

CAPITAL BUDGET

Each year the Board of Education, school staff, and community, review and analyze the Capital Improvement Program (CIP) for the Board to establish priorities as it secures future funding. This review includes the status of county and state funding levels from the previous fiscal year, the volume and status of current approved capital projects, an analysis of enrollments and capacities, and a study of population growth within Harford County. In addition, information obtained from system wide building evaluations, a review of project categories, and the infusion of technology into our facilities is considered.

All construction projects are budgeted in the School Construction Fund often referred to as the Capital Budget. School construction is budgeted on a project basis. Projects may be funded over several years and allocations may be carried forward over multiple years until completion. This budget represents the new funding approved by the Board of Education and the County Government for FY 2008.

The Harford County Board of Education lacks taxing authority and remains revenue dependent upon the Harford County and State governments to fund the Capital Budget. State funds are approved by the State's Interagency Committee. The Capital Budget for FY 2008 contains state funding and county capital funding for new construction, renovation, expansion, and modernization projects.

The Approved Capital Budget for Fiscal Year 2008 funds thirty-seven projects totaling \$87,725,980. Of this amount, \$68,196,850 is to be funded with county revenue and \$16,237,875 is to be funded with state revenue. In addition, \$3,291,255 will be funded from other sources of revenue. It should be noted that the Aging Schools Program, funded by the State in the estimated amount of \$425,044, is included in Restricted Funds.

The Capital Improvement Plan is managed by the Planning and Construction Office and the Operations Office. Harford County Public Schools has developed a multi-year capital improvement plan and updates the plan annually based on changing enrollments and conditions of schools. Included within this section is a chart reflecting the current and five year capital plan as approved by the Harford County Government.

The School Construction Fund accounting is handled by the Finance Department in Business Services.

Harford County Public Schools					
School Construction Fund					
FUND SOURCE	Actual FY 2004	Actual FY 2005	Actual FY 2006	Actual FY 2007	Budget FY 2008
Beginning Balance	\$0	\$0	\$0	\$0	\$0
Revenue					
Local	\$19,729,179	\$23,438,566	\$49,268,486	\$39,514,944	\$68,196,850
State	\$869,534	\$11,967,677	\$6,890,203	\$7,648,277	\$16,237,875
Total Federal	\$0	\$0	\$0	\$0	\$0
Other Revenue	\$0	\$3,191,748	\$161,305	\$779,615	\$3,291,255
Total Receipts	\$20,598,713	\$38,597,991	\$56,319,994	\$47,942,836	\$87,725,980
Other Sources	\$100,000	\$2,475,080	\$8,893,292	\$126,851	\$0
EXPENDITURES:	\$20,698,713	\$41,073,071	\$65,213,286	\$48,069,687	\$87,725,980
ENDING BALANCE:	\$0	\$0	\$0	\$0	\$0

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School construction is accounted for by project where revenues are recognized at the same time as related expenditures. Under the budgetary basis of accounting, this normally results in a fund balance of zero at the end of each period.

Capital projects funds are used to account for financial resources to be used for the acquisition, construction, or improvements to major capital facilities. A capital expenditure is the amount used during a particular period to acquire or improve long-term assets such as property, plant, or equipment. Some capital expenditures are determined by the way the County government decides how they are going to budget for the expenditure (i.e. Textbook Refresh in the Capital Projects Fund instead of the Unrestricted Budget as an operating expense).

CAPITAL IMPROVEMENT IMPACT ON THE OPERATING BUDGET

As school enrollment increases, more teachers are added to the growing school and operating expenses are increased to provide the school with it's per pupil allocation of funding.

When the School Construction Fund pays for the building or expansion of a school, there is an impact on the Operating Budget. The staff expansion needs are determined by the Executive Directors of Elementary and Secondary Education while the building maintenance needs are determined by the Director of Facilities and the Assistant Superintendent of Operations.

As the CIP is implemented and facilities are expanded, the Board of Education will determine staffing additions based on:

- Enrollment Projections (see Exhibit 9 and Exhibit 10);
- State Rated Capacities and Percentages of Utilization; and,
- Availability of operating funds.

While much of the capital improvements involve maintenance of facilities, which should help keep operational costs down, building expansions often involve shifting students from portable classrooms to permanent instructional facilities. This often minimizes the effect on the operating budget since the instructional support is already in place. Traditionally, when a new school opens, the Board of Education has provided supplemental budget allocations for the purchase of textbooks, library materials, and other related instructional items. The custodial staffing allocations are generally determined by square footage and special needs.

Each year, a review of the operating impact of new construction or renovations is undertaken and funds are requested during the budget development process. The County Government determines the projects to be included in the capital program by their funding of the projects. Projects include new building construction, renovations, moderations, additions, roof repairs, HVAC repairs, textbooks, technology, and various other equipment or improvements.

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The following chart provides future estimated operating impacts from the Approved Capital Projects.

