

# **BOARD OF EDUCATION OF HARFORD COUNTY**

## **INFORMATIONAL REPORT**

### **DECISION ON BOARD OF EDUCATION'S PROPOSED FY2026 BUDGET**

**JUNE 16, 2025**

#### **Background Information:**

The Board of Education's FY2026 local operating budget request is \$347.6 million. The County Executive and County Council have approved fully funding the Board of Education's request. The local portion of the capital budget request is \$123.0 million, and the County Executive and County Council have approved \$51.0 million in capital funding for Harford County Public Schools (HCPS).

#### **Discussion:**

The FY2026 Board of Education's Proposed Budget for HCPS addresses the essential components of ESSA, the Maryland Blueprint for Success, the Bridge to Excellence Act, 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 proposed FY2026 operating budget is \$670.0 million. The local portion to support the operating budget is \$347.6 million, or an 8.2% increase, and state support is \$306.8 million, or a 3.6% increase over the approved FY2025 budget. The overall operating budget is proposed to increase 2.6%, with a \$10.0 million assignment of fund balance. A salary and wage package is expected to cost \$12.9 million. Insurance and other fixed charges are expected to increase \$15.2 million. The unrestricted budget proposal also includes a reduction of 140.0 FTE positions. These reductions will be a combination of central office and school-based positions.

The Restricted fund budget includes grants from the federal and state governments. The FY2026 Proposed Restricted fund is projected to be \$51.3 million.

The Food Service fund is a self-supporting special revenue fund which receives funding from the federal and state governments, as well as student sales. The FY2026 Proposed Food Service fund budget is projected to be \$23.3 million.

The Capital Projects fund includes state and local funding to support capital repairs and construction. The FY2026 Proposed Capital Projects fund budget is projected to be \$67.6 million.

**Superintendent's Recommendation:**

The Superintendent recommends the Board of Education approve the following proposed budgets for FY2026, with any necessary amendments:

- Unrestricted Fund of \$670,012,163
- Restricted Fund of \$51,326,050
- Food Service Fund \$23,320,000
- Capital Projects Fund \$67,591,474

# Board of Education's Budget

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Fiscal Year 2026

# 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	\$ 51,326,050	\$ 6,246,660	13.9%
<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>\$ 721,338,213</b>	<b>\$ 22,976,049</b>	<b>3.3%</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	35,934,547	327,597	0.9%
Capital**	95,106,935	125,192,916	87,905,642	58,122,741	67,591,474	9,468,733	16.3%
Pension*	27,001,491	28,645,157	28,645,157	36,928,490	40,313,975	3,385,485	9.2%
<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>\$ 888,498,209</b>	<b>\$ 37,505,364</b>	<b>4.4%</b>

\*Represents the Maryland State contribution. Local contributions are included in the Unrestricted, Restricted and Food Service Funds.

\*\*Actual numbers for Capital Revenues are on a GAAP Basis, whereas all other numbers are on a Non-GAAP (Budgetary Basis)

## Operating Budget Reconciliation

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>

The Board of Education's proposed local ask was fully funded

# Operating Budget Reconciliation

<b>Positions</b> 5,197.6	<b>FY 2025 Unrestricted Budget</b>	<b>\$ 653,282,774</b>	
	<b><i>FY2026 Budget Requests</i></b>		
0.0	Employee Salary/Wage Package 12,945,453		
(160.0)	Systemwide Reductions (16,642,353)		
10.0	Curriculum, Instruction and Assessment 1,183,854		
0.0	Facilities/Operations 2,918,200		
0.0	Insurance and Other Fixed Charges 13,682,065		
10.0	Safety and Security 1,062,556		
0.0	Special Education 1,579,614		
(140.0)		<b>16,729,389</b>	<b>2.6%</b>
<b>0.0</b>	<b><i>FY2026 Base Budget Adjustments</i></b>	<b>-</b>	
<b>(140.0)</b>	<b>Total - Change FY 2025 - FY 2026</b>	<b>16,729,389</b>	<b>2.6%</b>
<b>5,057.6</b>	<b>FY 2026 Board of Education's Approved Unrestricted Budget</b>	<b>\$ 670,012,163</b>	

# Operating Budget Reconciliation

FY26 Budget Reconciliation							
		BOE's Proposed		Changes		BOE's Approved	
Line	Description	FTE	Cost	FTE	Cost	FTE	Cost
Salary and Wage Package							
1	Estimated Wage Package (net of turnover)	-	12,945,453	-	-	-	12,945,453
Total - Salary and Wage Package		-	12,945,453	-	-	-	12,945,453
Systemwide							
2	Reduce staffing systemwide	(167.0)	(15,383,598)	7.0	(1,258,755)	(160.0)	(16,642,353)
						(160.0)	(16,642,353)
Curriculum, Instruction & Assessment							
3	Advanced Placement Tests	-	477,000	-	-	-	477,000
4	Pre-K Expansion Grant to Operating	9.0	613,500	1.0	93,354	10.0	706,854
Total - Curriculum, Instruction & Assessment		9.0	1,090,500	1.0	93,354	10.0	1,183,854
Facilities/Operations							
6	Electricity	-	2,918,200	-	-	-	2,918,200
Total - Facilities/Operations		-	2,918,200	-	-	-	2,918,200

