

# BOARD OF EDUCATION OF HARFORD COUNTY

## INFORMATIONAL REPORT

### DECISION ON SUPERINTENDENT'S PROPOSED FY2026 BUDGET

FEBRUARY 10, 2025

#### **Background Information:**

The Superintendent is required to present the proposed budget each year for consideration. After reviewing input from internal and external stakeholders, the Proposed FY2026 Budget has been prepared for consideration and approval by the Board. The budget is presented in four parts: Unrestricted, Restricted, Food Service and Capital budgets.

#### **Discussion:**

The FY2026 Superintendent's Proposed Budget for Harford County Public Schools (HCPS) addresses the essential components of ESSA, the Blueprint, and continues to address the HCPS Strategic Plan. Meeting the educational needs of a growing and diverse community requires vision, commitment from all stakeholders, knowledge, organization, effective planning, and sufficient and coordinated resources.

#### **Overview:**

The Superintendent's Proposed fiscal year 2026 local request to support the unrestricted budget is \$347.6 million, an increase of \$26.3 million. The total proposed increase to the unrestricted budget is \$16.7 million, or 2.6% higher than the current budget. A salary and wage package is expected to cost \$12.9 million. Insurance and other fixed charges are expected to increase \$13.1 million. Safety and security and transportation needs are expected to increase \$2.2 million. The unrestricted budget proposal also includes a reduction of 148.0 FTE positions. These reductions will be a combination of central office and school-based positions.

The fiscal 2026 proposed Unrestricted Operating, Restricted, and Food Service budgets are \$670.0 million, \$53.3 million, and \$23.3 million, respectively.

The Capital Projects fund includes state and local funding to support capital repairs and construction. The fiscal 2026 Proposed Capital Projects fund budget is projected to be \$144.8 million. The Board of Education approved the proposed Capital budget for submission to the state and local governments on September 16<sup>th</sup> and December 16<sup>th</sup>, 2024, respectively.

#### **Superintendent's Recommendation:**

The Superintendent recommends the Board of Education review and approve the following proposed budgets for FY2026:

- Unrestricted Fund of \$670,012,163
- Restricted Fund of \$53,253,095
- Food Service Fund \$23,320,000

# Decision on Superintendent's Proposed FY26 Budget

February 10, 2025

# Revenue All Funds

Revenue - All Funds							
	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget	FY 2025 Budget	FY 2026 Budget	Change FY25 - FY26	% Change
Unrestricted Fund	\$ 594,377,448	\$ 636,427,062	\$ 613,545,181	\$ 653,282,774	\$ 670,012,163	\$ 16,729,389	2.6%
Restricted Fund	\$ 70,480,459	\$ 66,866,137	\$ 40,806,997	\$ 45,079,390	\$ 53,253,095	\$ 8,173,705	18.1%
<b>Current Expense Fund</b>	<b>\$ 664,857,907</b>	<b>\$ 703,293,199</b>	<b>\$ 654,352,178</b>	<b>\$ 698,362,164</b>	<b>\$ 723,265,258</b>	<b>\$ 24,903,094</b>	<b>3.6%</b>
Food Service	23,098,976	22,823,151	19,203,368	21,972,500	23,320,000	1,347,500	6.1%
Debt Service	35,344,646	35,439,224	35,473,929	35,606,950	35,467,368	(139,582)	-0.4%
Capital	95,106,935	125,192,916	87,905,642	58,122,741	144,801,475	86,678,734	149.1%
Pension	27,001,491	28,645,157	28,645,157	36,928,490	44,314,188	7,385,698	20.0%
<b>Total - All Funds</b>	<b>\$ 845,409,955</b>	<b>\$ 915,393,647</b>	<b>\$ 825,580,274</b>	<b>\$ 850,992,845</b>	<b>\$ 971,168,289</b>	<b>\$ 120,175,444</b>	<b>14.1%</b>

