

Howard County, Maryland

Ken Ulman, County Executive



Fiscal Year 2013

APPROVED OPERATING BUDGET SUMMARY



Howard County, Maryland

Approved Operating Budget, Fiscal Year 2013

Submitted by

County Executive

Ken Ulman

Approved by

County Council

Mary Kay Sigaty, Chairperson

Courtney Watson, Vice Chairperson

Jennifer Terrasa

Greg Fox

Dr. Calvin Ball





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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
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**Howard County
Maryland**

For the Fiscal Year Beginning

July 1, 2011

Linda C. Danson *Jeffrey R. Egan*

President

Executive Director

*The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **Howard County, Maryland** for its annual budget for the fiscal year beginning **July 1, 2011**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.*

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

LITHO IN U.S.A.

Howard County, Maryland

Approved Operating Budget, Fiscal Year 2013

Our Mission

Howard County is widely recognized as being a great place to live and work. The mission of the Howard County Government is to enhance this well-deserved reputation by promoting an open, responsive government that involves and serves the community, and that provides fiscal responsibility to ensure a solid foundation for the future. To do this we will:

- Have a compassionate, friendly, service-oriented, efficient and effective government.
- Renew and reinforce public confidence and involvement in all the areas of county government.
- Use every tax dollar efficiently.
- Emphasize quality education, health, safety and welfare for all our citizens.
- Develop and implement growth management tools that will encourage orderly and planned growth in accordance with the principles in the general plan.
- Create and implement comprehensive plans and actions to achieve the mission.



Howard County, Maryland

Approved Operating Budget, Fiscal Year 2013

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HOWARD COUNTY OFFICE OF COUNTY EXECUTIVE

3430 Courthouse Drive ■ Ellicott City, Maryland 21043 ■ 410-313-2013

Ken Ulman,
Howard County Executive
kulman@howardcountymd.gov

www.howardcountymd.gov
FAX 410-313-3051
TDD 410-313-2323

April 20, 2012

The Honorable Mary Kay Sigaty
Chairperson, Howard County Council
3430 Courthouse Drive
Ellicott City, Maryland 21043

Dear Council Chairperson Sigaty:

I am pleased to submit to you my proposed Howard County Government Operating Budget for Fiscal Year 2013. Total General Fund spending proposed in this plan is \$898,809,542. Under this proposal, education funding rises 2.7 percent, while non-education funding increases by 1.2 percent.

This spending plan will strengthen Howard County's position as one of the most desirable communities in the nation in which to live, work, play, and raise a family. We continue our commitment to the highest quality public education system and public safety protection, and we are proposing targeted investments to create jobs – ensuring we maintain the lowest unemployment rate in the State – and to reinforce our social safety net as these trying economic times continue.

For the sixth consecutive year, our proposed spending plan does not increase property or income taxes. By maintaining these tax rates at current levels, we demonstrate that Howard County Government can provide excellent service while living within its means and that we can invest in our future without mortgaging it.

However, we must remember the context in which this budget was created and some of the inherent uncertainties that result. While Howard County's economy is improving, one of our primary sources of revenue – property taxes – is still struggling to recover from the collapse of the real estate market several years ago. Moreover, unfunded mandates and persistent and growing reductions in assistance from the State mean that more County programs must compete for fewer resources.

And there is still considerable uncertainty about the impact of the State budget impasse. With the failure to approve a viable State spending plan, this budget is based on the prevailing consensus that the cost of teacher retirement obligations will begin to shift to county governments this year. Furthermore, this budget includes proposed revenue offsets and other measures from the State. This is a responsible proposal, but our assumptions may need to change pending further direction from the State.

Despite this considerable uncertainty and the challenges of our economy, this budget reflects our core commitment to two overarching goals: fiscal responsibility and investments in our community's future.

Because of ongoing State cuts and stagnant real estate assessments, much of this budget is primarily dedicated to maintenance of existing programs and services. Almost across the board, County agencies will receive minimal budgetary increases to reflect the rising costs of doing business.

There are key areas, however, where funding will increase to build upon the progress we have made. Most notably, this budget provides record funding for Howard County's educational partnership, which includes the Howard County Public School System, Howard Community College, and the Howard County Library System.

Education is at the heart of our community's success today and into the future. Our school system is the best in Maryland, and we intend to keep it that way. I am proud of the collaborative relationship that Howard County Government and the school system share, and this budget reflects that strength. We are proposing an increase in funding for the school system of \$13.4 million. This funding will allow the school system to hire up to 80 new educators to provide expanded programming, close the achievement gap, and accommodate enrollment growth.

We are also increasing funding for Howard Community College and the Library System. The Community College is nearing completion of its new Health Sciences building, and a \$1.2 million increase in funding will provide expanded staff and programming in this new facility. The health care industry is a core component of our region's economy, and this building and the programs it provides will position students to seize job opportunities in this growing sector. Additional funding for HCC's other programs will allow the college to continue to meet its goals of providing the educational training students need to excel in their future educational journeys or in the job market.

The third institution in our educational partnership is the Library system, and it is consistently ranked one of the best library systems in the country. This year's budget proposes increasing funding for the libraries by 3.8 percent, which will allow the system to strengthen its exemplary programming and provide for a full complement of staff at the new Miller Branch.

In all, Howard County's educational institutions again account for 64 percent of our general fund operating budget. When factoring in our assumptions about the shift of teacher pension costs, the funding increase allocated toward educational expenses is over \$15 million, by far the largest increase in funding for any portion of the General Fund budget.

Another area that we must protect, especially in tough economic times, are our human services programs, in particular those that serve Howard County's most vulnerable residents.

Despite Howard County's affluence, there are many residents who don't know where their next meal will come from or even where they will sleep tonight. Our collective success does not make us immune to society's most intractable problems, but it speaks to a responsibility we have to lead and seek solutions.

Toward that end, I am proposing funding to fulfill the goals of the Howard County Plan to End Homelessness. We will create a strong continuum of coordinated and integrated services from a variety of providers, ensuring that individuals can get the specific help they need to overcome their challenges. Through increased funding for financial assistance, housing subsidies, addiction treatment, and investments in technology to create an intake and case-management system accessed by non-profit providers, we can start on the path toward our shared goal of ending homelessness in Howard County.

For a relatively modest price tag – \$366,500 in the coming year – I believe we can make tremendous progress toward the important goal of ending homelessness.

Furthermore, we are restructuring our grants to human services organizations to focus on critical areas of basic needs like food and shelter, crisis intervention, promoting self-sufficiency, and building organizational capacity. Howard County's safety net is woven together by a diverse group of public, private, and faith-based organizations, and its strength and effectiveness are incumbent on the cooperation and collaboration of

all stakeholders. We believe this new system will strengthen Howard County's social service programs and organizations.

Coupled with additional homelessness funds, I am proposing a record amount, \$5.7 million, for our essential community service programs.

Just as our human services programs protect and serve Howard County's most vulnerable residents in their time of need, Howard County's public safety network protects and serves residents when confronted with emergencies.

In this critical area, my budget continues efforts that have been underway over the last five years to improve service with faster response times, modernization of operational systems and protocols, and enhanced training, certifications, and technology for first responders.

The nature of public safety has changed considerably over the last several years. Our police department has utilized technology and specialized units to address some of the most pressing safety concerns, driving down crime levels to their lowest in at least a decade. And this budget provides for a funding increase of 3.5 percent for the department to continue working to ensure that we are meeting our commitment that every neighborhood is safe and every resident is secure in their community.

The Department of Fire and Rescue Services is also amidst a transformation to reflect the changing nature of its operations and the community it serves. Over the last few decades, fire departments, including ours, have seen a dramatic rise in calls for emergency medical services. There are several societal trends that have sparked this conversion, but the end result is a department that serves as the first critical step in a continuum of emergency medical care. Indeed, nearly three-quarters of service calls for our fire department are for emergency medical services, compared to only three percent for fires.

We have responded to this operational shift in several ways: we have added ambulance crews and paramedics; we have certified every uniformed DFRS employee as an emergency medical technician; and because seconds can make the difference between life and death, we have systematically driven down dispatch, response, and travel times. Indeed, in the last few years, we have cut a full minute from the Department's average response time.

This transformation amounts to the creation of a community-wide system of mobile emergency rooms that will only continue to grow in importance, and it is the impetus behind the strategic location of new stations and units. The new Glenwood Station, which will open this year with a full complement of career staff, will not only address the emergency medical and fire needs of a currently underserved area of the county, but it will also have a ripple effect of relieving pressure on other stations, ultimately enabling faster responses throughout the county. This budget also includes funding to add an additional ambulance unit for the Ellicott City area.

However, this modernization effort has been ongoing at the same time the department's funding source, the Fire and Rescue Services assessment has seen dramatic year-to-year fluctuations because of the boom and bust of the real estate market. Indeed, the Fire and Rescue Services fund generated significant surpluses during the housing bubble, and through smart management and internal controls, the department was able to fund its transformation and necessary improvements through those surpluses, despite dramatic declines in revenue.

However, with the creation of a single fire district earlier this year, the Fire and Rescue Services assessment is now subject to the homestead cap, which will even out its revenue stream. As we continue to modernize

and improve our rescue service, this budget calls for a fire tax rate of \$0.176 per \$100 in assessed property value.

At this rate, most homeowners will pay a comparable amount to what they paid prior to the bursting of the housing bubble, but the emergency services they are receiving have improved dramatically in that time.

For instance, a typical home in Columbia was assessed for tax purposes at \$512,200 in 2008 and is assessed at \$396,000 currently. That home would have paid \$694 in fire taxes in 2008 and would be charged \$697 under this proposal.

Howard County residents deserve the best in emergency medical, rescue, and fire protection services, and this budget ensures that is what we will receive.

Finally, with the opening of Blandair Regional Park in Columbia and work getting underway on the new Troy Hill Regional Park in Elkridge, this budget provides a modest increase in operational funding for the Department of Recreation and Services to meet the growing demands on our park system.

This proposed budget is lean and it is not without sacrifice. Many departments and programs are being forced to do more with less, as our economy continues to build towards recovery and we continue to deal with cutbacks from the State and others. Notably, we are holding nearly 70 general fund vacancies and asking current employees to fill the gaps in work left by these vacancies. County employees have already endured considerable sacrifice over the last few years, and they're commitment to the citizens of Howard County is evident and commendable.

This is a responsible budget that will leave us on solid financial footing for FY 2013 and beyond.

I look forward to your discussion and scrutiny of this budget. If you have any questions during the process, my staff is ready to assist you.

Sincerely,



Ken Ulman
County Executive

Howard County Organizational Chart



Other Affiliated Agencies:

Howard County Public School System	Maryland Cooperative Extension
Howard Community College	Sheriff's Office
Howard County Library System	Circuit Court
Health Department	Orphan's Court
Social Services	Board of Elections
Soil Conservation	Mental Health Authority
Economic Development	State's Attorney

Advisory boards and commissions are not shown

*The Office of Law represents both the County Executive and the County Council.

Local Elected Officials and Agency Heads

County Executive

Ken Ulman

County Council

Mary Kay Sigaty, Chairperson

Courtney Watson, Vice Chairperson

Jennifer Terrasa

Greg Fox

Dr. Calvin Ball

Department/Agency Officials

Education

Dr. Kathleen Hetherington, President,
Howard Community College

Board of Education (*Elected Officials*)

Sandra French, Chairman

Frank Aquino, Vice Chairman

Brian J. Meshkin

Allen Dyer

Ellen Flynn Giles

Cynthia L. Vaillancourt

Janet Siddiqui, M.D.

