Instructional Supplies** – This category is comprised of expenditures and commitments for instructional supplies for all schools. Approximately 42.8% of Instructional Supplies funds are committed at this time, which is a reasonable spending level with one third of the fiscal year completed. A significant amount of Instructional Supplies are purchased at the beginning of the school year to accommodate classroom needs.
- **Other Instructional Costs** – This category is comprised of commitments for contracted services, staff development, and equipment used to support the instructional program. Approximately 32.4% of the FY 2016 Other Instructional Costs budget has been committed at November 30, which is lower than the 33.2% committed at this time last year.
- **Special Education** – The Special Education category includes costs associated with the instructional needs of students receiving special education services. Since most of these services are delivered during the regular school year, 36.3% of the budget is committed at November 30, 2015, as compared to 35.6% committed at November 30, 2014, which appears reasonable for three months into the school year.
- **Student Personnel Services** – Student Personnel includes programs to improve student attendance and to solve pupil problems involving the home, school, and community. Commitments as of November 30, 2015, are slightly higher than prior year spending.
- **Student Health Services** – Health Services provides staffing for school health rooms, maintains student health records, identifies health problems, enforces immunization laws, and provides other services. The expenditures in this category are slightly higher than last year's commitments at this time, but still appear reasonable.

- **Transportation** – Approximately 95% of the Transportation budget funds the contracts awarded to private bus owners and bus companies who provide our bus services. Bus services are provided over the summer months; however, the majority of our bus services are provided during the regular school year. The Transportation budget is 35.8% committed at November 30, 2015, as compared to 35.9% committed at November 30, 2014.
- **Operation of Plant** – This category includes custodial salaries and the cost of utilities. Approximately 39.2% of the FY 2016 budget has been committed at November 30, 2015, which is somewhat lower than the 40.4% committed at this time last year, and is reasonable for five months of the fiscal year.
- **Maintenance of Plant** – This category includes costs of building and grounds maintenance, network and technology support services, and environmental maintenance. Approximately 38.9% of the FY 2016 budget has been committed at November 30, 2015, which is as expected for five months of the fiscal year and slightly behind the 40.5% committed at this time last year.
- **Fixed Charges** – This category includes the cost of employee benefits and other fixed charges. Health insurance and employer FICA consume 57% and 26% of the Fixed Charges budget, respectively. Retirement payments to the MSDE Pension System represent 13% of this budget. The FY 2015 Fixed Charges also includes liability and vehicle insurance, retirement contributions, life insurance, workers compensation contributions from the General Fund, unemployment insurance, and employee assistance program costs.
- **Community Services** – This category provides for the usage of our facilities by the community, grounds maintenance of school sites for community use, and other school system community services. The Community Services budget is 34.7% committed at November 30, 2015, which is lower than this time last year, but still reasonable for being five months into the fiscal year.
- **Capital Outlay** – The Capital Outlay category includes costs for planning, administration, and oversight of the Capital Budget. Total expenditures in Capital Outlay appear reasonable.

The Howard County Public School System

Schedule A - Statement of Detailed Revenues

Budget and Actual

For the Period Ended: 11/30/2015 (unaudited)