# Revenue Summary

Revenue	FY 2025	Change	FY 2026	% Chg
Local	321,352,402	26,249,875	347,602,277	8.2%
MD State	296,088,084	10,691,302	306,779,386	3.6%
Federal	420,000	-	420,000	0.0%
Other	5,210,500	-	5,210,500	0.0%
Fund Balance	30,211,788	(20,211,788)	10,000,000	-66.9%
<b>Total</b>	<b>\$ 653,282,774</b>	<b>\$ 16,729,389</b>	<b>\$ 670,012,163</b>	<b>2.6%</b>

# Operating Budget Request Detail

FY26 Budget Request			
Line	Description	FTE	Cost
<b>Salary and Wage Package</b>			
1	Estimated Wage Package (net of turnover)	-	12,945,453
<b>Total - Salary and Wage Package</b>		-	<b>12,945,453</b>
<b>Systemwide</b>			
2	Reduce staffing systemwide	(167.0)	(15,383,598)
		(167.0)	(15,383,598)
<b>Curriculum, Instruction &amp; Assessment</b>			
3	Advanced Placement Tests		477,000
4	Pre-K Expansion Grant to Operating (2 FTE Teachers and 7 FTE Paraprofessional's)	9.0	613,500
<b>Total - Curriculum, Instruction &amp; Assessment</b>		<b>9.0</b>	<b>1,090,500</b>
<b>Facilities/Operations</b>			
5	Electricity		2,918,200
<b>Total - Facilities/Operations</b>		-	<b>2,918,200</b>

# Operating Budget Request Detail

FY26 Budget Request			
Line	Description	FTE	Cost
<b>Insurance and Other Fixed Charges</b>			
6	Employee's Pension System (Projected Normal Increase \$674,022)		674,022
7	Teacher's Pension System (Projected Normal Increase \$1,706,848)		1,706,848
8	Active Employee Health Insurance (And Retires Pre-Medicare)		6,039,682
9	Medicare Advantage Retiree Health Insurance		3,200,726
10	Dental Insurance		250,000
11	OPEB		1,000,000
12	Property Insurance		125,000
13	General Liability Insurance		100,000
<b>Total Insurance and Other Fixed Charges</b>		-	<b>13,096,278</b>

# Operating Budget Request Detail

FY26 Budget Request			
Line	Description	FTE	Cost
<b>Safety and Security</b>			
14	Estimate of recurring costs of detection systems		397,126
15	Additional 10 SSL's	10.0	665,431
<b>Total - Safety &amp; Security</b>		<b>10.0</b>	<b>1,062,557</b>
<b>Transportation</b>			
16	Contracted Bus Increase		1,000,000
<b>Total - Transportation</b>		<b>-</b>	<b>1,000,000</b>
<b>Grand Total</b>		<b>(148.0)</b>	<b>16,729,389</b>

# Operating Budget Summary

Positions 5,197.6	FY 2025 Unrestricted Budget	\$ 653,282,774	
	<b><i>FY2026 Budget Requests</i></b>		
0.0	Employee Salary/Wage Package	12,945,453	
(167.0)	Systemwide Reductions	(15,383,598)	
9.0	Curriculum, Instruction and Assessment	1,090,500	
0.0	Facilities/Operations	2,918,200	
0.0	Insurance and Other Fixed Charges	13,096,278	
10.0	Safety and Security	1,062,557	
0.0	Transportation	1,000,000	
<b>(148.0)</b>			<b>16,729,389</b> <b>2.6%</b>
<b>0.0</b>	<b><i>FY2026 Base Budget Adjustments</i></b>	-	-
<b>(148.0)</b>	<b>Total - Change FY 2025 - FY 2026</b>		<b>16,729,389</b> <b>2.6%</b>
<b>5,049.6</b>	<b>FY 2026 Superintendent's Proposed Unrestricted Budget</b>		<b>\$ 670,012,163</b>



