

BOARD OF EDUCATION OF HARFORD COUNTY

INFORMATIONAL REPORT

DECISION ON APPROVAL OF SUPPLEMENTAL APPROPRIATION FOR THE FY 2025 BUDGET

May 19, 2025

Background Information:

HCPS is projecting to spend at least 100% of its Operating Budget. To balance our state categories and ensure there is capacity in our budget for anything unexpected at the end of the year, additional revenue must be appropriated. Interest Income and Miscellaneous Revenue are projected to be higher than budget. The additional funds can be used to balance specific state categories, as needed.

Discussion:

Due to higher-than-expected interest rates, HCPS projects interest revenue to be higher than budget by approximately \$2.0 million. HCPS also received a \$3.0 million refund from the healthcare consortium in which it participates in with Harford County, the library and community college. By appropriating this additional \$5.0 million in revenue, the budgets for Non-Public Tuition and Textbooks can be increased to reduce the shortfalls in these areas. Any remaining shortfall will be covered by separate inter-category transfers.

HCPS proposes the following:

- 1) Recognize the additional \$5.0 million in unbudgeted revenue as a supplemental appropriation.
- 2) Increase the budget for Special Education Non-Public Tuition by \$4.5 million.
- 3) Increase the budget for Textbooks by \$0.5 million.

Superintendent's Recommendation:

The Superintendent recommends the Board of Education recognize and assign \$5.0 million as a supplemental appropriation to the FY2025 Unrestricted Budget. (See the next page for details).

FY 2025 Supplemental Appropriation

DATE: May 19, 2025

Revenue:			
Oracle Accounting String	State Category	Description	Appropriation
10.989900.48240	Revenue	Miscellaneous Revenue	(\$3,000,000)
10.983000.48200	Revenue	Interest Income - MLIGP	(\$1,700,000)
10.983000.48180	Revenue	Interest Income - M&T	(\$300,000)
		Total Revenue	(\$5,000,000)
Expenditure:			
Oracle Accounting String	State Category	Description	Appropriation
10.060700.88001.4107.00000.001.000000000.000.00	Special Education	Non-Public Placements	\$ 4,500,000
10.040100.53203.2109.10001.XXX.000000000.000.00	Regular Program	Textbooks	\$ 500,000
		Total Expenditures	\$ 5,000,000

Justification: HCPS is projecting additional revenue in two areas, Interest Income and Miscellaneous Revenue. These are due to higher than expected interest rates and the \$3.0M refund from the Healthcare Consortium. HCPS is projected to be over budget in Special Education and requests \$4.5M be budgeted to Non-Public Tuition. In addition, HCPS would like to budget \$500,000 to Textbooks.

Supplemental Budget Transfer Approval

Date	Superintendent of Schools
Date	President, Board of Education of Harford County
Date	President, County Council of Harford County
Date	Harford County Executive