

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

TITLE: Operating Budget Financial Report **DATE:** 3/10/16

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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C. Schedule B – Detailed Expenditures – January 2016	B1-B3
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RECOMMENDATION/FUTURE DIRECTION:

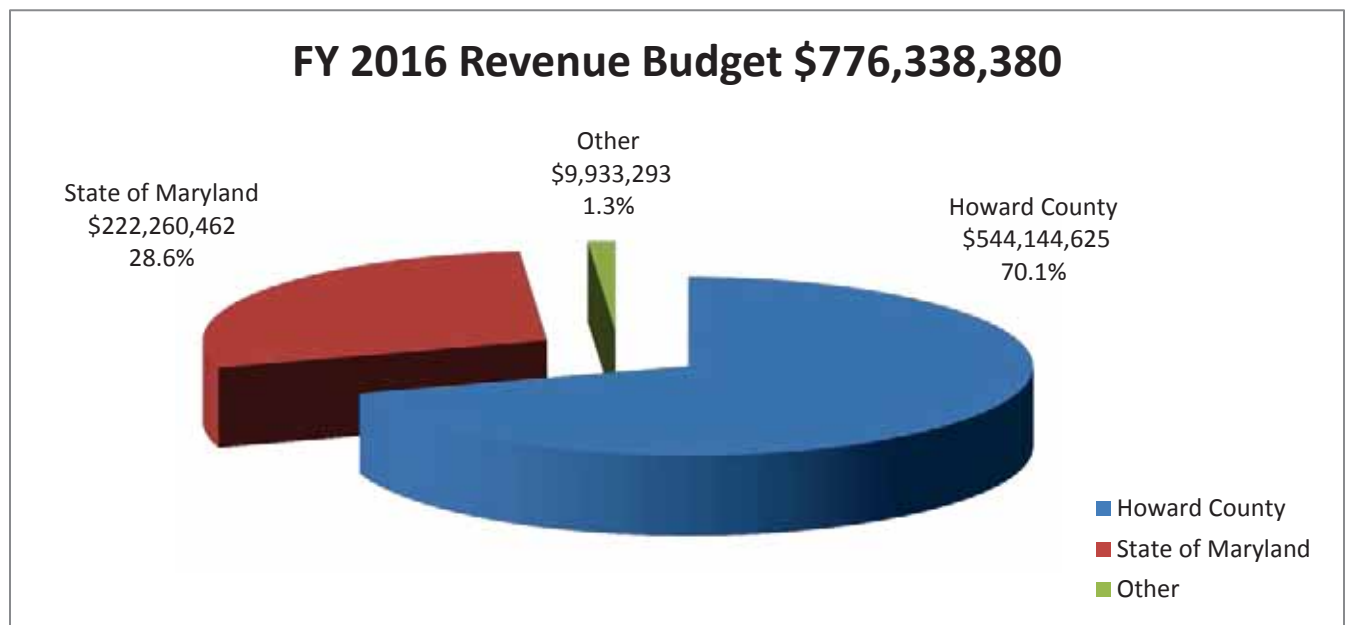
None

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 January 31, 2016. 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