# Proposed Restricted Budget

HARFORD COUNTY PUBLIC SCHOOLS RESTRICTED PROGRAMS BY SOURCE						
	FY23 Actual	FY24 Actual	FY24 Budget	FY25 Budget	FY26 Budget	FY25 - FY26 Change
<b>FEDERAL GRANTS</b>						
<b>Traditional Federal Grants</b>						
21st Century Community Learning Centers	-	723,344	-	2,190,000	1,420,000	(770,000)
Dept of Defense Education Emmorton ES	-	59,870	500,000	-	-	-
Federal Miscellaneous	155,310	71,686	134,600	107,243	75,000	(32,243)
Infant and Toddler	479,202	490,652	488,000	490,000	558,590	68,590
Infant and Toddler Medical Assistance	295,401	263,106	315,000	315,000	315,000	-
Medical Assistance	2,445,547	3,709,438	1,519,000	3,000,000	4,300,000	1,300,000
Perkins Career & Technology	363,323	499,851	346,700	436,000	400,596	(35,404)
Special Education Other	440,879	517,013	471,100	413,500	593,165	179,665
Special Education Passthrough Parentally Placed	119,132	118,308	146,200	145,000	173,272	28,272
Special Education Passthrough	8,954,764	9,028,087	8,000,000	8,200,000	9,073,977	873,977
Special Education Preschool Passthrough	42,614	215,104	204,000	223,000	220,720	(2,280)
Title I	7,422,860	8,626,937	6,100,000	6,500,000	8,925,048	2,425,048
Title I Other	-	1,103,917	-	700,000	168,888	(531,112)
Title II	1,014,121	1,042,705	1,028,000	1,156,000	906,481	(249,519)
Title III	132,002	100,248	103,000	122,000	153,063	31,063
Title IV	580,146	653,434	419,000	496,000	701,942	205,942
<b>Total Traditional Federal Grants</b>	<b>22,445,301</b>	<b>27,223,701</b>	<b>19,774,600</b>	<b>24,493,743</b>	<b>27,985,742</b>	<b>3,491,999</b>
<b>Total Federal Grants</b>	<b>49,057,004</b>	<b>42,731,235</b>	<b>20,774,600</b>	<b>24,493,743</b>	<b>27,985,742</b>	<b>3,491,999</b>

# Proposed Restricted Budget

HARFORD COUNTY PUBLIC SCHOOLS RESTRICTED PROGRAMS BY SOURCE						
	FY23 Actual	FY24 Actual	FY24 Budget	FY25 Budget	FY26 Budget	FY25 - FY26 Change
<b>STATE GRANTS</b>						
Aging Schools	339,708	101,535	175,000	175,000	78,000	(97,000)
Fine Arts Initiative	25,432	21,231	25,500	25,432	25,432	-
Infant Toddler Program	673,686	724,466	533,000	547,428	755,196	207,768
Judy Center	1,081,646	910,331	333,000	660,000	990,000	330,000
Medical Assistance	2,876,220	3,381,925	4,000,000	-	-	-
Kindergarten Readiness Assessment State	166,838	158,667	22,700	168,000	168,000	-
Blueprint Career Ladder	515,275	-	-	-	-	-
Blueprint College and Career Ready	1,137,565	1,214,156	1,214,156	641,295	1,379,646	738,351
Blueprint Concentration of Poverty	2,845,779	3,885,325	3,957,841	7,954,379	11,701,750	3,747,371
Blueprint Transitional Supplemental Instruction	1,738,748	1,203,873	1,808,700	1,200,925	816,141	(384,784)
Non Public Placement	7,236,638	8,776,343	6,000,000	8,000,000	8,000,000	-
Out of County	127,373	99,604	71,000	130,188	130,188	-
PreKindergarten Expansion	780,000	1,218,943	780,000	970,000	1,110,000	140,000
Safe Schools Fund	26,125	22,695	25,000	25,000	25,000	-
State Miscellaneous	1,498,646	1,800,274	-	-	-	-
<b>Total State Grants</b>	<b>21,069,679</b>	<b>23,519,369</b>	<b>18,945,897</b>	<b>20,497,647</b>	<b>25,179,353</b>	<b>4,681,706</b>
<b>LOCAL and MISCELLANEOUS GRANTS</b>						
Miscellaneous/Other	309,561	398,539	86,500	88,000	88,000	-
Talent Pathways	44,215	216,994	1,000,000	-	-	-
<b>Total Other Grants</b>	<b>353,776</b>	<b>615,533</b>	<b>1,086,500</b>	<b>88,000</b>	<b>88,000</b>	<b>-</b>
<b>GRAND TOTAL</b>	<b>\$70,480,459</b>	<b>\$ 66,866,137</b>	<b>\$ 40,806,997</b>	<b>\$ 45,079,390</b>	<b>\$ 53,253,095</b>	<b>\$8,173,705</b>

