

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"¹. 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 ten Superintendents of Schools since 1902.

The Harford County Board of Education was established under the Education Article of the Annotated Code of Maryland to have perpetual existence and be a body politic and corporate of the State of Maryland. It is empowered and required to maintain a reasonably uniform system of public schools designed to provide quality education and equal educational opportunities for all youth. Per Senate Bill 629, effective July 1, 2009, the Board of Education was changed from a fully appointed Board to an elected-appointed Board consisting of six elected members and three members appointed by the Governor of the State of Maryland for four-year terms to be phased in over a period of time. There is also a student representative to the Board who serves a one-year term while a high school senior. This student is elected by the Harford County Regional Association of Student Councils. The Board of Education appoints the Superintendent of Schools for a four year term. The Superintendent acts as the Executive Officer of the Board as well as Secretary and Treasurer. The Superintendent is responsible for the administration of the Harford County Public School system consisting of: thirty-three elementary schools; nine middle schools; nine comprehensive high schools; one technical high school; one special education school serving students with disabilities; and one Alternative Education Program. There are a total of 54 schools in the Harford County Public School system.

Harford County Public Schools (HCPS) is a fiscally dependent school system. Enrollment for the 2016 – 2017 school year totaled 37,426 students. When ranked by enrollment, HCPS is the 8th largest of the 24 school districts in the State of Maryland. The student body will be served by a projected 5,147 full-time equivalent (FTE) faculty and staff positions for fiscal 2018.

In addition to the 54 public schools, Harford County has 46 non-public schools². Citizens in the county have a choice of public or private schools. Approximately 38,000 students attend public schools. The number of students attending private schools is unknown. The U.S. Census reported 244,826³ as the 2010 population of Harford County. The Harford County Department of Planning and Zoning projects the population to increase to 258,670 by 2020⁴. According to the U.S. Census, the school age population in 2010 was 51,694 of which 38,637 (74%) attended public schools. HCPS enrollment totaled 35,963 students in 1994 and reached a peak in 2004 of 40,294. Enrollment has declined to 37,426 in September 2016.

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. Harford 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. Harford County occupies a land area of 440 square miles and serves a population of 251,480⁵.

Local Economy⁶

The revenue outlook for fiscal year 2016 remained challenging while preparing the fiscal year 2017 budget. A lagging national economy and unfunded mandates from the State of Maryland have resulted in lean budgets for 2017.

The County's largest revenue source remains real property taxes. The fiscal year 2016 taxable assessable base resulted in an increase over the fiscal year 2015 assessable base of 1.0 percent. The assessable base growth rate is expected to increase by 1.3 percent in fiscal year 2017. General Fund property tax revenues net of interest, discounts and credits are estimated to increase by 1.0 percent from fiscal year 2016 to fiscal year 2017. The real estate market

¹ "Our Harford Heritage" by C. Milton Wright, copyright 1967.

² Maryland State Department of Education Fact Book, 2014 – 2015, page 7.

³ 2010 U.S. Census (<http://census.maryland.gov>)

⁴ Harford County Demographic Data & Growth Trends (<http://www.harfordcountymd.gov/>)

⁵ Harford County Maryland Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016, page A2.

⁶ Harford County Maryland Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016, pages A2 to A3.

Executive Summary

has experienced a modest recovery in property assessments, which have increased, albeit slightly, for the past three years after declining for the previous four years.

Income tax revenue, the second largest revenue source in the County, is directly affected by population growth, employment levels, and personal income. Income tax revenue has shown increases beginning in 2014 through 2016 using the modified accrual basis of accounting. The year over year increase for 2013 to 2014, 2014 to 2015 and 2015 to 2016 has been 3.7%, 1.9% and 5.3%. Income tax is budgeted at \$13 million for fiscal year 2017.

Long-term financial planning⁷

Harford County is positioned well to handle current and future fiscal challenges because of years of conservative and sound financial management. Harford County received the highest rating from all three bond rating agencies for its general obligation bonds sold on February 9, 2016.

Fiscal year 2017 budget, including all funds, was \$735,168,475, an increase of .3% or \$1,803,378 from fiscal year 2016. The total 2017 General Fund Operating Budget is \$524,570,000, and the Capital Budget is \$76,586,575.

County Executive Glassman plans to reinvest in the workforce, maintain existing infrastructure, fund prior obligations and reduce debt levels without raising taxes.

Capital budget in fiscal year 2017 will be at the lowest level in 16 years, while including significant local funding toward essential road, bridge, highway and storm water repair projects.

