

Office of the County Auditor
Auditor's Analysis

Council Resolution No. 106-2020

Introduced: July 6, 2020

Auditor: Lisa Geerman

Fiscal Impact:

The Resolution increases the Board of Education's total general fund budget by \$7,751,999 but has no impact on the County budget or County expenditures. The County General Fund Appropriation remains at \$620,300,000.

The net effect to the Fiscal Year 2021 Board of Education (BOE) Operating Budget is noted in the attached Exhibit A. We have confirmed the validity of the transfer amounts by tying them to the score sheets that were voted on by the BOE at their meeting on June 18, 2020.

Purpose:

The purpose of Council Resolution 106-2020 is to amend the Howard County BOE Operating Budget for FY 2021, as adopted by CR63-2020, to add an additional \$7,751,999 appropriation in the General Fund. This amount includes the following:

- \$7,502,000 from the use of school funds consisting of:
 - An \$8,000,000 increase from the use of fund balance,
 - A \$750,000 decrease in estimated investment income, and
 - A \$252,000 increase related to the Gifted and Talented (G/T) Summer Institute
- \$250,000 from an increase in federal funding for an estimated Federal Emergency Management Agency reimbursement to be received in FY 2021
- A decrease of \$1 in state funding due to a rounding adjustment in the MSDE Special Education formula

The resolution also makes categorical transfers to align with anticipated funding and expenses. Refer to Exhibit A for the details.

Other Comments:

None.

Exhibit A: Net Effect of Changes

| Category | Approved Budget | Transfer Inc./ (Dec.) | Revised Budget |
|----------------------------------|------------------------|------------------------------|-----------------------|
| Administration | \$13,578,591 | (\$234,979) | \$13,343,612 |
| Mid-Level Administration | 64,089,827 | (1,032,638) | 63,057,189 |
| Instruction | 383,728,252 | (8,662,274) | 375,065,978 |
| Special Education | 120,805,585 | 11,373,434 | 132,179,019 |
| Student Personnel Services | 3,982,752 | 296,835 | 4,279,587 |
| Student Health Services | 9,302,729 | 900,981 | 10,203,710 |
| Student Transportation | 42,801,337 | 3,942,938 | 46,744,275 |
| Operation of Plant | 42,167,830 | 1,249,320 | 43,417,150 |
| Maintenance of Plant | 26,703,528 | (79,357) | 26,624,171 |
| Fixed Charges | 195,558,711 | 840,675 | 196,399,386 |
| Community Services | 7,289,364 | (826,840) | 6,462,524 |
| Capital Outlay | 929,204 | (16,096) | 913,108 |
| Total General Fund Budget | \$910,937,710 | \$7,751,999 | \$918,689,709 |

| | | | |
|------------------------------------|----------------------|----------------------|----------------------|
| School Construction | 92,652,000 | - | 92,652,000 |
| Food and Nutrition | 16,545,406 | (113,617) | 16,431,789 |
| Print Services | 1,606,347 | 861,877 | 2,468,224 |
| Information & Network Technology | 14,184,998 | (919,198) | 13,265,800 |
| Health | 173,202,400 | (10,138,626) | 163,063,774 |
| Worker's Compensation | 2,617,775 | (208,500) | 2,409,275 |
| Grants | 40,000,000 | 5,000,000 | 45,000,000 |
| Glenelg Wastewater Treatment Plant | 253,000 | - | 253,000 |
| Jim Rouse Theater | 215,000 | - | 215,000 |
| Total Restricted Funds | \$341,276,926 | (\$5,518,064) | \$335,758,862 |

| | | | |
|--------------------------------|---------------------|----------|---------------------|
| Debt Service | 52,328,909 | - | 52,328,909 |
| Other Post-Employment Benefits | 7,958,723 | - | 7,958,723 |
| Total Other Expenses | \$60,287,632 | - | \$60,287,632 |

| | | | |
|--------------------|------------------------|--------------------|------------------------|
| Grand Total | \$1,312,502,268 | \$2,233,935 | \$1,314,736,203 |
|--------------------|------------------------|--------------------|------------------------|