# Food and Nutrition Budget

<b>Harford County Public Schools Food and Nutrition Revenue</b>											
	<b>Actual FY23</b>		<b>Actual FY24</b>		<b>Budget FY24</b>		<b>Budget FY25</b>		<b>Budget FY26</b>		<b>Change FY25-FY26</b>
<b>Student Payments</b>	<b>\$ 7,568,469</b>	<b>32.8%</b>	<b>\$ 7,209,474</b>	<b>31.6%</b>	<b>\$ 7,982,444</b>	<b>41.6%</b>	<b>7,600,000</b>	<b>34.6%</b>	<b>7,950,000</b>	<b>34.1%</b>	<b>\$ 350,000</b>
<b>State Sources:</b>											
Reimbursement Lunches	226,221	1.0%	229,137	1.0%	154,545	0.8%	134,545	0.6%	125,000	0.5%	(9,545)
Other Revenue	268,871	1.2%	316,861	1.4%	286,841	1.5%	270,000	1.2%	270,000	1.2%	-
<b>Total State Revenue</b>	<b>\$ 495,092</b>	<b>2.1%</b>	<b>\$ 545,998</b>	<b>2.4%</b>	<b>\$ 441,386</b>	<b>2.3%</b>	<b>404,545</b>	<b>1.8%</b>	<b>395,000</b>	<b>1.7%</b>	<b>\$ (9,545)</b>
<b>Federal Sources:</b>											
Reimbursement - Lunch	-	0.0%	-	0.0%	655,405	3.4%	705,000	3.2%	700,000	3.0%	(5,000)
Reimbursement - Fresh Fruit & Veg.	66,591	0.3%	95,291	0.4%	-	0.0%	35,000	0.2%	95,000	0.4%	60,000
Reimbursement - F/R Lunches & Snacks	9,019,415	39.0%	9,206,249	40.3%	5,724,422	29.8%	8,582,425	39.1%	9,250,000	39.7%	667,575
Reimbursement - Breakfast	2,668,354	11.6%	3,055,281	13.4%	2,340,599	12.2%	2,750,000	12.5%	2,975,000	12.8%	225,000
Commodities	1,042,384	4.5%	1,138,242	5.0%	1,171,218	6.1%	995,530	4.5%	1,180,000	5.1%	184,470
Child and Adult Care Food Program	592,915	2.6%	419,121	1.8%	506,864	2.6%	600,000	2.7%	450,000	1.9%	(150,000)
Other Revenue	1,544,732	6.7%	1,024,065	4.5%	200,000	1.0%	200,000	0.9%	225,000	1.0%	25,000
<b>Total Federal Revenue</b>	<b>\$14,934,391</b>	<b>64.6%</b>	<b>\$14,938,249</b>	<b>65.5%</b>	<b>\$10,598,508</b>	<b>55.2%</b>	<b>13,867,955</b>	<b>63.1%</b>	<b>14,875,000</b>	<b>63.8%</b>	<b>\$ 1,007,045</b>
<b>Other Revenue</b>	<b>\$ 101,025</b>	<b>0.4%</b>	<b>\$ 129,431</b>	<b>0.6%</b>	<b>\$ 181,030</b>	<b>0.9%</b>	<b>100,000</b>	<b>0.5%</b>	<b>100,000</b>	<b>0.4%</b>	<b>\$ -</b>
<b>Total Food Service Revenue</b>	<b>\$23,098,976</b>	<b>100%</b>	<b>\$22,823,151</b>	<b>100%</b>	<b>\$19,203,368</b>	<b>100%</b>	<b>21,972,500</b>	<b>100%</b>	<b>23,320,000</b>	<b>100%</b>	<b>\$ 1,347,500</b>

