

# EXECUTIVE SUMMARY

## Overview of the School System

Public schools were authorized by the State Constitution of 1864 and 1867 and placed upon the Legislature the obligation of establishing “a thorough and efficient system of free public school”<sup>1</sup>. The Harford County Public Schools System was founded in 1865. At that time, there were 3,230 children enrolled in 69 one room schools with one teacher per school. The first Superintendent of Schools was appointed in 1902. There have only been seven Superintendents of Schools (including the current Superintendent) since 1902.

Harford County Public Schools (HCPS) is a fiscally dependent school system with an actual enrollment of 39,175 students in FY 2008 and a projected enrollment of 39,135 in FY 2009<sup>2</sup>. HCPS is the 129th largest school system<sup>3</sup> of the 17,512 regular school districts in the country<sup>4</sup> when ranked by enrollment. There are 24 school districts in the State of Maryland. This places HCPS in the top one percent of school districts by size. The student body will be served by a projected 5,280.3 FTE faculty and staff positions for FY 2009.

Currently Harford County has 54 public schools along with 41 non public schools<sup>5</sup> located within the County. Citizens in the County have a choice of public or private schools. Approximately 39,000 students attend public schools. The number of students attending private schools is unknown. The estimated population (as of June 30, 2007) for the County is 244,130 as determined by the County Department of Planning and Zoning. According to the Bureau of Census, the school age population in 2000 was 45,189 of which 39,540 or 87.5% attended public schools. School enrollment was 35,963 in 1994 and reached at peak in 2002 of 40,264 and has declined slightly to 39,175. Through the recent military Base Realignment and Closure (BRAC) process, the County workforce and population is estimated to increase in excess of 10%, which will result in increased population for the public school system. In the next several years, the Capital Budget proposes two new replacement high school schools and two new additional elementary school buildings.

Planning and construction funding was approved for the replacement of Bel Air High School and Edgewood High School with construction beginning on Bel Air High School in the spring of 2007. Considerable construction and renovation funding has been approved for the enhancement and upgrading of the school system buildings. Harford County Public Schools added an Alternative Education Program as the 51<sup>st</sup> school at the Center for Educational Opportunity in September 2004. Restoration Alternative Academy Charter School opened in September 2006 as the 52<sup>nd</sup> school in the public school system. The combined Patterson Mill Middle/High School has become the 53<sup>rd</sup> and 54<sup>th</sup> schools in the district.

<sup>1</sup> From “Our Harford Heritage” by C. Milton Wright, copyright 1967.

<sup>2</sup> “Enrollment Projections – HCPS Office of Research and Evaluation, Report on Enrollment at September 30, 2007.

<sup>3</sup> “Characteristics of the 100 Largest Public Elementary and Secondary Schools Districts in the United States: 2004-2005, *Common Core of Data Survey*, U.S. Department of Education, National Center for Education Statistics, September 2006.

<sup>4</sup> “Characteristics of the 100 Largest Public Elementary and Secondary Schools Districts in the United States: 2005-2006”, *Common Core of Data Survey*, U.S. Department of Education, National Center for Education Statistics, June 2008.

<sup>5</sup> Data from Maryland State Department of Education Fact Book for the Fiscal Year 2005-2006.

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## **Economic Climate of Harford County, Maryland**

Harford County is located 20 miles north of the City of Baltimore and adjacent to the Chesapeake Bay to the east, is bordered by the south and west by Baltimore County, to the northeast by Cecil County, and to the north by the State of Pennsylvania. The convenient location on the I-95 corridor in northeastern Maryland has made it one of Maryland's most desirable business locations. Harford County, Maryland was formed in 1773, and since 1972 has operated with a charter form of government with home rule. The County is governed by a full time County Executive and legislative power is vested in an elected seven member County Council, one member of which is elected as the President of the County Council. The demography of Harford County has changed over the last two decades from a predominantly rural area to a suburban rural mix. The County's land area of 448 square miles is the 11<sup>th</sup> largest in the State of Maryland. The County serves a population of 244,130 as of June 30, 2007. The economic condition and outlook of the County has substantially improved during the past decade. Since 1998 the population of Harford County has increased 14.4 percent, which has triggered significant construction activity and growth in the tax base.<sup>6</sup>

