

CAPITAL BUDGET

Each year the Board of Education, school staff, and community, review and analyze the Capital Improvement Program (CIP) for the Board to establish priorities as it secures future funding. This review includes the status of county and state funding levels from the previous fiscal year, the volume and status of current approved capital projects, an analysis of enrollments and capacities, and a study of population growth within Harford County. In addition, information obtained from system wide building evaluations, a review of project categories, and the infusion of technology into our facilities is considered.

All construction projects are budgeted in the School Construction Fund often referred to as the Capital Budget. School construction is budgeted on a project basis. Projects may be funded over several years and allocations may be carried forward over multiple years until completion. This budget represents the new funding requested by the Board of Education and proposed to the County Government for FY 2009.

The Harford County Board of Education lacks taxing authority and remains revenue dependent upon the Harford County and State governments to fund the Capital Budget. State funds are approved by the State's Interagency Committee. The Capital Budget for FY 2009 contains state funding and county capital funding for new construction, renovation, expansion, and modernization projects.

The Proposed Capital Budget for Fiscal Year 2009 funds twenty nine projects totaling \$132,230,567. Of this amount, \$112,341,627 is to be funded with county revenue and \$14,604,940 is to be funded with state revenue. In addition, \$5,284,000 will be funded from other sources of revenue. It should be noted that the Aging Schools Program, funded by the State in the amount of \$395,296, is included in Restricted Funds. Our original request for State funding was a total of \$64,109,057, of which the State has agreed to \$14,604,940 in funding.

The Capital Improvement Plan is managed by the Planning and Construction Office and the Operations Office. Harford County Public Schools has developed a multi-year capital improvement plan and updates the plan annually based on changing enrollments and conditions of schools. The School Construction Fund accounting is handled by the Finance Department in Business Services.

Harford County Public Schools					
School Construction Fund					
FUND SOURCE	Actual FY 2005	Actual FY 2006	Actual FY 2007	Budget FY 2008	Budget FY 2009
Beginning Balance	\$0	\$0	\$0	\$0	\$0
Revenue					
Local	\$23,438,566	\$49,268,486	\$39,514,944	\$68,196,850	\$112,341,627
State	\$11,967,677	\$6,890,203	\$7,648,277	\$16,237,875	\$14,604,940
Total Federal	\$0	\$0	\$0	\$0	\$0
Other Revenue	\$3,191,748	\$161,305	\$779,615	\$3,291,255	\$5,284,000
Total Receipts	\$38,597,991	\$56,319,994	\$47,942,836	\$87,725,980	\$132,230,567
Other Sources	\$2,475,080	\$8,893,292	\$126,851	\$0	\$0
EXPENDITURES:	\$41,073,071	\$65,213,286	\$48,069,687	\$87,725,980	\$132,230,567
ENDING BALANCE:	\$0	\$0	\$0	\$0	\$0

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School construction is accounted for by project where revenues are recognized at the same time as related expenditures. Under the budgetary basis of accounting, this normally results in a fund balance of zero at the end of each period.

Capital projects funds are used to account for financial resources to be used for the acquisition, construction, or improvements to major capital facilities. A capital expenditure is the amount used during a particular period to acquire or improve long-term assets such as property, plant, or equipment. Some capital expenditures are determined by the way the County government decides how they are going to budget for the expenditure (i.e. Textbook Refresh in the Capital Projects Fund instead of the Unrestricted Budget as an operating expense).

CAPITAL IMPROVEMENT IMPACT ON THE OPERATING BUDGET

As school enrollment increases or school improvement plans change, more teachers are added to the growing needs and operating expenses are increased to provide the school with it's per pupil allocation of funding.

When the School Construction Fund pays for the building or expansion of a school, there is an impact on the Operating Budget. The staff expansion needs are determined by the Executive Directors of Elementary and Secondary Education while the building maintenance needs are determined by the Director of Facilities and the Assistant Superintendent of Operations.

As the CIP is implemented and facilities are expanded, the Board of Education will determine staffing additions based on:

- Enrollment Projections (see Exhibits in the Statistical Section);
- State Rated Capacities and Percentages of Utilization; and,
- Availability of operating funds.

While some of the capital improvements involve maintenance of facilities, which should help keep operational costs down, building expansions often involve shifting students from portable classrooms to permanent instructional facilities. This often minimizes the effect on the operating budget since the instructional support is already in place. Traditionally, when a new school opens, the Board of Education has provided supplemental budget allocations for the purchase of textbooks, library materials, and other related instructional items. The custodial staffing allocations are generally determined by square footage and special needs.