# Food and Nutrition Budget

Harford County Public Schools Food and Nutrition Expenditures						
	Actual FY23	Actual FY24	Budget FY24	Budget FY25	Budget FY26	Change FY25-FY26
<b>Service Area Direction</b>						
Salaries	794,211	854,869	769,155	815,000	850,000	35,000
Contracted Services	340,924	339,608	366,500	370,000	350,000	(20,000)
Supplies and Materials	38,343	34,116	24,500	45,000	40,000	(5,000)
Other Charges	258,600	276,868	267,382	295,000	325,000	30,000
Equipment	1,125	918	25,000	25,000	25,000	-
<b>Total Service Area Direction</b>	<b>\$ 1,433,203</b>	<b>\$ 1,506,378</b>	<b>\$ 1,452,537</b>	<b>\$ 1,550,000</b>	<b>\$ 1,590,000</b>	<b>\$ 40,000</b>
<b>Preparation and Dispensing</b>						
Salaries	6,534,495	6,750,314	5,616,215	6,600,000	7,200,000	600,000
Contracted Services	170,735	214,905	146,500	172,500	180,000	7,500
Supplies and Materials	10,065,159	11,156,737	8,685,542	10,000,000	10,500,000	500,000
Other Charges	3,128,921	3,320,800	3,169,343	3,500,000	3,750,000	250,000
Equipment	562,251	530,429	133,231	150,000	100,000	(50,000)
<b>Total Preparation and Dispensing</b>	<b>\$ 20,461,561</b>	<b>\$ 21,973,185</b>	<b>\$ 17,750,831</b>	<b>\$ 20,422,500</b>	<b>\$ 21,730,000</b>	<b>\$ 1,307,500</b>
<b>Total Food Service Expenses</b>	<b>\$ 21,894,764</b>	<b>\$ 23,479,563</b>	<b>\$ 19,203,368</b>	<b>\$ 21,972,500</b>	<b>\$ 23,320,000</b>	<b>\$ 1,347,500</b>

# Superintendent's Proposal

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The Superintendent recommends the Board of Education review and approve the following budgets for FY2026:

- Unrestricted Fund: \$670,012,163
- Restricted Fund: \$53,253,095
- Food and Nutrition Fund: \$23,320,000
- *Capital Projects: \$144,801,475 (previously approved)*

# Additional Informational Slides

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- The following slides are for informational purposes only.

# Potential State Impacts

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- Governor Moore's budget proposes reducing the Foundation formula by \$163 per pupil. Could reduce HCPS's state funding by \$4-5M.
- Governor Moore's budget proposes shifting \$93.0M of the increase in Teacher's pension to the locals. Could increase HCPS's cost by \$4.0M.
- Governor Moore's budget proposes to reduce Non-Public funding by \$25.0M. Could increase HCPS's cost by \$2-3M.

# Capital Budget

State Eligible Projects					
Worksheet	Project	Local Priority	State Request	Local Request	Total FY 26 CIP Request
Individual Worksheet	Aberdeen Middle HVAC Systemic	CIP	\$6,633,974	\$0	\$6,633,974
Individual Worksheet	Harford Technical High Limited Renovation	CIP	\$10,000,000	\$6,000,000	\$16,000,000
Individual Worksheet	New Harford Academy & Elementary School	CIP	Local Planning	\$45,000,000	\$45,000,000
Individual Worksheet	North Harford High Energy Recovery Units	CIP	\$1,879,000	\$0	\$1,879,000
Individual Worksheet	C. Milton Wright High Limited Renovation	CIP	Local Planning	\$7,000,000	\$7,000,000
Individual Worksheet	North Harford High Roof Replacement	HSG <sup>1</sup>	\$3,244,000	\$3,705,000	\$6,949,000
<b>FY 2026 STATE, HSG, &amp; LOCAL CIP REQUEST</b>			<b>\$21,756,974</b>	<b>\$61,705,000</b>	<b>\$83,461,974</b>



