

## 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 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 8<sup>th</sup> largest of the 24 school districts in the State of Maryland. The student body will be served by a projected 5,112 full-time equivalent (FTE) faculty and staff positions for fiscal 2018.

In addition to the 54 public schools, Harford County has 46 non-public schools<sup>2</sup>. 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 244,826<sup>3</sup> as the 2010 population of Harford County. The Harford County Department of Planning and Zoning projects the population to increase to 258,670 by 2020<sup>4</sup>. 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 was 37,780 on September 30, 2017, an increase of 354 over the September 30, 2016 student count.

### 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 252,615<sup>5</sup>.

### Local Economy<sup>6</sup>

The County’s largest revenue source remains real property taxes. The fiscal year 2017 taxable assessable base resulted in an increase over fiscal year 2016 assessable base of 2.4%. The estimated increase in property tax from fiscal year 2017 to fiscal year 2018 is 3.6% or \$9.2 million. The increase is due to the properties being reassessed, known as “Group 2” having the largest increase in real property value since 2008 statewide. In Harford County, residential

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

<sup>2</sup> Maryland State Department of Education Fact Book, 2014 – 2015, page 7.

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

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

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

<sup>6</sup> Harford County Maryland Proposed FY18 Budget in Brief.

assessments increased by 5.4% and commercial assessments increased by 8.8% since their last assessment in December of 2013. This is the fifth year of positive assessment growth in Harford County.

Population growth, employment levels, and personal income directly affect income tax revenue, the second largest revenue source in the County. Income tax revenue has shown increases beginning in 2012 through 2017 using the modified accrual basis of accounting. The year over year increase for 2014 to 2015, 2015 to 2016 and 2016 to 2017 has been 1.9%, 7.0% and 2.6%. Income tax is budgeted at \$ \$219.0 for fiscal year 2018.

### Long-term financial planning<sup>1</sup>

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 14, 2017.

Fiscal year 2018 budget, including all funds, is \$818.5 million, an increase of 11.3% or \$83.1 million from fiscal year 2017. The total 2018 General Fund Operating Budget is \$543.1 million, and the Capital Budget is \$114.9 million.

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

In an effort to continue reinvesting in our workforce, County Executive Glassman proposed a merit-based annual salary increase of 4.0% per qualifying county employee. An increase in funding equivalent to 4.0% was also proposed for employees in the Harford County Public Library, State's Attorney Office, EMS Foundation, Sheriff's Office civilian personnel and Circuit Court System. In addition, Mr. Glassman has fully funded the first phase of the Sherriff's Office Pay Study for Law Enforcement and Correction Personnel.

The fiscal year 2018 budget increased funding to Harford County Public Schools at a record level. The operating funding for Harford County Public Schools at \$238.7 million is \$5.4 million above the Maintenance of Effort requirement. Funding for Havre de Grace Middle/High is included in the Capital Budget for 2018.

The fiscal year 2018 operating budget continues its policy of maintaining a reserve of 5.0% 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% reserve, can be appropriated into the next fiscal year as one-time funding for that fiscal year. The General Fund had an increase in fund balance of \$19.2 million. Available fund balance for the General Fund was \$92.9 million or 18.6% of total General Fund expenditures.<sup>2</sup>

The County continues to invest 100% 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 2017, the weighted average yield on investments was 0.65%.

