

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

TITLE: Operating Budget Financial Report **DATE:** 4/14/16
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:

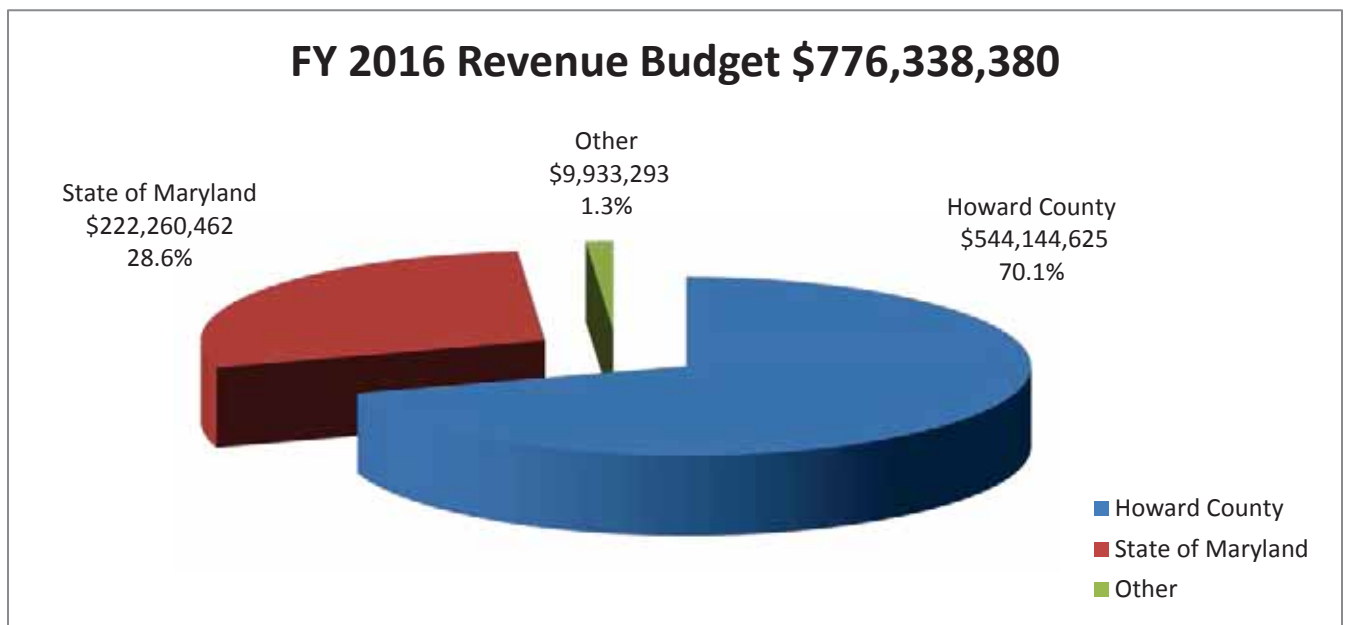
None

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

Executive Summary

Attached is the *General Fund Revenues, Expenditures, and Encumbrances – Budget to Actual* for the period ended February 29, 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