	<u>Final</u>	<u>Year-to-Date</u>	<u>Remaining</u>	<u>Percent</u>
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual to</u>
				<u>Budget</u>
REVENUE				
COUNTY REVENUE				
Local Appropriations	\$ 544,144,625	\$ 214,046,018	\$ 330,098,607	39.33 %
TOTAL COUNTY REVENUE	<u>\$ 544,144,625</u>	<u>\$ 214,046,018</u>	<u>\$ 330,098,607</u>	<u>39.33 %</u>
OTHER REVENUE				
Tuition-Non Resident	\$ 179,000	\$ 40,358	\$ 138,642	22.54 %
Tuition-Summer School	430,000	645,400	(215,400)	150.09
Student Payments/Fees	350,000	191,897	158,103	54.82
Earnings on Investments	50,000	1,890	48,110	3.78
Rent	1,100,000	237,331	862,669	21.57
Other Miscellaneous Revenue	6,039,293	3,162,926	2,876,367	52.37
TOTAL OTHER REVENUE	<u>\$ 8,148,293</u>	<u>\$ 4,279,802</u>	<u>\$ 3,868,491</u>	<u>52.52 %</u>
STATE REVENUE				
State Share of Current Expense	\$ 161,913,982	\$ 80,956,991	\$ 80,956,991	50.00 %
Compensatory Education	27,734,155	13,867,078	13,867,078	50.00
Formula-Specific Populations	7,178,283	3,451,172	3,727,112	48.07
Students with Disabilities	8,930,329	7,318,928	1,611,402	81.95
Transportation	16,503,713	8,251,857	8,251,857	50.00
TOTAL STATE REVENUE	<u>\$ 222,260,462</u>	<u>\$ 113,846,026</u>	<u>\$ 108,414,440</u>	<u>51.22 %</u>
FEDERAL REVENUE				
Unrestricted-Impact Aid	\$ 130,000	\$ 8,844	\$ 121,156	6.80 %
Restricted Direct	240,000	68,437	171,563	28.51
TOTAL FEDERAL REVENUE	<u>\$ 370,000</u>	<u>\$ 77,281</u>	<u>\$ 292,719</u>	<u>20.88 %</u>
OTHER RESOURCES				
Transfers In-Maryland LEAs	\$ 200,000	\$ -	\$ 200,000	.00 %
Other Nonrevenue	1,215,000	150,267	1,064,733	12.36
TOTAL OTHER RESOURCES	<u>\$ 1,415,000</u>	<u>\$ 150,267</u>	<u>\$ 1,264,733</u>	<u>10.61 %</u>
 REVENUE	 <u>\$ 776,338,380</u>	 <u>\$ 332,399,394</u>	 <u>\$ 443,938,990</u>	 <u>42.81 %</u>

Note: Variances due to system rounding.

The Howard County Public School System

Schedule B - Expenditures by Category

Budget and Actual with Encumbrances

For the Period Ended: 11/30/2015 (unaudited)

Category and Object Summary	Budget	Year-To-Date Actual	Remaining Budget	Percent Actual to Budget
Administration				
Salaries and Wages	\$ 9,386,030	\$ 3,244,478	\$ 6,141,552	34.56 %
Contracted Services	2,086,710	1,181,082	905,628	56.60
Supplies and Materials	494,124	280,860	213,264	56.83
Other Charges	483,169	179,660	303,509	37.18
Total Administration	<u>\$ 12,450,033</u>	<u>\$ 4,886,080</u>	<u>\$ 7,563,953</u>	<u>39.24 %</u>
Mid-Level Administration				
Salaries and Wages	\$ 52,106,711	\$ 18,926,262	\$ 33,180,449	36.32 %
Contracted Services	5,034,638	2,075,795	2,958,843	41.23
Supplies and Materials	1,348,675	487,698	860,977	36.16
Other Charges	510,605	78,146	432,459	15.30
Equipment	17,060	-	17,060	0.00
Total Mid-Level Administration	<u>\$ 59,017,689</u>	<u>\$ 21,567,901</u>	<u>\$ 37,449,788</u>	<u>36.54 %</u>
Instructional Salaries				
Salaries and Wages	\$ 318,875,974	\$ 100,655,316	\$ 218,220,658	31.56 %
Total Instructional Salaries	<u>\$ 318,875,974</u>	<u>\$ 100,655,316</u>	<u>\$ 218,220,658</u>	<u>31.56 %</u>
Instructional Supplies				
Supplies and Materials	\$ 12,503,227	\$ 5,353,373	\$ 7,149,854	42.81 %
Total Instructional Supplies	<u>\$ 12,503,227</u>	<u>\$ 5,353,373</u>	<u>\$ 7,149,854</u>	<u>42.81 %</u>
Other Instructional Costs				
Contracted Services	\$ 2,396,640	\$ 952,556	\$ 1,444,084	39.74 %
Other Charges	309,620	56,743	252,877	18.32
Equipment	128,100	97,641	30,459	76.22
Transfers	580,000	-	580,000	0.00
Total Other Instructional Costs	<u>\$ 3,414,360</u>	<u>\$ 1,106,940</u>	<u>\$ 2,307,420</u>	<u>32.42 %</u>
Special Education				
Salaries and Wages	\$ 84,190,839	\$ 26,707,173	\$ 57,483,666	31.72 %
Contracted Services	2,225,448	587,452	1,637,996	26.39
Supplies and Materials	345,432	177,200	168,232	51.29
Other Charges	328,564	90,488	238,076	27.54
Equipment	80,000	22,957	57,043	28.69
Transfers	6,911,000	6,610,536	300,464	95.65
Total Special Education	<u>\$ 94,081,283</u>	<u>\$ 34,195,806</u>	<u>\$ 59,885,477</u>	<u>36.34 %</u>
Student Personnel Svcs				
Salaries and Wages	\$ 2,735,300	\$ 998,625	\$ 1,736,675	36.50 %
Contracted Services	331,605	136,691	194,914	41.22
Supplies and Materials	28,994	10,300	18,694	35.52
Other Charges	43,392	9,979	33,413	23.00
Total Student Personnel Svcs	<u>\$ 3,139,291</u>	<u>\$ 1,155,595</u>	<u>\$ 1,983,696</u>	<u>36.81 %</u>

