



DEPARTMENT OF FINANCE & BUDGET
INTEROFFICE MEMORANDUM

TO: Board of County Commissioners
VIA: Terry L. Shannon, County Administrator
Wilson H. Parran, Deputy County Administrator
FROM: Tim Hayden, Director
DATE: March 17, 2018
SUBJECT: Public Hearing – Fiscal Year 2018 Board of Education Funding

Background:

Fiscal Year (FY) 2018 was the first year the reenacted funding formula with the Board of Education (BOE) was used to calculate funding.

The FY 2018 budget was being developed as the negotiations for the funding formula were taking place. Due to that timing, the FY 2018 funding for the BOE was calculated differently than the final funding formula requires.

The funding formula used a 1% consumer price index adjustment (CPI) based on the 1.06% actual change. The formula was finalized with a clause that requires the rounding up of the CPI to the nearest 0.5%. This means that the calculation should have been made with a 1.5% CPI.

Discussion:

\$597,377 is the impact of that adjustment, changing the operating funding for the BOE from \$120,670,112 to \$121,267,489.

Approximately 50% of the tax dollars paid to Calvert County fund the BOE and FY 2018 saw an increase of \$6,573,651 or 5.7% to the BOE funding level.

Conclusion/Recommendation:

It is recommended that the Board close the record, sign the resolution and approve Budget Adjustment 282.