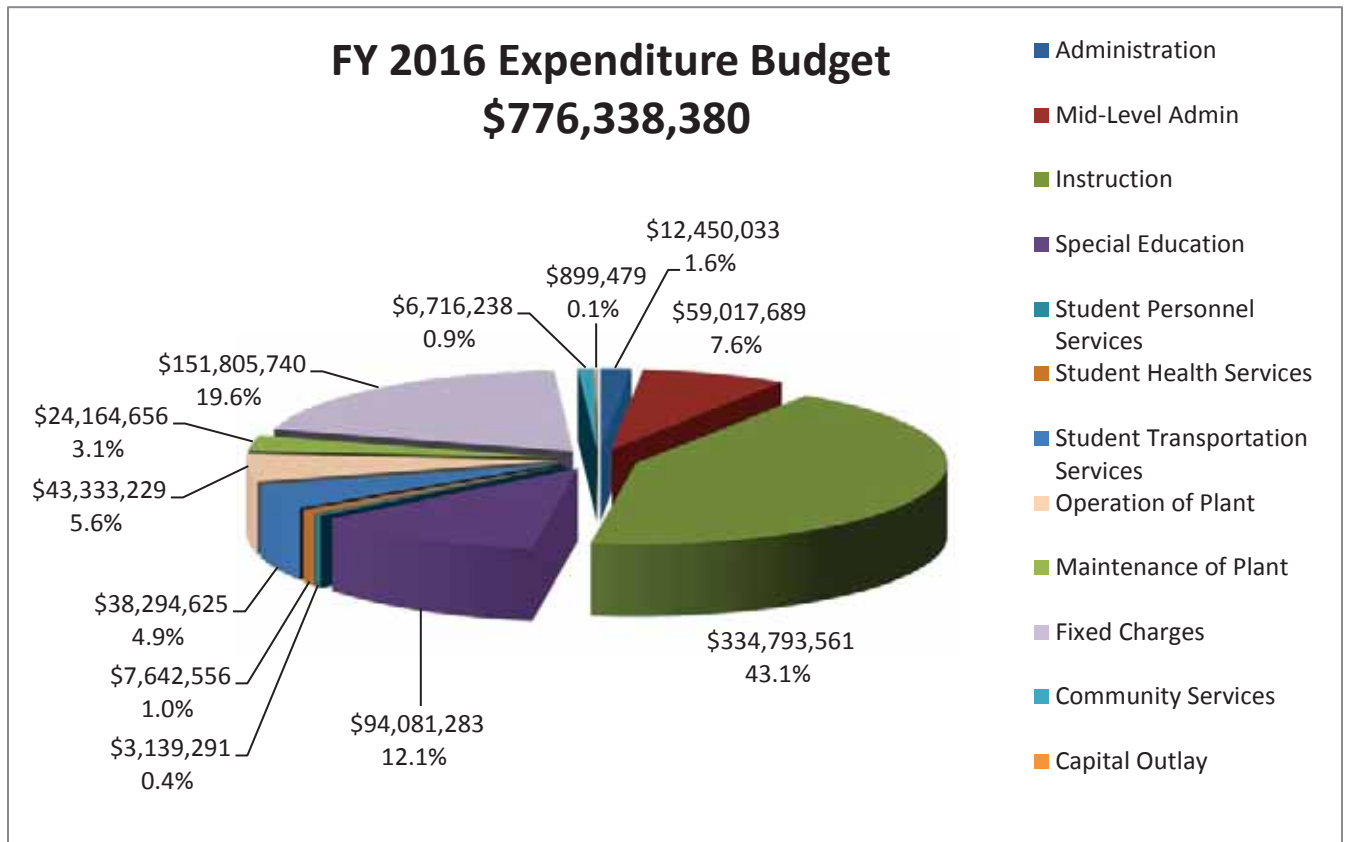


Year-to-Date Revenue Comparison

- **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 \$346.1 million at February 29, 2016, approximately 63.6% 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 \$148.2 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



