



FREDERICK COUNTY COUNCIL

Local Government Fiscal and Policy Note

CONTACT INFORMATION AND GENERAL INSTRUCTIONS

Bill Number/Reference:	21-03
Bill Title:	Revisions to the School Construction Fee
Local Government Agency:	Frederick County Finance Division
Prepared By:	Erin White
Title:	Deputy Director of Finance
Phone Number:	301-600-1193
E-Mail Address:	ewhite@frederickcountymd.gov
Due Date:	April 20, 2021
Date Submitted:	April 16, 2021

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Date:

Please respond to the questions below. If you prefer to provide responses or additional information in a separate file or document, send the file or document in a separate e-mail to rcherney@frederickcountymd.gov with the bill number/reference in the subject line.

1.	Describe the impact of this proposed legislation on your agency (operations, revenues, expenditures, etc). If there is no impact, <u>please explain why</u> .
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The fiscal impact of the proposed legislation is that the County's School Mitigation Fee revenue would increase by approximately \$5,252,000 per year. There will be no impact to County expenditures. The increase in fees would allow the county to provide additional funding to pay for school construction caused by the developments approved to use the School Construction Fee option because of its failure to pass the Adequate Public Facilities Ordinance (APFO) school capacity test period prior to July 20, 2016. No new developments were permitted to select the school construction fee after this date.

2.	Please indicate whether the proposed legislation will affect small businesses in Frederick County, and if it will, please provide any information you may have which could be useful in determining the economic impact on small businesses.
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This legislation only applies to residential dwelling units permitted to select the School Construction Fee option prior to July 20, 2016 and whose fees have not yet paid.

- The impact is calculated based on the type of dwelling (single family, townhouse or multi-family) and the level the development failed the APFO school capacity test (High, Middle or Elementary)
- The fee is per unit and the fee is evenly applied to every property who has been approved to pay the School Construction Fee
- Small developments pay the same per dwelling unit price as larger developments.

FISCAL IMPACT SUMMARY – SHOW (DECREASE) IN PARENTHESES

REVENUES

3.	Analysis of estimated increase (or decrease) in government revenues . Please estimate below any anticipated increase (or decrease) in revenues resulting from this legislation. Please be aware of any delayed effective dates in the bill or other factors that may cause revenue increases/decreases to begin in later years.
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Source	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
School Construction Fees	\$5,252,000	\$5,252,000	\$5,252,000	\$5,252,000	\$5,252,000
TOTAL \$	\$5,252,000	\$5,252,000	\$5,252,000	\$5,252,000	\$5,252,000

	Please explain how the above estimated increase(s) or decrease(s) were arrived at, including any calculations and/or assumptions made. Please also explain any variation if the revenue increase(s)/decrease(s) are not constant.
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This bill will increase School Construction Fees revenue from developments approved to use the School Construction Fee option by approximately \$5,252,000 per year. The County has collected approximately \$5.9 million annually in school construction fees revenue over the last six years. At the current FY21 fees, the total remaining school construction fee revenue to be collected is estimated to be \$50.3 million. It was then calculated that it would take approximately 8.5 years for the County to collect this remaining school construction fee revenue (\$50.3 million total /\$5.9 million average per year = 8.5 years).

It is estimated this legislation will produce a total increase in fee revenue of \$44.6 million. The increase in total school construction fee revenue spread out over the remaining estimated 8.5 years of collection is calculated to result in an increase in this revenue of approximately \$5,252,000 per year (\$44.6million/8.5 years).

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<u>EXPENDITURES</u>						
4.	Analysis of estimated increase (or decrease) in government expenditures . Please estimate below any anticipated increase (or decrease) in expenditures resulting from this legislation. Please be aware of any delayed effective dates in the bill or other factors that may cause expenditure increases/decreases to begin in later years.					
A. Salaries & Wages		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
FTE Employees - _____ # of positions Fringe Benefits						
TOTAL (Salaries, wages & benefits)		\$	\$	\$	\$	\$
	Please provide an explanation of the need for the number and type of any personnel listed above, including (1) what specific provision(s) of the bill necessitate additional staff; (2) what the duties of each type employee will be; and (3) why existing personnel cannot absorb the additional work. Please also certify the wage/salary rate and % fringe rate (if differing rates apply) for each personnel classification.					
B. Other Operating Expenses		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Technical/Special Fees, Grants/Subsidies Communications-Phone, Postage Travel, Food, Auto, Fuel & Utilities Contractual Services Supplies Equipment-Replacement Equipment-Additional Land & Structures, Fixed Charges Other (Please Specify on Extra Page(s))						
TOTAL (Expenditures)		\$	\$	\$	\$	\$
	On the next page, please provide brief descriptions/breakdowns of the above "Other Operating Expenses."					
	Please explain below any additional calculations or assumptions made in estimating the "Other Operating Expenses" that will help us to understand the amounts and timing of the expenses.					

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4. (cont'd)

C. Operating Expense Descriptions/Breakdowns

Please provide below a short description of the specific purpose of each expense listed under 4B. If any amount(s) listed under 4B represent(s) a total of multiple expenses, provide a breakdown of the fiscal 2021 amount with a short description of each expense (for example, if \$2,500 is listed for Communications – Phone, Postage, a statement such as "\$1,500 for cellphone charges for two new inspectors and \$1,000 for postage for mailings to permittees to notify them of changes to inspection requirements.")

Fiscal 2022 Expenditures

Technical/Special Fees, Grants & Subsidies description/breakdown	\$
Communications – Phone, Postage description/breakdown	\$
Travel, Food, Auto Operations, Fuel & Utilities description/breakdown	\$
Contractual Services description/breakdown	\$
Supplies description/breakdown	\$
Equipment-Replacement description/breakdown	\$
Equipment-Additional description/breakdown	\$
Land & Structures, Fixed Charges description/breakdown	\$
Other (Please Specify) description/breakdown	\$

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ADDITIONAL POLICY IMPLICATIONS/CONCERNS

**Please submit BY E-MAIL to: Ragen Cherney, Legislative Director/Chief of Staff
Frederick County Council • E-Mail: RCherney@FrederickCountyMD.gov**