



# Harford County Public Schools

## Transmittal Letter and Budget in Brief for Fiscal Year 2013

June 11, 2012

Dear School Community,

The Fiscal Year 2013 Board of Education Budget for Harford County Public Schools addresses the essential components of federal legislation known as *No Child Left Behind* (NCLB), state legislation known as the Bridge to Excellence Act (BTE), and continues to address the Strategic Plan and Master Plan. Meeting the educational needs of a growing and diverse community so that no child is left behind requires vision, knowledge, organization, effective planning, sufficient coordinated resources, and commitment from all stakeholders.

Throughout the school year, each one of the more than 5,300 employees of the Harford County Public Schools (HCPS) takes on the challenge of working towards our common goal of connecting with our students and preparing them for success. HCPS is the third largest employer in Harford County. We work to accomplish our goals as effectively and efficiently as possible. We are all committed to inspiring each of our 38,000 students to become life-long learners and responsible citizens.

Educators in Harford County have the unique responsibility of impacting the future of thousands of students every year. After all, school-age children spend almost as much time in school or in school-related activities as they do at home. Our faculty and staff are involved in every aspect of the child's academic life, from writing curriculum, serving as advisors for extracurricular activities, mentoring at-risk youth, to providing additional tutoring, and many, many more. Everyone in HCPS shares the same ideals regarding working together to provide the best education possible to all of our students in Harford County.

In addition, HCPS employees and students worked diligently to meet rigorous federal and state education requirements, resulting in many successes over the past year. The information in this annual budget document will show you some examples of our successes, as well as our challenges. We are committed to ensuring every child is given the best educational opportunities possible in Harford County. It is important to provide each individual student with the knowledge and means to succeed in a diverse society and I encourage you to join us as we impact the lives of our students in Harford County Public Schools.

The difficult economic times of the past several years have had a significant impact on state and local funding for school systems. From fiscal year 2010 to 2012, Harford County Public Schools operating costs increased by \$32.3 million with limited new revenue of \$1.1 million. The resulting budget shortfall of \$31.2 million was resolved through position reductions, salary savings from employee turnover, cost reductions and the use of \$8.5 million of fund balance. It is important to note that HCPS employees did not receive a wage increase during this three year period.

The fiscal year 2013 budget includes a \$10 million wage package, the first wage increase for HCPS employees since July 2008, a \$5.5 million increase in teacher pension cost and other cost of doing business expenses of \$.8 million. Combined with a decrease in revenue of \$7.1 million, HCPS faced with a budgetary shortfall of \$23.4 million. The shortfall was absorbed via employee turnover savings of \$2.9 million, position reductions through attrition of \$3.9 million, operating cost reductions of \$9.2 million and elimination of non-recurring costs of \$8.1 million. These difficult decisions were part of the Board of Education's goal of maintaining a competitive salary structure for all HCPS employees. The negotiated wage package was accepted by the five employee bargaining units effective July 1, 2012 for fiscal year 2013.

The fiscal 2013 approved Unrestricted Operating, Restricted and Capital budgets are \$427.8 million, \$26.5 million and \$14.9 million, respectively.

Continuing to meet the goals and objectives, as defined by the Board of Education of Harford County, will require commitment, planning and effective leadership. Harford County Public Schools is prepared to meet the challenges that currently exist and provide the high quality education that our students, parents and community have come to expect.



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### **Vision**

*Harford County Public Schools will be a community of learners in which our public schools, families, public officials, businesses, community organizations, and other citizens work collaboratively to prepare all of our students to succeed academically and socially in a diverse, democratic, change-oriented, and global society.*

### **Mission**

*The Mission of Harford County Public Schools is to promote excellence in instructional leadership and teaching and to provide facilities and instructional materials that support teaching and learning for the 21<sup>st</sup> century. The Harford County Board of Education will support this mission by fostering a climate for deliberate change and monitoring progress through measurable indicators.*

### **Board of Education Strategic Plan Goals**

- 1. To prepare every student for success in postsecondary education and a career.**
- 2. To encourage and monitor engagement between the school system and the community to support student achievement.**
- 3. To hire and support skilled staff who are committed to increasing student achievement.**
- 4. To provide safe, secure, and healthy learning environments that are conducive to effective teaching and learning.**

Since the passage of *NCLB* in January 2002, and the Maryland enactment of the *BTE*, the annual update to our Master Plan has been revised for the seventh year and has received approval of the Maryland State Department of Education (MSDE). The Plan identifies the design and implementation of programs, services, and instructional strategies that will accelerate learning for all students.