Tomi Williams, Student Member

Dr. Sydney L. Cousin, Superintendent,
Howard County Public School System

Valerie Gross, Executive Director & CEO,
Howard County Library System

Public Safety

William McMahon, Chief,
Dept. of Police

Jack Kavanagh, Director,
Dept. of Corrections

William F. Goddard III, Chief,
Dept. of Fire and Rescue Services

Public Facilities

James M. Irvin, Director,
Dept. of Public Works

Robert Frances, Director,
Dept. of Inspections, Licenses & Permits

Marsha S. McLaughlin, Director,
Dept. of Planning and Zoning

Robert Ensor, District Manager,
Soil Conservation

Community Services

Lois Mikkila, Director,

Dept. of Citizen Services

Richard Walter, Area Extension Director,
University of Maryland Extension

Dr. Peter Beilenson, Health Officer,
Health Department

Charlene Gallion, Director,
Dept. of Social Services

John Byrd, Director,
Dept. of Recreation & Parks

Donna Wells, Director,
Mental Health Authority

General Government

Lonnie R. Robbins, Chief Administrative Officer,
Dept. of County Administration

Jessica Feldmark, Chief of Staff,
Office of the County Executive

Margaret Ann Nolan, Solicitor,
Office of Law

Stanley Milesky, Director,
Dept. of Finance

Ira Levy, Director,
Technology and Communication Services

Laura Neuman, Director & CEO,
Economic Development Authority

Tom Carbo, Director,
Dept. of Housing and Community Development

Legislative and Judicial

Stephen M. Le Gendre, Administrator,
County Council

Haskell Arnold, Auditor,
County Council

Lenore R. Gelfman, Chief Administrative Judge,
Circuit Court

Ann Balcerzak, President,
Board of Elections

Elected Officials

Dario Broccolino, State's Attorney

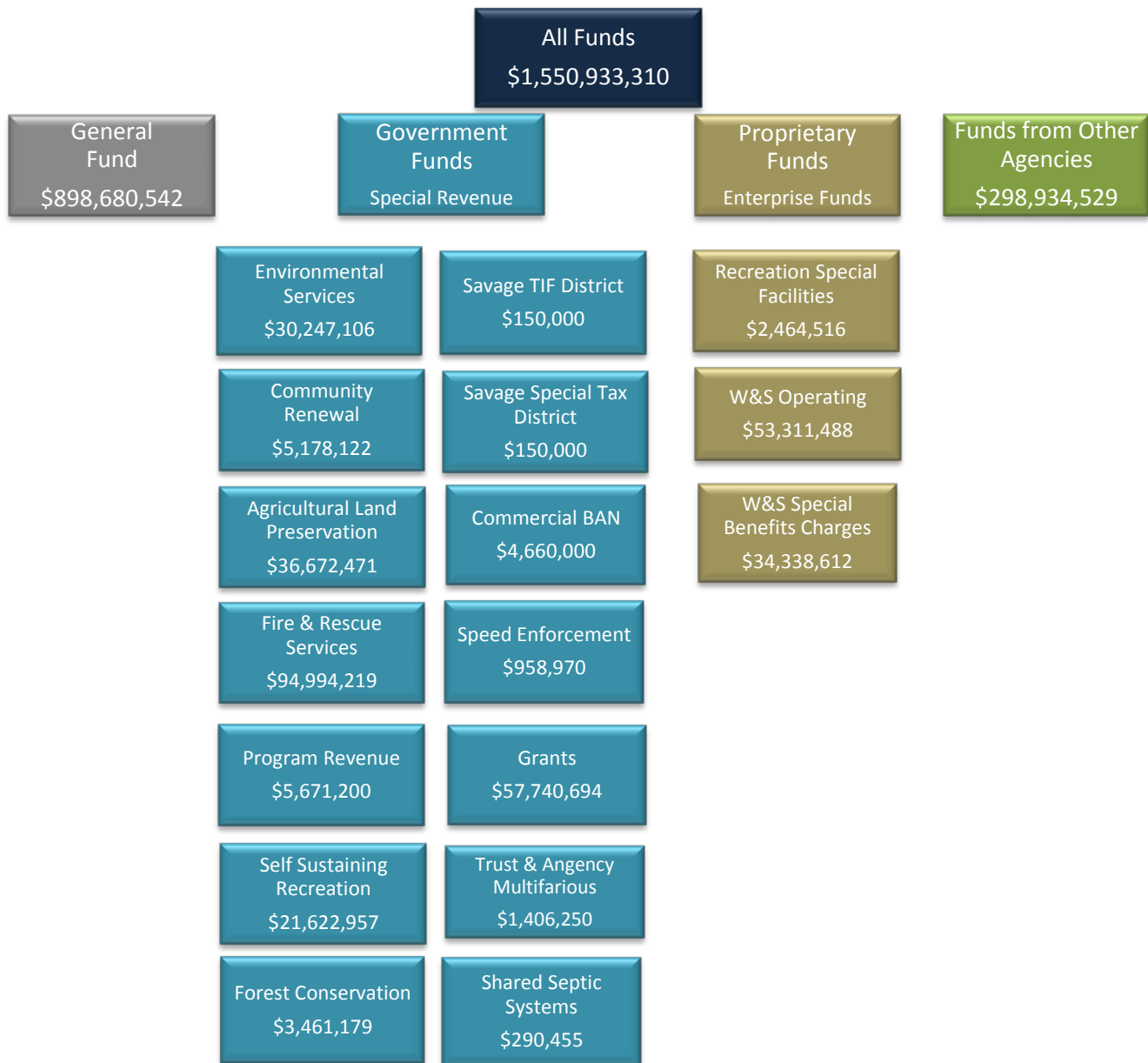
James F. Fitzgerald, Sheriff

Sherae McNeal, Chief Judge, Orphans Court

Margaret Rappaport, Clerk of the Court

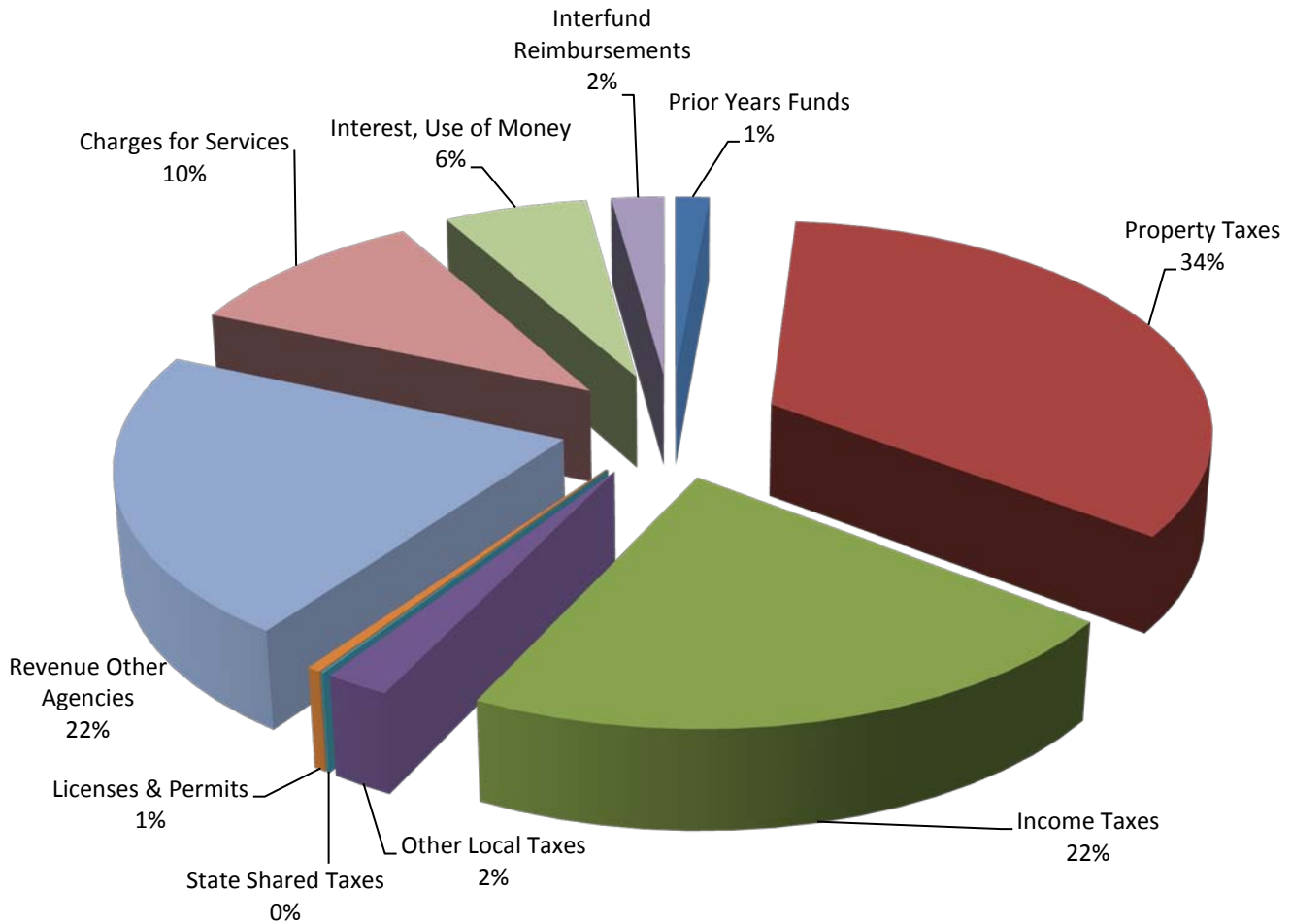
About the All Funds Budget

The Howard County budget is a comprehensive plan of all funds spent by county departments and agencies. The general fund is the portion of the budget where general tax revenues, such as property and income taxes, are collected, and where general expenditures such as the county’s cost for education, police, snow removal and libraries are made. However, in recent years a larger percentage of county expenditures have come in what are known as restricted revenue funds. In these funds, revenues collected are for a special purpose and can only be spent for that purpose. These funds collect and spend revenues for many essential services including fire and rescue services, trash collection and disposal and water utility services. The chart below includes a complete picture of the total county operating budget including funds that support the capital budget.



All Funds Revenue

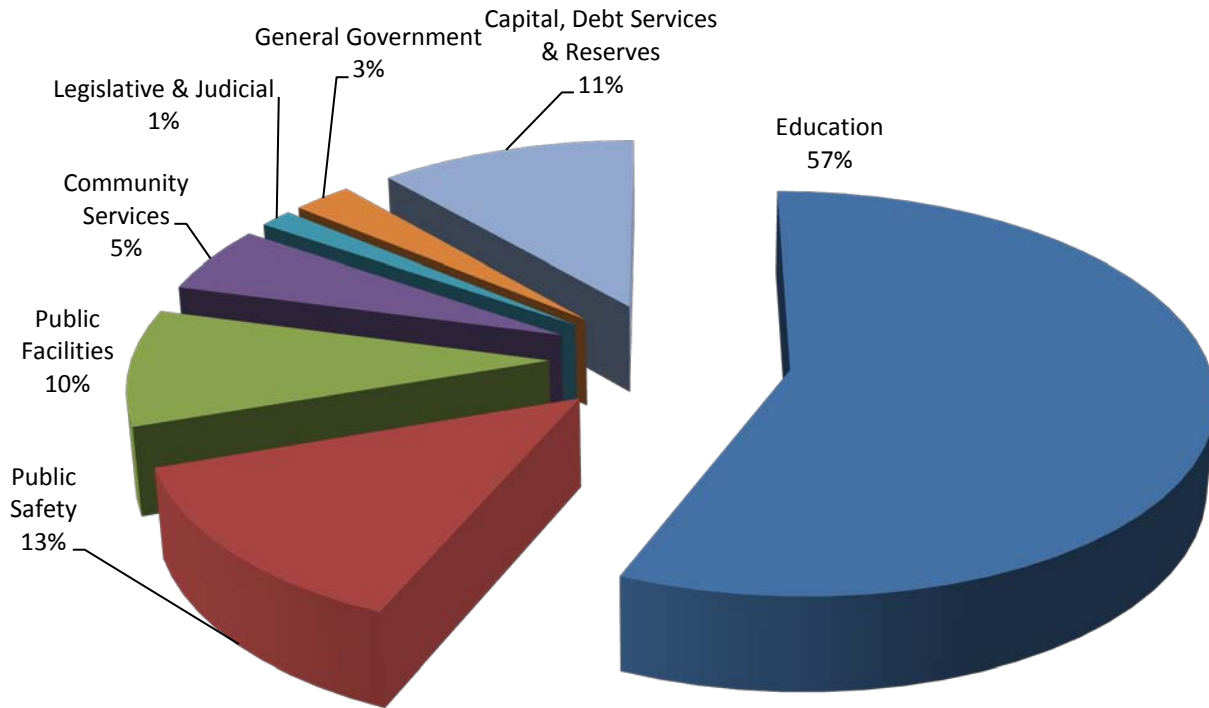
How the Budget is Funded



	Audit Fiscal 2011	Percent Change	Budget Fiscal 2012	Percent Change	Approved Fiscal 2013
Prior Years Funds	0	0.00%	16,294,000	33.87%	21,812,885
Property Taxes	503,917,484	-0.29%	502,466,074	4.70%	526,078,633
Income Taxes	315,353,675	3.21%	325,465,000	4.44%	339,929,120
Other Local Taxes	28,343,309	11.58%	31,625,000	2.39%	32,380,000
State Shared Taxes	1,089,121	-29.43%	768,596	84.10%	1,414,980
Licenses & Permits	7,070,617	5.55%	7,463,050	-8.18%	6,852,450
Revenue Other Agencies	297,601,242	1.66%	302,529,569	10.76%	335,066,804
Charges for Services	104,891,199	38.87%	145,657,576	10.17%	160,469,935
Interest, Use of Money	6,832,961	1823.48%	131,430,525	-29.38%	92,816,551
Interfund Reimbursements	43,113,359	12.28%	48,409,794	-29.54%	34,111,952
Total Budget	1,308,212,967	15.59%	1,512,109,184	2.57%	1,550,933,310

All Funds Expenditures

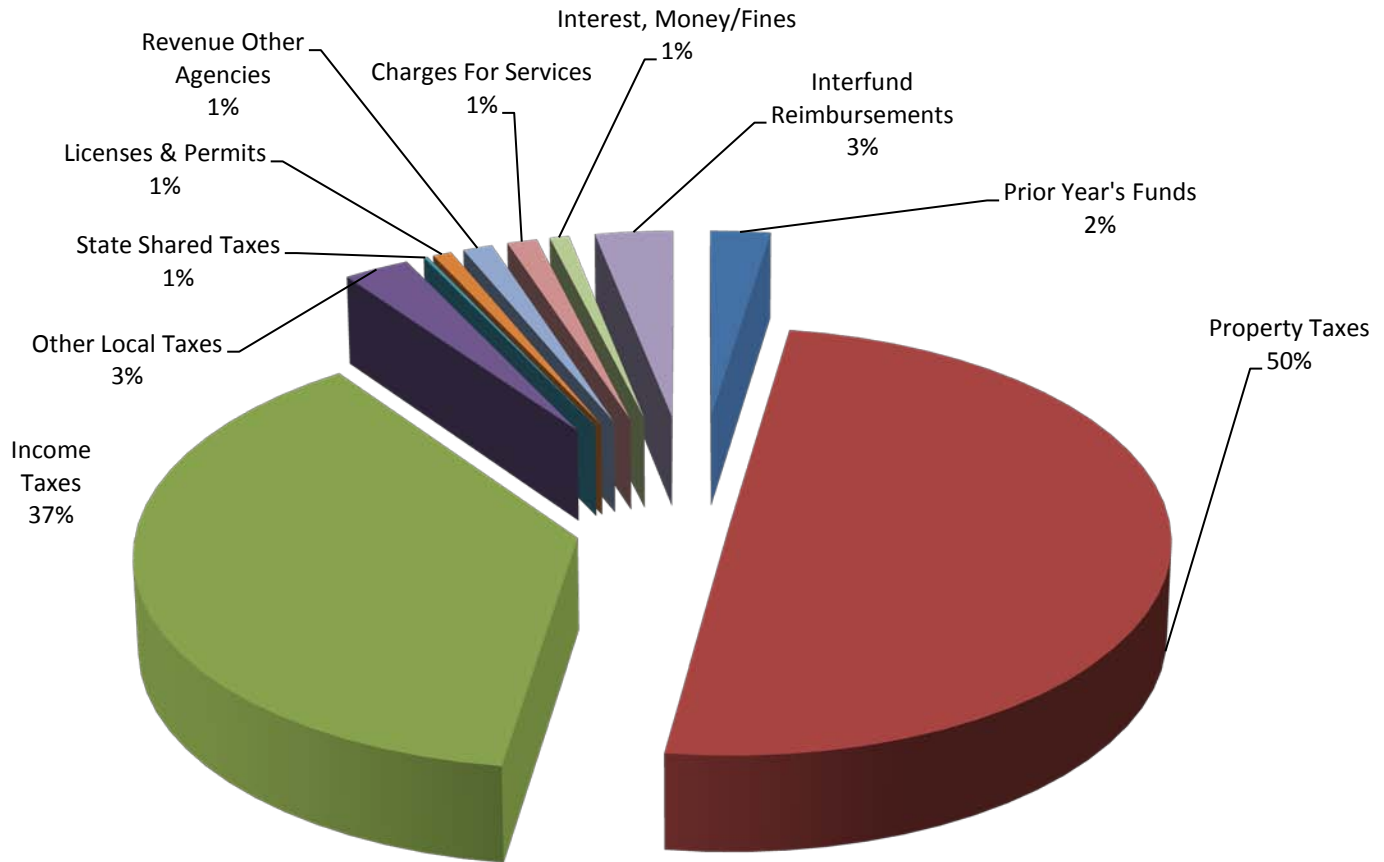
How the Budget is Spent



	Audit Fiscal 2011	Percent Change	Budget Fiscal 2012	Percent Change	Approved Fiscal 2013
Education	839,952,764	0.67%	845,573,680	3.46%	874,810,232
Public Safety	166,977,468	19.62%	199,744,117	3.63%	207,003,810
Public Facilities	126,880,044	15.13%	146,071,370	-0.14%	145,863,972
Community Services	73,242,224	9.04%	79,862,086	4.02%	83,074,989
Legislative & Judicial	20,389,322	10.43%	22,515,264	1.50%	22,852,119
General Government	43,647,172	108.50%	91,004,166	-55.27%	40,705,922
Capital, Debt Services & Reserves	93,222,785	36.60%	127,338,501	38.70%	176,622,266
Total Budget	1,364,311,779	10.83%	1,512,109,184	2.57%	1,550,933,310