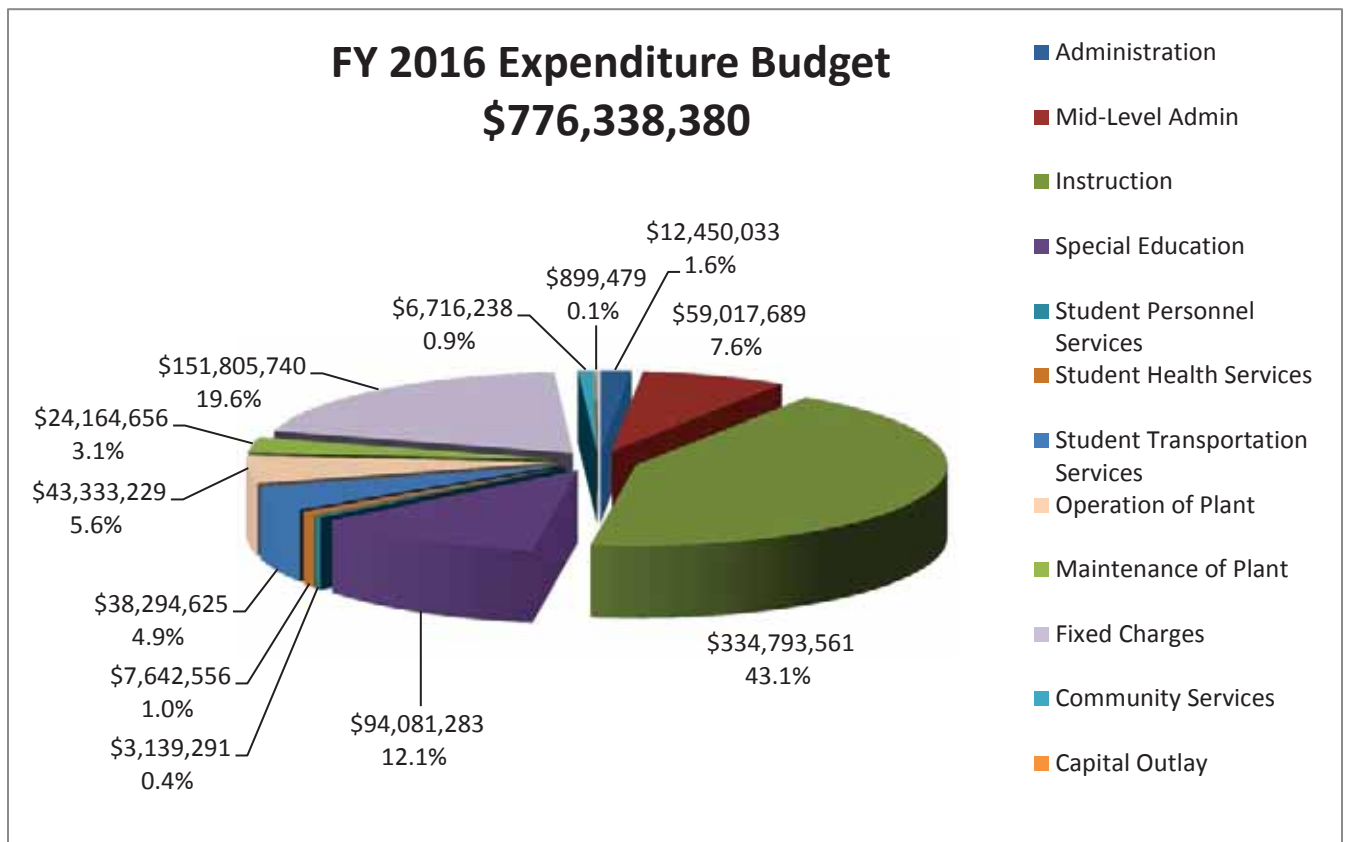


Year-to-Date Revenue Comparison

- **Howard County** – The FY 2016 County appropriation totaled \$544.1 million, an increase of 2.6% 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 \$280.1 million at January 31, 2016, approximately 51.5% of the budget.
- **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. Four of the bi-monthly payments have been received totaling \$151.7 million.