In an effort to continue reinvesting in our workforce, County Executive Glassman proposed a merit-based annual salary increase of 3% per qualifying county employee. A supplemental merit increase of 6% to law enforcement personnel for Deputy First Class and Senior Deputy and a supplemental merit increase for Corporal was included in the fiscal year 2017 budget. No new money was needed to fund this increase due to efficiency measures.

The fiscal year 2017 budget increased funding to Harford County Public Schools at a record level. Half of the County's new revenue will be directed to K-12 education, with the operating funding for Harford County Public Schools at \$233,534,504, which is \$5,988,637 above the Maintenance of Effort requirement. The 2017 budget provides support for teachers with a \$3.5 million increase in funding for salaries. Funding for Havre de Grace Middle/High is planned for fiscal year 2018.

The fiscal year 2017 operating budget continues its policy of maintaining a reserve of 5.0 percent of the total General and Highways Fund operating budgets to preserve its high credit ratings and provide for emergencies. Any excess unassigned fund balance realized at the end of the fiscal year, above the 5.0 percent reserve, can be appropriated into the next fiscal year as one-time funding for that fiscal year. The fund balance increase in fiscal year 2017 by \$9.8 million which includes a new assignment of \$10 million for storm water management projects and an additional \$5.6 million for the waste-to-energy facility closure which is the additional money needed to liquidate the liability.

The County continues to invest 100 percent of cash held temporarily idle during the year using an equity-in-pooled-cash system. In addition, Agricultural Land Preservation, Capital Project, Sheriff's Office Pension System (SOPS), Volunteer Fireman's Length of Service Award Program (LOSAP), and the Other Post-Employment Benefits (OPEB) trust fund, have cash that is invested separately. For fiscal year 2016, the weighted average yield on investments was 0.40 percent. The total amount of interest earned by the County on pooled investments was \$969,616.

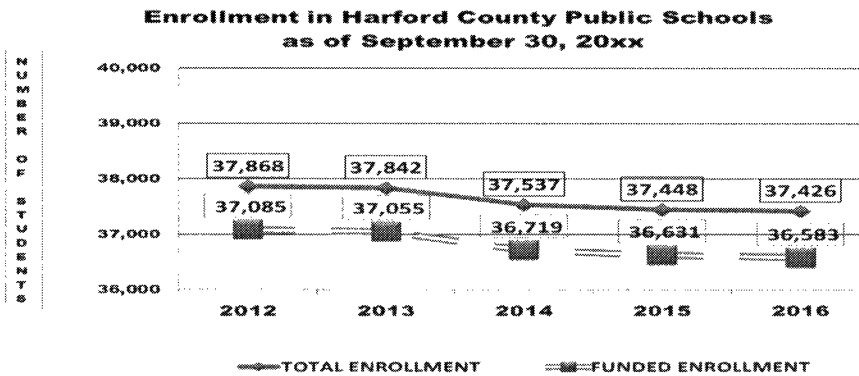
Demographics of School Enrollment

On September 30, 2011, total student enrollment at HCPS was 38,224. On September 30, 2016, total student enrollment was 37,426, a decrease of 798 students or 2.08 percent since September 30, 2011. In order to determine the number of students eligible for State Aid, adjustments are made to the total student enrollment. The adjustments are made for students in the following categories: prekindergarten, part-time, evening, college, and other ineligible students.

⁷ Harford County Maryland Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016, pages A3 and A4.

Executive Summary

HCPS school enrollment peaked in 2004 to 40,294 students. The following chart details the enrollment trends from September 30, 2012 to September 30, 2016.



SOURCE: Harford County Public Schools

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 following demographic data is reported by grade level/program.

Student Body Distribution by Grade Level/Program as of September 30, 20xx					
	2012	2013	2014	2015	2016
Elementary	17,561	17,638	17,513	17,455	17,484
Middle School	8,359	8,552	8,414	8,625	8,492
High School	11,737	11,459	11,398	11,188	11,271
John Archer	125	112	119	127	126
Alternative Education	86	81	93	53	53
Totals	37,868	37,842	37,537	37,448	37,426