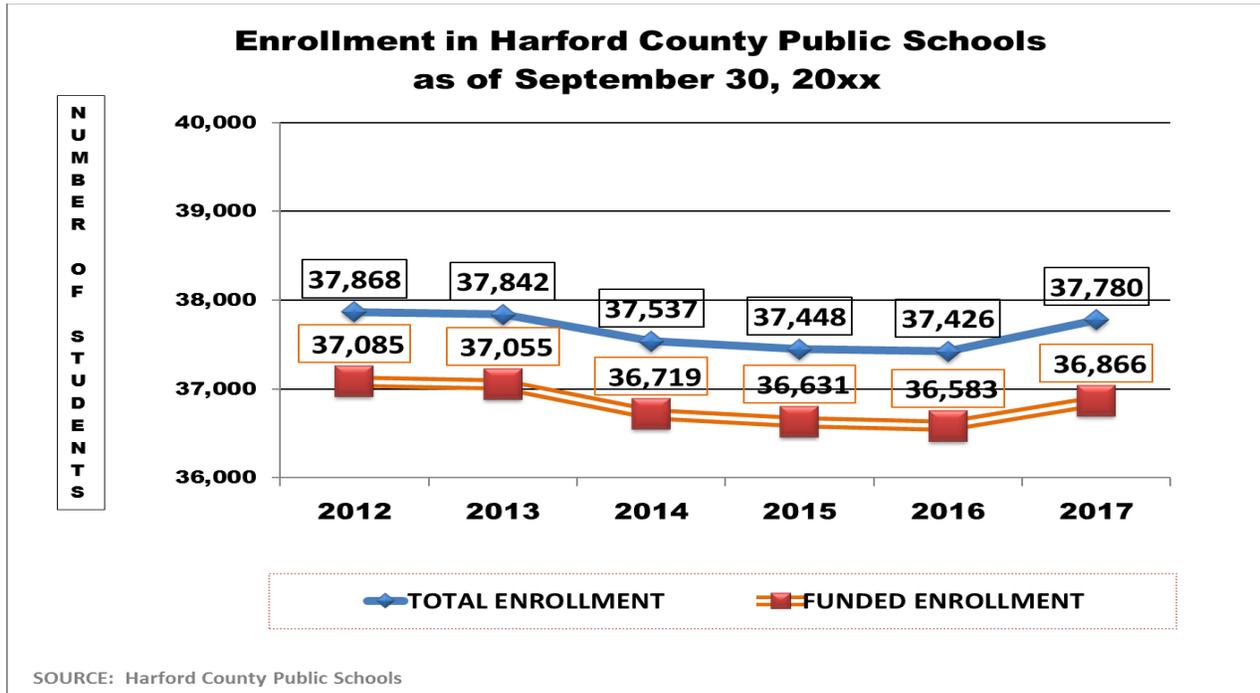
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<sup>1</sup> Harford County Maryland Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017, pages A3 and A4 and Harford County Maryland Proposed FY18 Budget in Brief.

<sup>2</sup> Harford County Maryland Comprehensive Annual Financial Report, page 1.

**Demographics of School Enrollment**

On September 30, 2017, total student enrollment was 37,780, an increase of 354 students over the September 30, 2016 enrollment count. For the first time since the September 30, 2009 student enrollment count, HCPS gained students. 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. The following chart details the enrollment trends from September 30, 2012 to September 30, 2017.



**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	2017
Elementary	17,561	17,638	17,513	17,455	17,484	17,585
Middle School	8,359	8,552	8,414	8,625	8,492	8,652
High School	11,737	11,459	11,398	11,188	11,271	11,352
John Archer	125	112	119	127	126	122
Alternative Education	86	81	93	53	53	69
<b>Totals</b>	<b>37,868</b>	<b>37,842</b>	<b>37,537</b>	<b>37,448</b>	<b>37,426</b>	<b>37,780</b>

SOURCE: Harford County Public Schools

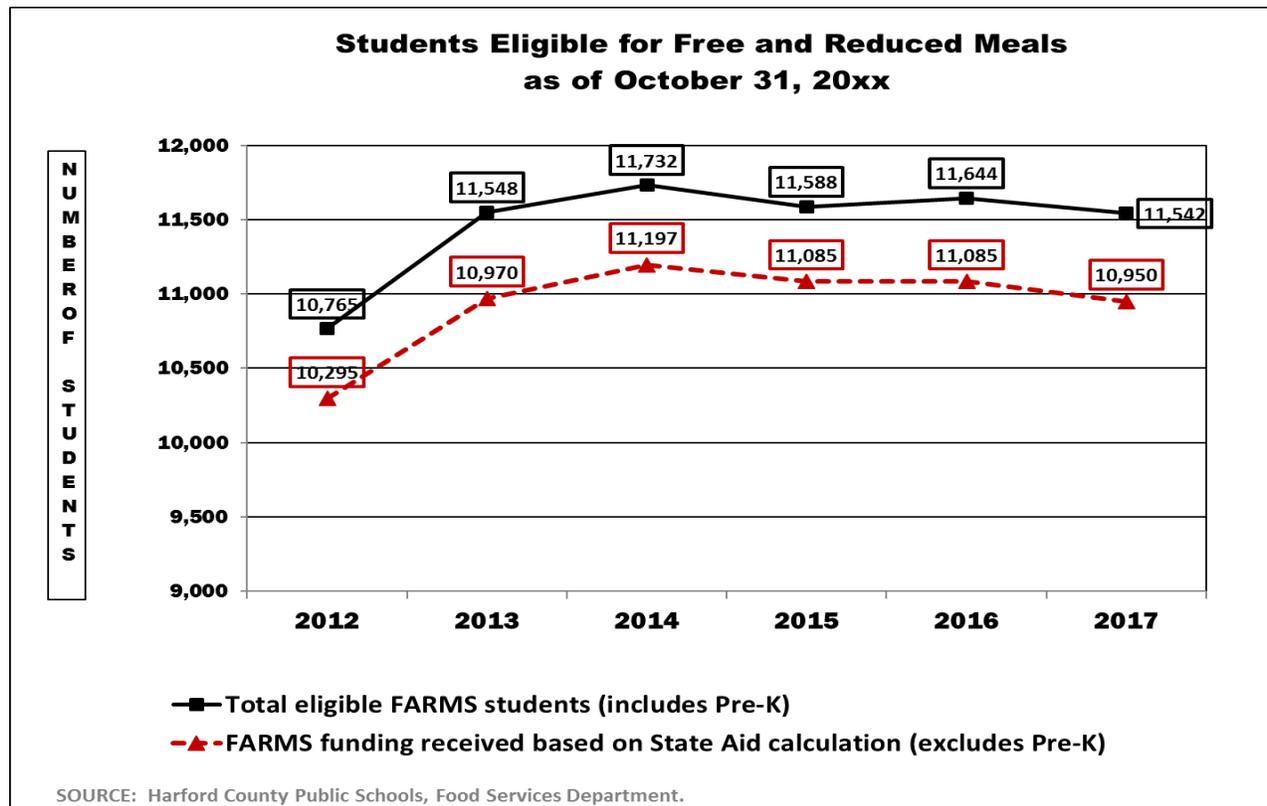
The Maryland State Department of Education also reports the student demographics by ethnic group. There are now seven racial codes instead of the previous five codes. The changes go beyond just adding categories. The identification of race and ethnicity requires a two-part question for determining the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