Leonard D. Wheeler, Ed.D.,  
President of the Board of Education

Robert M. Tomback, Ph.D.,  
Superintendent of Schools



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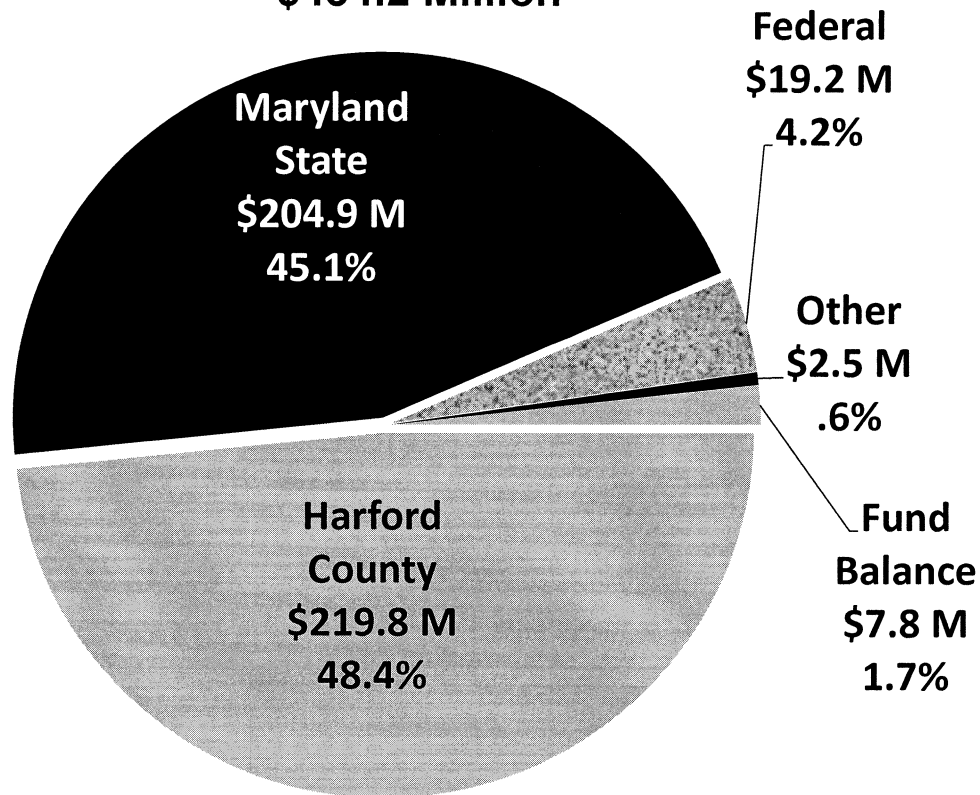
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Revenue - Current Expense Funds							
Sources	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2012 Budget	FY 2013 Budget	Change FY12 - FY13	%
Unrestricted Fund	\$418,841,604	\$416,290,452	\$435,605,564	\$435,643,868	\$427,768,507	(\$7,875,361)	-1.8%
Restricted Fund	\$33,693,057	\$41,571,808	\$28,787,162	\$26,206,659	\$26,464,157	\$257,498	1.0%
<b>Current Expense Fund</b>	<b>\$452,534,661</b>	<b>\$457,862,260</b>	<b>\$464,392,726</b>	<b>\$461,850,527</b>	<b>\$454,232,664</b>	<b>(\$7,617,863)</b>	<b>-1.6%</b>

*Where the money comes from...*

### FY 2013 Current Expense Fund - by Source

**\$454.2 Million**



**Maryland State Aid** – Includes Unrestricted funds and Restricted (in the form of grants) funds.

**Harford County Government Aid** – includes County allocation that represents Maintenance of Effort level of funding under State Law and additional funding as allocated and approved by the County Executive and County Council.

**Federal Aid** – includes Impact Aid, ISEA, and categorical grants. (Federal stimulus funding included as a source).

**Other Sources** – Includes building use fees, gate receipts for athletic events, fees for out of county students, interest income, and student fees.

