

**Analysis of Howard County Maryland
Expenditure on Public Schools,
FY2009 – FY2025**

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On Page 6 of his FY24 Operating Budget, the county executive noted Howard County’s historical commitment to education, including HCPSS, HCC, and the Library System, and that on average funding totaled “in excess of 60% of general fund revenue.” While the needs of the county and the availability of other funding sources during the unprecedented coronavirus epidemic necessitated a shift of resources from HCPSS to other needs within the county during FY22-FY24, those immediate needs and associated external funding have both passed. As Howard County is called upon to implement the Blueprint for Maryland’s Future, the tradition of academic excellence dictates that we incorporate these goals into the existing HCPSS curriculum. It will require a return to pre-coronavirus levels of commitment to education, rather than diminishing our curriculum in a zero-sum game of accounting relative to Maintenance of Effort.

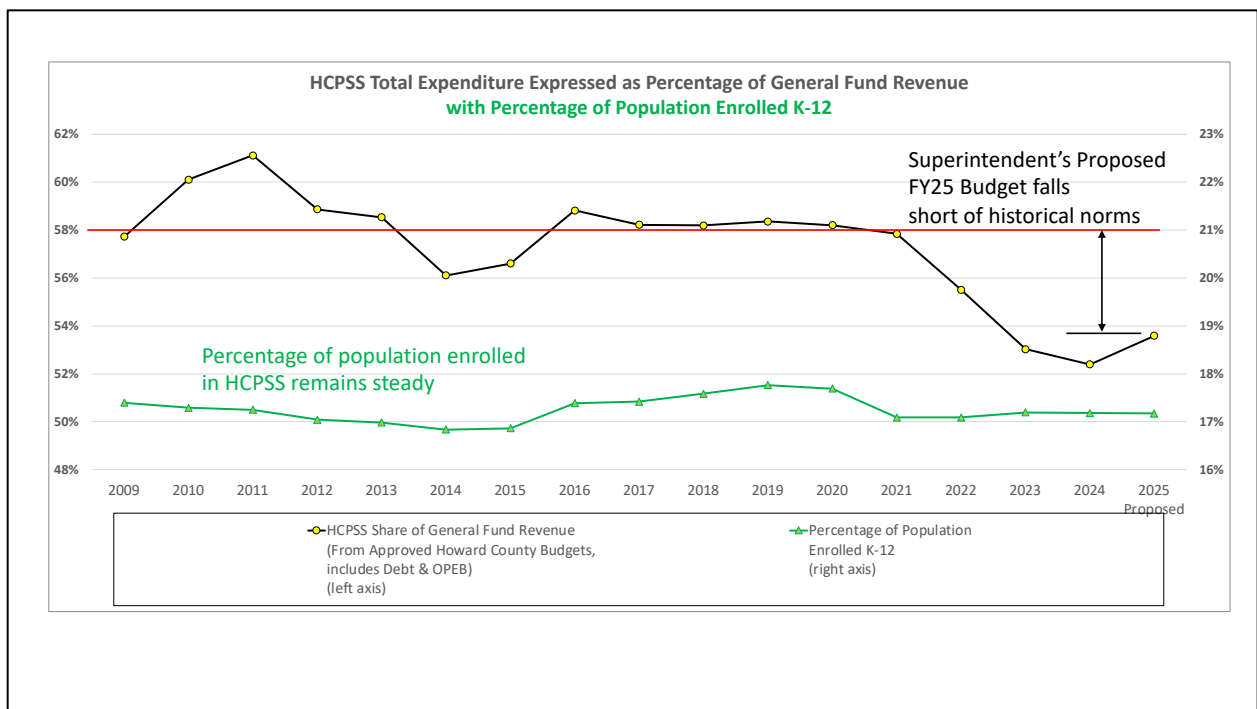


Figure 1- HCPSS Proportion of General Fund Revenue and Population

While the Board of Education rightly endeavors to collaborate with the County Executive and the County Council to steward the county’s resources, the Superintendent’s Proposed FY25 Operating Budget does not approach the historical percentage of funding when measured against the total General Fund Revenue. Focusing on Maintenance of Effort and "additional FY25 revenue" as measures of year over year growth do not account for the ongoing commitment to public schools that Howard County taxpayers have expected.