## **Local Economy<sup>7</sup>**

Harford County's convenient location on the I-95 corridor in northeastern Maryland offers easy access to prominent research institutions such as the U.S. Army Aberdeen Proving Ground (APG), Johns Hopkins, and the University of Maryland. Desirable location, combined with the County's highly skilled work force and progressive, business-friendly environment, serve to provide the draw for a wide variety of companies and industry sectors to Harford County. Harford County's 5,430 businesses employ 64,200 workers. The U.S. Army Aberdeen Proving Ground is the major county employer and a technology resource for the region. Through the recent military Base Realignment and Closure (BRAC) process, it is projected that APG will experience a net gain of 19,000 new jobs, including on-post as well as off-post positions for contractors supporting APG activities. Population growth, which is expected to result from these newly created positions, as well as jobs, which will be indirectly created, could result in the addition of 7,000 new households to Harford County by the year 2012. In response to the challenges which will be created by BRAC, the County Executive has appointed the BRAC Planning and Advisory Commission, to identify opportunities and analyze infrastructure needs.

Property tax, the County's largest revenue source, which represented 40.0 percent of total budgeted revenue for fiscal year 2007, has shown steady growth over the years. The average rate of growth for property tax revenues over the last ten fiscal years has been 8.7 percent; the property tax growth rate for fiscal year 2007 was 12.1 percent. Property tax revenues are directly affected by the market value of homes, and the number of new housing starts. Low mortgage interest rates, creative financing packages and a small supply of homes for sale compared to the demand, have resulted in rising real estate values and reassessments, although the overall trend has slowed during fiscal year 2007. Over the past three years, property values in Maryland have increased statewide

<sup>6</sup> "Harford County, Maryland Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2007", Table 14.

<sup>7</sup> Harford County, Maryland Comprehensive Annual Financial Report for the year ended June 30, 2007, Letter of Transmittal, pages A3 to A4, John R. Scotten, Jr. County Treasurer.

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by an average of 56.1 percent, which equates to an average annual increase of 18.7 percent for each of the next three years. For the same period, Harford County experienced an 18.5 percent average annual increase. The reassessment increase for calendar 2006 is 11.9 percent lower than the 2005 increase for residential properties. The median sales value of owner occupied homes in the County, according to the Maryland Department of Assessments and Taxation, increased from \$260,000 in fiscal year 2006 to \$266,990 in fiscal year 2007, a 2.7 percent increase, while the median value statewide decreased by 0.3 percent. Properties in the County, and in the State of Maryland, are assessed on a triennial system; in addition the County has a real property tax assessments cap of 10.0 percent for residential properties. The staggered assessments and growth cap will spread the property tax increases over a number of years.

Although construction activity has slowed from the pace of the 1980's when the County averaged 2,854 permits per year; in fiscal year 2007 residential permits totaled 920. Moderate building activity, when combined with rising sale values contribute to a growing property tax base.

The income tax base, like the property tax base, has shown steady growth over the last ten years. Income tax revenue, at 29.0 percent of the total budgeted revenue for fiscal year 2007, is directly affected by population growth, employment levels and personal income levels. Over the last five years the County's population has steadily risen, from 227,339 in fiscal year 2002 to an estimated 244,130 in fiscal year 2007; an increase of 7.4 percent. Growth in population is expected to continue in the foreseeable future; with the BRAC process the population estimates increase significantly.