HARFORD COUNTY PUBLIC SCHOOLS ESTIMATED OPERATING IMPACT - FUTURE YEARS				
PROJECT DESCRIPTION	SALARIES & WAGES	OTHER COSTS	EQUIPMENT	TOTAL
Construction Projects:				
Aberdeen High School Addition	\$936,000	\$495,000	\$300,000	\$1,731,000
Bel Air High School Replacement		\$310,000	\$300,000	\$610,000
Deerfield ES Modernization/Addition		\$205,000	\$125,000	\$330,000
Edgewood High School Replacement		\$310,000	\$300,000	\$610,000
Fire Alarm & ER Communications <small>NOTE (1)</small>		\$11,000		\$11,000
Homestead/Wakefield ES Modernization		\$205,000	\$125,000	\$330,000
John Archer School Modernization		\$310,000	\$675,000	\$985,000
Joppatowne ES Modernization/Addition		\$205,000	\$125,000	\$330,000
Joppatowne High School Gym Addition		\$20,000	\$30,000	\$50,000
New Elementary Capacity	\$1,120,000	\$815,000	\$400,000	\$2,335,000
Patterson Mill M/HS Start Up		\$700,000	\$825,000	\$1,525,000
Planetaria Refresh			\$260,000	\$260,000
Relocatable Classrooms			\$275,000	\$275,000
Security Cameras		\$18,000		\$18,000
WP/OPR ES Modernization		\$260,000	\$175,000	\$435,000
Youth's Benefit ES Modernization		\$260,000	\$175,000	\$435,000
Total Estimated Operating Impact - Future Years	\$2,056,000	\$4,124,000	\$4,120,000	\$10,300,000
Improvements & Maintenance Projects:				
ADA Improvements and Survey	No Operating Impact at this time.			
Athletic Fields Repair/Renovations	No Operating Impact at this time.			
Backflow Prevention	Will reduce future water & sewer system maintenance.			
Environmental Compliance	To ensure Federal & State Laws are followed.			
Harford Tech. High Field Improvements	Provides athletic fields for high school.			
HVAC Replacement - Wm. S. James Elem.	May increase electrical costs but reduce maintenance costs.			
Locker Replacement - Edgewood Middle	No Operating Impact at this time.			
Paving - New Parking Areas	Will provide additional parking for staff and visitors.			
Paving - Overlay and Maintenance	Will reduce future maintenance costs in the short term.			
Playground Equipment	Provides safe playgrounds for elementary schools.			
Roofing Replacements <small>NOTE (2)</small>	Will reduce water leak maintenance costs.			
Storm Water Management	To comply with federal, state, & county laws.			
Equipment & Other Projects:				
Bus Acquisition	Maintenance costs will be reduced as new buses are purchased.			
Equipment & Furniture Replacement	Provides new furniture & equipment to schools.			
Musical Instrument Refresh	Replaces old music instruments.			
North Harford High School Band Uniforms	Replaces old band uniforms.			
Technology Education Lab Refresh	Replacement of older, obsolete, or broken equipment will reduce future technology maintenance costs.			
Technology Infrastructure	Replacement of older, obsolete, or broken equipment will reduce future technology maintenance costs.			
Textbook Refresh	Allows replacement of textbooks to current curriculum standards.			
Vehicle/Operations Equipment Acquisition	Allows replacement of older equipment and vehicles which in turn will reduce future maintenance costs.			
Vocational/Technical Equipment Refresh	Allows replacement of older equipment and vehicles which in turn will reduce future maintenance costs.			

- NOTES:** (1) Fallston High School
 (2) NHMS (after HVAC project)
 (3) Fallston HS, project larger than typical allocation
 (4) Certain addition, replacement, or modernization projects will result in utility savings except where additional square footage is to be added.

CAPITAL BUDGET

The following schedule provides a reconciliation of the Fiscal Year 2008 Harford County Approved Capital Budget to the Fiscal Year Harford County Public Schools Capital Budget.

RECONCILIATION OF HARFORD COUNTY APPROVED CAPITAL BUDGET TO HARFORD COUNTY PUBLIC SCHOOLS CAPITAL BUDGET	
FY 2008 Harford County Approved Capital Budget	\$97,879,725
Less State Funding in Harford County Budget:	
-Deerfield Elementary Modernization/Addition ¹	-\$6,451,000
-New Elementary Capacity ¹	-\$5,319,000
-Relocatable Classrooms ¹	-\$75,000
Less Capital Project in HCPS Restricted Budget:	
-Aging Schools ²	-\$400,000
Reduction to Approved Harford County Capital Budget figures	-\$12,245,000
Net Harford County Approved Capital Budget	\$85,634,725
Addition of Harford County Public Schools Fund Balance	\$2,091,255
FY 2008 Harford County Public Schools Capital Budget	\$87,725,980

¹State funding was not approved by the IAC or in the State Budget.

²Actual Aging Schools Project is \$425,044.

Other items in this section include the following:

Facilities Master Plan – Capital Improvements Process for Fiscal Year 2008

- represents the planning process of the HCPS Capital Improvements Plan.

Harford County, Maryland approved Six Year Capital Improvement Program

- represents the County Government six year program for the public schools.

Capital Improvement Plan – Fiscal Year 2008 for HCPS

- represents the current Fiscal Year Capital Projects for HCPS based on approved State of Maryland and Harford County Government funding.

Individual Capital Project Pages are included with the approved funding from State and County sources. Thirty-seven different capital projects are included.

Harford County Public Schools Completed Capital Projects

- represents the Capital Projects completed since 1990.