



DEPARTMENT OF FINANCE & BUDGET
INTEROFFICE MEMORANDUM

TO: Board of County Commissioners
VIA: Julian M. Willis, County Administrator
VIA: Sharon Strand, Director
FROM: Beth Richmond, Deputy Director
DATE: November 18, 2021
SUBJECT: Board of Education – Request to Increase FY 2022 Operating Budget

Background:

At the end of Fiscal Year (FY) 2021, the Board of Education's (BOE) revenues exceeded expenditures by \$10,098,826. After a small adjustment for health insurance, the final amount that rolled to unassigned fund balance was \$10,098,408. The BOE is requesting the Board of County Commissioners' (BOCC) approval of a budget adjustment to increase the FY 2022 operating budget by \$5,098,408.

Discussion:

The four-year funding formula agreement signed by the BOE and the BOCC in FY 2017 contained a provision regarding Calvert County Public Schools' unassigned fund balance. The provision stipulated that "any unassigned fund balance in excess of \$5 million will be contributed to the OPEB trust fund for the benefit of the Board of Education."

In summary, the BOE requests to:

Increase the FY 2022 operating budget by \$5,098,408 by increasing the Prior Year Balance Account (revenue) and the Transfers Account within the Administration category (expense).

Fiscal Impact:

There is no fiscal impact to the County for this action.

Conclusion/Recommendation:

Staff recommends the BOCC approve the budget adjustment.

Coordination: Office of County Attorney