# Operating Budget Reconciliation

FY26 Budget Reconciliation							
		BOE's Proposed		Changes		BOE's Approved	
Line	Description	FTE	Cost	FTE	Cost	FTE	Cost
Insurance and Other Fixed Charges							
7	Employee's Pension System	-	674,022	-	12,717	-	686,739
8	Teacher's Pension System	-	1,706,848	-	(385,689)	-	1,321,159
9	Active Employee Health Insurance	-	6,039,682	-	795,008	-	6,834,690
10	Pre-Medicare Retiree Health Insurance Increase	-	-	-	500,000	-	500,000
11	Medicare Advantage Retiree Heath Insurance	-	3,200,726	-	-	-	3,200,726
12	Dental Insurance Active Employees	-	175,000	-	158,402	-	333,402
13	Dental Insurance Retirees	-	75,000	-	31,490	-	106,490
14	Life Insurance Active Employees	-	-	-	74,587	-	74,587
15	Worker's Compensation	-	-	-	(37,957)	-	(37,957)
16	Social Security	-	-	-	(390,450)	-	(390,450)
17	OPEB	-	1,000,000	-	-	-	1,000,000
18	Property Insurance	-	125,000	-	(85,826)	-	39,174
19	General Liability Insurance	-	100,000	-	(86,495)	-	13,505
Total Insurance and Other Fixed Charges		-	13,096,278	-	585,787	-	13,682,065



# Operating Budget Reconciliation

FY26 Budget Reconciliation							
		BOE's Proposed		Changes		BOE's Approved	
Line	Description	FTE	Cost	FTE	Cost	FTE	Cost
<b>Safety and Security</b>							
20	Recuring costs of detection systems	-	397,126	-	-	-	397,126
21	Additional 10.0 FTE Security and Safety Liaisons	10.0	665,430	-	-	10.0	665,430
<b>Total - Safety &amp; Security</b>		<b>10.0</b>	<b>1,062,556</b>	<b>-</b>	<b>-</b>	<b>10.0</b>	<b>1,062,556</b>
<b>Special Education</b>							
22	Non-Public Placement	-	-	-	1,579,614	-	1,579,614
<b>Total - Special Education</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>1,579,614</b>	<b>-</b>	<b>1,579,614</b>
<b>Transportation</b>							
23	Contracted Bus Increase	-	1,000,000	-	(1,000,000)	-	-
<b>Total - Transportation</b>		<b>-</b>	<b>1,000,000</b>	<b>-</b>	<b>(1,000,000)</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>		<b>(148.0)</b>	<b>16,729,389</b>	<b>8.0</b>	<b>0.0</b>	<b>(140.0)</b>	<b>16,729,389</b>

# Operating Budget Reconciliation

Base Budget Adjustments			
<i>Line</i>	<i>Base Budget Adjustments</i>	<i>FTE</i>	<i>Amount</i>
<b>1</b>	New Teacher Orientation		75,000
	Instructional Salaries		(75,000)
<b>2</b>	Outdoor Ed HG Additional Salaries		75,000
	Instructional Salaries		(75,000)
<b>3</b>	Life Insurance Active		75,350
	Life Insurance Retiree		(75,350)
<b>Total Base Budget Adjustments</b>		<b>-</b>	<b>-</b>

# Position Summary

Position Summary by Job Code					
	FY 2023	FY 2024	FY 2025	FY 2026	Change FY25 - FY26
<b>Unrestricted Positions</b>					
Administrative/Supervisory	239.0	241.0	242.0	238.0	(4.00)
Clerical	244.0	245.0	240.0	239.0	(1.00)
Paraprofessionals	640.4	664.4	689.4	696.4	7.00
Teacher/Counselor/Psych	2,945.3	2,972.8	3,085.2	2,936.2	(149.00)
Technical/Other	927.0	924.0	941.0	948.0	7.00
<b>Total Unrestricted</b>	<b>4,995.7</b>	<b>5,047.2</b>	<b>5,197.6</b>	<b>5,057.6</b>	<b>(140.0)</b>
<b>Restricted Positions</b>					
Teacher/Counselor	267.8	266.4	192.1	181.3	(10.80)
Other	98.2	75.8	65.9	96.0	30.10
<b>Total Restricted</b>	<b>366.0</b>	<b>342.2</b>	<b>258.0</b>	<b>277.3</b>	<b>19.3</b>
<b>Total Food Service</b>	<b>263.5</b>	<b>263.5</b>	<b>263.5</b>	<b>263.5</b>	<b>0.00</b>
<b>Grand Total</b>	<b>5,625.2</b>	<b>5,652.9</b>	<b>5,719.1</b>	<b>5,598.4</b>	<b>(120.7)</b>