<b>Student Body by Racial Composition by Percentage as of September 30, 20xx</b>					
	2013	2014	2015	2016	2017
American Indian/Alaskan Native	0.32%	0.27%	0.26%	0.26%	0.29%
Asian	3.24%	3.29%	3.24%	3.26%	3.37%
African American	18.06%	18.09%	18.35%	18.75%	19.19%
Hispanic or Latino	5.98%	6.30%	6.51%	6.76%	7.20%
Native Hawaiian/Pacific Islander	0.18%	0.22%	0.21%	0.17%	0.21%
White	66.67%	66.00%	65.30%	64.45%	64.14%
Two or more races	5.55%	5.83%	5.88%	6.05%	6.25%
<b>Total Students</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>101%</b>

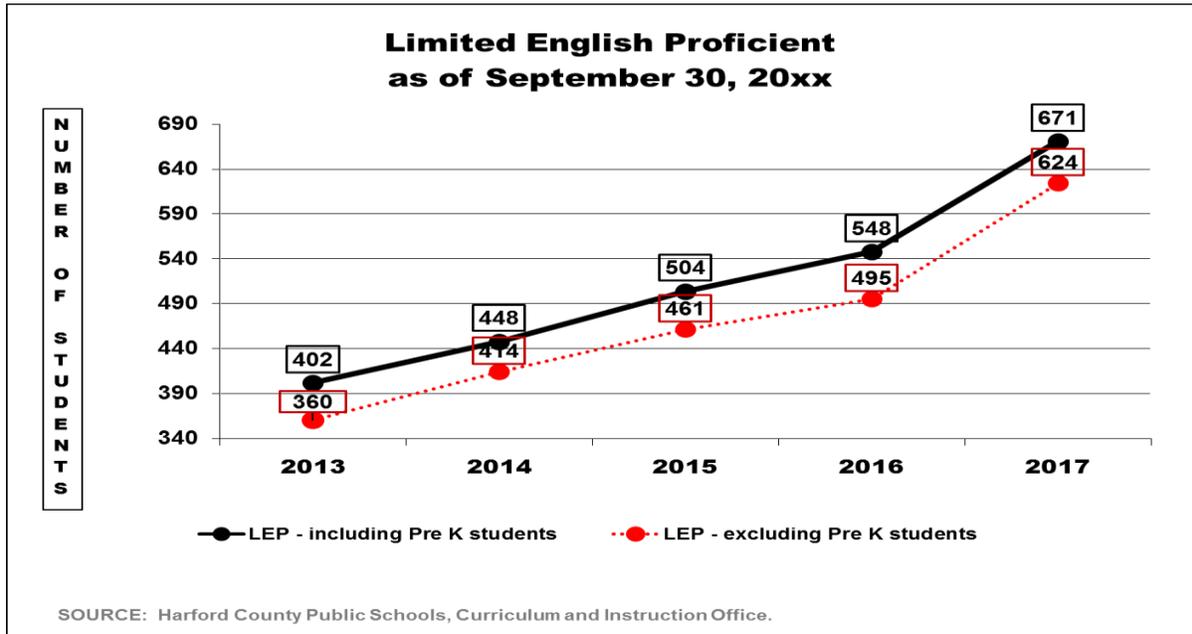
SOURCE: Harford County Public Schools

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.