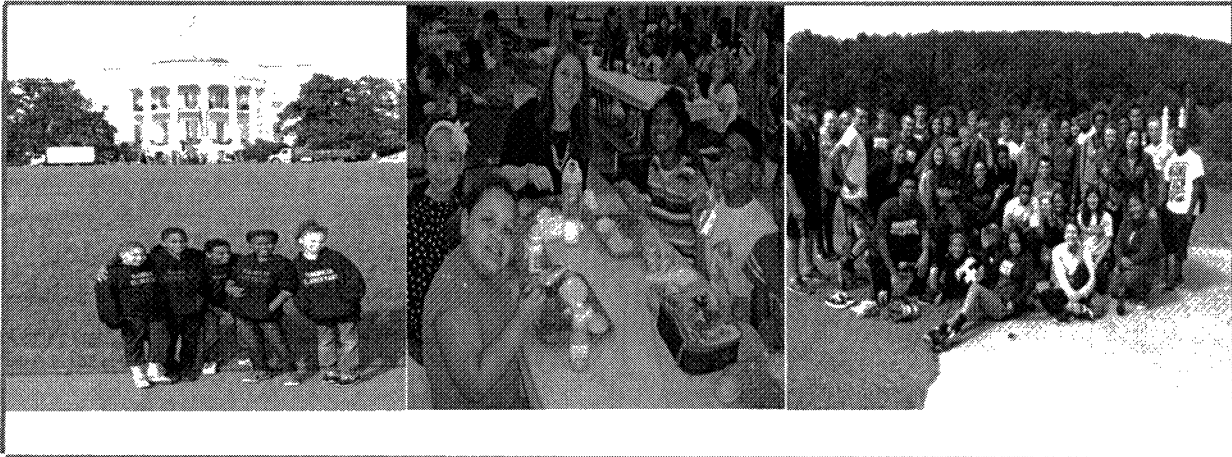
SOURCE: Harford County Public Schools

The Maryland State Department of Education also reports the student demographics by ethnic group. There are now seven racial codes instead of the previous five codes. The changes go beyond just adding categories. The identification of race and ethnicity requires a two part question for determining the code and allows for certain students to identify themselves as more than one racial/ethnic group. (Most current information at time of publication).

Student Body by Racial Composition by Percentage as of September 30, 20xx					
	2011	2012	2013	2014	2015
American Indian/Alaskan Native	0.36%	0.33%	0.32%	0.27%	0.26%
Asian	3.22%	3.24%	3.24%	3.29%	3.24%
African American	17.66%	17.77%	18.06%	18.09%	18.35%
Hispanic or Latino	5.41%	5.66%	5.98%	6.30%	6.51%
Native Hawaiian/Pacific Islander	0.17%	0.17%	0.18%	0.22%	0.21%
White	68.12%	67.37%	66.67%	66.00%	65.30%
Two or more races	5.05%	5.46%	5.55%	5.83%	5.88%
Total Students	100%	100%	100%	100%	100%

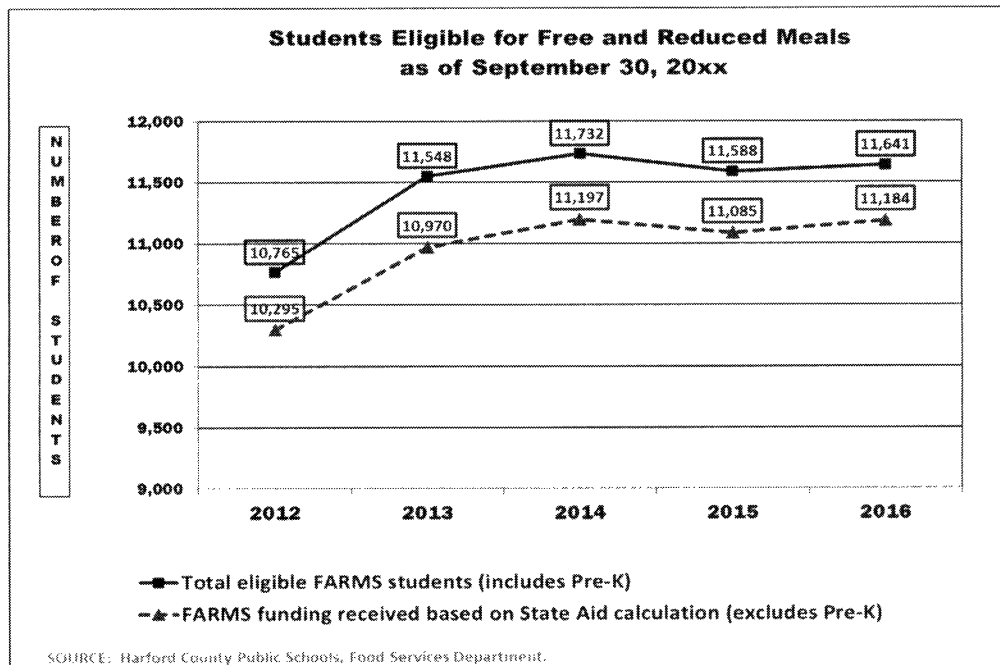
SOURCE: Harford County Public Schools

Executive Summary



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.