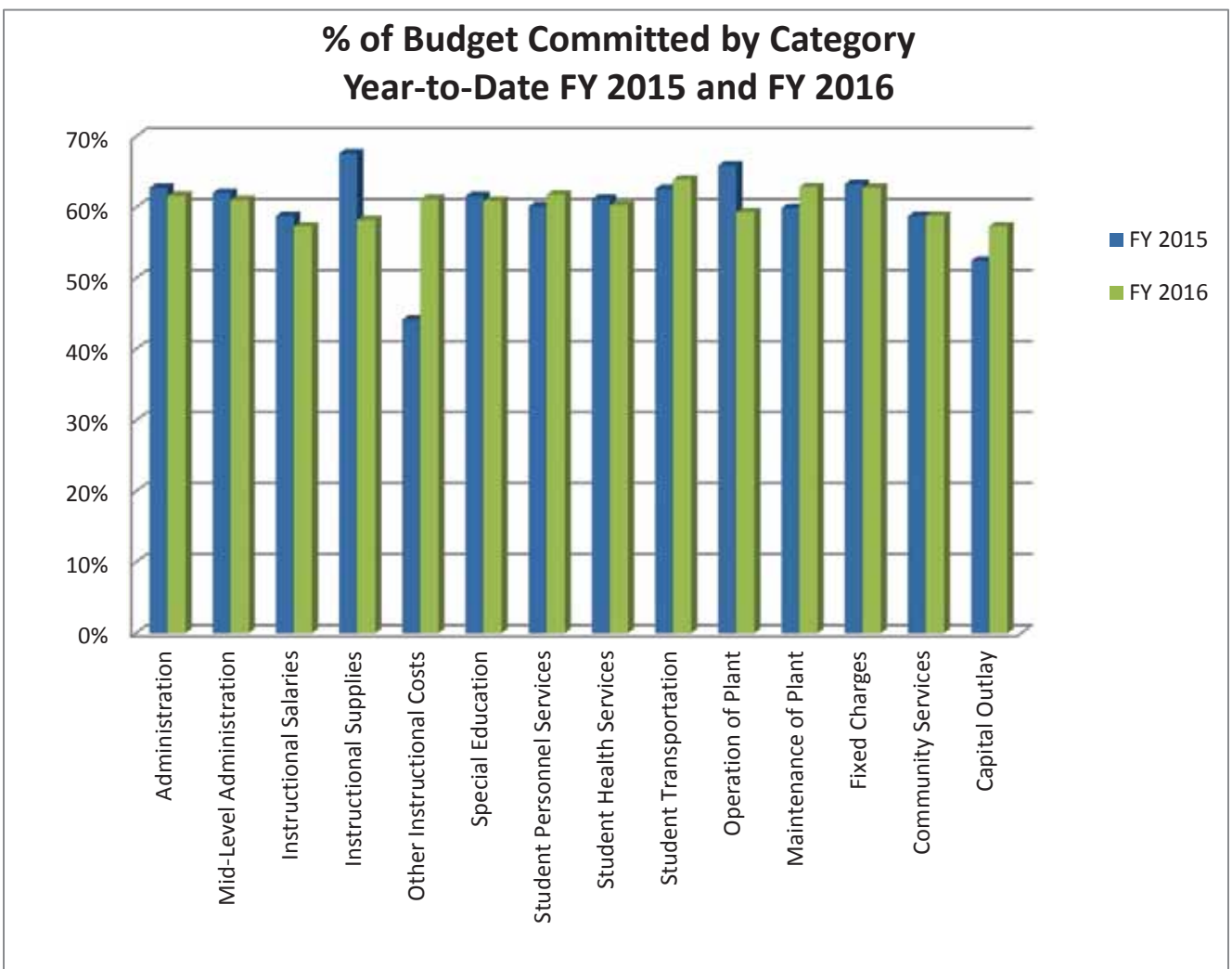
Upon completion of the year end budget projections, management will prepare a categorical transfer request for the Board to consider. At this time, accurate projections are not yet available to include information on expected remaining balances. However, we expect that funding may be available in some 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 February 29, 2016, are approximately \$464.6 million which is approximately 59.8% 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 58.0%–62.6% of the budget. This is consistent with the fact that eight 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 53.9%–61.6% 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 eight 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 eight months of FY 2016.
- **Instructional Salaries** – Year-to-date Instructional Salaries are 57.3% expended at February 29, 2016, compared to 58.8% at the same time last year, which is reasonable for seven months into the school year.
- **Instructional Supplies** – This category is comprised of expenditures and commitments for instructional supplies for all schools. Approximately 58.2% of Instructional Supplies funds are committed at February 29, 2016, compared to approximately 67.6% at the same time last year, which is reasonable for seven 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 61.1% of the FY 2016 Other Instructional Costs budget has been committed at February 29, 2016, which is higher than the 44.2% committed at this time last year, but reasonable for seven months into the school year.
- **Special Education** – The Special Education category includes costs associated with the instructional needs of students receiving special education services. The budget is 60.9% committed at February 29, 2016, as compared to 61.6% committed at February 29, 2015, which appears reasonable for seven 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 eight months of FY 2016.
- **Transportation** – The Transportation budget is 63.9% committed at February 29, 2016, as compared to 62.6% committed at February 29, 2015, which is consistent with the prior year.

