

April 29, 2021



FY 2022
Operating Budget
work session

County Executive Recommended Budget

	County Exec Recommended
Revenues	
County Operating	\$622.8M
County One-Time	\$10.0M
State	\$282.5M
Other	\$7.4M
TOTAL	\$922.6M
Expenditures	
Operating	\$912.6M
Health Deficit One-Time	\$10.0M
TOTAL	\$922.6M

Due to rounding, numbers may not sum.

Source: County Council Resolution CR-68-2021

Comparison to BOE FY 2022 Request

	BOE Requested	County Exec Recommended	Difference
Revenues			
County Operating	\$651.7M	\$622.8M	\$(28.9)M
County One-Time	\$18.7M	\$10.0M	\$(8.7)M
State	\$282.5M	\$282.5M	-
Other	\$7.4M	\$7.4M	-
TOTAL	\$960.3M	\$922.6M	\$(37.6)M
Expenditures			
Operating	\$941.6M	\$912.6M	\$(28.9)M
Health Deficit One-Time	\$18.7M	\$10.0M	\$(8.7)M
TOTAL	\$960.3M	\$922.6M	\$(37.6)M

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Comparison to Prior-Year Funding

	FY 2021 Approved	County Executive Recommended	Difference
Revenues			
County Operating	\$620.3M	\$622.8M	\$ 2.5M
County One-Time	-	\$10.0M	\$10.0M
State	\$282.7M	\$282.5M	\$(0.2)M
Other	\$7.7M	\$7.4M	\$(0.4)M
Fund Balance	\$8.0M	-	\$(8.0)M
TOTAL	\$918.7M	\$922.6M	\$4.0M
Expenditures			
Operating	\$918.7M	\$912.6M	\$(6.0)M
Health Deficit One-Time	-	\$10.0M	\$10.0M
TOTAL	\$918.7M	\$922.6M	\$4.0M

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Understanding Maintenance of Effort

- **Maintenance of Effort (MOE)**
 - State law requires local governments to maintain the per pupil funding at least at the same amount as the prior year
 - The MOE must be funded by the local government
- **Calculation of Required MOE for the Budget (two step process)**
 - First, determine the per pupil funding amount that must be maintained by taking the current year county funding (excluding any one-time) divided by the prior school year official enrollment (the year prior to the funding year)
 - Second, multiply the per pupil funding amount by the greater of the prior year official enrollment or the 3-year average official enrollment, excluding Sept 2020 enrollment

On April 9, 2021, HB 1372, the Kirwan “Fix Bill” changed the official enrollment calculation for MOE. Before the change, prior year enrollment was used.

The BOE Requested Budget was based on the old calculation and assumed a hold-harmless action by Legislature.

FY 2022 Maintenance of Effort

Old MOE Calculation- Sept 2020 enrollment

FY21 Funding	/	Sept 2019 Enrollment	=	Per Pupil Base	*	Sept 20 Enrollment	=	FY22 MOE	CE FY22 Recomm.	Above MOE
\$620.3M ¹	/	57,386	=	\$10,809	*	55,755	=	\$602.7M	\$622.8M	\$20.1M

New MOE Calculation- HB1372

FY21 Funding	/	Sept 2019 Enrollment	=	Per Pupil Base	*	Greater= Sept 19 Enrollment	=	FY22 MOE	CE FY22 Recomm.	Above MOE
\$620.3M ¹	/	57,386	=	\$10,809	*	57,386	=	\$620.3M	\$622.8M	\$2.5M

3-Yr Avg= 56,387

- Under the Old MOE calculation, the increase above MOE is \$20M
- Under the HB1372 new MOE calculation, the required MOE increases to \$620.3M
- This required level of funding is the same level as FY21, holding the funding level harmless for the impacts of the pandemic

