

# 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 nine 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 which consists of fifty-four schools, thirty-three elementary, nine middle, nine comprehensive high, one technical high, a special education school serving students with disabilities, and an Alternative Education Program. There is a 245 acre Harford Glen Outdoor Education Center<sup>2</sup>.

Harford County Public Schools (HCPS) is a fiscally dependent school system with an actual enrollment of 38,224 students in fiscal 2012. When ranked by student enrollment, HCPS ranked 140th largest school system of the 17,735 regular school districts the county when ranked by enrollment<sup>3</sup>. This places HCPS in the top one percent of school districts by size. HCPS is ranked 8th of the 24 school districts in the State of Maryland. The student body will be served by a projected 5,441 FTE faculty and staff positions for fiscal 2013.

Harford County has 54 public schools and 47 non public schools<sup>4</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 April 1, 2010 Census reported 244,826 as the population for Harford County. The 2010 population of Harford County was 244,826<sup>5</sup> and is projected to increase to 252,477 by 2014<sup>6</sup>. 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 a peak in 2002 of 40,264 and has declined slightly to 38,438 in 2012. Through the recent military Base Realignment and Closure (BRAC) process, the County workforce and population is estimated to increase in excess of 10%, which may result in increased population for the public school system.

<b>Harford County Age Distribution 1990 -2010</b>						
Age	Population			Percent Change		
	1990	2000	2010	1990	2000	2010
Under 5	14,761	15,776	14,982	45.4%	6.9%	-5.0%
5 - 19	39,535	50,045	51,694	11.5%	26.6%	3.3%
20 - 44	77,554	78,899	76,162	20.9%	1.7%	-3.5%
45 - 64	35,248	51,710	71,424	31.7%	46.7%	38.1%
65 and Older	15,034	22,160	30,564	60.4%	47.4%	37.9%

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

<sup>2</sup> Harford County Government, 2012 Budget Document.

<sup>3</sup> U.S. Department of Education, National Center for Education Statistics, Common Core of Data(CCD), “Public Elementary/ Secondary School Universe Survey,” 2008-09, Version 1a and “Local Education Agency Universe Survey,” 2008-09 Version 1a.

<sup>4</sup> Maryland State Department of Education Fact Book.

<sup>5</sup> 2010 U.S. Census, <http://census.maryland.gov>.

<sup>6</sup> [www.harfordbusiness.org](http://www.harfordbusiness.org)

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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. 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. The County's land area of 448 square miles is the 11<sup>th</sup> largest in the State of Maryland. As of June 30, 2010, Harford County reported a population of 244,826<sup>7</sup>. The economic condition and outlook of the County has substantially improved during the past decade. Since 1999 the population of Harford County increased 12.1 percent, which has triggered significant construction activity and growth in the tax base<sup>8</sup>. Construction activity has slowed in the past several years.

## Local Economy<sup>9</sup>

The Global, National, State and County economy continue to experience problems and challenges in 2011. Fears of sovereign debt default in Greece and Ireland and depressed housing prices are holding back a robust recovery of our National economy. Maryland's economy is slowly advancing toward recovery, with normalcy in revenue growth several years off. The issues at the National and State level play an important role in the economic climate at the County level which is managing these challenges by a conservative approach to spending. County operating departments, the Board of Education, Harford Community College, the Public Libraries and most of the other outside agencies returned up to 3.0 percent of their fiscal year 2011 budgets.

The revenue outlook for fiscal year 2011 remained uncertain while preparing the fiscal year 2012 budget. Cuts in State funding to the County, and increased mandates from the State and Federal governments to local jurisdictions played a major influence in the budget revenue estimates. The revenue outlook for fiscal year 2012 is guarded. The County has major concerns about the global economy, the housing market and an unclear picture of both Federal and State finances and their impact on local subdivisions. For a third consecutive year, the fiscal year 2012 budget had no pay raises or COLAs for County employees. The County property tax rate did not increase over the fiscal year 2011 rates and for the first time in the County's history fell below the Constant Yield.

The County's largest revenue source remains real property taxes in spite of recent declines in the real estate market. The fiscal year 2011 taxable assessable base resulted in an increase over the fiscal year 2010 assessable base of 1.4 percent. The assessable base growth rate is expected to decline to a negative 4.6 percent in fiscal year 2012. The reduction in property tax revenue as a result of the declining assessable base will be offset in large part by the reduction in the Homestead Tax Credit. General Fund property tax revenues net of credits are estimated to decrease by 0.4 percent from fiscal year 2011 to fiscal year 2012.