- **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



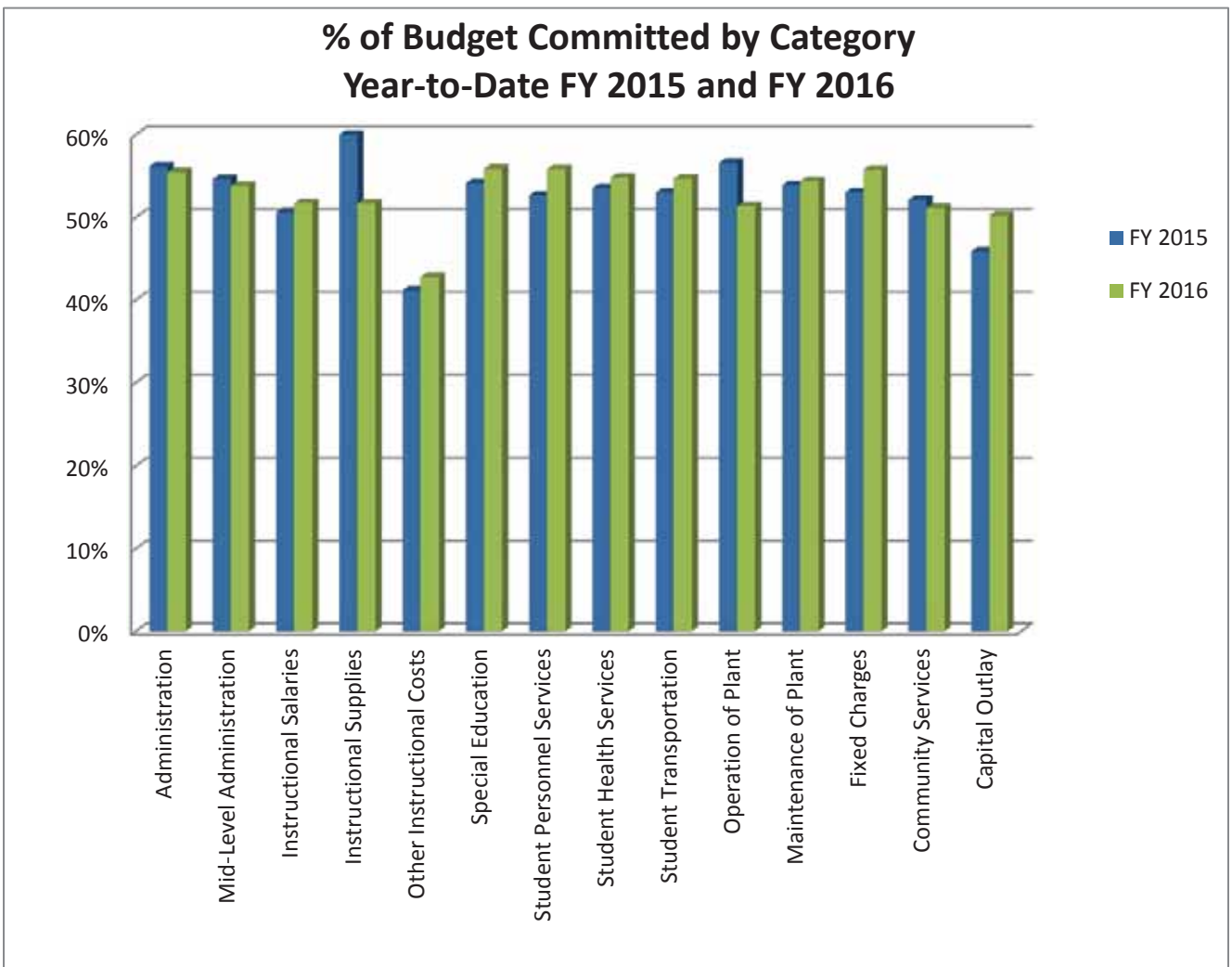
Upon completion of the year end budget projections, management will prepare a categorical transfer request for the Board to consider. At this time, accurate projections are not yet available to include information on expected remaining balances. However, we expect that funding may be available in some categories to be used to meet the current operational needs or may be available to prefund items in the FY 2017 budget, if necessary.

Year-to-Date Expenditure Analysis

Total Expenditures and Encumbrances – Year-to-date expenditures and encumbrances through January 31, 2016, are approximately \$414.7 million which is approximately 53.4% 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 51.0%–54.0% of the budget. This is consistent with the fact that seven 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 45.7%–55.9% of budget.