General Fund Revenue

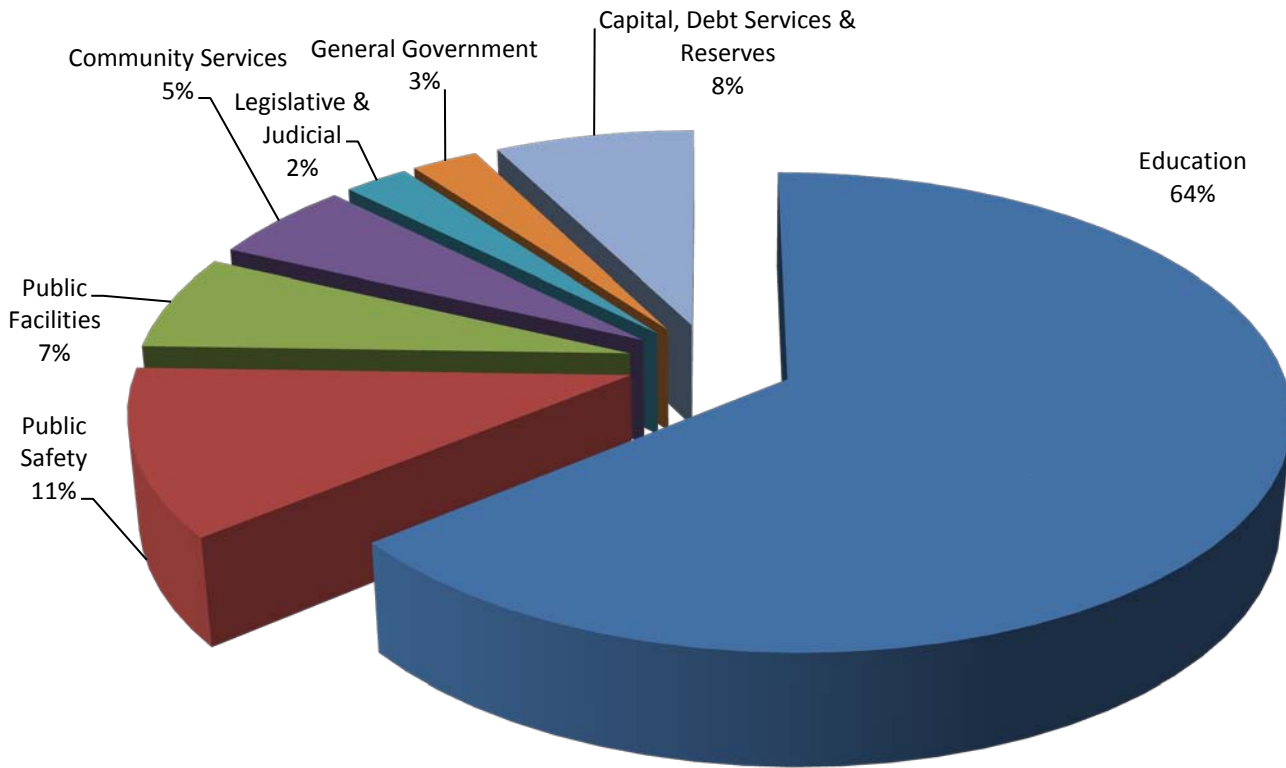
How the Budget is Funded



	Audit Fiscal 2011	Percent Change	Budget Fiscal 2012	Percent Change	Approved Fiscal 2013
Prior Year's Funds	0		16,294,000		21,812,885
Property Taxes	436,457,104	0.86%	440,216,112	1.76%	447,957,013
Income Taxes	315,353,675	3.21%	325,465,000	4.44%	339,929,120
Other Local Taxes	20,316,632	18.13%	24,000,000	-0.08%	23,980,000
State Shared Taxes	1,089,121	-29.43%	768,596	84.10%	1,414,980
Licenses & Permits	7,070,617	5.55%	7,463,050	-8.18%	6,852,450
Revenue Other Agencies	5,229,440	6.45%	5,566,500	93.34%	10,762,000
Charges For Services	10,581,165	-12.54%	9,254,220	15.83%	10,719,300
Interest, Money/Fines	6,832,961	3.08%	7,043,130	-0.14%	7,033,000
Interfund Reimbursements	32,661,020	6.39%	34,747,549	-18.79%	28,219,794
TOTAL	835,591,735	4.22%	870,818,157	3.20%	898,680,543

General Fund Expenditures

How the Budget is Spent



	Audit Fiscal 2011	Percent Change	Budget Fiscal 2012	Percent Change	Approved Fiscal 2013
Education	549,202,081	2.08%	560,600,254	2.72%	575,875,702
Public Safety	89,794,049	10.54%	99,259,069	3.41%	102,645,573
Public Facilities	53,228,003	7.96%	57,466,099	1.24%	58,180,630
Community Services	42,098,108	13.32%	47,703,648	3.42%	49,333,670
Legislative & Judicial	19,696,169	11.77%	22,015,108	0.46%	22,117,242
General Government	19,299,292	11.80%	21,576,042	5.47%	22,757,140
Capital, Debt Services & Reserves	40,211,194	54.68%	62,197,937	8.96%	67,770,585
Total	813,528,896	7.04%	870,818,157	3.20%	898,680,542

Comparative Expenditure Summary

By Function/Department/Object Class

Fiscal Years 2011-2013

*Only includes fund directly appropriated by Howard County and will not equal the all funds budget.

	FY 2011	FY 2012	FY 2013	FY 2012 VS. FY 2013	
	Actual	Approved	Approved	Amount	Percent
Expenditures By Function					
Capital, Debt Service & Reserves	49,154,741	202,942,603	150,749,060	-52,193,543	-34.62%
Community Services	73,252,434	79,947,086	83,074,989	3,127,903	3.77%
Education	549,202,081	560,600,254	575,875,703	15,275,449	2.65%
General Government	101,435,653	134,067,833	132,103,880	-1,963,953	-1.49%
Legislative & Judicial	30,768,468	35,750,122	22,852,119	-12,898,003	-56.44%
Public Facilities	126,883,346	146,091,370	145,863,972	-227,398	-0.16%
Public Safety	156,638,468	187,293,775	207,003,810	19,710,035	9.52%
Total Expenditures By Function	1,087,335,191	1,346,693,043	1,317,523,533	-29,169,510	-2.21%
Expenditures by Department					
Howard County Public School System	503,825,344	512,610,166	526,009,316	13,399,150	2.55%
Howard Community College	30,146,958	31,644,834	32,905,169	1,260,335	3.83%
Howard County Library	15,229,779	16,345,254	16,961,218	615,964	3.63%
Police	77,512,101	89,742,490	92,532,202	2,789,712	3.01%
Department of Fire and Rescue Services	75,954,552	96,234,504	99,517,136	3,282,632	3.30%
Corrections	13,574,202	14,451,639	14,954,472	502,833	3.36%
Planning and Zoning	12,547,687	14,200,667	16,163,187	1,962,520	12.14%
Public Works	107,835,674	124,861,455	122,418,955	-2,442,500	-2.00%
Inspections, Licenses and Permits	5,955,940	6,467,740	6,678,102	210,362	3.15%
Soil Conservation District	544,045	561,508	603,728	42,220	6.99%
Recreation & Parks	26,303,971	35,027,050	37,352,706	2,325,656	6.23%
Citizen Services	13,050,477	17,445,419	17,552,625	107,206	0.61%
Transportation Services	9,201,122	10,166,284	10,166,284	0	0.00%
Health Department	17,562,797	9,184,000	9,396,443	212,443	2.26%
Mental Health Authority	330,000	350,000	350,000	0	0.00%
Social Services	450,609	525,341	530,663	5,322	1.00%
University of Maryland Extension	416,359	416,464	446,492	30,028	6.73%
Community Service Partnerships	5,937,099	6,832,528	7,279,776	447,248	6.14%
County Council	2,990,703	3,258,589	3,463,852	205,263	5.93%
Circuit Court	2,705,869	2,997,996	3,046,692	48,696	1.60%
Orphans Court	44,197	49,982	49,946	-36	-0.07%
State's Attorney	6,434,978	6,971,656	7,118,516	146,860	2.06%
Sheriff's Office	5,813,195	6,404,161	6,636,287	232,126	3.50%
Board of Elections	2,377,139	2,932,880	2,536,826	-396,054	-15.61%
Office of the County Executive	947,245	1,040,555	1,087,841	47,286	4.35%

County Administration	69,629,061	90,834,263	85,545,250	-5,289,013	-6.18%
Finance	3,871,305	6,336,653	6,682,788	346,135	5.18%
Office of Law	3,226,949	3,387,660	3,390,778	3,118	0.09%
Economic Development Authority	1,270,661	1,669,661	3,619,235	1,949,574	53.87%
Technology & Communication Services	17,084,529	20,609,844	21,977,491	1,367,647	6.22%
Housing and Community Development	5,405,903	10,115,447	9,800,497	-314,950	-3.21%
Employee Tuition Reimbursement	0	73,750	0	-73,750	0.00%
Debt Service	49,154,741	96,179,247	43,376,736	-52,802,511	-121.73%
Pay-As-You-Go-Funds	0	16,157,200	22,693,849	6,536,649	28.80%
Contingency Reserves	0	90,606,156	84,678,475	-5,927,681	-7.00%
Total Expenditures by Department	1,087,335,191	1,346,693,043	1,317,523,533	-29,169,510	-2.21%
Expenditures by Commitment					
Personnel Costs	240,060,563	261,974,979	282,756,882	20,781,903	7.35%
Contractuals	158,309,771	184,691,452	191,490,946	6,799,494	3.55%
Supplies and Materials	35,578,923	66,520,197	47,917,406	-18,602,791	-38.82%
Capital Outlay	6,867,456	3,613,238	21,266,895	17,653,657	83.01%
Debt Service	95,473,958	115,001,551	43,376,849	-71,624,702	-165.12%
Expense Other	529,519,381	565,847,960	622,997,580	57,149,620	9.17%
Operating Transfers	21,525,139	58,306,422	23,038,500	-35,267,922	-153.08%
Depreciation	0	131,088	0	-131,088	0.00%
Contingencies	0	90,606,156	84,678,475	-5,927,681	-7.00%
Total Expenditures by Commitment	1,087,335,191	1,346,693,043	1,317,523,533	-29,169,510	-2.21%

Questions About the Budget

Every year, There are frequently asked questions about the budget. Unless otherwise noted, the questions and answers refer to the General Fund Operating Budget of the county.

Q. How has the County budgeted for Teacher Pension Costs?

This budget assumes that a compromise reached by the Maryland General Assembly on FY 2013 spending issues will be ultimately adopted. That compromise shifted one half of the “normal cost” of the teacher pensions cost in Howard County from the State to the County. That amount of \$9,821,066 is included in the budget as a cost of education. In addition, the budget includes \$5,814,000 in additional revenue from anticipated changes in recordation tax and income tax laws.

Q. What are the County tax rates for FY 2013?

There are no proposed changes in tax rates from last year, with the exception of the Fire and Rescue Tax.

The **Property Tax Rate** is \$1.014 per \$100 of assessed value for real property and \$2.535 for eligible personal property owned by businesses in Howard County.

Fire and Rescue Tax:

As a result of legislation proposed by the County Executive and passed by the County Council in April 2012, there is now a single Fire and Rescue Tax on property in the County that fully funds the Howard County Department of Fire and Rescue. Prior to this year there were separate fire taxes for the Metropolitan Fire Tax District and the Rural Fire Tax District and they were not subject to the 5% Homestead Cap that was in place for the County property tax. Thus, revenues generated by the old “tax” increased and fell rapidly as property values changed. That cap is now in place for the new Fire Tax. Recently, when property values fell as the real estate bubble burst, assessment values fell as housing prices decreased.

As a result most homeowners are on average paying 25% less in fire taxes than they were at the peak of their home values. The rate equivalent of that decrease in tax payment is 4.05 cents. This budget proposes a rate increase of 4.05 cents for residents in the old Metropolitan District, from \$.1355 to \$.176, so that on average they will be paying the same Fire and Rescue Tax as they were at the peak assessment of their home. For residents in the old Rural District, the \$.176 rate (up from \$.1155) will mean a home assessed at \$500,000 at its peak assessment will pay \$82.50 more per year in fire tax than they were paying at their peak assessment.

Local Income Tax

Previously this rate was stated as a percent of the state income tax liability as a “piggy back tax” As a result of state legislative action this rate has been restated as a percent of Maryland Net Taxable Income. The rate in Howard County is 3.2%.

Hotel Motel Tax

The rate in Howard County is 7% of the room rental charges for visitors using county motels and hotels. As approved by the Maryland General Assembly, the funds collected from the rate at 5% will be used in the General Fund of the County. The revenue collected above the 5% rate is allocated as follows: One-third is designated to the Economic Development Authority, and two-thirds is dedicated to the Howard County Tourism Council.

Local Property Transfer Tax

The rate in Howard County is 1% of the value of the property being transferred. This revenue is not included in the general fund, but is dedicated to special revenue funds as follows: 25% of the receipts for school land acquisition and construction, 25% for park construction and development, 25% for agricultural land preservation, 12.5% for housing and community development, and 12.5% for the fire and rescue service.

