

# FY 2009 EXPENDITURES

The Board's Approved FY 2009 Unrestricted Funds Operating Budget is \$419,320,603. This represents an overall increase of \$14,306,069 or 3.5 % more than the \$405,014,534 in the FY 2008 Unrestricted Fund Operating Budget. The Unrestricted Fund Operating Budget excludes the Restricted Fund, the Food Service Fund, Pension Fund, Debt Service Fund and the Capital Budget. The Restricted Funds are budgeted at \$23,275,522 for FY 2009. The sources of these funds are primarily the state and federal government, which require the money be spent on specific programs. Hence, the term "restricted" is used to classify these funds.

However, as a result of the Maryland Bridge to Excellence Act, and as was discussed in the previous revenue section, it would be useful to regard the change in Restricted and Unrestricted Funds within the Operating Budget as one – the Current Expense Fund. In this case, the overall budget is increasing \$13,219,869 or 3.1% for a total of \$442,596,125.

The Pension Fund is \$26,420,000 which represents the State of Maryland contribution to the teacher pension system. The Food Service Fund is \$13,938,707 for FY 2009. The Food Service Fund is a self-supporting special revenue fund. Debt Service funds in the estimated amount of \$16,798,316 are managed by the Harford County Government. The Capital Projects Fund of \$132,930,567 includes all sources of revenue, primarily state and local government funding. The Capital Budget Summary and individual projects are contained in a separate section near the end of this budget book. Included within the Capital Projects Section is the future estimated operational impact of approved capital projects.

Among Maryland's 24 School Districts  
Harford County Public Schools is ranked...

*2nd Lowest in Per Pupil Cost*

*23rd Lowest funded school system in the State*

*Most efficient cost/benefit measure*

*Yet, top 3rd in student achievement*

Source: Md. State Department of Education, FY 2007 Data

## Budget Strategies

*Maintain Special Education staff and resources*

*Enhance the Intervention Programs and Magnet Programs*

*Add 11th grade to Patterson Mill Middle/High School*

# FY 2009 EXPENDITURES

The following Table 1 reflects expenditures by program for the Unrestricted Fund and totals for the Restricted Fund, Food Service Fund, Pension Fund, Debt Service Fund, and Capital Program. The Pension Fund reflects Maryland State Aid. HCPS pension cost is included in the Unrestricted, Restricted, and Food Service Funds.

*Table 1 Expenditures – All Funds*

<b>Harford County Public Schools Expenditures - All Funds</b>										
Program Budget	FY07 Actual	FY08 Actual	FY08 Budget	FY09 Base	FY09 Change	FY09 Budget	FTE FY 07	FTE FY 08	FTE FY 09	Change
<b>BOARD OF EDUCATION</b>	428,498	429,441	476,408	476,408	64,777	541,185	3.0	3.0	3.0	-
Board of Education Services	157,857	127,290	151,334	151,334	48,996	200,330	-	-	-	-
Legal Services	177,147	190,096	204,792	204,792	14,261	219,053	2.0	2.0	2.0	-
Internal Audit Services	93,494	112,055	120,282	120,282	1,520	121,802	1.0	1.0	1.0	-
<b>EXECUTIVE ADMINISTRATION</b>	1,581,082	1,653,279	1,660,972	1,810,972	91,885	1,902,857	16.0	16.0	16.0	-
Executive Administration Office	1,085,418	1,134,230	1,126,851	1,276,851	70,754	1,347,605	11.0	11.0	11.0	-
Public Information and Communications	495,664	519,049	534,121	534,121	21,131	555,252	5.0	5.0	5.0	-
<b>EDUCATION SERVICES</b>	170,288,083	179,056,539	179,161,364	179,016,751	2,892,924	181,909,675	2,835.8	2,870.9	2,824.9	(46.0)
Office of Education Services	3,726,156	4,327,400	4,295,683	3,868,269	70,634	3,938,903	28.0	29.0	30.0	1.0
<i>REGULAR PROGRAM:</i>	150,009,778	156,780,421	156,305,498	156,713,970	1,532,693	158,246,663	2,518.0	2,552.7	2,501.7	(51.0)
Office of the Principal	17,594,657	18,833,565	18,920,275	18,948,426	556,128	19,504,554	264.5	276.0	274.0	(2.0)
Textbooks & Supplies - Regular Program	6,989,114	6,554,686	6,242,352	6,238,250	565,813	6,804,063	-	-	-	-
Instructional - Regular	125,426,007	131,392,170	131,142,871	131,527,294	410,752	131,938,046	2,253.5	2,276.7	2,227.7	(49.0)
<i>CAREER &amp; TECHNOLOGY:</i>	7,635,122	7,802,226	8,062,955	7,939,384	190,227	8,129,611	120.1	120.1	119.1	(1.0)
Office of the Principal - C & T	418,263	433,072	443,667	427,167	11,221	438,388	6.5	6.5	6.5	-
Textbooks & Supplies - C & T	374,060	403,273	474,123	430,182	0	430,182	-	-	-	-
Instructional - C & T	6,842,799	6,965,881	7,145,165	7,082,035	179,006	7,261,041	113.6	113.6	112.6	(1.0)
<i>SPECIAL PROGRAMS:</i>	8,917,027	10,146,492	10,497,228	10,495,128	1,099,370	11,594,498	169.7	169.1	174.1	5.0
Science & Math Academy	573,282	717,906	716,940	816,840	25,981	842,821	10.0	13.0	13.0	-
Other Magnet Programs	95,764	194,652	199,328	199,328	278,172	477,500	1.0	2.0	7.0	5.0
Summer School	381,208	437,595	393,566	393,566	331,854	725,420	-	-	-	-
Gifted and Talented	1,480,124	1,551,398	1,666,507	1,666,507	43,493	1,710,000	21.9	21.4	21.4	-
Textbooks & Supplies - Special Program	254,097	215,942	272,671	260,671	0	260,671	-	-	-	-
Instructional - Special	6,132,552	7,028,999	7,248,216	7,158,216	419,870	7,578,086	136.8	132.7	132.7	-
<b>SPECIAL EDUCATION</b>	31,414,943	35,707,163	35,716,567	35,666,731	2,396,474	38,063,205	727.1	774.7	797.3	22.6
Special Education Administrative Services	611,573	772,691	811,453	811,453	21,693	833,146	5.5	7.0	7.0	-
Special Education Curriculum & Staff Dev.	52,258	99,960	133,911	133,911	0	133,911	-	-	-	-
Special Education - John Archer School	2,310,489	2,365,296	2,341,362	2,341,362	139,686	2,481,048	60.9	58.8	59.8	1.0
Special Education - Home School	15,876,887	17,752,654	17,804,802	17,754,966	820,551	18,575,517	508.2	542.0	554.0	12.0
Special Education - Cluster Services	2,377,340	2,674,175	2,738,514	2,738,514	169,835	2,908,349	63.0	63.5	66.0	2.5
Special Education - Infants and Toddlers	0	0	0	931,914	0	931,914	-	-	10.0	10.0
Special Education - Related Services	5,742,030	7,258,006	7,286,525	6,354,611	653,529	7,008,140	89.5	103.4	100.5	(2.9)
Special Education - Non-Public School	4,444,366	4,784,381	4,600,000	4,600,000	591,180	5,191,180	-	-	-	-
<b>EXTRA-CURRICULAR ACTIVITIES</b>	3,244,805	3,355,985	3,303,988	3,505,788	56,281	3,562,069	-	-	-	-
Student Activities	974,560	718,639	820,587	813,587	0	813,587	-	-	-	-
Interscholastics Athletics	2,270,245	2,637,346	2,483,401	2,692,201	56,281	2,748,482	-	-	-	-
<b>SAFETY AND SECURITY</b>	1,329,195	983,914	1,007,862	1,107,862	101,005	1,208,867	3.0	2.0	2.0	-
<b>GUIDANCE SERVICES</b>	6,784,693	7,255,312	7,403,049	7,403,049	213,903	7,616,952	116.7	121.7	121.7	-