The Howard County Public School System

Schedule B - Expenditures by Category

Budget and Actual with Encumbrances

For the Period Ended: 11/30/2015 (unaudited)

Category and Object Summary	Budget	Year-To-Date Actual	Remaining Budget	Percent Actual to Budget
Student Health Svcs				
Salaries and Wages	\$ 6,936,622	\$ 2,237,662	\$ 4,698,960	32.25 %
Contracted Services	484,429	288,928	195,501	59.64
Supplies and Materials	198,655	107,436	91,219	54.08
Other Charges	22,850	4,191	18,659	18.34
Total Student Health Svcs	<u>\$ 7,642,556</u>	<u>\$ 2,638,217</u>	<u>\$ 5,004,339</u>	<u>34.52 %</u>
Student Transportation				
Salaries and Wages	\$ 1,357,888	\$ 488,966	\$ 868,922	36.00 %
Contracted Services	36,432,227	12,994,353	23,437,874	35.66
Supplies and Materials	28,596	7,311	21,285	25.56
Other Charges	475,914	228,778	247,136	48.07
Total Student Transportation	<u>\$ 38,294,625</u>	<u>\$ 13,719,408</u>	<u>\$ 24,575,217</u>	<u>35.82 %</u>
Operation of Plant				
Salaries and Wages	\$ 20,288,851	\$ 7,477,626	\$ 12,811,225	36.85 %
Contracted Services	3,081,935	1,247,433	1,834,502	40.47
Supplies and Materials	1,096,059	586,929	509,130	53.54
Other Charges	18,866,384	7,653,232	11,213,152	40.56
Total Operation of Plant	<u>\$ 43,333,229</u>	<u>\$ 16,965,220</u>	<u>\$ 26,368,009</u>	<u>39.15 %</u>
Maintenance of Plant				
Salaries and Wages	\$ 11,600,729	\$ 4,075,257	\$ 7,525,472	35.12 %
Contracted Services	10,935,313	4,528,477	6,406,836	41.41
Supplies and Materials	1,049,896	560,587	489,309	53.39
Other Charges	99,730	2,341	97,389	2.34
Equipment	478,988	235,650	243,338	49.19
Total Maintenance of Plant	<u>\$ 24,164,656</u>	<u>\$ 9,402,312</u>	<u>\$ 14,762,344</u>	<u>38.90 %</u>
Fixed Charges				
Other Charges	\$ 151,805,740	\$ 54,515,945	\$ 97,289,795	35.91 %
Total Fixed Charges	<u>\$ 151,805,740</u>	<u>\$ 54,515,945</u>	<u>\$ 97,289,795</u>	<u>35.91 %</u>
Community Services				
Salaries and Wages	\$ 3,727,925	\$ 1,042,317	\$ 2,685,608	27.95 %
Contracted Services	1,526,865	651,407	875,458	42.66
Supplies and Materials	386,508	186,408	200,100	48.22
Other Charges	1,048,940	431,076	617,864	41.09
Equipment	26,000	22,117	3,883	85.06
Total Community Services	<u>\$ 6,716,238</u>	<u>\$ 2,333,325</u>	<u>\$ 4,382,913</u>	<u>34.74 %</u>
Capital Outlay				
Salaries and Wages	\$ 855,819	\$ 291,164	\$ 564,655	34.02 %
Contracted Services	7,000	-	7,000	0.00
Supplies and Materials	12,562	2,043	10,519	16.26
Other Charges	24,098	8,289	15,809	34.39

