

BOARD OF EDUCATION OF HARFORD COUNTY

INFORMATIONAL REPORT

Decision on Transfer of Fund Balance

April 24, 2023

Background Information

As funds are available and deferred needs remain unaddressed, each year the Superintendent of Schools and staff review recommendations to transfer available funds to the capital and/or restricted accounts for one-time use. A list of requirements is developed for which funding is needed. A request to approve transfers from available fund balance is forwarded to the Board for consideration.

As part of the FY 2024 Operating Budget appropriation process, the Harford County Government Division of Budget and Efficiency request that budget transfer information is submitted by May 1, 2023, so they may incorporate any Board approved transfers into their budget for July 1, 2023. The final Harford County Public Schools Operating, Restricted, Capital and Food and Nutrition budgets will be brought before the Board for approval in June 2023. Those budgets will incorporate any approved transfers contained in this action item.

Discussion

As of December 31, 2022, the projected year-end fund balance is approximately \$56.0 million, which is just under 10% of the operating budget. Although HCPS recognizes this is a very healthy and unprecedented fund balance, it is likely some of these funds will be needed in future years as federal grant funds expire, inflation continues, and budgetary constraints persist.

The Superintendent proposes to allocate an additional \$1.0 million of its fund balance to the restricted fund to support the talent pathways initiative. Due to the search for an alternate location for Harford Academy and the Lab School, this additional allocation will allow another year of support for this project.

The Superintendent also proposes to transfer an additional \$20.7 million to the capital fund to support capital requirements as follows:

- HCPS Site Improvements - \$1,400,000
 - \$750,000 - Joppatowne HS Stormwater Mgt. Erosion, Sediment Control
 - \$500,000 - Paving – Overlay and Maintenance- Hickory Annex
 - \$150,000 - Joppatowne HS Column Structural Repair
- Educational Facility Program \$ 500,000
 - Furniture needs

- Vehicles \$ 4,100,000
 - \$3,500,000 - Non-bus fleet
 - \$600,000 Tractors and equipment
- Technology \$10,654,642
 - \$6,500,000 – Additional Oracle Implementation Costs
 - \$2,300,000 - License fees
 - \$2,000,000 - Time keeping system
 - \$1,100,000 - Project Contingency
 - \$600,000 - Project Manager
 - \$500,000 - Staffing support
 - \$1,250,000 - Staff device refresh
 - \$1,164,106 - Network Switch Refresh
 - \$1,019,688 - Uninterruptible Power Supply for network closets
 - \$651,192 - Firewall Replacement (End of Life/Warranty)
 - \$69,656 - Wireless Access Points Refresh
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- Life, Health, Safety, and Compliance Measures - \$2,127,000
 - \$1,057,000 - Emergency Systems Communication (Fire Alarm Upgrade at FAMS)
 - \$810,000 - Security Measures (Access Control Upgrades, Cameras System, Radios, Systemwide staff badge upgrades)
 - \$200,000 - NHES Underground Storage Tank Removal
 - \$60,000 - Domestic Water & Backflow Prevention (OPES)
- HCPS Local Major Capital Project - \$600,000
 - \$500,000 – Harford Glen Pier
 - \$100,000 - Aberdeen HS Ticket Booth
- HCPS Facility Repair Program - \$400,000
 - \$150,000 - Folding Partition Replacement
 - \$150,000 - Bleacher Replacement
 - \$100,000 - ADA Improvements
- Blueprint Facility Program - \$250,000
 - EDMS Community Schools
- Relocatables - \$500,000
 - Relocatable needs to support program space requirements
- Senate Bill 528 Climate Solutions NOW Act Consultant - \$150,000
 - Planning for electric conversion per state law (SB 528)

Superintendent's Recommendation

The Superintendent of Schools recommends that the Board of Education approve the use of funds as described: \$1,000,000 to the restricted fund and \$20,681,642 to the capital projects fund for July 1, 2023.