Recordation Tax

\$2.50 for each \$500 of value when property is sold and title recorded.

Mobile Home Tax

10% of gross annual rents up to \$3,600. Amounts above that are taxed at 5%.

Admission Tax

Admissions and amusements are charged at a 7.5% rate. All live shows, concerts, agritourism, and certain athletic activities are charged at a 5% rate.

Q. In FY 2013, the real property tax rate will be \$1.014 per \$100 of assessed valuation. This rate is the same as the current year. How will this affect the tax bill of an owner of a home in Howard County?

Because of falling house prices and declining assessments, homeowners are affected in different ways. Many homeowners who have lived in their homes for more than 10 years will still receive a credit on their tax bill that will limit their property tax increase to 5 percent, a cap established by County law. This is because despite a decline in the assessed value of their home, there is still a gap between their new assessed value, and the value on which they had been paying taxes. That gap is often large enough to allow a 5 percent increase. Those homeowners whose property declined in value this year and who do not qualify for the credit will receive a decrease in their property tax bill. The average decrease is 12 percent. Those property owners who received a decrease in the assessed value of their homes over the past two years and did not qualify for the homestead tax credit will have no increase in their property tax bill.

Based on the median house price in the County of \$424,000, the impact is as follows:

- Those homeowners receiving a 5% homestead credit increase: a \$215 increase in their tax bill.
- Those homeowners reassessed this year, and not receiving a credit: a \$559 decrease in their tax bill
- Those homeowners reassessed over the past two years and not receiving a credit: no change in their tax bill.

Q. What are the major changes in fees and charges in FY 2013?

Water and Sewer User Charges

Water and sewer rates are increasing by 9% to offset cost increases for purchased water and sewer services, treatment chemical, propane, electricity rates and increased usage. These costs help the county meet higher environmental standards for nutrient removal to discharge cleaner water into the Patuxent River.

Q. How many general fund positions are being held unfunded in order to balance the budget?

In order to balance the budget, there are currently 60 positions being held vacant and unfunded in the general fund. This will generate savings of \$3.2 million.

Q. What is the Constant Yield Tax Rate, and how does it differ from the actual tax rate of the County?

The Constant Yield Tax Rate is the rate the county could set if it wanted to collect the same amount in property tax revenue as it had the previous year, after changes in property values are taken into account. State law requires the county to calculate and publicize the Constant Yield rate if it is less than the actual current rate, in order to make clear the amount of a budget increase that is attributable to rising property values.

In years when the assessed values of properties go up, the Constant Yield rate is lower than the rate the council sets. The current property tax rate is \$1.014 and the Constant Yield rate is \$1.012. That rate is two tenths of a cent lower than the current rate.

Q. What is OPEB, and how is it funded?

OPEB is an acronym for “Other Post Employment Benefits.” These are benefits owed to County employees including the employees of the Board of Education, the Library, the Community College, Economic Development Authority and Mental Health Authority for health care and insurance when they retire. Governments are now required to recognize these future costs as a liability on their financial statements and establish a plan to fund them as they are incurred. The current actuarial report states that the county needs to put aside \$62.75 million a year to completely fund this liability. Several years ago the County began to fund this liability and created an OPEB Trust Fund to hold these receipts. During the past two years, County Government and the School System implemented changes in benefit calculations to reduce the liability. In the proposed budget the County has budgeted \$2.0 million in excess of current obligations for OPEB. Also, the County did designate \$1.89 million of the FY 2011 fund balance to be contributed to the OPEB trust. Those funds are being appropriated to the trust in this budget. In total the County has budgeted \$3.89 million above current costs for payment to the OPEB Trust.

Q. How much revenue does a one-cent increase in the real property tax rate generate?

For FY 2013 the property tax rate is unchanged from last year. However each one-cent increase in the real property tax rate, along with its automatically generated 2.5 cent increase in the personal property tax rate, would generate \$4,426,254 in additional revenue.

Q. What is the status of the County’s Rainy Day Fund?

The Charter requires the county to maintain a Rainy Day Fund of up to 7% of the latest audit of general fund expenditures at the time the budget is adopted. It further requires any surplus the county generates go into the fund until that goal is reached. When the goal is reached, any additional surplus can only be spent on capital projects, one-time expenditures or debt reduction. The County has never used funds from the account to balance the budget. The current balance of the Rainy Day Fund is \$56,803,611. For FY 2013, the mandated level of the fund is based on audited spending for FY 2011. Seven percent of that amount will require a Rainy Day Fund of \$57,209,710. That amount is \$406,099 above the current amount in the fund. This amount will be deposited to the fund in FY 2013. Based on projected spending levels for FY 2012, the County estimates it will need to allocate \$2,432,040 from the FY 2012 fund balance to meet the projected Rainy Day funding requirement for FY 2014.

Q. Funding For the School System and Community College make up 64% of the General Fund Portion of the Operating Budget. What authority does the County Executive and County Council have in the allocation of these funds?

As required by State law, the County approves the budgets of the School System and the Community College by major functional categories as set by State statute. The County can set the bottom line spending for each category, but cannot determine spending within those categories. Spending within the categories is determined by the Board of Education for the school system and the Board of Trustees for the college. During the course of the year, the Boards can transfer funds between categories with the approval of the County Council.

During budget review the County Council has the authority to restore funding to the School System that was requested by the Board of Education and reduced by the County Executive in the proposed budget. This authority to restore funds exists only for the Board of Education.

Q. The General Fund Portion of the Budget increased this year by \$25.5 million or 2.9%. Why was this?

About 60% of this amount is for increases in the local contribution to Education including the school system, the College and the Howard County Library. The largest portion of this is for the addition of the obligation to pay for a portion of the teacher's pension cost previously paid by the State. That increase alone accounts for 38% of the increase. Seventeen percent of the increase was for funds taken from the previous year's fund balance for one-time expenses, including pay as you go funding for capital projects, and OPEB funding. The remaining 23%, is for targeted increases in Economic Development, the Community Service Partnership Program, and other miscellaneous increases.

Fiscal 2013 Budget Highlights

Education

- Funds are included to cover the shift in a portion of the state teachers' pension costs to local jurisdictions.
- Howard Community College will open a new health sciences building in spring 2013. Funds are included for new building costs including additional positions and operational expenses.
- Funds are included in the HC Library for full year costs of positions added in fiscal 2012. The twelve new positions are staffing the new Miller Branch Library.

General Government

- The Department of Housing and Community Development will implement a reorganization which involves the hiring of a third party manager to manage and maintain the 112 scattered site units. These units are the only ones still included in the agency's portfolio of self-managed properties.
- The Office of Purchasing will hire a Purchasing Card Program Manager to oversee the county's p-card system which has grown over the past nine years from an annual transaction value of \$6.6 million to \$16.7 million.
- The budget for the Economic Development Authority includes funds to support the recently launched Maryland Center for Entrepreneurship.

Community Services

- The Community Partnership program is being reorganized to better reflect the types of services provided by the program.
- The Howard County Department of Health plans to help residents navigate the Affordable Care Act by increasing capacity to enroll and serve clients at the Door to Health Program. The Department also plans to provide a coordinator to refer uninsured local pregnant women to the Baltimore City Health Start program in order to provide them with free access to essential prenatal care.
- Funding is included for an additional Park Ranger position.

Public Safety

- Forty-one new Firefighter positions are funded for a partial year to provide staffing at the new Glenwood Station and an additional BLS team.
- Funding is included to provide housing for additional ICE detainees at the Detention Center, expenses are offset by revenues.

Public Facilities

- A new Agribusiness Innovation Grant program is funded thru the Agricultural Preservation fund.
- The Department of Inspections, Licenses and Permits plans to expand online payment options to more types of permits and begin accepting in-person credit card payments at their counter in the George Howard Building.

Property Tax Calculation & Comparison

How to Calculate Your Howard County Property Taxes

1 Howard County Assessed Value*	\$424,000
2 Assessed Value Divided by 100	\$4,240
3 Howard County Tax Rate	\$1.014
4 Annual Property Tax Bill (Assessed value per 100 x tax rate)	\$4,300
5 Monthly Property Tax Bill	\$358
6 Daily Property Tax Bill	\$11.90

*October 2010 Median Single Family Detached Home \$424,000

\$11.90

Comparison of the services provided by the daily cost of your property tax bill to the cost of:

Baltimore Aquarium Ticket	\$29.95
Crab Cake Lunch	\$17.95
Manicure	\$17.00
Family Outing to an Orioles Game	\$100

Picture taken by Hu Totya



All Funds Revenues

The budget process starts with the forecast of revenues. The level of revenues expected governs the amount of expenditures available for government functions and services. Howard County is fortunate to have a diverse revenue stream that provides stability in what is frequently a volatile climate. There are over one hundred revenue sources that comprise the county's revenue stream and these can be placed into one of eight basic categories. The following is a summary of categories broken out by fund distribution, if applicable. There are some revenues that are solely available to the general fund, such as income tax, state share taxes, licenses & permits and prior years' funds and are therefore not presented graphically below. The general fund is the largest operating fund and accounts for 59 percent of the all funds budget. For this reason there are additional references to revenues associated with the general fund.

Property Taxes

Property taxes are the largest source of revenue available to the county and represent taxes assessed on real and personal property. Property taxes make up approximately 50 percent of general fund revenues. Property assessments are performed on a triennial basis by the State of Maryland, Department of Assessments & Taxation to determine the property for taxing purposes. Tax billings and collections of the county share of property taxes are performed by the county. The tax due is determined by multiplying the assessed value of the property by the tax rate for each \$100 of assessed value. Even though many homes have declined in value, many homeowners will see a 5 percent increase in their property taxes.

This is because Howard County applies a 5 percent cap on assessment increases and for many years most homeowners have paid taxes based on a factor that was lower than their actual assessment. Despite the decrease in home values experienced during the last few assessments, there is still room for a 5 percent increase in their taxes paid. All property taxes are based on each \$100 of the full assessed value of the property multiplied by the applicable tax rates. For fiscal 2013 the tax rate is the same as last year, \$1.014 for real property and \$2.535 for corporate personal property.

In addition to the property tax levied to support the general fund there is a fire tax that charges a separate property tax dedicated to the fire and rescue service. The tax rate for the fire tax is .1760 for each \$100 of assessed value for real property and \$.40 for personal property for fiscal 2013.

Property taxes are relatively stable and provide 34.1% of the total revenue received by the county. The triennial assessment of property is phased in 1/3 each year over a three year period, thus ensuring revenues are predictable and the burden to taxpayers is spread over three years. This, coupled with the previously noted county cap on property tax increases of no more than 5 percent per year smooth the revenue flow.

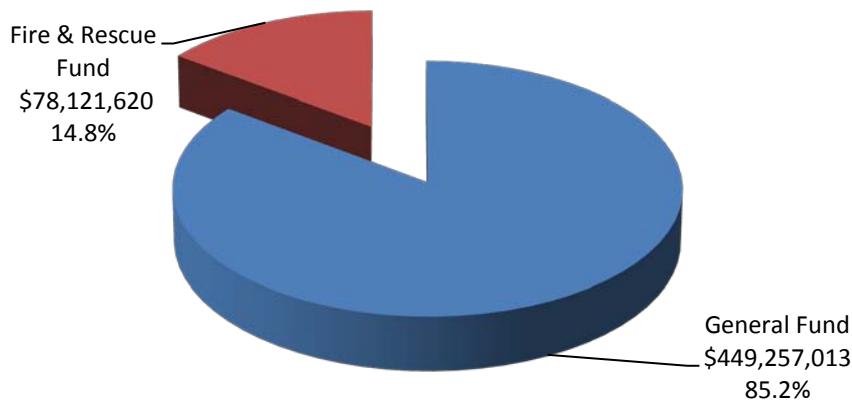
Income Tax

Income tax is the second largest revenue source for the county, representing 22 percent of total revenues and 37.8 percent of general fund revenues. It is the most economically sensitive revenue in the county and reflects downturns in the local economy much faster than the property tax. All income tax is allocated to the general fund. Maryland law requires counties and Baltimore City to impose upon their residents a local income tax. Previously the rate was stated as a percent of the state tax due. As a result of state legislative action this rate was restated as a percent of Maryland Net Taxable Income. The rate in Howard County is 3.2%. Revenue from the income tax is derived from personal income from county residents such as salaries and social security payments as well as income from capital gains, interest, and some business income. This tax is collected by the State Comptroller of the Treasury along with the State Income Tax. Distributions are made to the counties throughout the year based upon collection deadlines. This is the most difficult revenue to project due to this volatility. Under current economic conditions the income tax collections for FY13 are expected to be relatively flat, growing fractionally over the FY12 estimated level.

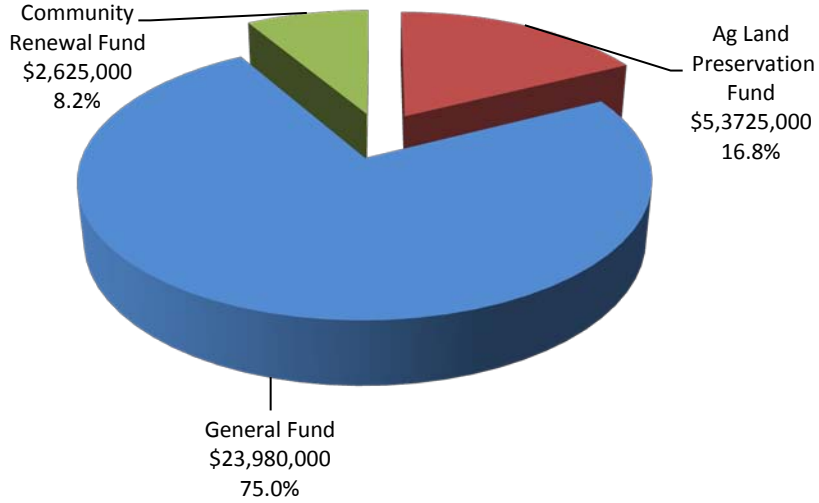
Other Local Taxes

Other local taxes include recordation tax, admissions & amusement tax, hotel/motel tax, and mobile home tax. Most revenues in this category are showing little or no growth. The county imposed admissions & amusements tax is 7.5 percent on gross receipts derived from admission charges except for live performances, concerts and certain athletic activities where the rate is 5 percent. The state collects the tax and remits it to the county quarterly. Local recordation tax imposes a tax on every instrument conveying title to real or personal property recorded with the Clerk of the Circuit Court. The current rate is \$2.50 per \$500 on the value of each recordation. Mobile home tax is 10 percent of the gross annual rent collected on each occupied mobile home space or site up to \$3,600 with an additional 5 percent of the amount of annual rent charged over \$3.600. Hotel/motel tax is a tax of 7 percent on hotel and motel rental receipts for stays less than 30 days. This tax applies to hotels/motels that offer sleeping accommodations with 5 or more rooms.