General Fund Expenditures and Encumbrances YTD

Figure 3



FY 2016 non-salary expenditures appear reasonable in comparison to historical spending patterns. Differences are primarily due to the timing of payments or commitment of funds. These are discussed in the following paragraphs.

- **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 seven months of the budget year and comparable to last year at this time.
- **Mid-level Administration** – This category contains instructional support services including central office instructional personnel, professional development, school-based office staff, school administration, media processing, cable TV/video production, and temporary employee services. Year-to-date FY 2016 expenditures in Mid-level Administration are consistent with prior year costs and appear reasonable for the seven months of FY 2016.
- **Instructional Salaries** – Year-to-date Instructional Salaries are 51.7% expended at January 31, 2016, compared to 50.6% at the same time last year, which is reasonable for six months into the school year.
- **Instructional Supplies** – This category is comprised of expenditures and commitments for instructional supplies for all schools. Approximately 51.7% of Instructional Supplies funds are committed at January 31, 2016, compared to approximately 64.2% at the same time last year, which reasonable for six months into the school year.
- **Other Instructional Costs** – This category is comprised of commitments for contracted services, staff development, and equipment used to support the instructional program. Approximately 42.8% of the FY 2016 Other Instructional Costs budget has been committed at January 31, 2016, which is slightly higher than the 41.1% 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. The budget is 55.9% committed at January 31, 2016, as compared to 54.1% committed at January 31, 2015, which appears reasonable for six months into the school year.
- **Student Personnel Services and Health Services** – Student Personnel includes programs to improve student attendance and to solve pupil problems involving the home, school, and community. Health Services provides staffing for school health rooms, maintains student health records, identifies health problems, enforces immunization laws, and provides other services. Expenditures in these categories appear reasonable for seven months of FY 2016.
- **Transportation** – The Transportation budget is 54.7% committed at January 31, 2016, as compared to 53.0% committed at January 31, 2015, which is consistent with the prior year.

- **Operation of Plant** – This category includes custodial salaries and the cost of utilities. Approximately 51.4% of the FY 2016 budget has been committed at January 31, 2016, which is reasonable, though somewhat lower than the 56.6% committed at this time last year.
- **Maintenance of Plant** – This category includes costs of building and grounds maintenance, and environmental maintenance. Approximately 54.4% of the FY 2016 budget has been committed at January 31, 2016, which is as expected for seven months of the fiscal year, though slightly above the 53.9% committed at this time last year.
- **Fixed Charges** – This category includes the cost of employee benefits and other fixed charges and other costs such as vehicle insurance, retirement contributions, life insurance, workers compensation contributions from the General Fund, unemployment insurance, and employee assistance program costs. Fixed charges appear reasonable at January 31, 2016, though slightly higher than the amount committed at this time last year due to timing differences in pay dates between years.
- **Community Services** – This category provides for the usage of our facilities by the community, transportation for some parochial students in Howard County, grounds maintenance of school sites for community use, and other school system community services. The Community Services budget is approximately 51.1% committed at January 31, 2016, which is consistent with spending this time last year.
- **Capital Outlay** – The Capital Outlay category includes costs for planning, administration, and oversight of the Capital Budget. Staff turnover is generating salary savings which is the primary reason current year spending is lagging behind prior year.

The Howard County Public School System

Schedule A - Statement of Detailed Revenue

Budget and Actual

For the Period Ended: 1/31/2016 (unaudited)