Income tax revenue, the second largest revenue source in the County, which is directly affected by population growth, employment levels and personal income, showed steady growth through fiscal year 2008. Starting in fiscal year 2009 income tax revenues declined. That trend reversed itself in fiscal year 2011 with an 8.0 percent increase of income tax revenue over fiscal year 2010. Income tax is conservatively budgeted at \$161.6 million for fiscal year 2012, a 2.9 percent reduction from 2011 actual income tax revenue due to the uncertain economic conditions at the national and state level.

The County must also contend with reductions in revenues tied to the State and affected by Maryland's budget shortfalls. The most significant revenue reductions have been Highway User tax and Board of Prisoner revenue. There has been a 92.2 percent reduction in Highway User revenue and a 95.0 percent reduction in Board of Prisoner revenue from fiscal year 2009 through fiscal year 2011 with no sign of a recovery to 2009 revenue levels going forward. Additionally, the State is requiring counties to absorb 90.0 percent of the cost of local state assessment offices located in their county. Harford County included \$1,600,000 in their fiscal year 2012 budget for this purpose.

<sup>7</sup> 2010 U.S. Census, <http://census.maryland.gov>

<sup>8</sup> Harford County Maryland Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2009", Table 15.

<sup>9</sup> Harford County Maryland Comprehensive Annual Financial Report for the year ended June 30, 2011, Letter of Transmittal, pages A2 to A4, written by Kathryn Hewitt, County Treasurer.

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## Long-term financial planning<sup>10</sup>

In spite of the current economic difficulties Harford County is positioned well to handle current and future fiscal challenges because of years of conservative and sound financial management. The County's fiscal strength has been attested to by two of three bond rating agencies with triple "A" ratings for its general obligation (GO) bonds. Moody's Investor Services contacted Harford County in August 2011 to inform the County that the triple "A" rating was assigned a negative outlook following the announcement on August 2nd that the U.S. government's AAA rating was being assigned a negative outlook. Shortly thereafter, Moody's reaffirmed Harford County's triple "A" rating but continued the assignment of a negative outlook.

Completion of the Department of Defense Base Realignment and Closure (BRAC) 2005 implementation process was officially recognized on September 15, 2011. An unprecedented 67.0 percent of BRAC employees will relocate with their new positions. Approximately 8,300 positions have transferred to the Aberdeen Proving Ground and 6,300 personnel have already relocated.

The fiscal year 2012 budget once again faces fiscal challenges requiring the balancing of financial needs with the available uncertain or shrinking financial resources. Education continues to be a major concern of the County and its residents. County funding to the Board of Education increased by \$229,838 in fiscal year 2012 over fiscal year 2011 budget. The Maintenance of Effort funding level for fiscal year 2012 decreased by \$613,244 due to lower school enrollment thus the total increase over the Maintenance of Effort for fiscal year 2012 was \$843,082. Public Safety received \$1.7 million to improve communication technology and interoperability among public safety agencies. Harford County is investing \$8.0 million to increase access to the web via high speed connectivity for citizens, businesses and government.

In spite of the fiscal challenges the fiscal year 2012 operating budget continues its policy of maintaining a reserve of 5.0 percent of the total General and Highway Fund operating budget 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. In fiscal year 2012 appropriated fund balance in the general fund is \$41.2 million.

The County continues to invest 100.0 percent of cash held temporarily idle during the year using an equity-in-pooled-cash system, except for bond funds, Firemen's Pension, Agricultural Preservation, Sheriff's Pension, and the Other Post-Employment Benefits (OPEB) trust fund, which are invested separately. For fiscal year 2011 the weighted average yield on investments was 0.25 percent. The total amount of interest earned by the County on investments was \$1,082,147.