Property Taxes by Fund



Other Local Taxes by Fund

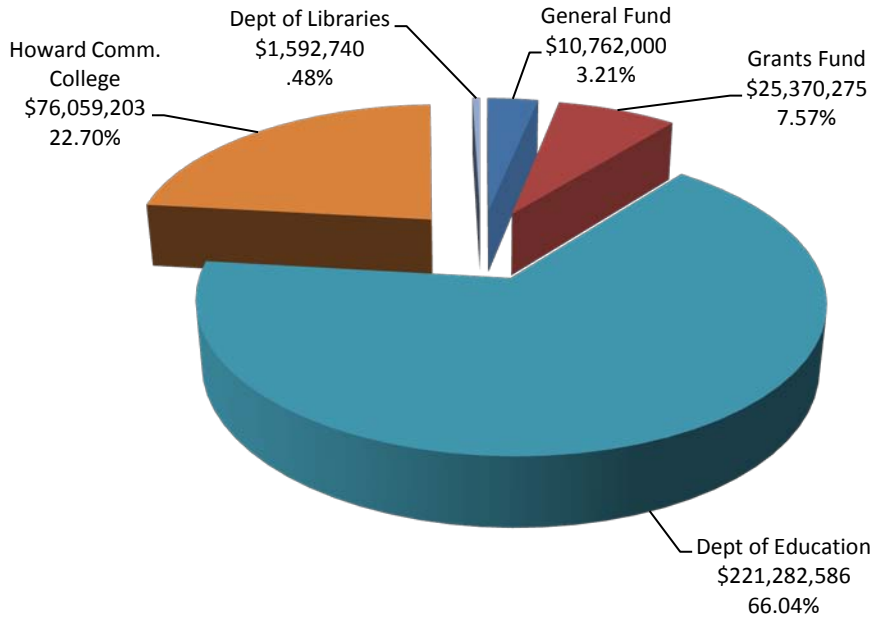


Revenue From Other Agencies

This group encompasses a broad range of revenue sources from federal, state and local grants, to reimbursements from other agencies for services provided to revenue sharing support to donations of funds. State revenue as a major source has largely disappeared from the general fund of the county. All undesignated state revenue has been eliminated. Only highway gas tax funds and state aid for police protection remain.

For fiscal 2013, the state budget increased the highway user revenues by 86 percent, but this remains far below historic funding levels. State funding for education goes directly to the Board of Education and is not received by the general fund. There is additional state funding included in the FY13 revenue stream to provide an offset of teacher pension costs that are being transferred to the county.

Revenue From Other Agencies



Charges for Services

Charges for services are fees, licenses & permits charged by the county to perform specific services for individuals or organizations. The fees are designed to cover the cost of performing the service. More information on each fee is available in the Office of Budget's publication Howard County, Maryland User Fees and Charges. This information can also be found online at

http://www.co.ho.md.us/DOA/Financial_Reports.htm.

Interest, Use of Money, Fines & Forfeitures

This group of revenues includes contingencies from various funds, interest income earned in the cash management portfolio, sale of property & equipment, rental of property and fines related to parking tickets, administrative court costs, violations of animal control laws and red light violations. This revenue group has declined from the previous year because of a decrease in investment income due to low interest rates paid.

Inter-fund Reimbursements

Inter-fund reimbursements are paid to the general fund from other funds in the budget as a reimbursement for services provided, including debt service and pro rata shares. Revenues are from the ag preservation fund, employees benefit fund, water & sewer funds, fire & rescue fund and various capital funds for debt service paid by the general fund.

Prior Years Funds

These general fund revenues represent surplus funds from the prior year's budget in excess of the amount needed to maintain the county Rainy Day Fund at the mandated levels. These funds may only be used for pay-go capital projects or one-time expenses per the Howard County Charter.

General Fund Revenue Summary

General Fund Revenue Summary

Category Name	Prior Year Audit	Current Year Approved	Current Year Estimated	Approved Budget
Charges for Services				
Inmate Boarding	1,693,479	1,486,000	1,696,000	2,606,000
Miscellaneous	7,560,562	6,293,220	6,487,820	6,843,300
Review Fees	1,327,124	1,475,000	1,250,000	1,350,000
Charges for Services	10,581,165	9,254,220	9,433,820	10,799,300
Fines & Forfeitures				
False Alarm	354,656	350,000	350,000	350,000
Parking & Others	1,567,823	1,771,500	1,796,500	1,763,500
Redlight	2,133,314	2,350,000	2,350,000	2,350,000
Fines & Forfeitures	4,055,793	4,471,500	4,496,500	4,463,500
Interfund Reimbursements				
Debt Service	20,923,248	16,175,584	16,175,584	16,481,581
Other	5,574,496	12,229,421	12,229,421	5,209,356
Pro-Rata Charges	6,163,276	6,342,544	6,342,544	6,528,857
Interfund Reimbursements	32,661,020	34,747,549	34,747,549	28,219,794
Licenses & Permits				
Fees	1,727,912	1,565,050	1,715,050	1,726,450
Licenses	839,352	896,000	836,650	896,000
Permits	4,503,353	5,002,000	4,761,350	4,230,000
Licenses & Permits	7,070,617	7,463,050	7,313,050	6,852,450
Prior Year				
Fund Balance	0	16,294,000	16,294,000	21,812,885
Other Prior Year	0	0	0	0
Prior Year	0	16,294,000	16,294,000	21,812,885
Rev Other Agencies				
Other Agencies	5,229,440	5,103,630	4,491,000	10,305,000
State Agencies	0	515,000	377,000	377,000
Rev Other Agencies	5,229,440	5,618,630	4,868,000	10,682,000
Taxes				
Income Tax	315,353,675	325,465,000	340,000,000	339,929,120
Other Tax	20,316,632	24,000,000	23,000,000	23,980,000
Property Tax	436,457,104	440,216,112	441,217,736	447,957,013
State Tax	1,089,121	768,596	771,280	1,414,980
Taxes	773,216,532	790,449,708	804,989,016	813,281,113
Use of Money & Property				
Installment Interest	3,359	8,000	3,500	8,000
Interest on Investment	691,330	700,000	700,000	700,000
Other use of Money & Property	2,082,479	1,811,500	1,853,630	1,861,500
Use of Money & Property	2,777,168	2,519,500	2,557,130	2,569,500
Totals	835,591,735	870,818,157	884,699,065	898,680,542

General Fund Revenue

Howard County's budget is made up of over 100 revenue sources. This diversity provides stability to the revenue stream. However, two sources, property tax and income tax, make up 88 percent of the total current revenue. The performance of these two revenues in large measure determines the health of the budget.

Property Tax

The property tax makes up 50 percent of general fund revenues. The tax due is determined by multiplying the assessed value of the property by the tax rate for each \$100 of assessed value. The State of Maryland uses a triennial assessment system to determine the value of property for taxing purposes. Even though many homes declined in value, many homeowners will see a 5 percent increase in their property taxes paid. This is because Howard County applies a 5 percent cap on assessment increases and for many years most homeowners have paid taxes based on a factor that was lower than their actual assessment. Despite the decrease in home value they experienced, there is still room for a 5 percent increase in their taxes paid. For fiscal 2013 the approved tax rate is the same as last year, \$1.014 for real property and \$2.535 for corporate personal property.

Income Tax

The income tax in Howard County makes up 38% of general fund revenues. It is the most economically sensitive revenue in the county. Previously the rate was stated as a percent of the state tax due. As a result of state legislative action this rate was restated as a percent of Maryland Net Taxable Income. The rate in Howard County is 3.2%. Revenue from the income tax is derived from personal income from county residents such as salaries and social security payments as well as income from capital gains, interest, and some business income. Income tax revenues for 2013 are expected to grow by approximately 4.4% over FY 2012 budgeted levels.

Other Local Taxes

Other local taxes include recordation tax, admissions & amusement tax, hotel/motel tax, and mobile home tax. Improvements in the local real estate market have begun to show improvement in recordation tax collections. Other revenues in this category are estimated to remain stable.

State Shared Taxes & Revenue From Other Agencies

State revenue as a major source has largely disappeared from the general fund of the county. All undesignated state revenue has been eliminated. Only highway gas tax funds and state aid for police protection remain. For fiscal 2013, the state budget increased the highway user revenues slightly, but this revenue remains far below historic levels. State aid for police protection remained static. State funding for education goes directly to the Board of Education and is not received by the general fund. There are State revenue offsets in the revenue stream to help soften the cost of teacher pensions that are expected to be transferred to the county.

Charges for Services & Licenses & Permits

The other revenues of the county are made up of charges for services provided to individuals or businesses and license and permit fees largely as a part of the development process. Fees for services are usually designed to recover the cost of the service provided.

Interfund Reimbursements

This revenue includes funds that are paid to the general fund from dedicated revenue sources to reimburse the general fund for services it has provided to those funds. Most of these funds come from the water and sewer fund and the environmental services fund.

Interest/Money/Fines

This portion of revenues has declined from the previous year because of a decrease in investment income. Other major sources of revenue in this section are from fines from tickets for running red lights and false alarm fines that are both expected to remain stable in fiscal 2013.

Funds From Prior Years

This section includes surplus funds from the prior year's budget that were in excess of that needed to maintain the Rainy Day Fund of the county at the charter mandated levels. These funds may only be used for pay-go capital projects or onetime expenses per the Howard County Charter.

Employee Information Report

Summary of Employees by Department/Function

Department/Agency	FY2011 Actual	FY2012 Budget	FY2012 Adjusted	FY2013 Approved	Variance Adj vs Appr
Howard County Public School System	7423.30	7466.50	7466.50	7552.70	86.20
Howard Community College	498.39	518.59	522.59	543.73	21.14
Howard County Library	220.50	232.50	232.50	232.50	0.00
Police	628.00	634.00	635.00	635.00	0.00
Department of Fire and Rescue Services	423.35	419.35	420.35	461.35	41.00
Corrections	145.00	144.00	144.00	144.00	0.00
Planning and Zoning	67.88	66.88	66.88	66.88	0.00
Public Works	439.63	439.63	439.64	444.64	5.00
Inspections, Licenses and Permits	65.00	65.00	65.00	65.00	0.00
Recreation & Parks	251.83	255.51	257.88	260.88	3.00
Citizen Services	122.38	122.31	123.05	125.05	2.00
Transportation Services	3.00	4.00	4.00	4.00	0.00
Health Department	170.00	170.00	130.00	130.00	0.00
Mental Health Authority	4.25	4.25	4.25	4.25	0.00
Social Services	1.88	1.88	1.88	1.88	0.00
University of Maryland Extension	2.00	2.00	2.00	2.00	0.00
County Council	30.00	30.00	30.00	30.00	0.00
Circuit Court	29.43	29.40	29.32	29.32	0.00
State's Attorney	71.60	71.60	71.60	72.60	1.00
Sheriff's Office	71.00	71.00	71.00	71.00	0.00
Office of the County Executive	8.00	8.00	8.00	8.00	0.00
County Administration	127.00	130.00	130.50	132.50	2.00
Finance	56.50	54.50	54.50	54.50	0.00
Office of Law	24.00	24.00	24.00	24.00	0.00
Economic Development Authority	17.00	17.00	16.00	16.00	0.00
Technology & Communication Services	72.00	75.00	78.00	80.00	2.00
Housing and Community Development	43.38	43.38	35.88	35.88	0.00
Total	11016.30	11100.28	11064.32	11227.66	163.34
By Function					
Education	8142.19	8217.59	8221.59	8328.93	107.34
Public Safety	1196.35	1197.35	1199.35	1240.35	41.00
Public Facilities	572.51	571.51	571.52	576.52	5.00
Community Services	555.34	559.95	523.06	528.06	5.00
Legislative & Judicial	202.03	202.00	201.92	202.92	1.00
General Government	347.88	351.88	346.88	350.88	4.00
Total	11016.30	11100.28	11064.32	11227.66	163.34

New Positions

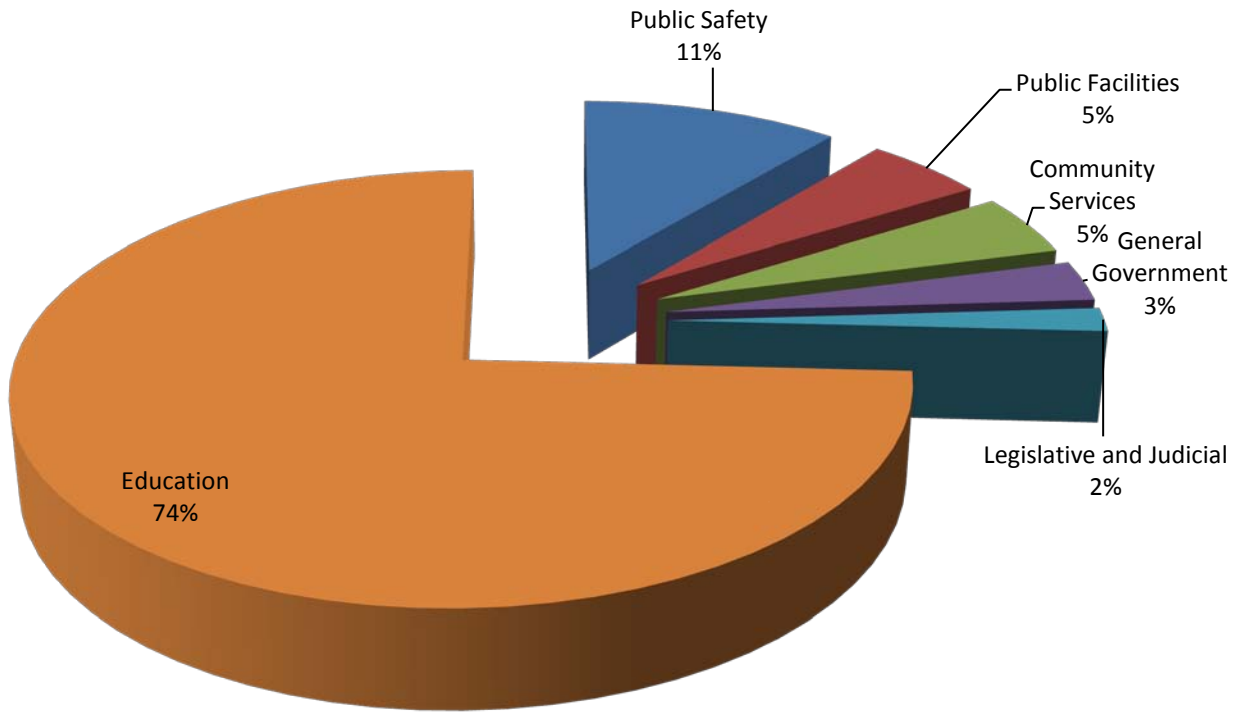
Department	Position Title	Number of Positions
County Administration	Administrative Analyst II	1.00
	Administrative Analyst I	1.00
Recreation & Parks Services	Park Ranger	1.00
	Parks Maintenance Worker	1.00
	Recreation Services Coordinator	1.00
Citizen Services	Administrative Analyst I	1.00
	Human Services Specialist II	1.00
Public Works	Motor Equipment Operator II	2.00
	Engineering Specialist I	1.00
	Operations Technician I	2.00
Fire & Rescue Services	Firefighter Trainee	41.00
State's Attorney	Human Services Worker II	1.00
Technology & Communication	Technical Services Manager I	1.00
	Technical Service Support Specialist IV	1.00
	Total	56.00
	Engineering Specialist II *	1.00
	Engineering Specialist III *	1.00