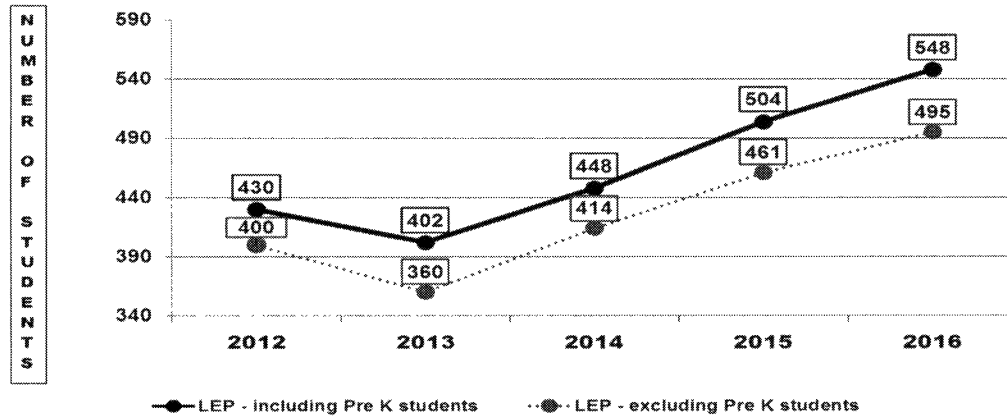
Generally, the most reliable measure of poverty in school systems is the number of students eligible for free and reduced price lunches (FaRMS). For the 2016 – 2017 school year, students were eligible for free and reduced price meals if their household annual income did not exceed \$44,955 for a family of four. The total number of students eligible for free and reduced price meals as of October 31, 2016 was 11,641. The Maryland State Department of Education uses an adjusted FaRMS count to calculate State Aid under the Compensatory Education formula. The funding projected for fiscal 2018 is based on the adjusted FaRMS count of 11,184.



Executive Summary

As of September 30, 2016, 548 students were enrolled in limited English proficiency programs, or 1.46% of the total HCPS enrollment.

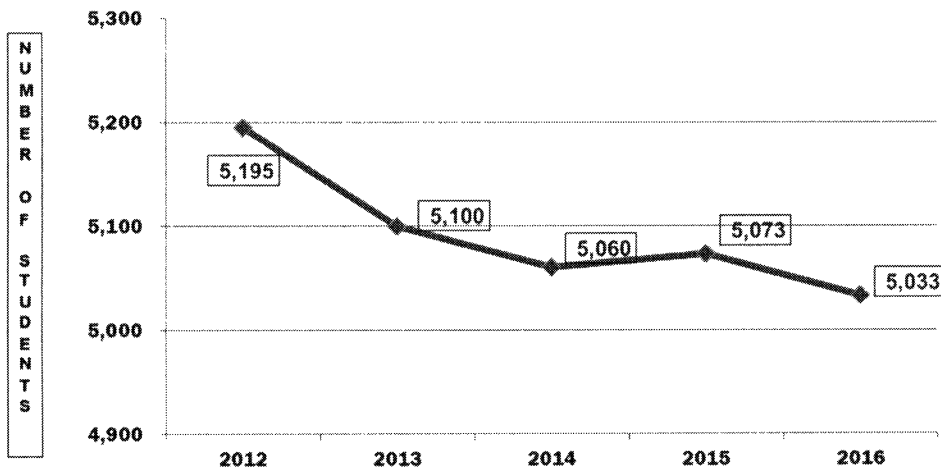
**Limited English Proficiency
as of September 30, 20xx**



SOURCE: Harford County Public Schools, Curriculum and Instruction Office.

Special education programs will serve over 5,000 students (including over 200 nonpublic placement students) in FY17 with an Individual Education Program (IEP). These students range 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.

**Students in Special Education Programs
for the year ending September 30, 20xx**



SOURCE: Harford County Public Schools, Special Education Department

Executive Summary

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. 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. The HCPS mobility statistic is well below the state average for recent years. State statistics indicate average entrance rates of 9.44 percent and average withdrawal rates of 8.13 percent for 2016.

Student Mobility for the school year ended June 30										
	2012		2013		2014		2015		2016	
	Entrants	Withdrawals	Entrants	Withdrawals	Entrants	Withdrawals	Entrants	Withdrawals	Entrants	Withdrawals
Total Students	2414	2571	2554	2364	2543	2365	2436	2314	2426	2333
% of Student Enrollment	6.47%	6.45%	6.89%	6.38%	6.87%	6.39%	6.64%	6.31%	6.64%	6.39%

Source : MD Report Card