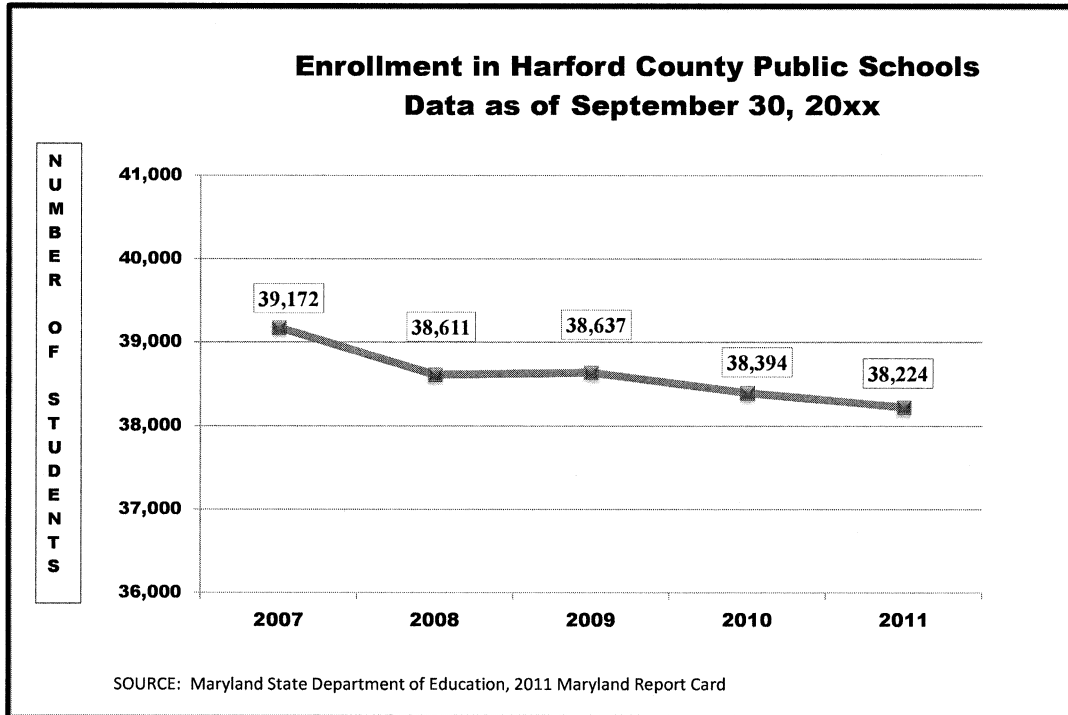
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<sup>10</sup> Harford County Maryland Comprehensive Annual Financial Report for the year ended June 30, 2011, Letter of Transmittal, pages A2 to A4, written by Kathryn Hewitt, County Treasurer.

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## Demographics of School Enrollment

On September 30, 2007, student enrollment at HCPS was 39,172. As of September 30, 2011, student enrollment totaled 38,224, a decrease of 948 students or 2.42 percent since September 30, 2007. The chart below details the enrollment trends since September 30, 2007.



## Demographics of the School Population

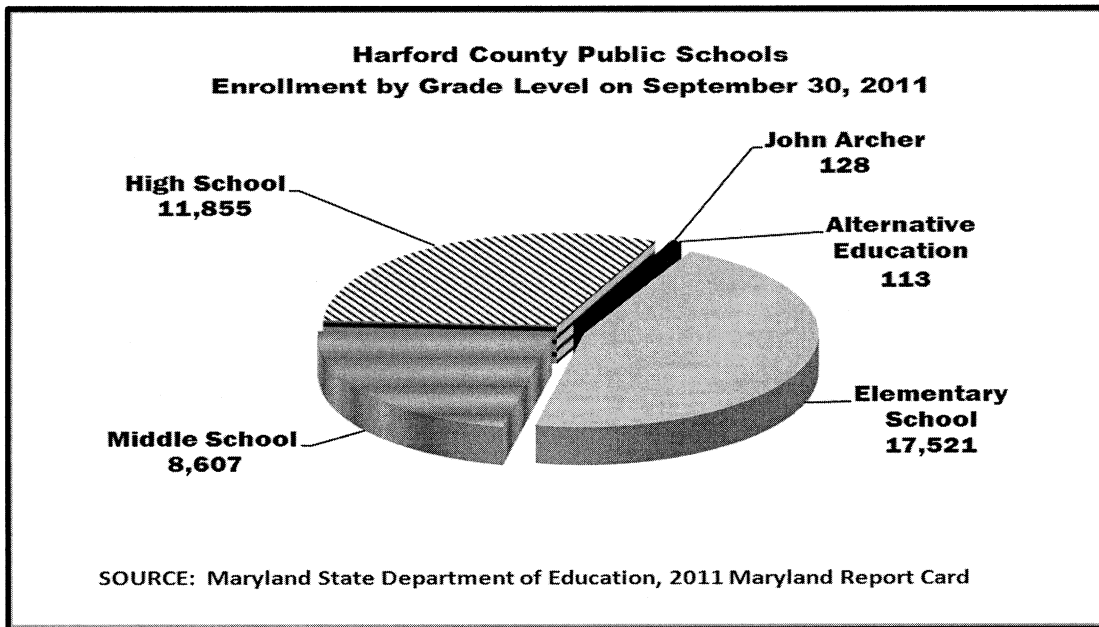
Enrollment represents the number of students in grades prekindergarten through 12, including ungraded special education students, as counted on September 30th of each year. The Maryland State Department of Education reports this data by grade level/program.