Before the coronavirus epidemic, the lowest share of General Fund Revenue provided to HCPSS since 2009 was in 2014, when Howard County allocated 56% to Direct Appropriation, Debt, and Other Post Employment Benefits (OPEB). A 56% share of anticipated FY25 General Fund Revenue is calculated below:

$$\begin{aligned} 56\% \times \text{General Fund Revenue} &= \text{HCPSS Direct Allocation} + (\text{Debt} + \text{OPEB}) \\ 0.56 \times \$1,531,267,000 &= \text{HCPSS Direct Allocation} + \$59,000,000 \\ \$857,509,520 &= \text{HCPSS Direct Allocation} + \$59,000,000 \\ \$798,509,520 &= \text{HCPSS Direct Allocation} \end{aligned}$$

Even the lowest share of General Fund Revenue (excluding Coronavirus era) would be over \$36M higher than the Superintendent's Proposed FY25 Budget.

The historic norm of approximately 58% of General Fund Revenue would provide \$67M more than the Superintendent's Proposed FY25 Budget.

A Board of Education budget request that restores the identified Programmatic School Based reductions (\$24M) and eliminates the need to totally deplete the HCPSS Unassigned Fund Balance (\$10M) would be consistent with these norms, and could represent a sustainable middle ground that allows for honest debate at the county executive and council level as to the needs of HCPSS relative to the remainder of the county obligations.

While recent county budgets note an upcoming "demographic shift" in the proportion of residents over age 55 over the next 20 years, the percentage of the county population enrolled in HCPSS has not changed significantly through the analysis period, even as population grew through the 2010's. This percentage of students enrolled has remained in the 17-18% range. Both population and HCPSS enrollment are projected to remain stable.

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Data plotted in Figure 1 is tabulated below for reference:

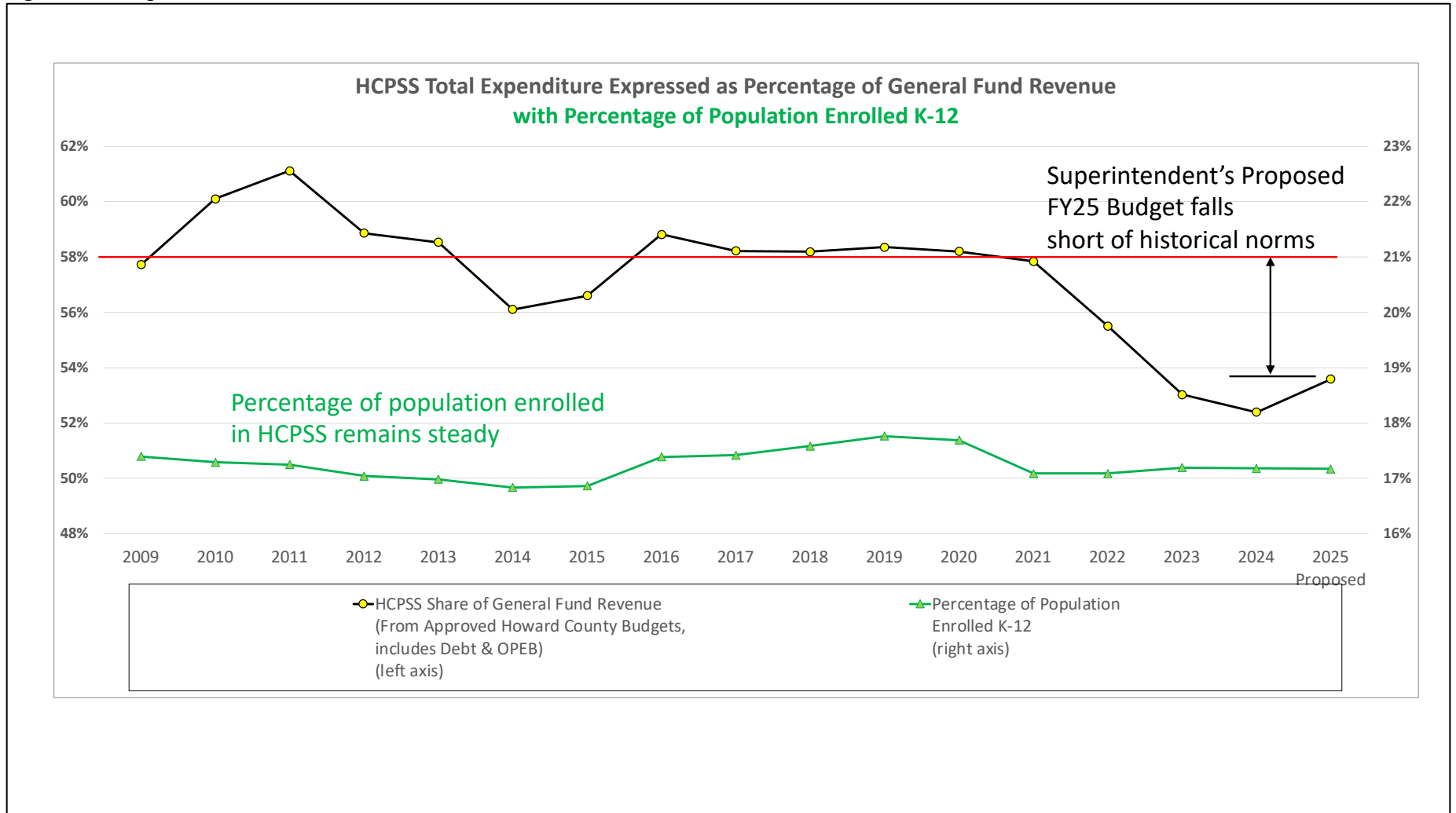
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Proposed
HCPSS Enrollment	48888	49903	50641	50993	51555	51681	52511	54870	55638	56779	57907	58868	57293	57325	57676	57633	57600
HCPSS County Appropriation (\$000s)	\$ 454,795	\$ 457,560	\$ 464,709	\$ 467,617	\$ 472,564	\$ 485,037	\$ 515,531	\$ 526,861	\$ 562,245	\$ 572,872	\$ 600,054	\$ 607,200	\$ 620,300	\$ 640,800	\$ 675,577	\$ 721,187	\$ 761,600
Total County Outlay (\$000s) including debt & OPEB	\$ 493,276	\$ 493,032	\$ 503,825	\$ 512,610	\$ 526,009	\$ 544,120	\$ 581,650	\$ 595,408	\$ 617,537	\$ 639,422	\$ 665,598	\$ 670,897	\$ 680,588	\$ 699,659	\$ 731,843	\$ 778,487	\$ 820,600
Total HCPSS Share of General Fund Revenue includes Debt & OPEB)	57.73%	60.11%	61.12%	58.87%	58.53%	56.10%	56.61%	58.82%	58.22%	58.20%	58.35%	58.20%	57.85%	55.51%	53.03%	52.40%	53.59%
General Fund Budget (\$000s)	\$ 854,500	\$ 820,225	\$ 824,376	\$ 870,818	\$ 898,681	\$ 969,839	\$ 1,027,550	\$ 1,012,304	\$ 1,060,647	\$ 1,098,746	\$ 1,140,608	\$ 1,152,748	\$ 1,176,537	\$ 1,260,494	\$ 1,380,021	\$ 1,485,727	\$ 1,531,267
Population 000s, (1/1/yy)	281.028	288.618	293.596	299.223	303.59	306.989	311.417	315.581	319.409	322.895	325.951	332.786	335.287	335.411	335.411	335.411	335.411
Percentage of Population Enrolled HCPSS	17.4%	17.3%	17.2%	17.0%	17.0%	16.8%	16.9%	17.4%	17.4%	17.6%	17.8%	17.7%	17.1%	17.1%	17.2%	17.2%	17.2%

Basis for FY 25 estimates:

- Enrollment: Annual total enrollment based on published statistics on hcps.org, as of 30 September of each academic year. Based on 15 January 2024 presentation by HCPSS to Spending Affordability Commission, enrollment reported as “stable,” and rounded to nearest 100 students for 2025 estimate. Enrollment prior to 2014 courtesy of HCEA.
- Superintendent’s Proposed FY25 Operating Budget Lists Howard County funding of \$761.6M (Direct Appropriation).
- Total Howard County outlay includes HCPSS attributable debt and Other Post Employment Benefits (OPEB). FY25 estimate (\$59M) extrapolated from previous years’ trends. Debt + OPEB was \$56M in FY 23, and \$58M in FY24
- General Fund Revenue based on revised FY25 revenue estimates reported at 26 February 2024 meeting of Spending Affordability Advisory Commission. Using 90% of projected revenue increase of \$50.6M to represent general fund revenue from property and income taxes results in a \$45.5M increase for analysis purposes.
- Population based on census data made available by the Federal Reserve Board of St. Louis. Population after 2022 (last available data) assumed to remain stable.
- Percentage of population enrolled in HCPSS represents quotient of HCPSS Enrollment and Population.

