FY 2020 Budget Update and Year-End Categorical Transfer
Purpose of this Presentation

Topics

• Review of COVID-19 Expenditures
• Funding Remote Instruction Costs
• Overview of Federal Relief Funding
• Costs to Complete Projections
• Categorical Transfers
• Health Fund and Deficit Elimination Plan
Responsive and Efficient Operations

• Operations and practices are responsive, transparent, fiscally responsible, and accountable, with students at the heart of all decisions
COVID-19 Expenditures

• Remote Instruction
  o $6.298 million
• Health and Safety
  o $17.4 thousand*
• Food Services
  o $4.0 thousand*
• TOTAL- $6.319 Million (as of April 9, 2020)

* Does not include labor costs.
Breakdown of Remote Instruction Costs

• Chromebooks
  o $5.94 million
• Wireless Hot Spots
  o $115.7 thousand
• Lexia Core5 Differentiated Literacy Subscription
  o $37.6 thousand
• Estimate for Shipping/Delivery and Additional Costs
  o $200 thousand
• TOTAL- $6.298 Million (as of April 9, 2020)
Funding Remote Instruction Costs

• Costs can be funded without requesting use of unassigned fund balance
• Budgetary savings in the General Fund will cover $4.5 million of the costs
  ➢ Budget amendment transferring these funds within state categories has been completed
• Categorical Transfer will fund $1.8 million
Federal Relief Funds

Coronavirus Aid, Relief, and Economic Security Act (CARES)

• **Education Stabilization Fund** $13.5 billion
  o MSDE indicates $207 million for Maryland school districts
  o 90% distributed to local districts based on Title 1 (ESEA) allocations
  o Awaiting guidance and eligibility criteria from U.S. Dept. of Education

• **Governor’s Emergency Education Relief Fund - CARES Act**
  o $3 Billion in block grants

• **FEMA funds**

• **HCPSS will seek all eligible funds**
Costs to Complete Projections

• **COVID-19 Impacts**
  - Known costs included
  - Based on current Executive Orders (School Closure)
  - Uncertainties

• **Budgetary Savings**
  - Hiring Freeze (Non-Instructional)
  - Spending Freeze
  - Most Categories project to be within budget authority

• **Other Funds**
  - Technology Services Fund
  - Food Services Fund
Categorical Transfers

- **Special Education Category 06**
  - $1.2 million
  - Grant cost shifts implementing Comprehensive Coordinated Early Intervening Services (CCEIS - a federal pass-through grant addressing disproportionality); Medicaid grant cost shifts; and non-public placement costs
  - Transfer from savings in Category 03

- **Other Instructional Costs Category 05**
  - $1.787 million
  - Remote instruction costs
  - Transfer savings from Categories 03 and 04
  - Transfer from Category 03 and 04

- **Capital Outlay Category 14**
  - $250,000
  - Costs for redistricting consultant
  - Transfer from Category 11

Can be amended before May 18
Health Fund and Deficit Elimination Plan

- **Health Fund Projections**
  - Third-party actuarial projections (based on claims activity through February)
  - Fund projection is under budget for FY 2020

- **Deficit Elimination Plan**
  - Generate $2.5 Million in FY 2020 budgetary savings
    - Savings target projects to be met within the Health Fund
  - $7.2 Million supplemental appropriation (unassigned fund balance from the General Fund)
    - Tabled by County Council on March 26
Recommendation

• Approve Categorical Transfer

• Request County Council to remove the health fund deficit elimination plan $7.2 million supplemental appropriation legislation from the table for approval
Questions