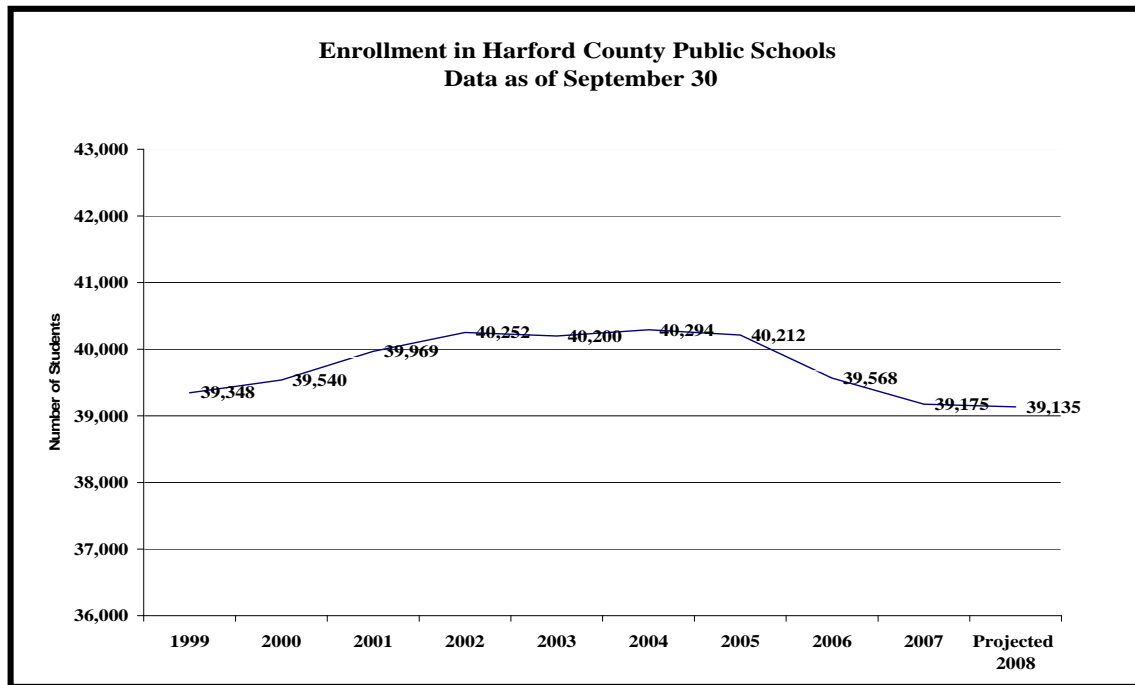
The State of Maryland unemployment rate in fiscal year 2007 averaged 3.9 percent. The County experienced a slightly lower rate of unemployment, 3.7 percent. In addition to steady population growth and low unemployment the County is also seeing a rise in median household income. According to the 2000 census, the median household income for the County was \$57,250 in 1999. It is now estimated for 2006 that the median income has reached \$74,600, exceeding the estimated median household income of \$66,600 for the State of Maryland. The State of Maryland ranks first in the nation in median household income.

## **Demographics of School Enrollment**

In FY 1999, the public school system enrollment was 38,968. At September 30, 2007, HCPS had 39,175 students, an increase of 614 or 1.6 percent since June 30, 1998. Chart 1 represents enrollment trends since September 30, 1998 with a projection of 39,135 students for FY 2009.

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Chart 1<sup>8</sup>



Currently, enrollments are projected to decline slightly over the next several years. The deployment of new civilian workers to the Aberdeen Proving Ground Facilities will change the projections in student enrollments in the future.

## Demographics of the School Population

Enrollment represents the number of students in grades prekindergarten through 12, including ungraded special education students, as counted on September 30th of each year. The Maryland State Department of Education reports this data by ethnic group. The most current information available is shown in Table 1 by fiscal year.