# 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	3,000,000	-
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	7,092,323	592,323
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>24,853,017</b>	<b>359,274</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>24,853,017</b>	<b>359,274</b>

# 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	2,315,680	1,345,680
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>26,385,033</b>	<b>5,887,386</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>\$ 51,326,050</b>	<b>\$6,246,660</b>

# Food and Nutrition Budget

Harford County Public Schools Food and Nutrition Revenue											
	Actual FY23		Actual FY24		Budget FY24		Budget FY25		Budget FY26		Change FY25-FY26
<b>Student Payments</b>	\$ 7,568,469	32.8%	\$ 7,209,474	31.6%	\$ 7,982,444	41.6%	7,600,000	34.6%	7,950,000	34.1%	\$ 350,000
<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

<b>Harford County Public Schools</b> <b>Food and Nutrition Expenditures</b>						
	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>

# Capital Budget

State Eligible Projects			
Project	State Approved	Local Approved	Total Approved
Aberdeen Middle School	6,633,974	-	6,633,974
Harford Technical High School Limited Renovation	10,000,000	6,000,000	16,000,000
Harford Academy	-	26,000,000	26,000,000
North Harford High School Roof Replacement	-	3,705,000	3,705,000
C. Milton Wright High School Limited Renovation	-	7,000,000	7,000,000
<b>FY2026 State Eligible Projects &amp; Local Match</b>	<b>\$16,633,974</b>	<b>\$42,705,000</b>	<b>\$59,338,974</b>



# Capital Budget

Local Only Projects			
Project	State Approved	Local Approved	Total Approved
<b>Life, Health, Safety and Compliance Measures</b>	NA	\$5,000,000	\$5,000,000
<b>Security Measures</b>	NA	\$4,290,000	\$4,290,000
Upgrade end of life security cameras through FY 2026	NA	2,366,500	2,366,500
Additional security camera coverage at C. Milton Wright HS	NA	60,000	60,000
300 2-way Radios for school staff	NA	93,933	93,933
Concealed weapons detection (Request for 4 high schools - funding 1 high school)	NA	67,000	67,000
Local door alarms: High Schools	NA	100,000	100,000
Hickory Annex and bus parking lot fencing and gates	NA	185,000	185,000
Stadium and pathway lighting	NA	700,000	700,000
Local match requirements for grants and other emergencies as they become apparent.	NA	717,567	717,567
<b>Emergency Systems &amp; Communications</b>	NA	\$110,000	\$110,000
Upgrade fire alarm dialers due to VoIP phone upgrades	NA	110,000	110,000
<b>Environmental Compliance</b>	NA	\$600,000	\$600,000
PFAS - Water treatment for schools with elevated PFAS	NA	600,000	600,000
<b>Blueprint Facility Upgrades</b>	NA	\$2,002,500	\$2,002,500
<b>Full Day PreK Expansion</b>	NA	\$2,002,500	\$2,002,500
Jarrettsville Elementary School - Add bathroom to classroom, minimum upgrades to support space	NA	202,500	202,500
Add portables due to capacity concerns - All Day PK (2-BFES, 2-RIES, 2-GLES) - 6 portables	NA	1,800,000	1,800,000
<b>Educational Facility Program</b>	NA	\$500,000	\$500,000
<b>Special Ed Facility Improvements</b>	NA	\$500,000	\$500,000
Roye-Williams Elementary School - Separate de-escalation and sensory	NA	82,000	82,000
Hickory Elementary School - Separate de-escalation and sensory	NA	418,000	418,000
<b>HCPS Facilities Master Planning</b>	NA	\$750,000	\$750,000
<b>Facility Planning</b>	NA	\$750,000	\$750,000
Balancing Enrollment with opening of Harford Academy and Elementary School	NA	750,000	750,000
<b>FY2026 Local Only Projects</b>	\$0	\$8,252,500	\$8,252,500
<b>FY2026 Total Capital Projects Budget</b>	\$16,633,974	\$50,957,500	\$67,591,474

## Superintendent's Recommendation

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

- Unrestricted Fund: \$670,012,163
- Restricted Fund: \$51,326,050
- Food and Nutrition Fund: \$23,320,000
- Capital Projects \$67,591,474