**Student Body Distribution by Grade Level/Program  
as of September 30, 20xx**

	2007	2008	2009	2010	2011
Elementary	17,744	17,574	17,607	17,525	17,521
Middle School	9,038	8,892	8,823	8,631	8,607
High School	11,998	11,800	11,984	11,983	11,855
John Archer	159	159	147	143	128
Alternative Education	155	107	76	112	113
Charter School	78	79	0	0	0
<b>Totals</b>	<b>39,172</b>	<b>38,611</b>	<b>38,637</b>	<b>38,394</b>	<b>38,224</b>

SOURCE: Harford County Public Schools and Maryland Public School Enrollment Data Collection Report.

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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.

**Student Body by Racial Composition by Percentage  
as of September 30, 20xx**

	2007	2008	2009	2010	2011
American Indian/Alaskan Native	0.58%	0.56%	0.55%	0.40%	0.36%
Asian	2.92%	3.09%	3.29%	3.04%	3.22%
African American	19.90%	20.17%	20.46%	18.09%	17.66%
Hispanic or Latino	3.40%	3.72%	3.88%	5.23%	5.41%
Native Hawaiian/Pacific Islander				0.15%	0.17%
White	73.20%	72.46%	71.82%	68.57%	68.12%
Two or more races				4.53%	5.05%
<b>Total Students</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

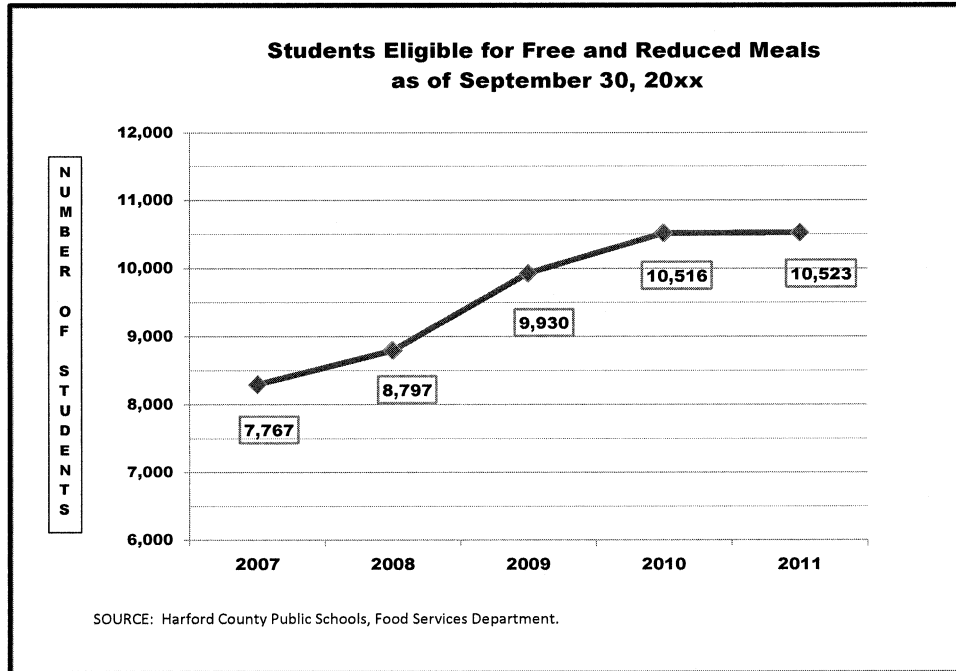
SOURCE: Maryland State Department of Education, 2012 Maryland Report Card

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.