*Funded in the Capital Budget

New Positions/Other Agencies

Department	Category	Number of Positions	
Board of Education	Administration	1.50	
	Mid-Level Administration	7.50	
	Instruction	74.20	
	Special Education	3.00	
	Operation of Plant	0.50	
	Community Services	1.00	
	Total	87.70	
Howard Community College	Faculty Program Director	1.00	
	Faculty Program Director	1.00	
	Faculty Program Director	1.00	
	Faculty Program Director	1.00	
	Faculty – Nursing	2.00	
	EMT Faculty	1.00	
	Clinical Coordinators	2.00	
	Health Sciences Clinical	0.50	
	Office Associate III, Health	1.00	
	Rouse Scholars Sophomore	0.63	
	Director of Mediation & Program Coordinator	0.20	
	Executive Assistant to VPAA	0.75	
	Training Coordinator/Case	0.60	
	Service Learning Operations	1.00	
	Preventive Maintenance	0.50	
	Environmental Service	1.50	
	Emergency Management	0.50	
	Floor Care Technicians	1.00	
	SCS Computer and Network	0.50	
	Financial Aid Information	1.00	
	Financial Aid Counselor	1.00	
	Admissions and Advising	0.33	
	Admissions and Advising	0.50	
	Assistant Director of	0.50	
	Total	21.14	
		Total Other Agencies	108.84

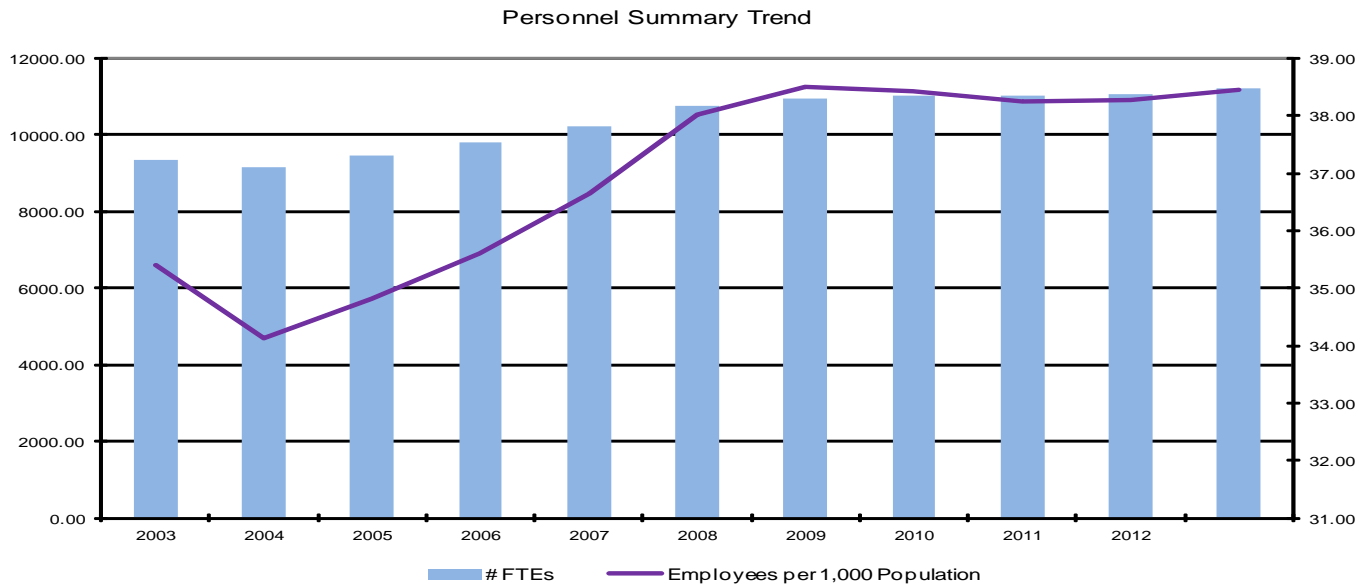
Fiscal 2013 FTEs by Function



Department	# FTEs
Public Safety	1240.35
Public Facilities	576.52
Community Services	528.06
General Government	350.88
Legislative and Judicial	202.92
Education	8328.93
Total	11227.66

Personnel Summary for 10-year Period

Fiscal Year	# FTEs	% Change	Population	Employees per 1,000 Population
2003	9351.68	-	264,250	35.39
2004	9138.12	-2.3%	267,724	34.13
2005	9453.19	3.4%	271,535	34.81
2006	9808.23	3.8%	275,425	35.61
2007	10205.96	4.1%	278,457	36.65
2008	10748.71	5.3%	282,674	38.03
2009	10953.11	1.9%	284,421	38.51
2010	11011.59	0.5%	286,574	38.42
2011	11016.3	0.0%	287,983	38.25
2012	11064.32	0.4%	289,123	38.27
2013	11227.66	1.5%	292,041	38.45



About the Budget and the Budget Process

Adopting the county budget involves making choices about what local services should be funded and at what level. The Howard County Charter and the Maryland Constitution require a balanced budget, meaning revenues generated must cover the appropriated expenses.

The First Step: The Spending Affordability Advisory Committee

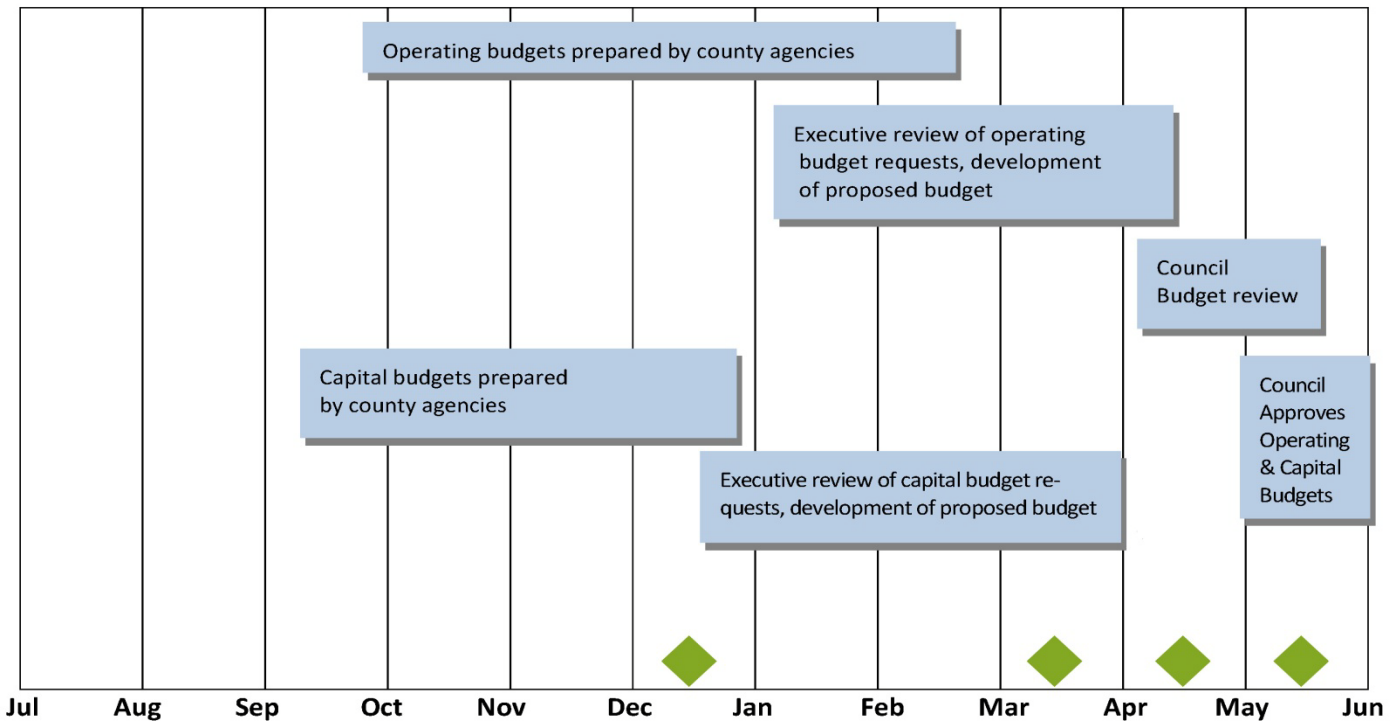
Each fall, as a first step in the budget process, the County Executive appoints a committee to advise him as he prepares the new budget. This committee, which is comprised of county residents and county officials who have expertise in financial matters, is charged with examining economic and fiscal data, multi-year revenue and expenditure projections and county infrastructure and service needs. The committee reports on its findings, which shall be used as guidelines in setting debt affordability levels for the upcoming budget.

The Second Step: Executive Development and Review

The public process begins in the fall when the County Executive invites county residents to express their budget priorities. County agencies develop budget requests and submit them to the executive by February. The County Executive holds a second meeting in the spring to update the public on the budget in process. In April, the County Executive presents the proposed budget to the County Council.

The Third Step: County Council Review and Final Approval

The Council conducts a series of public hearings and work sessions in April and May to review the Executive's proposed budget. Citizens are given the opportunity to comment on the budget before the Council takes action.



◆ Public hearing (approximate dates)

The County Council can reduce the Executive's budget, but not increase it, except in the case of the Department of Education's budget. Per state law, the council may restore funds back to the level requested by the school board.

The capital budget follows a similar process of hearings. In addition, this budget is reviewed by the Planning Board. The sites of all new or substantially changed projects are posted, the projects advertised, and the board holds a public hearing in February. After its review, the County Council finalizes the entire budget. The Council also sets tax rates needed to generate enough revenue to balance the budget.

During the Year: Amending the Approved Budget

Once the budget is approved, it can only be amended by the County Council upon the request of the County Executive.

The operating budget may be amended through the use of Supplemental Budget Appropriation Ordinances (SAOs). The County Executive may request, at any time during the fiscal year, that a SAO be approved by transferring funds from the county's general contingency reserve to an operating budget account. The county may not increase the bottom line of the budget through this process except in emergencies. During the last quarter of the fiscal year only, the County Executive may request the County Council to transfer funds from one county agency to another. The capital budget of the county may be amended through the use of Transfer Appropriation Ordinances (TAOs). The County Executive may request, at any time during the fiscal year that a TAO be approved by transferring funds from one capital project to another. At no time may the bottom line of the capital budget be increased.

Budget Calendars

Fiscal 2013 Operating Budget

Dates	Items
December 7, 2011	County Executive's Citizens' Budget Meeting
December 15, 2011	Cognos training for end users
January 3, 2012	Cognos budget system opens for end users
January 31, 2012	Budget requests due from all departments
February 14- March 11, 2012	Office of Budget review of fiscal year 2013 requests departments and CAO
March 14, 2012	County Executive's Citizen's Budget Meeting
March 15- April 1, 2012	County Executive review of fiscal year 2013 with department heads
April 4- April 15, 2012	County Executive makes final operating budget decisions
April 21, 2012	Operating budget submitted to the County Council
May 31, 2012	Operating and Capital budgets adopted by County Council

Fiscal 2013 Capital Budget

Dates	Items
October 13, 2011	Deadline for receipt of requests for new projects from all departments and agencies
November 3, 2011	Deadline for receipt of changes to existing projects from all departments and agencies
December 14- December 24, 2011	Department of Public Works reviews/compiles/reproduces draft budget
December 7, 2011	County Executive's Citizens' Budget Meeting
January 3, 2012	Public Works submits draft capital budget to CAO
February 1, 2012	County Executive transmits departmental budget requests to Planning Board
February 10, 2012	Planning Board hearing on capital budget requests
March 1, 2012	Planning board submits recommendations to County Executive
March 14, 2012	County Executive's Citizens' Budget Meeting
March 2- March 20, 2012	Executive Reviews and makes final decisions on capital budget
April 1, 2012	Deadline for County Executive to submit proposed capital budget to County Council
May 31, 2012	Operating and Capital budgets adopted by County Council

Budget and Financial Policies

Howard County budget and financial policies are governed by the Maryland Constitution, the Howard County Charter, the Howard County Code, and generally accepted accounting practices. The following list the major budget and financial policies of Howard County.

Fund Category

At the heart of government finances is the concept of fund accounting. Governments create funds to account for related expenses and revenues. The funds are fiscal and accounting entities. They include a self-balancing set of accounts that record cash and other financial resources with all related liabilities and residual equities or balances and related changes. For example, the environmental services fund contains the budget to pay for the waste collection and disposal expenses including operations of the county landfill. Howard County collects charges for refuse and recycling collection for residential and commercial property. These fees support the environmental services fund.

Governmental Funds

General: The general fund is probably the most visible part of the county budget. It includes the budgets to pay for police protection, run the school system, plow the snow, operate the county jail, and provide grants to community social service agencies and a host of other activities. The revenue to support the general fund comes primarily from local property and income taxes.