**Fund Balance** – includes funds set aside from fiscal 2012 to support ongoing operations and one time expenditures.



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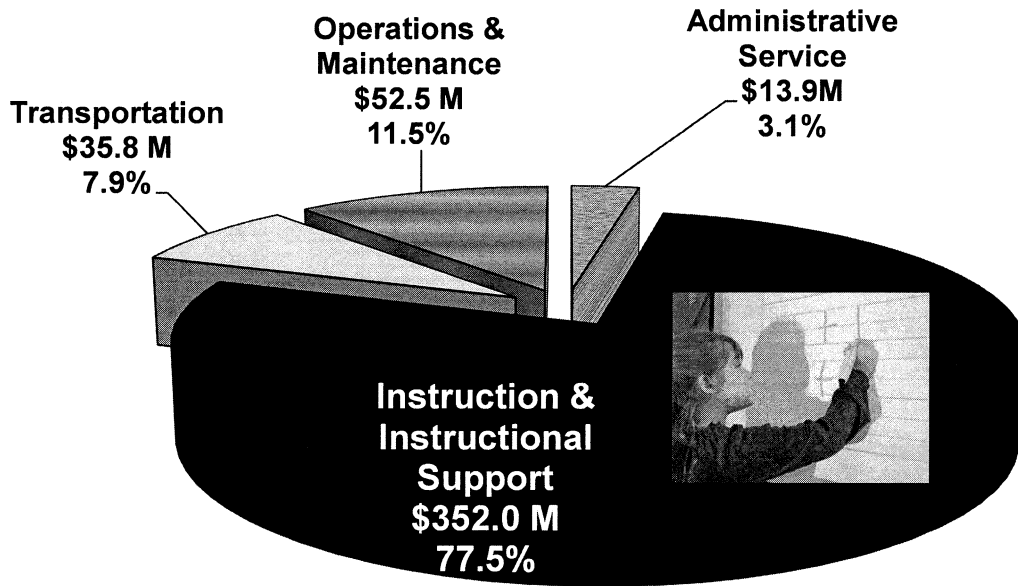
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Expenditures - Current Expense Fund							
	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2012 Budget	FY 2013 Budget	Change FY12 - FY13	% Chg
Unrestricted Fund	409,201,965	408,767,830	427,412,634	435,643,868	427,768,507	(7,875,361)	-1.8%
Restricted Fund	33,693,057	41,571,808	28,787,162	26,206,659	26,464,157	257,498	1.0%
<b>Total Current Expense Fund</b>	<b>\$ 442,895,022</b>	<b>\$ 450,339,638</b>	<b>\$ 456,199,796</b>	<b>\$ 461,850,527</b>	<b>\$ 454,232,664</b>	<b>\$ (7,617,863)</b>	<b>-1.6%</b>

*Where the money goes...*

### FY 2013 Current Expense Fund

## \$454.2 Million



All expenditure accounts include a share of fringe benefit costs based on FTE count which includes health, dental, & life insurance, taxes, workers compensation and unemployment compensation charges.

**Administrative Services** – includes Board of Education, Executive Administration, Business Services, Human Resources, and the Office of Technology and Information Services.

**Student Instruction** – includes Education Services, Mid-Level Administration, Instructional Salaries, Textbooks & Classroom Supplies, Other Instructional Costs, Special Education, and Health Services.

**Transportation** - includes fuel for vehicles, system operated buses for special education and contracted bus services for regular students.

**Operations and Maintenance** – includes Facilities management of buildings and grounds, utility costs and Planning and Construction expenditures for capital projects.



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### Highlights of the Fiscal Year 2013 Unrestricted Budget

#### Wage/Fringe Benefits

- The \$ 10 million increase in the salary/wages line item reflects our goal of maintaining a competitive salary structure within the market, especially with our neighboring counties. As a result of no step increases or Cost of Living Adjustments (COLA) for the past three years, it is our intent with this budget proposal to avoid falling further behind. By law, the Board is required to negotiate with each of the five bargaining units in Harford County to establish salary, wages and other working conditions. The current beginning salaries for teaching positions in Harford County ranks 21<sup>st</sup> of 24 teaching jurisdictions in the state of Maryland, per the fact book published by the Maryland Department of Education for FY 2011.
- The costs associated with health and dental care benefits for Fiscal year 2013 are projected to remain stable and comparable to FY 2012 with the exception of the prescription drug costs associated with the HCEA employees which opted not to participate with a mandatory generic drug plan.
- The State of Maryland legislatively mandated an increase of \$ 5.5 million in pension costs related to teaching positions which was fully funded by the Harford County Government.

#### Cost of Doing Business

- One additional contractor bus to service Global Studies/IB Program at EHS, \$55,000;
- One additional contractor bus to service Natural Resource/Ag. Science at NHHS, \$55,000;
- Contracted Bus Service (Increase PVA of \$6,679 for 13 long buses replaced), \$86,827;
- Add 3.0 FTE SE Bus Drivers & 3.0 FTE SE attendants for three new SE buses, \$189,438;
- Increase in contracted bus service, \$228,000;
- Annual escalation of performance lease agreements & service contracts, \$28,501;
- Regular program professional salaries, \$99,060;
- Interscholastic sports expenditures based on \$27,430 increase in gate receipts in FY2011 (budget neutral item), \$27,430;
- Department Juvenile Justice contracted instruction, \$40,000;
- Property insurance, \$34,742;
- Liability insurance, \$82,247; and,
- Board of Education increase in legal fees \$10,000, conferences \$15,000 and professional dues \$6,200.

### **Other Funds Expenditures**

**Food Services Fund** – \$15,147,627; a self- supporting fund.

**Pension Fund** – \$30,575,369; the amount to be paid by the State of Maryland on behalf of HCPS employees who are members of the Teachers Retirement and Pension Systems.

**Debt Service Fund** - \$30,355,614; the amount paid for the financing of capital projects by Harford County Government for the Board of Education.

**Capital Project Fund** - \$14,911,610; represents the adopted capital budget for construction and major repairs and assets for the school system. Projects are funded by state and county sources of revenues.