Table 1<sup>9</sup>

<b>Student Body by Racial Composition by Percentage For the Fiscal Year</b>					
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
American Indian/Alaskan Native	0.52%	0.53%	0.54%	0.54%	0.59%
Asian/Pacific Islander	2.24%	2.30%	2.41%	2.41%	2.74%
African American	15.54%	16.35%	17.39%	17.39%	19.11%
White	79.21%	78.11%	76.84%	76.84%	74.50%
Hispanic	2.48%	2.70%	2.82%	2.82%	3.06%
Total Students	100%	100%	100%	100%	100%

<sup>8</sup> Source: Harford County Public Schools, Office of Research and Evaluation, Annual Enrollment Report dated September 30, 2007.

<sup>9</sup> Source: Maryland State Department of Education, Md. Report Card.

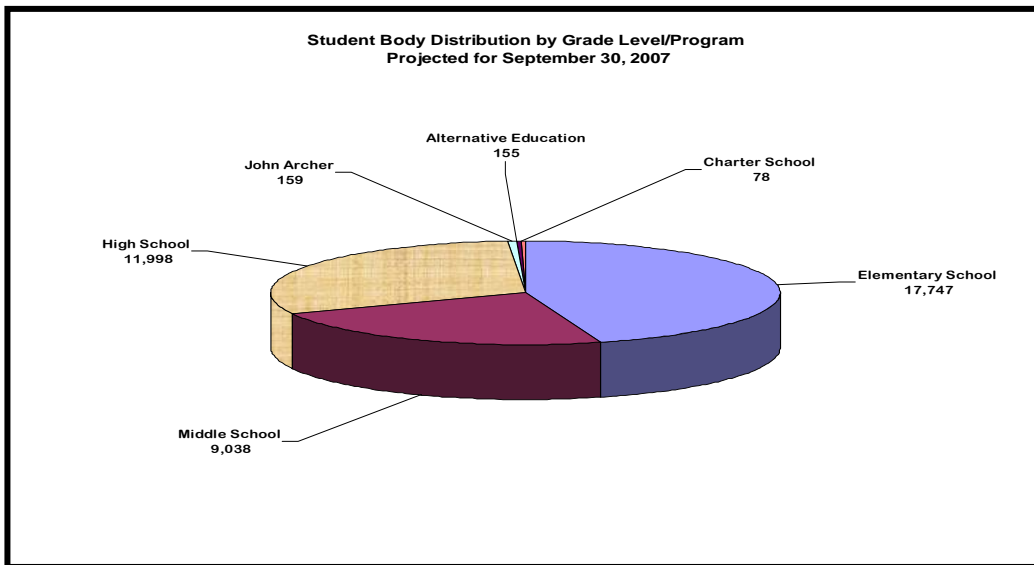
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The actual distribution of students occurs throughout twelve grade levels, kindergarten, prekindergarten, and ungraded special education. The data indicates that while elementary enrollment over the last four years has declined slightly, enrollment in the middle school has remained steady and high school enrollment has increased. The high school population is expected to increase in the future as the student population moves through the grade levels. Information shown is by school year as of September 30<sup>th</sup>.

Table 2<sup>10</sup>

Student Body Distribution by Grade Level/Program as of September 30					
	2003	2004	2005	2006	2007
Elementary School	18,477	18,540	18,364	17,933	17,747
Middle School	9,624	9,373	9,289	9,056	9,038
High School	11,948	12,249	12,407	12,270	11,998
John Archer	155	158	152	160	159
Alternative Education			113	143	155
Charter School				20	78
Totals	40,204	40,320	40,325	39,582	39,175

Chart 2<sup>11</sup>



<sup>10</sup> Source: Harford County Public Schools, Office of Research and Evaluation, Annual Enrollment Report dated September 30, 2006.

<sup>11</sup> Source: Harford County Public Schools, Enrollment Projections September 30 2006 to September 30, 2014.

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The county wide population statistics would also suggest that the school age population will continue to grow. During the previous decade, the school age population increased 32.8 percent from the 1990 to the 2000 Census (Table 3). At the same time the senior population grew by almost 50 percent. Population projections will change as a result of civilian employment influx to the U. S. Army Base at Aberdeen Proving Ground.