	<u>Final</u> <u>Budget</u>	<u>Year-to-Date</u> <u>Actual</u>	<u>Remaining</u> <u>Budget</u>	<u>Percent</u> <u>Actual to</u> <u>Budget</u>
REVENUE				
COUNTY REVENUE				
Local Appropriations	\$ 544,144,625	\$ 280,065,740	\$ 264,078,885	51.46 %
TOTAL COUNTY REVENUE	<u>\$ 544,144,625</u>	<u>\$ 280,065,740</u>	<u>\$ 264,078,885</u>	<u>51.46</u> %
OTHER REVENUE				
Tuition-Non Resident	\$ 179,000	\$ 41,308	\$ 137,692	23.07 %
Tuition-Summer School	430,000	644,825	(214,825)	149.95
Student Payments/Fees	350,000	275,124	74,876	78.60
Earnings on Investments	50,000	5,209	44,791	10.41
Rent	1,100,000	387,820	712,180	35.25
Other Miscellaneous Revenue	6,039,293	3,729,376	2,309,917	61.75
TOTAL OTHER REVENUE	<u>\$ 8,148,293</u>	<u>\$ 5,083,662</u>	<u>\$ 3,064,631</u>	<u>62.38</u> %
STATE REVENUE				
State Share of Current Expense	\$ 161,913,982	\$ 107,942,655	\$ 53,971,327	66.66 %
Compensatory Education	27,734,155	18,489,437	9,244,718	66.66
Formula-Specific Populations	7,178,283	4,601,562	2,576,721	64.10
Students with Disabilities	8,930,329	9,672,886	(742,557)	108.31
Transportation	16,503,713	11,002,475	5,501,238	66.66
TOTAL STATE REVENUE	<u>\$ 222,260,462</u>	<u>\$ 151,709,015</u>	<u>\$ 70,551,447</u>	<u>68.25</u> %
FEDERAL REVENUE				
Unrestricted-Impact Aid	\$ 130,000	\$ 113,893	\$ 16,107	87.61 %
Restricted Direct	240,000	101,576	138,424	42.32
TOTAL FEDERAL REVENUE	<u>\$ 370,000</u>	<u>\$ 215,469</u>	<u>\$ 154,531</u>	<u>58.23</u> %
OTHER RESOURCES				
Transfers In-Maryland LEAs	\$ 200,000	\$ -	\$ 200,000	.00 %
Other Nonrevenue	1,215,000	227,814	987,186	18.75
TOTAL OTHER RESOURCES	<u>\$ 1,415,000</u>	<u>\$ 227,814</u>	<u>\$ 1,187,186</u>	<u>16.09</u> %
 REVENUE	 <u>\$ 776,338,380</u>	 <u>\$ 437,301,700</u>	 <u>\$ 339,036,680</u>	 <u>56.32</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 January 31, 2016 (unaudited)

Category and Object Summary	Budget	Year-To-Date Actual	Remaining Budget	Percent Actual to Budget
Administration				
Salaries and Wages	\$ 9,386,030	\$ 4,901,602	\$ 4,484,428	52.22 %
Contracted Services	2,090,210	1,428,702	661,508	68.35
Supplies and Materials	494,124	348,395	145,729	70.50
Other Charges	479,669	223,072	256,597	46.50
Equipment	-	-	-	0.00
Total Administration	\$ <u>12,450,033</u>	\$ <u>6,901,771</u>	\$ <u>5,548,262</u>	<u>55.43</u> %
Mid-Level Administration				
Salaries and Wages	\$ 52,106,711	\$ 28,113,410	\$ 23,993,301	53.95 %
Contracted Services	5,026,636	2,852,715	2,173,921	56.75
Supplies and Materials	1,356,677	608,621	748,056	44.86
Other Charges	510,605	140,079	370,526	27.43
Equipment	17,060	17,060	-	100.00
Total Mid-Level Administration	\$ <u>59,017,689</u>	\$ <u>31,731,885</u>	\$ <u>27,285,804</u>	<u>53.76</u> %
Instructional Salaries				
Salaries and Wages	\$ 318,875,974	\$ 164,822,072	\$ 154,053,902	51.68 %
Contracted Services	-	-	-	0.00
Supplies and Materials	-	-	-	0.00
Total Instructional Salaries	\$ <u>318,875,974</u>	\$ <u>164,822,072</u>	\$ <u>154,053,902</u>	<u>51.68</u> %
Instructional Supplies				
Contracted Services	\$ -	\$ -	\$ -	0.00 %
Supplies and Materials	12,503,227	6,458,847	6,044,380	51.65
Other Charges	-	-	-	0.00
Total Instructional Supplies	\$ <u>12,503,227</u>	\$ <u>6,458,847</u>	\$ <u>6,044,380</u>	<u>51.65</u> %
Other Instructional Costs				
Contracted Services	\$ 2,396,640	\$ 1,269,085	\$ 1,127,555	52.95 %
Supplies and Materials	-	-	-	0.00
Other Charges	309,620	85,447	224,173	27.59
Equipment	128,100	97,641	30,459	76.22
Transfers	580,000	7,890	572,110	1.36
Total Other Instructional Costs	\$ <u>3,414,360</u>	\$ <u>1,460,063</u>	\$ <u>1,954,297</u>	<u>42.76</u> %
Special Education				
Salaries and Wages	\$ 84,192,839	\$ 43,603,392	\$ 40,589,447	51.78 %
Contracted Services	2,225,448	1,179,324	1,046,124	52.99
Supplies and Materials	348,432	204,698	143,734	58.74
Other Charges	326,564	135,882	190,682	41.60
Equipment	77,000	53,112	23,888	68.97
Transfers	6,911,000	7,376,891	(465,891)	106.74
Total Special Education	\$ <u>94,081,283</u>	\$ <u>52,553,299</u>	\$ <u>41,527,984</u>	<u>55.85</u> %
Student Personnel Svcs				