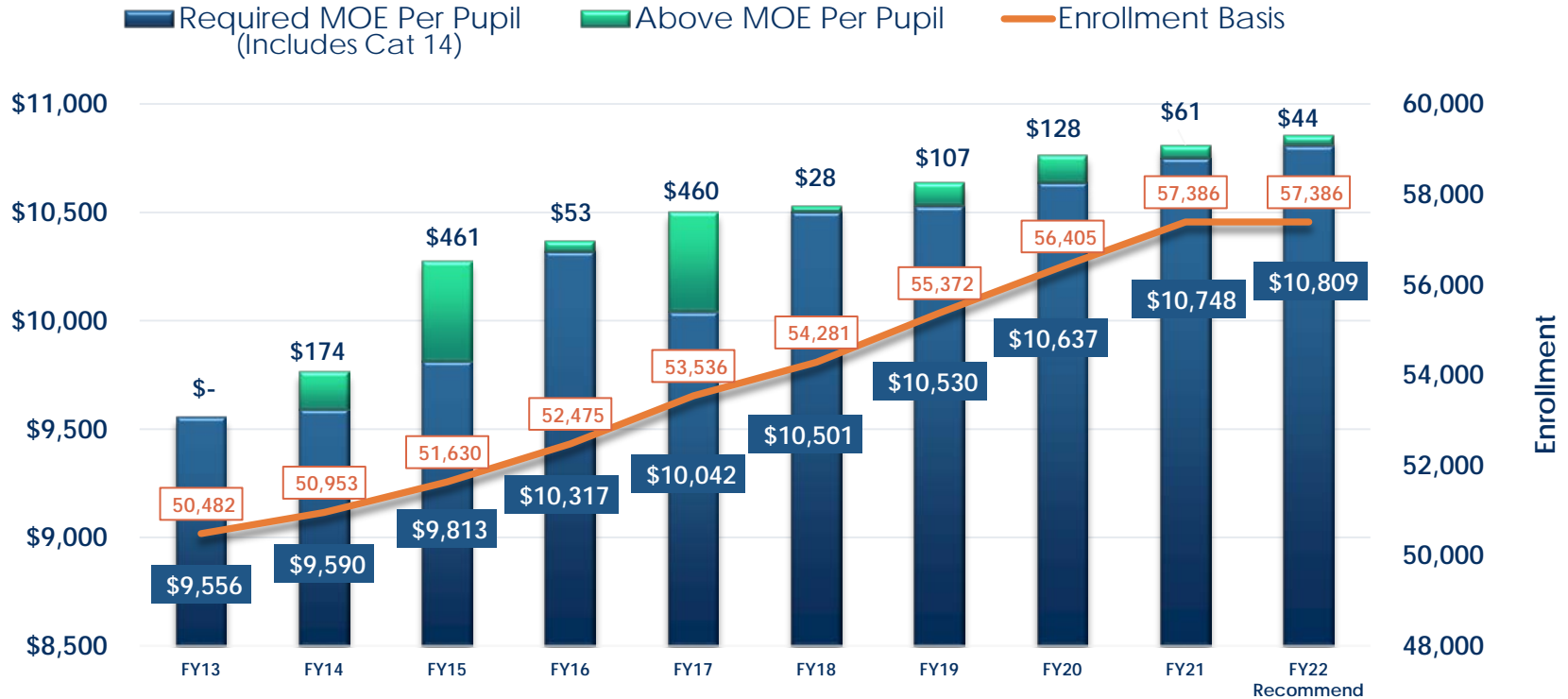
County Funding Analysis

	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22 Recomm.
RECURRING FUNDING										
MOE ¹	\$482.4	\$488.6	\$506.6	\$541.4	\$537.6	\$570.0	\$583.0	\$600.0	\$616.8	\$620.3
Above MOE	-	8.8	23.8	2.8	24.6	1.5	5.9	7.2	3.5	2.5
Total	\$482.4	\$497.5	\$530.4	\$544.1	\$562.2	\$571.5	\$588.9	\$607.2	\$620.3	\$622.8
Dollar Change	14.8	15.1	32.9	13.7	18.1	9.3	17.4	18.2	13.1	2.5
Percent Change	3.16%	3.13%	6.62%	2.58%	3.33%	1.65%	3.05%	3.09%	2.16%	0.40%
ONE-TIME FUNDING										
One-Time	-	-	-	-	-	1.3	11.1	-	-	10.0
Combined Total	\$482.4	\$497.5	\$530.4	\$544.1	\$562.2	\$572.9	\$600.0	\$607.2	\$620.3	\$632.8

¹These calculations include State Category 14.