Table 3

Age Distribution 1980 - 2000						
Age	1980		1990		2000	
	Population	Change*	Population	Change	Population	Change
Under 5	10,150	-8.8%	14,761	45.4%	15,776	6.9%
5 - 17	35,472	9.5%	34,021	-4.1%	45,189	32.8%
18 - 44	64,168	38.0%	83,068	29.5%	83,755	0.8%
45 - 64	26,769	39.2%	35,248	31.7%	51,710	46.7%
65 and Older	9,400	54.1%	15,000	59.6%	22,200	48.0%

\*percentage change from previous Census

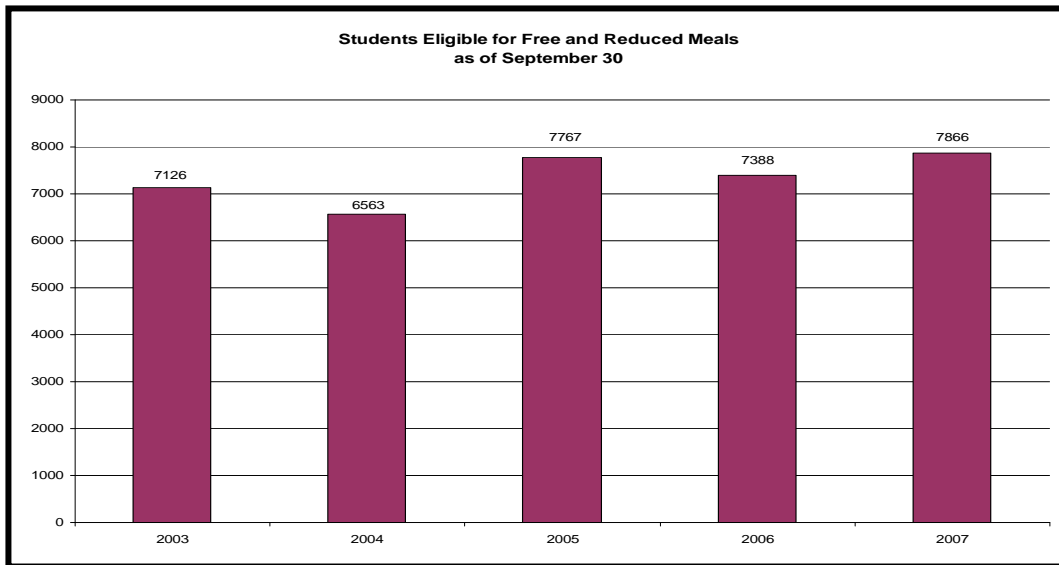
Two of the most important changes in demographics correlating to student achievement are poverty and language proficiency. Both groups of students are considered *Academically At Risk* if they require frequent special instruction and/or support to reach the levels of academic achievement needed in the information age.

Generally, the most reliable measure of poverty in school systems is the number of students eligible for free and reduced price lunches (Chart 3). Students qualifying for free lunches must not exceed an income level of \$25,155 for a family of four. Students qualifying for reduced price lunches must not exceed an income level of \$35,798 for a family of four. According to data provided by the Food and Nutrition Department, in FY 2007, more than 8,120 students are projected to be eligible for free and reduced price lunch services, or more than 20 percent of total HCPS enrollment.

The number of students eligible for free and reduced price meals as of October 2007 was 8,293. This number will be used by the Maryland State Department of Education in computing State aid for compensatory education in FY 2009. The value per student for compensatory education represents \$2,721 per student in the funding of the FY 2009 Unrestricted Budget.