FY 2016

Financial Report for the Period Ending February 29, 2016

Howard County Public School System

- **Operation of Plant** – This category includes custodial salaries and the cost of utilities. Approximately 59.3% of the FY 2016 budget has been committed at February 29, 2016, which is reasonable, though somewhat lower than the 65.5% committed at this time last year.
- **Maintenance of Plant** – This category includes costs of building and grounds maintenance, and environmental maintenance. Approximately 62.9% of the FY 2016 budget has been committed at February 29, 2016, which is as expected for eight months of the fiscal year, though slightly above the 59.9% 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 February 29, 2016.
- **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 58.8% committed at February 29, 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. Approximately 57.3% of the FY 2016 budget has been committed at February 29, 2016, which is as expected for eight months of the fiscal year, though slightly above the 52.45% committed at this time last year.

The Howard County Public School System

Schedule A - Statement of Detailed Revenues

Budget and Actual

For the Period Ended: 2/29/2016 (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	\$ 346,085,462	\$ 198,059,163	63.60 %
TOTAL COUNTY REVENUE	<u>\$ 544,144,625</u>	<u>\$ 346,085,462</u>	<u>\$ 198,059,163</u>	<u>63.60 %</u>
OTHER REVENUE				
Tuition-Non Resident	\$ 179,000	\$ 44,081	\$ 134,919	24.62 %
Tuition-Summer School	430,000	644,825	(214,825)	149.95
Student Payments/Fees	350,000	317,987	32,013	90.85
Earnings on Investments	50,000	8,356	41,644	16.71
Rent	1,100,000	491,473	608,527	44.67
Other Miscellaneous Revenue	6,039,293	4,106,610	1,932,683	68.00
TOTAL OTHER REVENUE	<u>\$ 8,148,293</u>	<u>\$ 5,613,332</u>	<u>\$ 2,534,961</u>	<u>68.88 %</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	6,178,619	2,751,710	69.18
Transportation	16,503,713	11,002,475	5,501,238	66.66
TOTAL STATE REVENUE	<u>\$ 222,260,462</u>	<u>\$ 148,214,748</u>	<u>\$ 74,045,714</u>	<u>66.68 %</u>
FEDERAL REVENUE				
Unrestricted-Impact Aid	\$ 130,000	\$ 144,430	\$ (14,430)	111.10 %
Restricted Direct	240,000	129,996	110,004	54.16
TOTAL FEDERAL REVENUE	<u>\$ 370,000</u>	<u>\$ 274,426</u>	<u>\$ 95,574</u>	<u>74.16 %</u>
OTHER RESOURCES				
Transfers In-Maryland LEAs	\$ 200,000	\$ -	\$ 200,000	.00 %
Other Nonrevenue	1,215,000	257,704	957,296	21.21
TOTAL OTHER RESOURCES	<u>\$ 1,415,000</u>	<u>\$ 257,704</u>	<u>\$ 1,157,296</u>	<u>18.21 %</u>
REVENUE	<u>\$ 776,338,380</u>	<u>\$ 500,445,672</u>	<u>\$ 275,892,708</u>	<u>64.46 %</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: 2/29/2016 (unaudited)

