



# CECIL COUNTY, MARYLAND

## DEPARTMENT OF FINANCE

### FISCAL IMPACT NOTE

#### SUMMARY OF LEGISLATION

**SPONSOR:** Council President at the request of the County Executive

**BILL NO. 2019-03 – BUDGET AMENDMENT –BOARD OF EDUCATION CAPITAL BUDGET – ADDITIONAL BOND AUTHORITY –CHERRY HILL MIDDLE SCHOOL WINDOW AND DOOR REPLACEMENT PROJECT.**

**SYNOPSIS:** A bill to amend the Annual Budget and Appropriation Ordinance for Cecil County, Maryland for the fiscal year ending June 30, 2019 to add bond appropriation authority within the Board of Education Capital Projects Budget in the amount of \$290,000 for the Cherry Hill Window and Doors Replacement Project.

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**FISCAL IMPACT SUMMARY:** The approval of this bill will add to the total amount of Public Improvement Bonds to be borrowed to cover the Capital Improvement Program needs for fiscal year 2019. However, the costs incurred due to new borrowing will not be recognized until FY2020 as the County only borrows bond funds every two years. The total bonds needed for FY2019 will increase to \$18,543,000, but the amount needed to borrow for FY2020 will decrease by the same amount. Therefore the net effect to the capital program when the County goes to borrow funds in FY2020 is zero.

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#### FISCAL ANALYSIS:

The FY2019 Approved Capital Improvement program included both State and County funding for the door and window replacement project at Cherry Hill Middle School, but was anticipated to be a project completed in FY2020. During the last round of appropriations by the State for school construction projects, the Board of Education was awarded the State funding for the Cherry Hill project in FY2019. In order for the project to now move forward with construction in the spring of 2019, the County must move the \$290,000 appropriation of expenditures from FY2020 to FY2019. The net effect of this shift of the project from next year to this year will be zero. The reason for no fiscal impact in FY2019 is a result of the County being on a two year borrowing cycle, and therefore the actual funding for the FY2019 projects, will not be borrowed until FY2020.