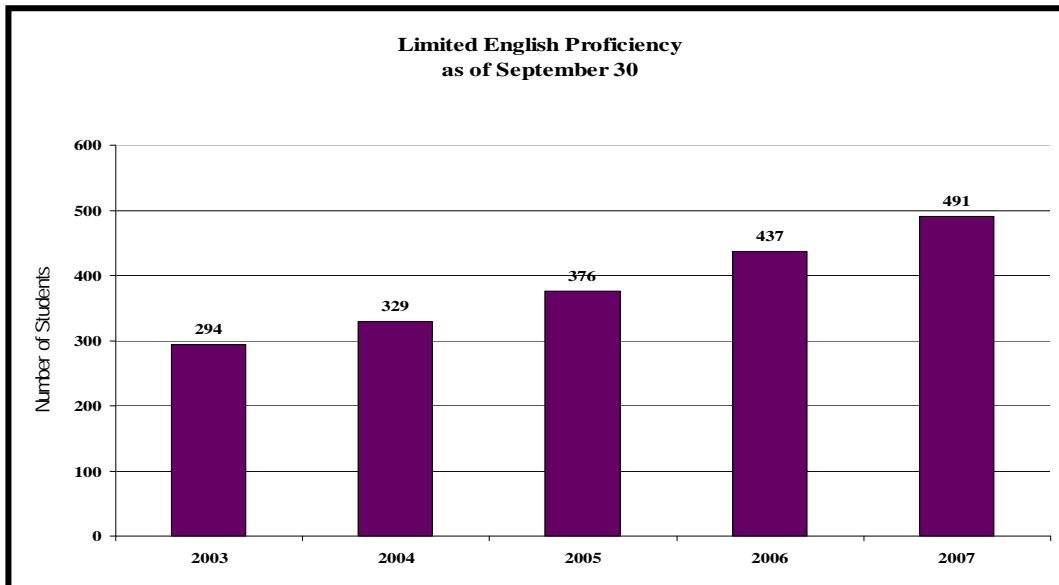
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Chart 3<sup>12</sup>



Enrollment of students with limited English-speaking proficiency has started to climb over the past few years (Chart 4). Over 500 students are projected to be enrolled in Limited English Proficiency programs for Fiscal Year 2009, or one percent of the total projected enrollment in HCPS.

Chart 4<sup>13</sup>



<sup>12</sup> Source: Harford County Public Schools, Food Services Office.

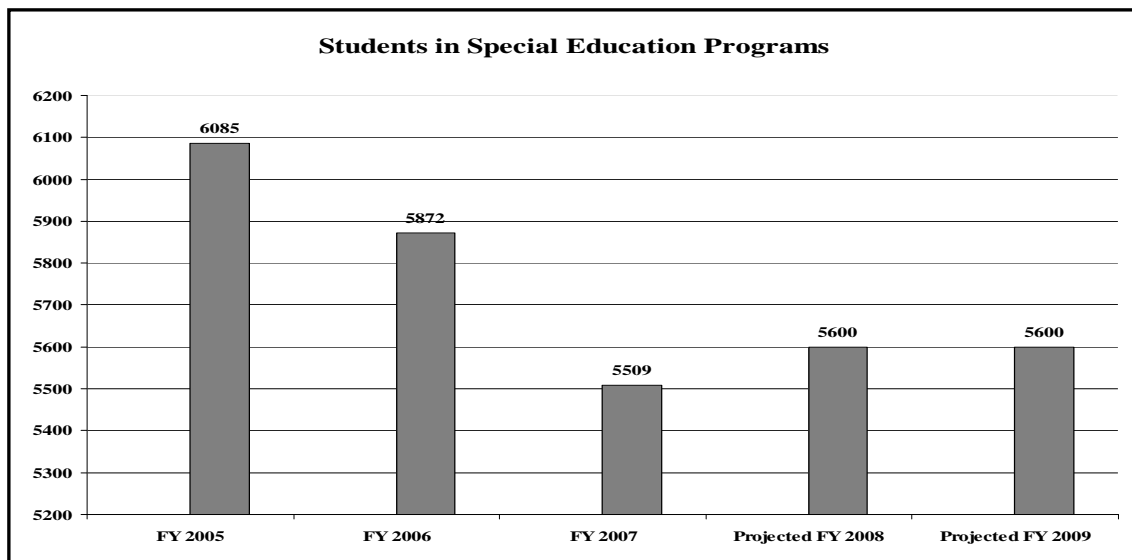
<sup>13</sup> Source: Harford County Public Schools, Curriculum and Instruction Office.