Category and Object Summary	Budget	Year-To-Date Actual	Remaining Budget	Percent Actual to Budget
Administration				
Salaries and Wages	\$ 9,386,030	\$ 5,539,195	\$ 3,846,835	59.01 %
Contracted Services	2,090,210	1,521,440	568,770	72.78
Supplies and Materials	502,124	365,721	136,403	72.83
Other Charges	471,669	245,778	225,891	52.10
Total Administration	\$ 12,450,033	\$ 7,672,134	\$ 4,777,899	61.62 %
Mid-Level Administration				
Salaries and Wages	\$ 52,116,711	\$ 31,873,056	\$ 20,243,655	61.15 %
Contracted Services	5,026,636	3,291,088	1,735,548	65.47
Supplies and Materials	1,346,677	664,208	682,469	49.32
Other Charges	510,605	171,006	339,599	33.49
Equipment	17,060	17,060	-	100.00
Total Mid-Level Administration	\$ 59,017,689	\$ 36,016,418	\$ 23,001,271	61.02 %
Instructional Salaries				
Salaries and Wages	\$ 318,875,974	\$ 182,598,612	\$ 136,277,362	57.26 %
Total Instructional Salaries	\$ 318,875,974	\$ 182,598,612	\$ 136,277,362	57.26 %
Instructional Supplies				
Supplies and Materials	\$ 12,503,227	\$ 7,274,755	\$ 5,228,472	58.18 %
Total Instructional Supplies	\$ 12,503,227	\$ 7,274,755	\$ 5,228,472	58.18 %
Other Instructional Costs				
Contracted Services	\$ 2,396,640	\$ 1,395,012	\$ 1,001,628	58.20 %
Other Charges	309,620	98,273	211,347	31.73
Equipment	128,100	105,766	22,334	82.56
Transfers	580,000	488,505	91,495	84.22
Total Other Instructional Costs	\$ 3,414,360	\$ 2,087,556	\$ 1,326,804	61.14 %
Special Education				
Salaries and Wages	\$ 83,892,839	\$ 48,396,922	\$ 35,495,917	57.68 %
Contracted Services	2,225,448	1,386,416	839,032	62.29
Supplies and Materials	348,432	234,261	114,171	67.23
Other Charges	326,564	155,873	170,691	47.73
Equipment	77,000	53,112	23,888	68.97
Transfers	7,211,000	7,081,106	129,894	98.19
Total Special Education	\$ 94,081,283	\$ 57,307,690	\$ 36,773,593	60.91 %
Student Personnel Svcs				
Salaries and Wages	\$ 2,735,300	\$ 1,685,847	\$ 1,049,453	61.63 %
Contracted Services	331,605	218,869	112,736	66.00
Supplies and Materials	28,994	14,957	14,037	51.58
Other Charges	43,392	20,219	23,173	46.59
Total Student Personnel Svcs	\$ 3,139,291	\$ 1,939,892	\$ 1,199,399	61.79 %

The Howard County Public School System

Schedule B - Expenditures by Category

Budget and Actual with Encumbrances

For the Period Ended: 2/29/2016 (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	\$ 4,159,520	\$ 2,777,102	59.96 %
Contracted Services	484,429	324,254	160,175	66.93
Supplies and Materials	198,655	116,407	82,248	58.59
Other Charges	22,850	7,455	15,395	32.62
Total Student Health Svcs	\$ <u>7,642,556</u>	\$ <u>4,607,636</u>	\$ <u>3,034,920</u>	<u>60.28</u> %
Student Transportation				
Salaries and Wages	\$ 1,357,888	\$ 834,613	\$ 523,275	61.46 %
Contracted Services	36,432,227	23,175,172	13,257,055	63.61
Supplies and Materials	28,596	11,726	16,870	41.00
Other Charges	475,914	453,934	21,980	95.38
Total Student Transportation	\$ <u>38,294,625</u>	\$ <u>24,475,445</u>	\$ <u>13,819,180</u>	<u>63.91</u> %
Operation of Plant				
Salaries and Wages	\$ 20,283,851	\$ 12,706,179	\$ 7,577,672	62.64 %
Contracted Services	2,962,728	1,400,852	1,561,876	47.28
Supplies and Materials	1,211,266	850,377	360,889	70.20
Other Charges	18,866,384	10,724,752	8,141,632	56.84
Equipment	9,000	8,539	461	94.87
Total Operation of Plant	\$ <u>43,333,229</u>	\$ <u>25,690,699</u>	\$ <u>17,642,530</u>	<u>59.28</u> %
Maintenance of Plant				
Salaries and Wages	\$ 11,720,729	\$ 7,150,586	\$ 4,570,143	61.00 %
Contracted Services	10,736,152	6,961,800	3,774,352	64.84
Supplies and Materials	1,131,057	814,672	316,385	72.02
Other Charges	97,730	7,397	90,333	7.56
Equipment	478,988	268,836	210,152	56.12
Total Maintenance of Plant	\$ <u>24,164,656</u>	\$ <u>15,203,291</u>	\$ <u>8,961,365</u>	<u>62.91</u> %
Fixed Charges				
Other Charges	\$ 151,805,740	\$ 95,251,683	\$ 56,554,057	62.74 %
Total Fixed Charges	\$ <u>151,805,740</u>	\$ <u>95,251,683</u>	\$ <u>56,554,057</u>	<u>62.74</u> %
Community Services				
Salaries and Wages	\$ 3,727,925	\$ 2,009,460	\$ 1,718,465	53.90 %
Contracted Services	1,524,865	973,295	551,570	63.82
Supplies and Materials	388,508	253,538	134,970	65.25
Other Charges	1,048,940	690,548	358,392	65.83
Equipment	26,000	22,117	3,883	85.06
Total Community Services	\$ <u>6,716,238</u>	\$ <u>3,948,958</u>	\$ <u>2,767,280</u>	<u>58.79</u> %
Capital Outlay				
Salaries and Wages	\$ 855,819	\$ 496,416	\$ 359,403	58.00 %
Contracted Services	7,000	3,008	3,992	42.97
Supplies and Materials	12,562	2,718	9,844	21.63