The Howard County Public School System

Schedule B - Expenditures by Category

Budget and Actual with Encumbrances

For the Period Ended: 11/30/2015 (unaudited)

Category and Object Summary	Budget	Year-To-Date Actual	Remaining Budget	Percent Actual to Budget
Total Capital Outlay	\$ <u>899,479</u>	\$ <u>301,496</u>	\$ <u>597,983</u>	<u>33.51</u> %
Total Expenditures	\$ <u>776,338,380</u>	\$ <u>268,796,934</u>	\$ <u>507,541,446</u>	<u>34.62</u> %

Note: Variances due to system rounding

The Howard County Public School System
Schedule C -Summary Expenditures by Expense Object

Budget and Actual with Encumbrances
 For the Period Ended November 30, 2015 (unaudited)

<u>Summary by Expense Object</u>		<u>Final</u>		<u>Year-to-Date</u>		<u>Remaining</u>		<u>Percent</u>
		<u>Budget</u>		<u>Actual</u>		<u>Budget</u>		<u>Actual to</u>
								<u>Budget</u>
Salaries and Wages	\$	512,062,688	\$	166,144,846	\$	345,917,842		32.44 %
Contracted Services		64,542,810		24,644,174		39,898,636		38.18
Supplies and Materials		17,492,728		7,760,145		9,732,583		44.36
Other Charges		174,019,006		63,258,868		110,760,138		36.35
Equipment		730,148		378,365		351,783		51.82
Transfers		7,491,000		6,610,536		880,464		88.24
Total	\$	<u>776,338,380</u>	\$	<u>268,796,934</u>	\$	<u>507,541,446</u>		<u>34.62</u> %

Note: Variances due to system rounding

The Howard County Public School System

Budget Transfer Report

For the Reporting Period

From: 11/01/2015 **To:** 11/30/2015

<u>Program</u>	<u>Expense Type</u>	<u>From</u>	<u>To</u>
02 School Admin & Improve	Supplies-Other	5,000.00	0.00
02 School Admin & Improve	Supplies-Student Activity	5,000.00	0.00
02 Professional Development	Wages-Workshop	0.00	10,000.00
Reference: BU160073	Reason: HCASC funding		
05 School Counseling	Contracted-Consultant	2,000.00	0.00
05 School Counseling	Dues & Subscriptions	0.00	2,000.00
Reference: BU160074	Reason: Dues for prof org		
11 Building Maintenance	Repair-Buildings	200,000.00	0.00
11 Building Maintenance	Equipment-Replacement	0.00	50,000.00
11 Building Maintenance	Repair-Equipment	0.00	150,000.00
Reference: BU160075	Reason: Equip repair and replacement		
05 Advanced Placement	Travel-Conferences	2,135.00	0.00
05 Social Studies	Travel-Conferences	0.00	2,135.00
Reference: BU160077	Reason: Social Studies conferences		
11 Technology Office	Maintenance-Software	10,000.00	0.00
11 Technology Office	Supplies-Repairs	0.00	10,000.00
Reference: BU160080	Reason: Support FEA/Educators Rising		
10 Risk Management	Supplies-General	1,000.00	0.00
10 Risk Management	Dues & Subscriptions	0.00	1,000.00
Reference: BU160081	Reason: Nat'l Safety Co subscription		
01 Board of Education	Travel-Conferences	1,760.00	0.00
01 Board of Education	Dues & Subscriptions	0.00	1,760.00
Reference: BU160084	Reason: NSBA CUBE Membership		
06 Spec. Ed. School Based Servc	Medical Services	12,500.00	0.00
06 Spec. Ed. School Based Servc	Wages-Workshop	0.00	12,500.00
Reference: BU160085	Reason: Psych services		
01 Worker's Comp Fund	Travel-Mileage	200.00	0.00
01 Worker's Comp Fund	Dues & Subscriptions	0.00	200.00

The Howard County Public School System

Budget Transfer Report

For the Reporting Period

From: 11/01/2015 **To:** 11/30/2015

<u>Program</u>		<u>Expense Type</u>	<u>From</u>	<u>To</u>
Reference: BU160086	Reason:	WC Law Bulletin		
05 Business/Computer Mgmt		Travel-Conferences	38.00	0.00
05 Central Career Academies		Travel-Conferences	0.00	38.00
Reference: BU160087	Reason:	Conf Central Career Academy		