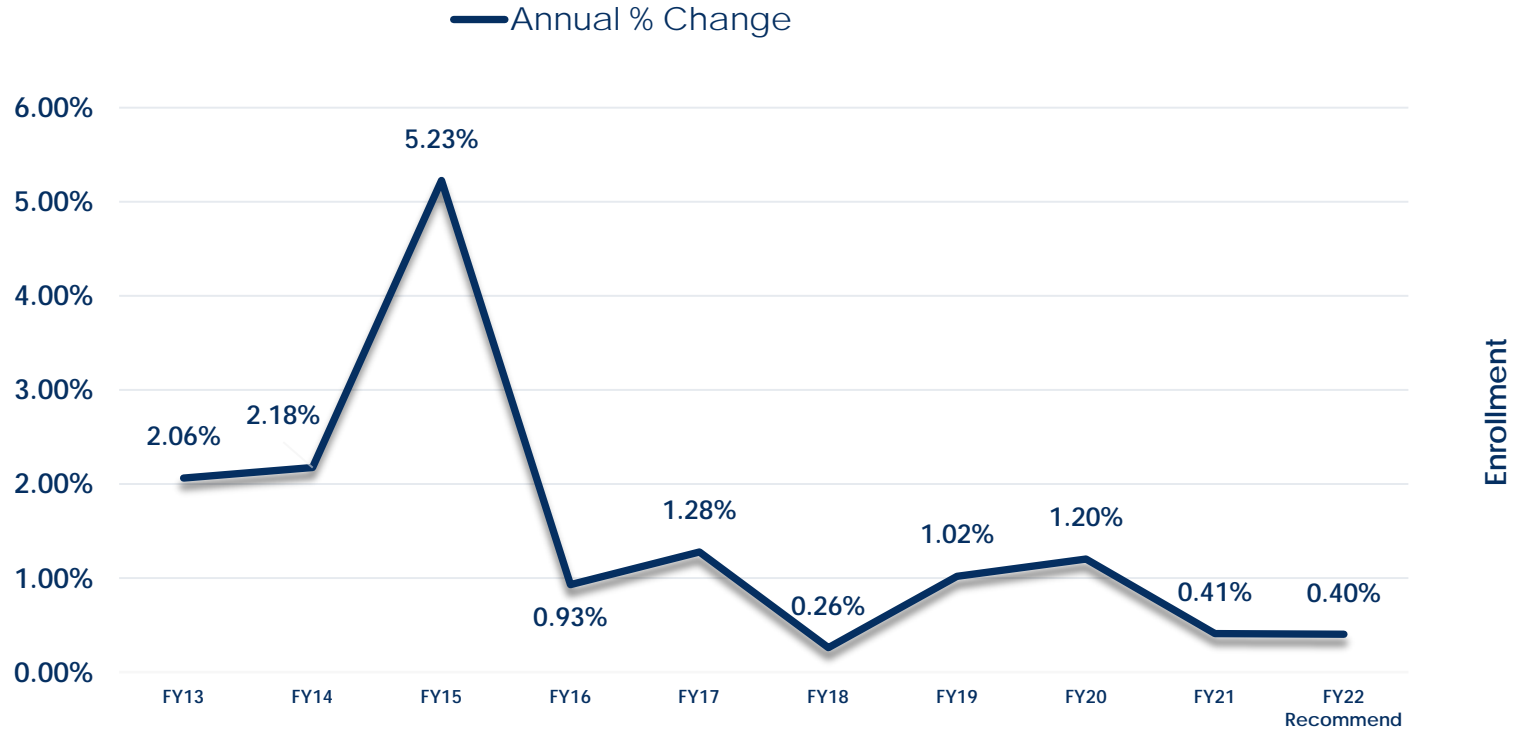
Due to rounding, numbers may not sum.

County Funding per Pupil



Numbers have been rounded.

County Funding per Pupil- Yearly Change



Enrollment

FY 2022 Budget Considerations

Considerations

- Request County to Increase Funding
 - Council can restore up to the BOE Request
- Evaluate use of federal relief and state restricted funds for eligible expenses*
- Reduce BOE Request for certain budget needs

*These are one-time funds that must be cautiously and prudently applied toward recurring expenses.

FY22 Expenditure Increases

Item	FY22 Cost	Item	FY22 Cost	Item	FY22 Cost
• One-time Health Fund deficit elimination	\$ 18,690,886	• Increase funding for Workers Compensation Fund	\$ 462,425	• Board of Education in-house 1.0 Legal Counsel	\$ 75,419
• Attracting and Retaining High-Quality Teachers and Staff	\$ 6,553,954	• Increase in MABE insurance premiums	\$ 379,282	• Addition of a 1.0 Nurse	\$ 69,972
• Digital Education Center (DEC)	\$ 6,229,432	• Shift of 2.2 Grant funded position to the Operating Fund	\$ 274,016	• Sustaining 1.0 Social Worker from Horizon Foundation grant	\$ 50,000
• Funding Commitments for Special Education New Enrollment and Existing Service Levels	\$ 5,357,451	• Increase funding for County water/sewage maintenance fee	\$ 211,852	• Benefit Costs for Nurse, Grant shifted positions & Social Worker	\$ 43,338
• Funding Commitments for General Education New Enrollment	\$ 4,030,577	• Building Security Commitments	\$ 150,000	• Student Transportation routing software	\$ 37,022
• Meeting Financial Commitments to Health Insurance	\$ 3,693,285	• Increase to life insurance	\$ 142,000	• Benefit Costs for New Legal Counsel	\$ 24,581
• Enhanced Supports for Students and SRO Alternative	\$ 3,438,339	• Other non-enrollment increases	\$ 200,551	• Increase for Risk Management contracted services	\$ 17,743
• Sustaining Technology Infrastructure and Cybersecurity Safeguards	\$ 3,279,433	• High School Athletics HUDL Streaming Service	\$ 100,000	• Increase unemployment claims	\$ 10,000
• Enhanced Efforts in Reading Instruction and Dyslexia Training	\$ 896,272	• Transfer Lobby Guard maintenance from Technology Fund	\$ 77,500		

Budget Timeline

- **May 3rd County Council Work Session**
- **May 6th Board Public Hearing**
- **May 10th County Council Public Hearing**
- **May 19th Budget Amendment Profile**
- **May 21st Council Work Session for Amendments and Pending Items**
- **May 26th Council Adoption of Budget**
- **May 27th Board Adoption of Budget**

Questions