Special Revenue: Special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for special purposes. The county uses a number of revenues for specific purposes only. For example, the county's 1 percent transfer tax pays for specific activities including agricultural land preservation, park acquisition and development, community renewal, school site acquisition and construction, and fire protection.

Capital Projects: Although the capital budget covers all county capital acquisition and construction projects, the cost of the projects and a listing of all revenues is included in the operating budget book under the special revenue funds section. There is a capital project fund for most major capital project categories. Related projects are often combined with these funds.

Proprietary Funds

Enterprise: Some government operations are fully supported by fees charged to external users. The special facilities fund (golf course) and utilities fund are examples of enterprise funds in the county budget.

Internal Service: Some county departments operate purely to support other departments. For example, the risk management fund provides insurance coverage for county government agencies on a cost reimbursement basis. Other internal services funds include the information systems services operations, fleet operations and employee benefits.

Basis of Accounting and Budgeting

Howard County conforms to generally accepted accounting principles (GAAP) as applicable to government units and has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association for thirty-two consecutive years. Governmental and agency funds are maintained and reported on the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. Available means collectible within the current period or soon thereafter to be used to pay liabilities of the correct period. All other revenues are generally not susceptible to accrual because they are not measurable in advance of collection.

Governmental fund expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on long-term debt, and certain long-term accrued obligations (compensated absences, claims and judgments, special termination benefits and landfill closure and post closure costs, which are recognized when paid.

The proprietary, pension trust and community college funds are reported on the accrual basis of accounting, except that no depreciation has been provided on the Howard Community College campus and equipment. Under this method of accounting, revenues are recognized when earned, and expenses are recorded when liabilities are incurred. In the enterprise funds, an estimated amount of user charge is recorded for services rendered but not yet billed at year-end.

Budget Policies

The Howard County budget consists of the current expense budget and operating expense program, the capital budget and capital program, and the budget message. It represents a complete financial plan for the county reflecting receipts and disbursements from all sources, including all revenues, all expenditures and the surplus or deficit in the general fund and all special funds of the county government. It also includes the budgets as submitted by the County Council.

During preparation of the budget the County Executive holds at least two public hearings to receive public comment. One hearing is held in December to receive proposals for inclusion in the budget. The other is held in March to receive comments on budget requests.

Not later than seventy days prior to the end of the fiscal year, the Executive must submit to the County Council the proposed current expense budget for the ensuing fiscal year, the operating expense program for the fiscal year covered by the current expense budget and the next succeeding five fiscal years, and that part of the budget message pertaining to the current expense budget. Not later than ninety days prior to the end of the fiscal year, the Executive shall submit to the County Council the proposed capital budget, the capital program for the fiscal year covered by the capital budget and the next succeeding five fiscal years, and that part of the budget message pertaining to the capital budget program.

Upon receipt of the proposed county budget the County Council holds a public hearing on the budget. The hearing must be no less than fifteen or more than twenty days after the date of the filing of the proposed budget by the Executive.

The County Council cannot change the form of the budget as submitted by the Executive, to alter the revenue estimates or to increase any expenditure recommended by the Executive for current or capital purposes unless expressly provided in state law and except to correct mathematical errors.

Once the county budget is adopted in the Annual Budget and Appropriation Ordinance, the County Council levies and causes to be raised the amount of taxes required by the budget in the manner provided by law so that the budget shall be balanced as to proposed income and expenditures.

Unless otherwise provided by public general law, all unexpended and unencumbered appropriations in the current expense budget remaining at the end of the fiscal year lapse into the county treasury, except appropriations to the risk management funds shall be non-reverting.

Capital and Debt Policy

The county funds its capital program based on the requirements of the General Plan and supporting master plans for recreation & parks, human services, schools, water & sewer, solid waste, libraries, fire stations and public facilities. The county uses an annual debt affordability process to determine reasonable debt levels.

The county plans long and short-term debt issuance to finance its capital budget based on cash flow needs, sources of revenue, and capital construction periods, available financing instruments and market conditions. The county finances capital needs on a regular basis, dictated by capital spending patterns.

A financial advisor and bond counsel assist the county in developing a bond issuance strategy, preparing bond documents and marketing bonds to investors. Bonds issued by the county mature over a term matching the economic life of the improvements they finance.

General improvements are sold as Consolidated Public Improvement bonds with 20 year terms and water & sewer improvements into Metropolitan District Bonds with a maximum 30 year terms. Debt obligations are generally issued via competitive sale. However, the county may use a negotiated sale process when it provides significant saving and/or if the terms of the offering are sufficiently complex that the bond issue might be compromised in a competitive sale.

Investment Policy

It is the policy of Howard County, Maryland to invest public funds in a manner which will conform to all State of Maryland and county statutes governing the investment of public funds while meeting its daily cash flow demands and providing a return at least equal to the three month Treasury bill yield. The county may not borrow money for the sole purpose of investment.

Any request or directive to diverge from this policy shall be reported, immediately, to the Director of Finance or county Auditor, as appropriate.

This investment policy applies to all cash and investments of the county that are accounted for in the county's Comprehensive Annual Financial Report and include:

- A. General Fund
- B. Special Revenue Funds
- C. Capital Project Funds (Including Bond Funds)
- D. Enterprise Funds
- E. Debt Service Funds
- F. Special Assessment Funds
- G. Internal Service Funds
- H. Trust and Agency Funds
- I. Any new funds as provided by county ordinance.

This policy does not cover the financial assets of the Howard County Retirement Plan and the Howard County Police & Fire Employees Retirement Plan or the OPEB Trust. There are separate investment policies which govern those assets.

The primary objectives, in priority order, of the county's investment activities shall be:

Safety: Safety of principal is the foremost objective of the investment program. Investments of the county shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the county will diversify its investments by investing funds among a variety of securities offering independent returns and financial institutions. Third party collateralization safekeeping and delivery versus payment will also be required.

Liquidity: The county's investment portfolio will remain sufficiently liquid to enable the county to meet all operating requirements which might be reasonably anticipated.

Yield: The county's investment portfolio shall be designed with the objective of attaining a rate of return at least equal to U.S. Treasury bill yields through budgetary and economic cycles. A Treasury bill yield benchmark was selected after considering the county's investment risk constraints and the cash flow characteristics of the portfolio. Generally, the three or six month Treasury yield that most closely matches the weighted average maturity of the portfolio shall be used.

Budget Stabilization Account

The Charter requires the county to maintain a Rainy Day Fund of up to 7% of the latest audit of general fund expenditures at the time the budget is adopted. It further requires any surplus the county generates go into the fund until that goal is reached. When the goal is reached, any additional surplus can only be spent on capital projects, one-time expenditures or debt reduction. The County has never used funds from the account to balance the budget. The current balance of the Rainy Day Fund is \$56,803,611. For FY 2012, the mandated level of the fund is based on audited spending for FY 2010. Seven percent of that amount will require a Rainy Day Fund of \$56,258,912. That amount is \$544,699 less than is the fund at this current time. Thus no additional appropriation is required for FY 2012. Based on projected spending levels for FY 2011, the County estimates it will need to allocate \$734,000 from the FY 2011 fund balance to meet the projected Rainy Day funding requirement for FY 2013.

Policy on Maintaining the Account at Mandated Levels

The County Executive has adopted the following policy that will be used to maintain the Rainy Day Fund:

Transfers to the general fund and/or under-funding of the Budget Stabilization Account will be addressed as quickly as possible. The primary method of filling the account is to use estimated or un-appropriated

surpluses. If the account falls below the mandated Charter level for two fiscal years the county will replenish funds by direct appropriation. In the fiscal year following the two-year period, a direct line item appropriation is to be included in the operating budget. This direct appropriation to the operating budget will continue until the Budget Stabilization Account reaches the targeted level.

If it is not financially feasible for the county to budget a 25 percent direct appropriation of the amount required making up the difference, the county will budget a lesser amount, and reaffirm its commitment to fully replenish the reserve funds used, but over a longer period of time. When economic conditions improve, the county will again appropriate 25 percent of the difference between the maximum Budget Stabilization Account level and the existing balance. The direct budget appropriations will continue until the account is back to fully funded status.

Budget Stabilization Account (Rainy Day Fund)

Howard County Maryland Budget Stabilization Account (Rainy Day Fund)

I Charter Target as of June 30, 2011

Total FY 2009 Audited General Fund Expenditures:	\$835,417,613
Less funds appropriated as one time expenditures	<u>\$23,937,457</u>
Subtotal FY 2009 Audited General Fund Expenditures	\$811,480,156
Rainy Day Fund Percentage	<u>7%</u>
Maximum size of the fund for FY2011	<u><u>\$56,803,611</u></u>

II Charter Target as of June 30, 2012

FY2010 Audited General Fund Expenditures:	\$809,609,567
Less FY2010 one time expenditures	<u>\$5,910,826</u>
Subtotal FY2010 Audited General Fund Expenditures	\$803,698,741
Rainy Day Fund Percentage	<u>7%</u>
Maximum Size of the Fund for FY2012	<u><u>\$56,258,912</u></u>

III Actual and Projected Rainy Day Fund Balance

Amount in Rainy Day Fund at June 30, 2010	\$56,803,611
FY2011 Decrease in Rainy Day Fund	<u>-\$544,699</u>
Total Projected Rainy Day Fund Balance at June 30, 2012	<u><u>\$56,258,912</u></u>

IV Charter Target as of June 30, 2013

FY2011 Audited General Fund Expenditures:	\$817,786,706
Less FY2011 one time expenditures	<u>\$505,137</u>
Subtotal FY2011 Audited General Fund Expenditures	\$817,281,569
Rainy Day Fund Percentage	<u>7%</u>
Maximum Size of the Fund for FY2013	<u><u>\$57,209,710</u></u>

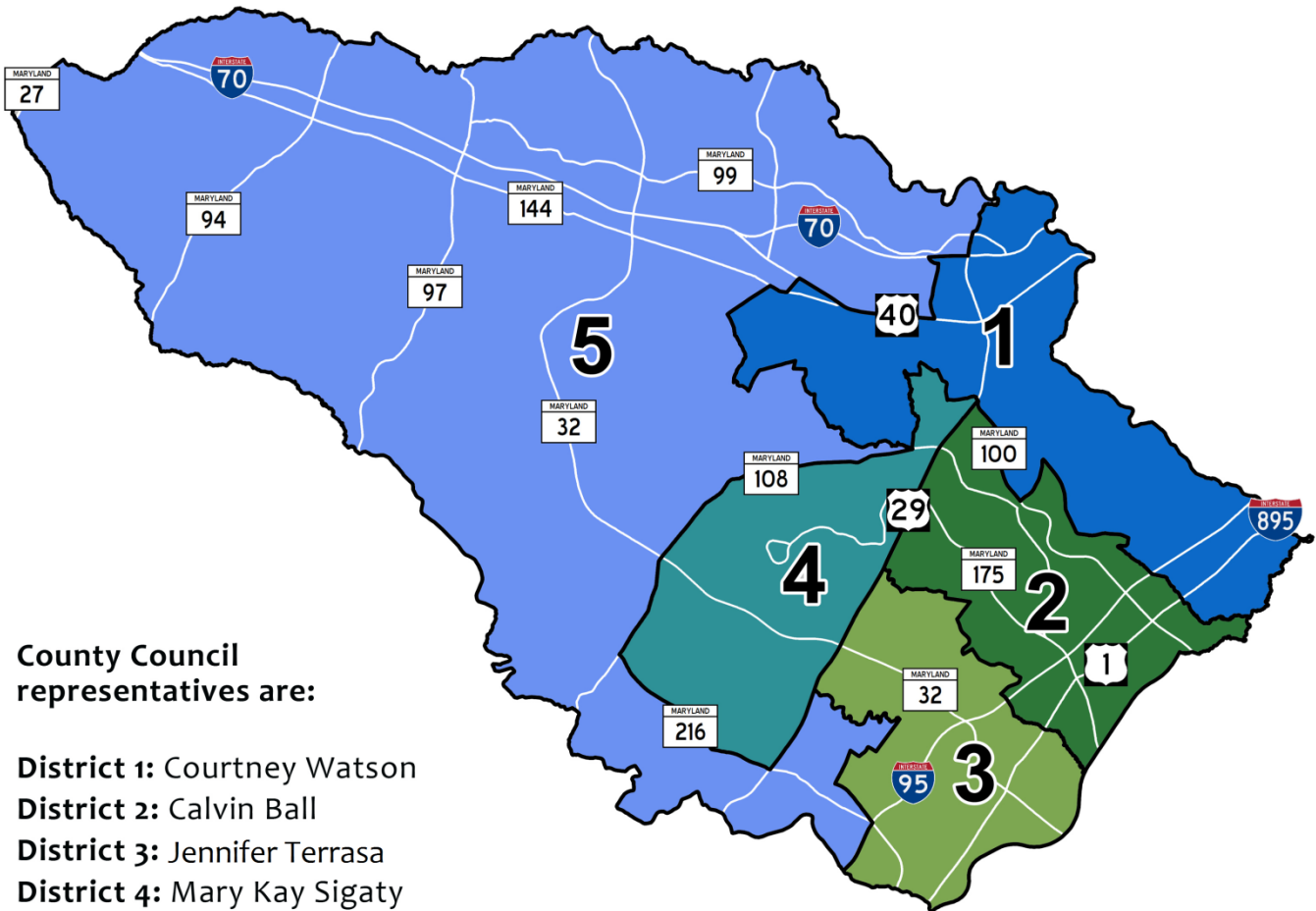
V Estimated Charter Target as of June 30, 2014

Anticipated FY2012 General Fund Expenditures	\$868,319,000
Less FY2012 one time expenditures	<u>\$16,294,000</u>
Subtotal FY2012 Anticipated General Fund Expenditures	\$852,025,000
Rainy Day Percentage	<u>7%</u>
Projected Size of the Rainy Day fund for FY2014	<u><u>\$59,641,750</u></u>

Amount that needs to be dedicated from FY 2012 for future Rainy Day Fund Payments	\$2,432,040
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County Council Districts

Howard County is divided into five legislative districts. Each district is represented by one Council Member chosen during elections every four years.



County Council representatives are:

District 1: Courtney Watson

District 2: Calvin Ball

District 3: Jennifer Terrasa

District 4: Mary Kay Sigaty

District 5: Greg Fox

The Capital Budget

The capital budget includes the funds to construct major government facilities such as roads, bridges, schools, fire stations, etc. Capital projects usually take more than one year to complete, unlike operating budgets which cover only one year. The budget for any one project may include money which has already been spent, additional funds for the next year, and planned expenditures for five years in the future.