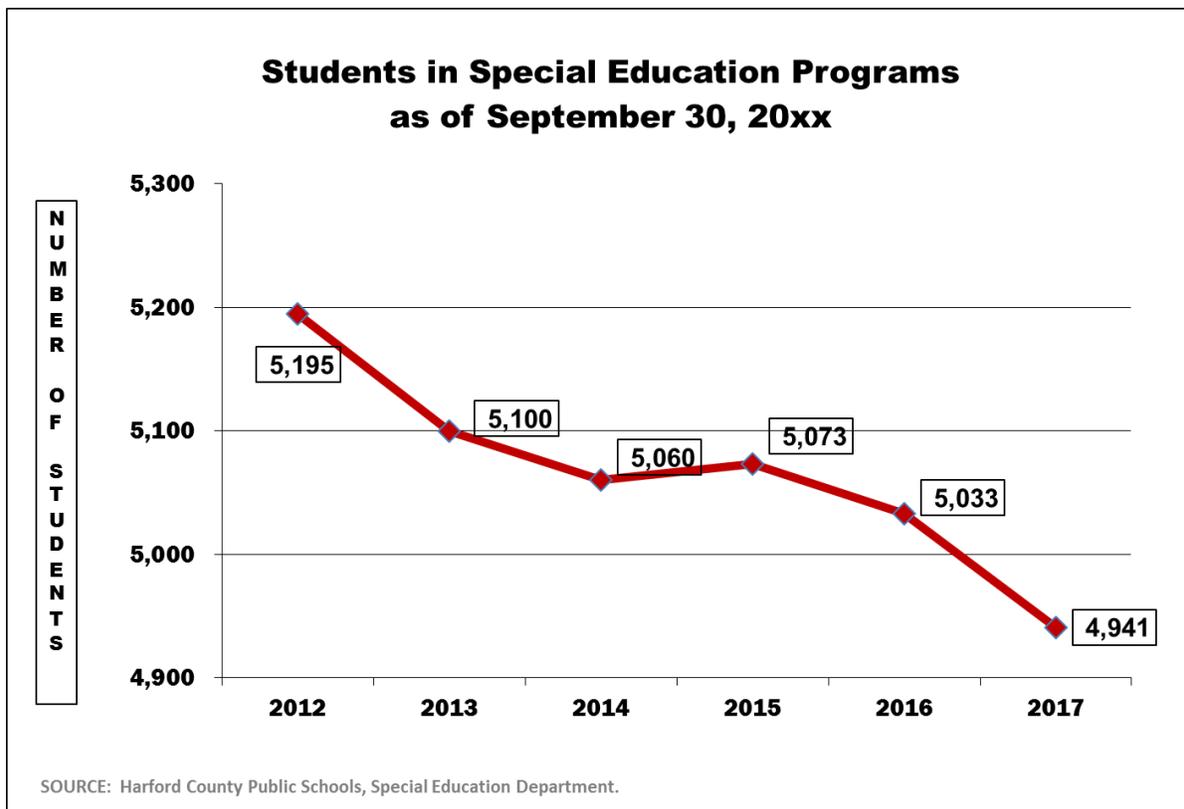
Generally, the most reliable measure of poverty in school systems is the number of students eligible for free and reduced price lunches (FaRMS). For the 2017 – 2018 school year, students were eligible for free and reduced price meals if their household annual income did not exceed \$45,510 for a family of four. The total number of students eligible for free and reduced price meals as of October 31, 2017 was 11,542. 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 2019 is based on the adjusted FaRMS count of 10,950.



As of September 30, 2017, 671 students were enrolled in limited English proficiency programs, an increase of 123 students from September 30, 2016.



Special education programs will serve nearly 5,000 students (including nonpublic placement students) in FY19 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.



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 10.0 % and average withdrawal rates of 8.3% for 2017.

<b>Student Mobility for the school year ended June 30</b>								
	2014		2015		2016		2017	
	Entrants	Withdrawals	Entrants	Withdrawals	Entrants	Withdrawals	Entrants	Withdrawals
<b>Total Students</b>	2,543	2,365	2,436	2,314	2,426	2,333	2,687	2,449
<b>% of Student Enrollment</b>	6.87%	6.39%	6.64%	6.31%	6.64%	6.39%	7.35%	6.70%

Source : MD Report Card