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Figure 1 enlarged



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Figure 2 was developed in a similar fashion as Figure 1 to explore the variation of the total Howard County education expenditure through the analysis period. Funding for Howard Community College and the Howard County Library System was compiled from the same budget documents in order to recreate the reference value the County Executive extolled on Page 6 of the FY24 budget, as “in excess of 60%.”

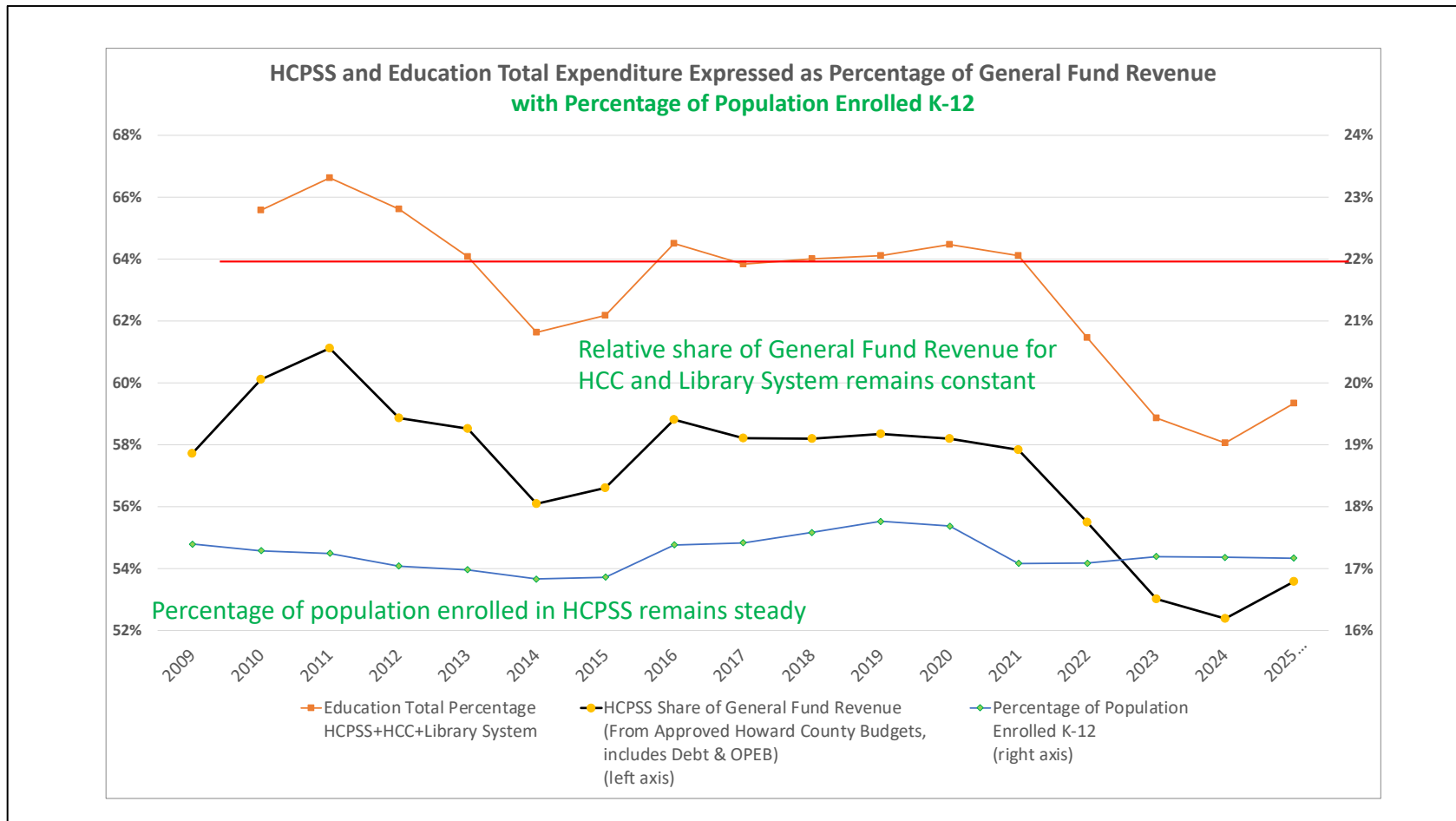


Figure 2- Education Proportion of Howard County General Fund Expenditure and Population