# Capital Budget

Local Only					
Worksheet	Project	Local Priority	State Request	Local Request	Total FY 26 CIP Request
Life, Health, Safety and Compliance Measures	Security Measures	1	N/A	\$4,632,501	\$4,632,501
	Emergency Systems & Communications	7	N/A	\$110,000	\$110,000
	Environmental Compliance	8	N/A	\$5,200,000	\$5,200,000
	Adequate Health Suites	17	N/A	\$2,039,000	\$2,039,000
	Domestic Water & Backflow Prevention	21	N/A	\$62,000	\$62,000
Blueprint Facility Upgrades	Blueprint Facility Program	2	N/A	\$2,002,500	\$2,002,500
Technology Infrastructure	Technology Refresh	3	N/A	\$2,579,000	\$2,579,000
Educational Facility Program	Special Ed Facility Improvements	4	N/A	\$916,500	\$916,500
	Textbook/Supplemental Refresh	13	N/A	\$2,500,000	\$2,500,000
	Career and Technology Education (CTE)	14	N/A	\$5,348,500	\$5,348,500
	Equipment and Furniture	16	N/A	\$500,000	\$500,000
	North Harford High Auditorium Lighting Refresh	25	N/A	\$110,000	\$110,000
	Music Labs	27	N/A	\$75,000	\$75,000
	Music Equipment Refresh	30	N/A	\$75,000	\$75,000
	Band Uniform and Choir Robe Refresh	31	N/A	\$155,000	\$155,000
Facilities Master Planning	Consulting Services - Redistricting	5	N/A	\$750,000	\$750,000
Relocatables	Capacity Relocatables	6	N/A	\$1,500,000	\$1,500,000

# Capital Budget

Local Only					
Worksheet	Project	Local Priority	State Request	Local Request	Total FY 26 CIP Request
Athletic and Recreation Repairs and Improvements	Outdoor Track Reconditioning	9	N/A	\$1,152,000	\$1,152,000
	Playground Equipment	10	N/A	\$550,000	\$550,000
	Athletic Fields Repair & Restoration	20	N/A	\$200,000	\$200,000
	Swimming Pool Renovations	24	N/A	\$624,000	\$624,000
	Middle School Sports	32	N/A	\$123,000	\$123,000
Fleet	Vehicles and Equipment	11	N/A	\$5,543,000	\$5,543,000
HCPS Site Improvements	Stormwater Mgt, Erosion, Sediment Control	12	N/A	\$776,000	\$776,000
	Septic Facility Code Upgrades	19	N/A	\$75,000	\$75,000
	Paving - Overlay and Maintenance	23	N/A	\$560,500	\$560,500
	Fencing	36	N/A	\$100,000	\$100,000
Major HVAC Repairs	Major HVAC Repairs	15	N/A	\$18,616,000	\$18,616,000
HCPS Facility Repair Program	ADA Improvements	18	N/A	\$450,000	\$450,000
	Building Envelope Improvements	26	N/A	\$200,000	\$200,000
	Floor Covering Replacement	33	N/A	\$150,000	\$150,000
	Folding Partition Replacement	34	N/A	\$150,000	\$150,000
	Lockers Replacement Program	35	N/A	\$175,000	\$175,000
	Bleacher Replacement	37	N/A	\$100,000	\$100,000
Individual Project	HWES - Town of Bel Air Emergency Access	22	N/A	\$2,165,000	\$2,165,000
Individual Project	Central Office Space Modifications	28	N/A	\$950,000	\$950,000
Individual Project	Harford Glen Truss Bridge Removal	29	N/A	\$125,000	\$125,000
<b>FY 2026 LOCAL ONLY CIP REQUEST</b>			<b>\$0</b>	<b>\$61,339,501</b>	<b>\$61,339,501</b>
<b>TOTAL HCPS FY 2026 CIP REQUEST</b>			<b>\$21,756,974</b>	<b>\$123,044,501</b>	<b>\$144,801,475</b>