The Howard County Public School System

Schedule B - Expenditures by Category

Budget and Actual with Encumbrances

For the Period Ended: 2/29/2016 (unaudited)

Category and Object Summary	Budget	Year-To-Date Actual	Remaining Budget	Percent Actual to Budget
Other Charges	24,098	13,414	10,684	55.66
Total Capital Outlay	\$ <u>899,479</u>	\$ <u>515,556</u>	\$ <u>383,923</u>	<u>57.31</u> %
Total Expenditures	\$ <u><u>776,338,380</u></u>	\$ <u><u>464,590,325</u></u>	\$ <u><u>311,748,055</u></u>	<u><u>59.84</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 February 29, 2016 (unaudited)

Summary by Expense Object		Final Budget		Year-to-Date Actual		Remaining Budget		Percent Actual to Budget
Salaries and Wages	\$	511,889,688	\$	297,450,406	\$	214,439,282		58.10 %
Contracted Services		64,217,940		40,639,206		23,578,734		63.28
Supplies and Materials		17,700,098		10,603,340		7,096,758		59.90
Other Charges		174,003,506		107,840,332		66,163,174		61.97
Equipment		736,148		475,430		260,718		64.58
Transfers		7,791,000		7,569,611		221,389		97.15
Total	\$	<u><u>776,338,380</u></u>	\$	<u><u>464,578,325</u></u>	\$	<u><u>311,760,055</u></u>		<u><u>59.84</u></u> %

Note: Variances due to system rounding

The Howard County Public School System

Budget Transfer Report

For the Reporting Period

From: 02/01/2016 To: 02/29/2016

Program	Expense Typ	From	To
09 Regular Transportation	Travel-Conferences	100.00	0.00
09 Regular Transportation	Dues & Subscriptions	0.00	100.00
Reference: BU160110	Reason: Professional memberships		
03 Psychological Services	Salary-Instruction-NonTeachi	70,000.00	0.00
03 Psychological Services	Wages-Temporary Help	0.00	70,000.00
Reference: BU160114	Reason: Sub for term employees		
11 Building Maintenance	Repair-Buildings	100,000.00	0.00
11 Building Maintenance	Repair-Equipment	0.00	100,000.00
Reference: BU160116	Reason: Repair of aging equipment		
06 Home & Hospital	Travel-Mileage	2,000.00	0.00
06 Home & Hospital	Wages-Workshop	0.00	2,000.00
Reference: BU160117	Reason: Workshop wages needs		
02 Temporary Services	Maintenance-Software	8,002.00	0.00
02 Temporary Services	Supplies-General	0.00	8,002.00
Reference: BU160120	Reason: Computer purchase		
11 Data Management	Maintenance-Software	120,000.00	0.00
11 Data Management	Travel-Conferences	2,000.00	0.00
11 Data Management	Supplies-General	0.00	2,000.00
11 Data Management	Wages-Temporary Help	0.00	120,000.00
Reference: BU160122	Reason: Temp wages needs		
01 Human Resources	Classified Ads	3,500.00	0.00
01 Human Resources	Contracted-Labor	0.00	3,500.00
Reference: BU160123	Reason: Fingerprinting needs		
10 Custodial Services	Maintenance-Vehicles	9,000.00	0.00
10 Custodial Services	Equipment-Replacement	0.00	9,000.00
Reference: BU160145	Reason: Equipment purchase needs		