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Enrollment growth is not the only factor changing the services provided the student population. In addition to more students, the composition of membership growth has added to the cost of educating students as has the need for instructional assistance and translation services.

Special education programs served 5,509 students (including 160 students at John Archer School and 181 non-public placement students) in Fiscal Year 2007 with Individualized Education Programs (IEP). These students ranged in age from three through twenty one. Students receiving these services were identified through the eligibility criteria established for any of the 14 categories of disabilities established through applicable state and federal regulations. Special Education services are provided in all schools by faculty members and support staff members. This includes those positions funded with unrestricted and restricted funds.

Chart 5<sup>14</sup>



Another demographic feature that has an impact on the classroom is “mobility.” Mobility is reported as the number and percentage of students entering or leaving school during the year after the first day of class (Table 4). This factor requires flexible management and instruction to deal with changes in the school and classroom, particularly given that more students may enter than leave and the turnover may not occur on an equivalent schedule throughout the year.

Table 4<sup>15</sup>

	Student Mobility by Fiscal Year									
	2003		2004		2005		2006		2007	
	Entrants	Withdrawals	Entrants	Withdrawals	Entrants	Withdrawals	Entrants	Withdrawals	Entrants	Withdrawals
Total Students	3151	3086	3289	3304	3132	3256	3101	3318	2958	3236
% of Student Enrollment	7.83%	7.67%	8.40%	8.44%	8.00%	8.31%	7.93%	8.48%	7.70%	8.43%

<sup>14</sup> Source: Harford County Public School, Special Education Office.

<sup>15</sup> Source: Maryland State Department of Education, 2007 Maryland Report Card.



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The Harford County Public Schools mobility statistic is well below the state average for recent years. State statistics indicate entrance rates of 11.3 to 13.2 percent and withdrawal rates of 10.5 to 12.5 percent for the most recent year.

## **Summary**

With the enactment of the Maryland Public Charter School Act, one new Public Charter School opened in FY 2007. Funding is on a per pupil expenditure basis. HCPS received funding in the FY 2008 Budget to continue the public charter school.

Throughout the budget development process, the Board and staff have attempted to balance the ambitious vision of Harford County Public Schools with real financial constraints. While this balance is not easy, the Board of Education has developed a budget that will empower Harford County Public Schools to effectively and efficiently strive to carry out the educational mission to provide high quality educational services for all students every day. Our ability to provide an ambitious vision is dependent upon State of Maryland and Harford County Government funding.

Increases in the Fiscal Year 2009 Budget are identified by the five Strategic Plan Board Goals, and further identified by Wages and Benefits, Cost of Doing Business, Patterson Mill Middle/High School funds for the new 11<sup>th</sup> grade students, Special Education needs, and Intervention Programs.

## **No Child Left Behind Federal Legislation and State of Maryland Legislation, Bridge to Excellence Requirements**

Harford County Public Schools must meet these requirements and the Superintendent and the Board of Education are committed to the Upcoming Targets and Timelines. These are ambitious challenges for which Harford County Public Schools has prepared a Master Plan. The Budget Plan is aligned in accordance with the approved Master Plan. Within the Master Plan section of the Budget, goals and objectives are identified to meet these challenges and mandates. A chart is included on the next page reflecting mandatory legislative requirements from the federal and state governments. The chart was prepared by the Maryland State Department of Education. The final two pages in this section are a summary of revenue sources and expenditures for the Operating Budget and School Construction Fund. These pages provide an “at a glance” view of the total Harford County Public Schools Fiscal Year 2009 Budget.