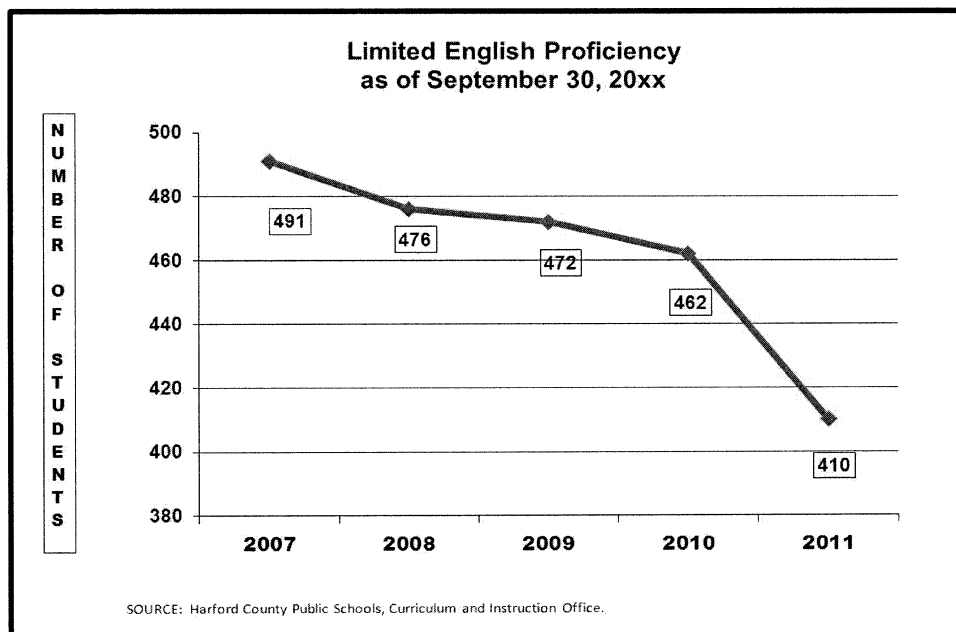
Generally, the most reliable measure of poverty in school systems is the number of students eligible for free and reduced price lunches. Students qualifying for free lunches must not exceed an income level of \$28,655 for a family of four. Students qualifying for reduced price lunches must not exceed an income level of \$40,793 for a family of four.

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The number of students eligible for free and reduced price meals as of September 30, 2011 is 10,523 (includes 433 pre-k students). 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 2013 is based on the adjusted FaRMs count of 10,016 at a value per student of \$3,247 per student.

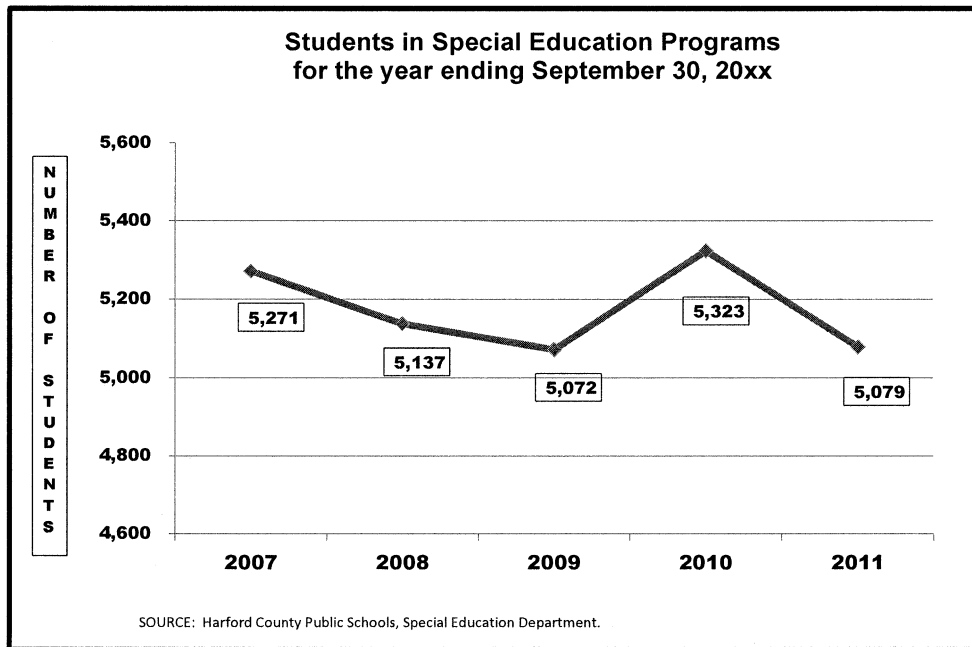


Enrollment of students with limited English-speaking proficiency has remained steady over the past few years. As of September 30, 2011, 410 students were enrolled in limited English proficiency programs, or 1.075% of the total HCPS enrollment.