The Howard County Public School System

Schedule B - Expenditures by Category

Budget and Actual with Encumbrances

For the Period Ended January 31, 2016 (unaudited)

Category and Object Summary	Budget	Year-To-Date Actual	Remaining Budget	Percent Actual to Budget
Salaries and Wages	\$ 2,735,300	\$ 1,529,308	\$ 1,205,992	55.91 %
Contracted Services	331,605	191,673	139,932	57.80
Supplies and Materials	28,994	13,941	15,053	48.08
Other Charges	43,392	18,037	25,355	41.56
Total Student Personnel Svcs	\$ <u>3,139,291</u>	\$ <u>1,752,959</u>	\$ <u>1,386,332</u>	<u>55.83</u> %
Student Health Svcs				
Salaries and Wages	\$ 6,936,622	\$ 3,752,789	\$ 3,183,833	54.10 %
Contracted Services	484,429	311,129	173,300	64.22
Supplies and Materials	198,655	118,062	80,593	59.43
Other Charges	22,850	6,396	16,454	27.99
Total Student Health Svcs	\$ <u>7,642,556</u>	\$ <u>4,188,376</u>	\$ <u>3,454,180</u>	<u>54.80</u> %
Student Transportation				
Salaries and Wages	\$ 1,357,888	\$ 735,974	\$ 621,914	54.19 %
Contracted Services	36,432,227	19,956,700	16,475,527	54.77
Supplies and Materials	28,596	10,193	18,403	35.64
Other Charges	475,914	228,624	247,290	48.03
Equipment	-	-	-	0.00
Total Student Transportation	\$ <u>38,294,625</u>	\$ <u>20,931,491</u>	\$ <u>17,363,134</u>	<u>54.65</u> %
Operation of Plant				
Salaries and Wages	\$ 20,283,851	\$ 11,136,001	\$ 9,147,850	54.90 %
Contracted Services	3,096,935	1,363,615	1,733,320	44.03
Supplies and Materials	1,086,059	736,046	350,013	67.77
Other Charges	18,866,384	9,010,112	9,856,272	47.75
Equipment	-	8,539	(8,539)	0.00
Total Operation of Plant	\$ <u>43,333,229</u>	\$ <u>22,254,313</u>	\$ <u>21,078,916</u>	<u>51.35</u> %
Maintenance of Plant				
Salaries and Wages	\$ 11,720,729	\$ 6,109,827	\$ 5,610,902	52.12 %
Contracted Services	10,815,313	6,037,747	4,777,566	55.82
Supplies and Materials	1,051,896	736,211	315,685	69.98
Other Charges	97,730	6,044	91,686	6.18
Equipment	478,988	245,031	233,957	51.15
Total Maintenance of Plant	\$ <u>24,164,656</u>	\$ <u>13,134,860</u>	\$ <u>11,029,796</u>	<u>54.35</u> %
Fixed Charges				
Other Charges	\$ 151,805,740	\$ 84,645,268	\$ 67,160,472	55.75 %
Total Fixed Charges	\$ <u>151,805,740</u>	\$ <u>84,645,268</u>	\$ <u>67,160,472</u>	<u>55.75</u> %
Community Services				
Salaries and Wages	\$ 3,727,925	\$ 1,704,205	\$ 2,023,720	45.71 %
Contracted Services	1,526,865	865,486	661,379	56.68
Supplies and Materials	386,508	235,202	151,306	60.85
Other Charges	1,048,940	607,418	441,522	57.90
Equipment	26,000	22,117	3,883	85.06
Total Community Services	\$ <u>6,716,238</u>	\$ <u>3,434,428</u>	\$ <u>3,281,810</u>	<u>51.13</u> %