Each year, a review of the operating impact of new construction or renovations is undertaken and funds are requested during the budget development process. The County Government determines the projects to be included in the capital program by their funding of the projects. Projects include new building construction, renovations, moderations, additions, roof repairs, HVAC repairs, textbooks, technology, and various other equipment or improvements.

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The following chart provides future estimated operating impacts from the Requested Capital Projects.

HARFORD COUNTY PUBLIC SCHOOLS				
ESTIMATED OPERATING IMPACT - FUTURE YEARS				
PROJECT DESCRIPTION	SALARIES & WAGES	OTHER COSTS	EQUIPMENT	TOTAL
Construction Projects:				
Aberdeen HS Addition	\$936,000	\$495,000	\$300,000	\$1,731,000
Bel Air High School Replacement	\$0	\$310,000	\$300,000	\$610,000
Center for Educational Opportunity Renovatio	\$0	\$450,000	\$300,000	\$750,000
Deerfield ES Replacement	\$0	\$205,000	\$125,000	\$330,000
Edgewood High School Replacement		\$310,000	\$300,000	\$610,000
Fire Alarm & ER Communications	\$0	\$22,000	\$0	\$22,000
Homestead/Wakefield ES Modernization	\$0	\$205,000	\$125,000	\$330,000
John Archer School at Bel Air Middle School	\$0	\$310,000	\$675,000	\$985,000
Joppatowne ES Modernization/Addition	\$0	\$205,000	\$125,000	\$330,000
Joppatowne High School Addition	\$0	\$20,000	\$30,000	\$50,000
Relocatable Classrooms	\$0	\$0	\$275,000	\$275,000
Schuck's Road ES New School	\$0	\$815,000	\$400,000	\$1,215,000
Security Cameras	\$0	\$0	\$0	\$0
Vale Road ES - New School	\$0	\$815,000	\$400,000	\$1,215,000
WP/OPR ES Modernization	\$0	\$260,000	\$175,000	\$435,000
Youth's Benefit ES Modernization	\$0	\$260,000	\$175,000	\$435,000
Total Estimated Operating Impact - Future Years	\$936,000	\$4,682,000	\$3,705,000	\$9,323,000
Improvements & Maintenance Projects:				
ADA Improvements and Survey	No Operating Impact at this time.			
Athletic Fields Repair/Renovations	No Operating Impact at this time.			
Backflow Prevention	Will reduce future water & sewer system maintenance.			
Bel Air Elementary School Site Improvement	No additional operating expenses but safer drop off for children			
Building Envelope Improvements	Will allow for necessary maintance improvements to buildings			
Environmental Compliance	Will reduce future water & sewer system maintenance.			
Floor Covering Replacement	Replacement of old floor coverings with new and safer			
Harford Tech. HS Field Improvements	Provides athletic fields for high school.			
Major HVAC Repairs	Provides funds for major emergency repairs			
Paving - New Parking Areas	Will provide additional parking for staff and visitors.			
Paving - Overlay and Maintenance	Will reduce future maintenance costs in the short term.			
Roof Replacement: Fallston High School	Replacement will enhance useful like of building and contents.			
Storm Water Management	To comply with federal, state, & county laws.			
Equipment & Other Projects:				
Bleacher Replacement	No Operating Impact at this time.			
Equipment & Furniture Replacement	Provides new furniture & equipment to schools.			
HVAC Replacement - North Harford MS	May increase electrical costs but reduce maintenance costs.			
Jarrettsville ES - HVAC	May increase electrical costs but reduce maintenance costs.			
Locker Replacement - Havre de Grace MS	No Operating Impact at this time.			
Music Refresh Program	Replaces old music instruments.			
Playground Equipment	Provides safe playgrounds for elementary schools.			
Replacement Buses	Maintenance costs will be reduced as new buses are purchased.			
Replacement Vehicles	Allows replacement of older equipment and vehicles which in turn will reduce future maintenance costs			
Technology Education Lab Refresh	Replacement of older, obsolete, or broken equipment will reduce future technology maintenance costs.			
Technology Infrastructure				
Textbook Refresh	Replacement of older textbooks and updating of curriculum			
Vocational/Technical Equipment Refresh	Allows replacement of older equipment which in turn will reduce future maintenance costs.			

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Other items in this section include the following:

Capital Improvements Process for Fiscal Year 2009

- represents the planning process of the HCPS Capital Improvements Plan.

Capital Improvement Plan – Fiscal Year 2009 for HCPS

- represents the current Fiscal Year Capital Projects for HCPS based on requested State of Maryland and Harford County Government funding.

Individual Capital Project Pages are included with the proposed funding from State and County sources. Forty-Two different capital projects are included.

Harford County Public Schools Completed Capital Projects

- represents the Capital Projects completed since 1990.