

Council Bill 63-2025 Fiscal Analysis

Introduced: September 2, 2025

Fiscal Manager: Owen Kahn

Legislative Intent: This legislation amends the approved capital budget for two school system projects to reflect final allocations made by the Interagency Commission on School Construction (IAC) for FY 2026.

ANALYSIS

Fiscal Impact:

This legislation has no impact on County finances and only amends the approved FY 2026 capital budget to conform the State funding to final allocations from the IAC. This is emergency legislation.

FY 2026 Capital Budget Line: School System Systemic Renovations and School System Roofing.¹

	<u>State Aid Approved</u> <u>FY 2026</u>	<u>Amendment based on</u> <u>IAC allocations</u>	<u>New State Aid</u> <u>Total</u>
E1058-FY2024 Systemic Renovations	\$17,246,000	(\$587,000)	\$16,659,000
E1059-FY2024 Roofing	\$6,653,000	<u>\$408,000</u>	\$7,061,000

17 projects are affected by the increases or decreases. A full list of projects affected are highlighted on [page 7 of the Howard County Board of Education’s testimony](#). The Board does not anticipate these adjustments will have significant impacts on the projects or put any individual project in jeopardy.

Background

The school system’s capital budget receives funding from the State IAC for school construction projects. The Howard County Board of Education submitted the FY 2026 IAC request of \$24,746,000 in [CR 151-2024](#), which was adopted by the Council in November 2024.² According to the Board of Education, in February 2025 the IAC notified the Board that there was approximately \$4.4 million in additional funding available. Subsequently, the Board requested an amendment to the IAC request. This amendment was approved by the Council in [CR 63-2025](#). That revised total was included as the expected State aid for school system capital projects in the FY 2026 capital budget approved by the Council in [CB 36-2025](#).

In both applications for IAC funding, the legislation stated that the amounts are “draft estimations and are subject to review, approval, and allocation by the IAC.” On May 8th, May 2025, about two weeks before the County had given final approval for the capital budget, the IAC made final determinations for Howard County’s funding. The short period of time and the lack of an amendment to the budget ordinance meant

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² This analysis only includes State funds from the IAC and does not include local match totals.

the IAC's final determinations differed slightly from the County's approved budget. The purpose of this legislation is to amend the FY 2025 capital budget to include the final amounts from the IAC.

Budget Implications:

- Because it is external funding, the IAC's determination will impact the County's capital budget regardless of adoption of this legislation. Adoption is only necessary to ensure that the approved capital budget reflects the IAC's change.

Other Notes:

- The IAC often releases final funding decisions either after or right before Howard County's budget cycle has concluded. This has necessitated similar bills in the past, such as [CB 44-2024](#).
- The IAC has existed in some form since 1971. However, it was [reorganized in 2018](#) and evolved significantly as the State perused education reform. This may account for the difficulty in aligning the IAC application timeline with the County's budget cycle.