The Howard County Public School System

Schedule B - Expenditures by Category

Budget and Actual with Encumbrances

For the Period Ended January 31, 2016 (unaudited)

Category and Object Summary	Budget	Year-To-Date Actual	Remaining Budget	Percent Actual to Budget
Capital Outlay				
Salaries and Wages	\$ 855,819	\$ 436,933	\$ 418,886	51.05 %
Contracted Services	7,000	108	6,892	1.54
Supplies and Materials	12,562	2,113	10,449	16.82
Other Charges	24,098	12,445	11,653	51.64
Equipment	-	-	-	0.00
Total Capital Outlay	<u>\$ 899,479</u>	<u>\$ 451,599</u>	<u>\$ 447,880</u>	<u>50.20 %</u>
 Total Expenditures	 <u><u>\$ 776,338,380</u></u>	 <u><u>\$ 414,721,231</u></u>	 <u><u>\$ 361,617,149</u></u>	 <u><u>53.42 %</u></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 January 31, 2016 (unaudited)

Summary by Expense Object		Final Budget		Year-to-Date Actual		Remaining Budget		Percent Actual to Budget
Salaries and Wages	\$	512,179,688	\$	266,845,513	\$	245,334,175		52.09 %
Contracted Services		64,433,308		35,456,284		28,977,024		55.02
Supplies and Materials		17,495,730		9,472,329		8,023,401		54.14
Other Charges		174,011,506		95,118,824		78,892,682		54.66
Equipment		727,148		443,500		283,648		60.99
Transfers		7,491,000		7,384,781		106,219		98.58
Total	\$	<u><u>776,338,380</u></u>	\$	<u><u>414,721,231</u></u>	\$	<u><u>361,617,149</u></u>		<u><u>53.42</u></u> %

Note: Variances due to system rounding

The Howard County Public School System

Budget Transfer Report

For the Reporting Period

From 01/01/2016 To: 01/31/2016

Program	Expense Typ	From	To
06 Countywide Services	Equipment-Additional	3,000.00	0.00
06 Countywide Services	Supplies-General	0.00	3,000.00
Reference: BU160101	Reason: XFER IAT BALANCE TO S&M		
10 Risk Management	Supplies-General	10,000.00	0.00
10 Risk Management	Wages-Workshop	5,000.00	0.00
10 Risk Management	Contracted-Labor	0.00	15,000.00
Reference: BU160103	Reason: COVER PO1602666		
11 Building Maintenance	Repair-Buildings	150,000.00	0.00
11 Building Maintenance	Repair-Equipment	0.00	150,000.00
Reference: BU160104	Reason: ALIGN EXPEDITERS		