Capital projects are funded by a number of revenue sources, including bonds, pay-go cash, developer contributions, transfer tax and utility funds and grants. Because the projects are usually major facilities, the county often borrows money to pay for them over a long period. The borrowed money, called bonds, is repaid through the operating budget debt service payments much like a homeowner makes mortgage payments. For Fiscal 2013 the county has budgeted debt service payments of \$94.6 million in the general fund.

The capital program is a plan showing anticipated capital projects in the five years following the capital budget.

The Role of the Capital Budget in the Adequate Public Facilities Process

Since the 1990's the county has had an adequate public facilities ordinance to provide planning predictability for the county. The legislation requires the testing of proposed development for adequacy of schools and roads as a condition of subdivision or site development plan approval. The county in turn is required to adopt ten year plans for its infrastructure of schools, roads, solid waste, water & sewage, and other governmental functions. These master plans are used to determine the adequacy of infrastructure necessary to allow development. As such, the capital budget is the vehicle for determining how development will proceed in the county.

The Debt Affordability Process

To determine reasonable debt levels for the county as part of the capital budget process, each year the County Executive appoints a Spending Affordability Committee consisting of individual citizens with fiscal expertise and county officials to review the county's ability to absorb and pay for bond debt. This review has become a regular function of the budget process and includes recommendations made by the committee regarding how much new debt can be afforded by the county without overburdening itself with debt service payments. In order to make its recommendations, the committee examines the following measures:

1. Debt measured as a percent of the county's assessable base. The County Charter limits the county debt to 12% of the assessable base, which has been adjusted to 4.8% based on 100% assessment levels.
2. Per capita debt measured as a percent of the jurisdictions per capita personal income.
3. Debt measured against the population on a per capita basis.
4. Debt Service (the repayment of bond principal and interest) as a percent of current general fund revenues.

In addition, the committee reviews multi-year projections of the county's revenues and expenditures to determine debt affordability in the context of the county's future growth, economic conditions, service needs and overall fiscal situations.

For Fiscal 2013 the committee recommended that the county restrict the amount of new General Obligation Bonds authorized in the budget to \$100 million. The Capital Budget as submitted by the County Executive to the County Council follows that recommendation.

The Howard County Capital Budget is published separately from the operating budget; however, the County Executive's Capital Budget Message, a summary and area maps highlighting capital projects follow.

**HOWARD COUNTY OFFICE OF COUNTY EXECUTIVE**

3430 Courthouse Drive ■ Ellicott City, Maryland 21043 ■ 410-313-2013

Ken Ulman
Howard County Executive
kulman@howardcountymd.gov

www.howardcountymd.gov
FAX 410-313-3051
TDD 410-313-2323

March 30, 2012

The Honorable Mary Kay Sigaty
Chairperson, Howard County Council
3430 Courthouse Drive
Ellicott City, Maryland 21043

Dear Chairperson Sigaty:

I am pleased to submit to you the proposed Fiscal Year 2013 Capital Budget for Howard County. As I have done throughout my administration, this budget balances our commitment to funding our core priorities, strengthening our existing infrastructure, and investing in our community's future with strict adherence to fiscal responsibility. Over the past year the economy has continued to rebound from the recession, but a slow-growing assessable base and the potential transfer of obligations from the State to the County mean we have to continue to adhere to strict fiscal prudence and restraint. Accordingly, in the course of developing this budget, we made difficult decisions about what to fund and what to defer. Despite these challenges, this budget offers a solid framework to ensure that investments we make this year are affordable and necessary in the long term. Our commitment to conservative budgeting still allows us to focus on key areas that will define Howard County's ongoing success: education, public safety, the environment, and reinvestment in our existing infrastructure to ensure a sustainable and successful future for Howard County.

With guidance from the Spending Affordability Committee, this proposed Capital Budget provides a plan for essential infrastructure investments while limiting new General Obligation Bond debt to less than \$94.9 million, \$5.1 million below the committee's recommendation. Limiting our General Obligation Bond debt below the Spending Affordability Committee's recommendation ensures that the budget will be affordable for the long term.

Over the past five years, we have used the capital budget to build an impressive number of important new projects that have improved the quality of life in Howard County, including new and expanded parks, a new nature center, new and renovated schools, a new library, new fire stations, a commitment to preserving our environment, and expansions at our community college. While it is still important to continue to build new projects to meet the needs of our growing county, it is just as important, if not more so, that we maintain our existing facilities to the high standards residents expect. By focusing on reinvestment, this budget does just that.

Included in this proposed capital budget are several reinvestment projects. For instance, after economic conditions forced us to defer certain infrastructure projects over the last few years, we are investing heavily in the maintenance of our system of roadways, sidewalks, and bridges. Indeed, this budget expands funding in these areas from \$7.2 million to \$18.7 million. Road resurfacing alone accounts for over \$10 million in this budget.

We are also funding a \$5.1 million renovation of the old Miller Library building to provide additional space for the Ellicott City Senior Center and administrative offices for the Library. Also, the existing Savage Library will be greatly enhanced with a major renovation project (\$5 million), and we have included funding to begin renovating old Library office space for public use in the Central and East Columbia branches (\$1.9 million). This budget also includes \$6.1 million for the completion of another significant renovation project to convert an old vehicle repair facility into a state-of-the-art transit maintenance center in Savage. We have also included funding in systemic maintenance projects to ensure all county facilities – from fire stations to bathrooms at parks – are in good working order.

The theme of reinvestment is evident too in the school system projects funded as part of this budget. Howard County's schools continue to be the best in Maryland, in large part because of wise investments in our educational system. We must continue to invest wisely in our schools to ensure they are meeting the needs of today's students and tomorrow's leaders. Included in this budget are funds to continue the renovation and modernization of Atholton High School (\$10 million), complete the renovation and expansion of Phelps Luck Elementary School (\$9.2 million), and initiate a renovation project at Gorman Crossing Elementary School (\$5.1 million). Furthermore, now that site acquisition is complete, I am pleased to include \$15.8 million in funding for construction of a new elementary school in Elkrigde and initial funds for a new middle school in that area as well.

In making funding decisions for this budget, we worked very closely with the Superintendent of Schools and the Board of Education to fit their priorities into our spending limits. Once again, funding for schools makes up the largest portion of the proposed capital budget. Education funding totals \$74.1 million, including \$50 million in local funds including bonds and transfer tax.

Howard Community College is also an essential part of our community's educational partnership and our community's future. Each year, more students are turning to HCC for a top-notch, affordable education. This budget includes \$13.5 million in State and local funds to continue progress that has been made on the campus over the last several years. This funding will enable us to complete the construction of the new health sciences building, which will house the college's nursing, radiology and other essential health programs which are especially important now due to the nationwide shortage of health-care professionals. This budget also continues our commitment to the construction of the new science and technology building with an additional \$1.5 million in bond funding included in this budget. With the expansion of cyber-security activities at Ft. Meade and the dramatic growth it is spurring in the private sector, strengthened science and technology programs are essential

for our students to excel in the new economy.

We have an obligation to protect and preserve our environment for future generations. I am proud to propose a budget that honors that commitment. This proposed capital budget continues our commitment to environmental leadership and recognizes the need to proactively address one of the region's biggest environmental challenges. Accordingly, it includes \$11 million in funding for stormwater facility upgrades, stream and watershed improvements, and retrofits to existing facilities to harvest rain water and store it for later reuse. This is the County's largest commitment to stormwater in history. Unchecked rainwater that runs off roofs, roads, parking lots and other impervious surfaces degrades streams and rivers and pollutes the Chesapeake Bay, Maryland's most treasured and endangered natural resource. Although recent regulations have imposed stronger stormwater controls for new development, existing development often has little or no stormwater control, instead allowing stormwater to flow unimpeded into streams. Continuing with the status quo is untenable for our streams and our Bay. We must continue to commit ourselves to solving the stormwater crisis.

Balancing the needs of our County with our limited resources is a challenging process, and a number of worthy projects had to be deferred in order to balance available funding sources. While we cannot fund everything we might have hoped to, we are able to make significant progress on a number of important priorities. I am pleased with this proposed capital budget for FY 2013 and the opportunities it holds for enhancing Howard County's future.

In accordance with the Spending Affordability Committee's recommended limit, the total proposed capital budget of \$175.25 million includes \$94.9 million in new General Obligation Bonds. We were able to limit our long-term debt financing below the Spending Affordability Committee's limit by allocating more than \$15.6 million in one-time, pay-go funding in this budget. In addition, this proposed budget includes \$9.2 million in Transfer Tax revenue.

As you begin your review of the FY 2013 Capital Budget, I am confident that through our continued partnership, we will be able to provide the infrastructure and community facilities that Howard County needs to remain one of the best communities in the United States. Should you have any questions during your review process, my staff is available to provide assistance.



County Executive

Howard County, MD
Council Approved 2013 Capital Budget by Source of Funds
(In Thousands of \$)

Program Title	Current FY	Pay As You Go	TIF Bonds	Excise Bonds	MD School P.S./J.C. Bonds	Storm Drain Fund	GO Bonds	Dev Contrib.	Other Grants	Transfer Tax	Utility Fund	Ed Bonds	College Bonds	Water Quality Bonds	Metro Bonds	JAC
Bridge Improvements	11,055	750	-	-	-	50	8,255	-	-	2,000	-	-	-	-	-	-
Storm Drainage	10,500	10,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road Resurfacing	27,260	-	-	16,085	-	-	3,700	6,475	-	1,000	-	-	-	-	-	-
Road Construction	1,270	915	-	-	-	-	340	35	35	(55)	-	-	-	-	-	-
Sidewalk/Curb Projects	1,345	50	-	-	-	-	765	210	160	-	-	-	-	-	-	-
Traffic Improvements	46,546	2,887	-	-	-	-	13,400	-	12,408	16,850	-	-	-	-	-	-
General County	7,455	-	-	-	-	-	1,705	-	4,250	-	1,500	-	-	-	-	-
Fire	11,004	-	-	-	-	-	8,084	-	-	2,920	-	-	-	-	-	-
Library	13,870	300	-	-	-	-	8,260	-	1,530	880	2,700	-	-	-	-	-
Recreation & Parks	(66,572)	-	-	-	-	-	-	2,000	-	(17,000)	-	3,825	-	(61,000)	4,635	968
Sewer	22,758	-	-	-	-	-	-	100	-	-	4,153	-	-	-	16,505	2,000
Water	77,480	-	-	-	32,480	-	40,000	-	-	-	5,000	-	-	-	-	-
Board of Education	13,531	-	-	-	-	-	7,275	-	974	5,282	-	-	-	-	-	-
Community College	182,131	15,802	0	16,085	32,480	50	94,969	8,820	19,857	13,972	9,200	7,978	0	(61,000)	21,740	2,968
Total Capital																

June 01, 2012

Howard County, MD

Version : Council Approved

Howard County, MD
Council Approved 2013 Year Capital Improvement Program Summary
 (In Thousands of \$)

Program Title	Prior Appropriation	Fiscal 2013 Budget	Total Appropriation	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	5 Year Program
Bridge Improvements	14,342	5,820	20,162	650	1,525	500	2,550	300	25,687
Storm Drainage	32,557	11,055	43,622	12,800	14,685	15,850	17,480	17,940	122,377
Road Resurfacing	8,468	10,500	18,968	17,900	17,900	17,900	17,900	17,900	108,468
Road Construction	186,046	27,260	213,306	36,962	62,350	17,290	3,750	2,950	336,608
Sidewalk/Curb Projects	8,824	1,270	10,094	2,700	3,490	3,080	2,398	2,550	24,312
Traffic Improvements	7,763	1,346	9,108	1,135	1,085	1,085	785	330	13,528
General County	429,809	46,546	476,354	36,236	34,111	28,136	19,793	21,096	614,726
Fire	73,650	7,465	81,105	14,225	17,410	11,935	1,760	-	126,435
Library	31,637	11,004	42,641	3,830	16,120	4,430	24,800	2,820	94,641
Police	6,155	-	6,155	2,645	10,295	5,220	500	-	24,815
Recreation & Parks	118,857	13,670	132,527	23,440	15,310	32,490	11,060	20,540	235,367
Agricultural Preservation	120,608	-	120,608	-	-	-	-	-	120,608
Community Renewal	11,406	-	11,406	-	-	-	-	-	11,406
Sewer	445,774	(66,572)	379,202	16,933	10,768	15,288	4,658	1,268	428,117
Water	167,398	22,758	190,156	78,421	37,511	22,633	21,133	21,423	371,277
Board of Education	545,727	77,490	623,217	93,129	97,891	127,568	122,847	81,777	1,146,429
Community College	81,520	13,531	95,051	34,553	44,757	39,466	42,346	29,259	285,431
Total Capital	2,290,551	182,131	2,472,682	375,559	385,208	342,871	293,759	220,133	4,090,232

Howard County, MD
Council Approved Capital Budget Extended Summary For Fiscal Year 2013
 (In Thousands of \$)

Program Title	Appropriation Total	5 Yr Capital Program	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Total Extended Capital Program
Bridge Improvements	20,162	5,525	300	-	-	-	25,987
Storm Drainage	48,622	78,755	1,000	1,000	1,000	1,000	126,377
Road Resurfacing	18,968	89,500	15,000	-	-	-	123,468
Road Construction	213,306	123,302	5,060	-	-	-	341,668
Sidewalk/Curb Projects	10,094	14,218	80	430	-	-	24,822
Traffic Improvements	9,108	4,420	-	-	-	-	13,528
General County	475,354	139,372	26,038	18,346	14,935	18,600	692,644
Fire	81,105	45,330	-	-	-	-	126,435
Library	42,641	52,000	-	-	-	-	94,641
Police	6,155	18,660	-	-	-	-	24,815
Recreation & Parks	132,527	102,840	9,555	3,107	-	-	248,029
Agricultural Preservation	120,608	-	-	-	-	-	120,608
Community Renewal	11,406	-	-	-	-	-	11,406
Sewer	379,202	48,915	4,330	5,310	32,230	1,630	471,617
Water	190,156	181,121	2,210	-	-	4,400	377,887
Board of Education	623,217	523,212	101,091	107,246	102,802	90,112	1,547,680
Community College	95,051	190,380	45,383	34,987	44,320	5,950	416,071
Total Capital	2,472,682	1,617,550	210,087	170,425	195,287	121,692	4,787,673