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Special education programs serve 5,079 students (including 128 students at John Archer School and not including 213 nonpublic placement students) in fiscal 2012 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.



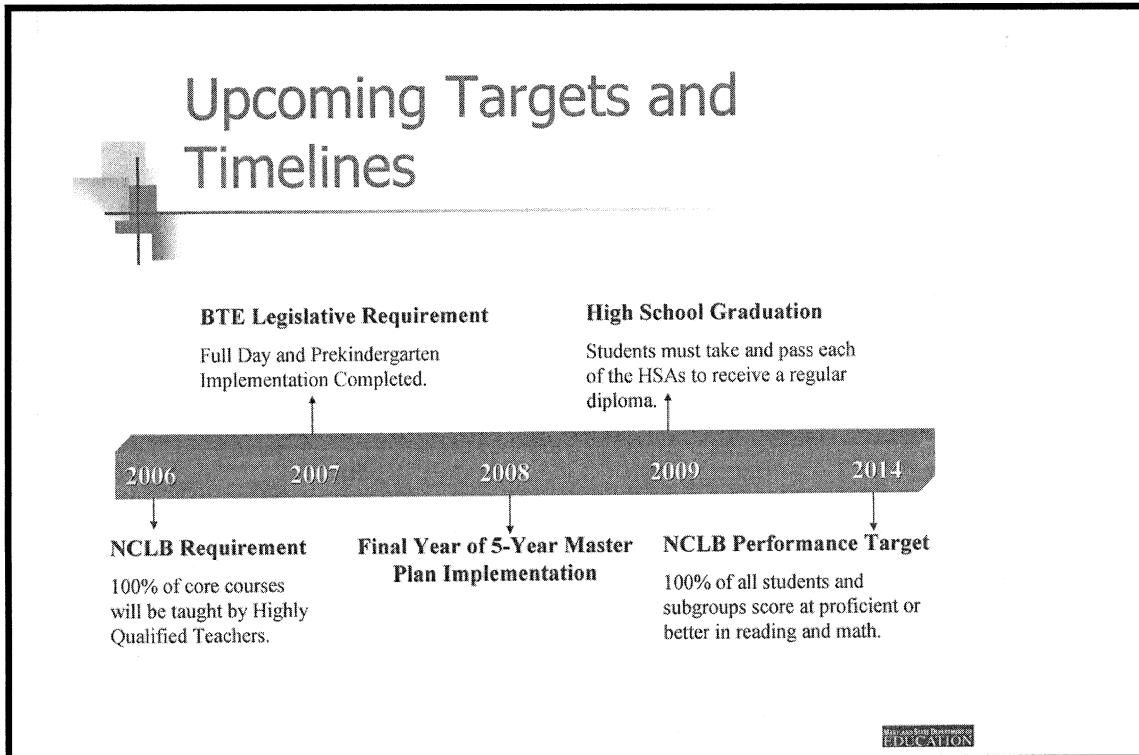
Another demographic feature that has an impact on the classroom is “mobility.” Mobility is reported as the number and percentage of students entering or leaving school during the year after the first day of class. This factor requires flexible management and instruction to deal with changes in the school 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 10.36% and average withdrawal rates of 8.81% for 2011.

<b>Student Mobility for the school year ended June 30</b>										
	2007		2008		2009		2010		2011	
	Entrants	Withdrawals	Entrants	Withdrawals	Entrants	Withdrawals	Entrants	Withdrawals	Entrants	Withdrawals
<b>Total Students</b>	2964	3242	2892	3197	2875	2815	2474	2411	2505	2514
<b>% of Student Enrollment</b>	7.72%	8.44%	7.56%	8.36%	7.64%	7.48%	6.57%	6.40%	6.76%	6.79%

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

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. The following chart reflects the mandatory legislative requirements from the federal and state governments. The chart below was prepared by the Maryland State Department of Education.



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Throughout the budget development process, the Board and staff have attempted to balance the ambitious vision of Harford County Public Schools with financial constraint. While this balance is not easy, the Board has developed a budget that will empower Harford County Public Schools to effectively and efficiently strive to carry out the educational mission to provide 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.