Table 1 is continued on the next page:

# FY 2009 EXPENDITURES

Table 1 Expenditures – All Funds is continued:

<b>Harford County Public Schools Expenditures - All Funds</b>										
Program Budget	FY07 Actual	FY08 Actual	FY08 Budget	FY09 Base	FY09 Change	FY09 Budget	FTE FY 07	FTE FY 08	FTE FY 09	Change
PSYCHOLOGICAL SERVICES	2,088,156	2,228,750	2,323,677	2,323,677	94,394	2,418,071	37.5	38.0	38.2	0.2
PUPIL SERVICES	1,596,893	1,706,970	1,752,233	1,739,233	43,701	1,782,934	19.5	20.0	20.0	-
HEALTH SERVICES	3,018,759	3,250,895	3,375,229	3,375,229	122,544	3,497,773	64.7	71.0	71.0	-
CURRICULUM AND INSTRUCTION	12,423,095	13,098,196	13,471,041	13,410,670	162,736	13,573,406	160.8	166.3	166.6	0.3
Curriculum Dev. and Implementation	3,129,374	3,408,753	3,483,882	3,436,108	221,950	3,658,058	34.5	35.0	35.0	-
Staff Development	623,255	887,861	1,016,228	1,090,577	7,667	1,098,244	2.0	2.0	3.0	1.0
Office of Accountability	895,984	1,077,895	1,160,714	1,096,920	91,758	1,188,678	8.5	8.5	7.5	(1.0)
Office of Equity and Diversity	394,408	421,119	443,831	431,831	5,967	437,798	4.0	5.0	5.0	-
School Library Media Program	7,380,074	7,302,568	7,366,386	7,355,234	(164,606)	7,190,628	111.8	115.8	116.1	0.3
<b>OPERATIONS AND MAINTENANCE</b>	<b>54,525,600</b>	<b>61,174,942</b>	<b>62,839,838</b>	<b>60,801,678</b>	<b>6,589,872</b>	<b>67,391,550</b>	<b>577.1</b>	<b>605.8</b>	<b>618.6</b>	<b>12.8</b>
Transportation	22,461,864	26,639,852	27,046,486	25,941,486	3,827,350	29,768,836	162.0	174.0	186.0	12.0
Facilities Management	18,332,948	19,802,524	20,259,858	20,166,198	608,124	20,774,322	401.1	416.8	416.6	(0.2)
Utility Resource Management	12,568,291	13,670,434	14,467,517	13,617,517	2,032,669	15,650,186	2.0	3.0	4.0	1.0
Planning and Construction	1,162,497	1,062,132	1,065,977	1,076,477	121,729	1,198,206	12.0	12.0	12.0	-
<b>BUSINESS SERVICES</b>	<b>24,056,835</b>	<b>26,075,464</b>	<b>26,643,351</b>	<b>27,055,514</b>	<b>142,936</b>	<b>27,198,450</b>	<b>37.0</b>	<b>37.0</b>	<b>37.0</b>	<b>-</b>
Fiscal Services	23,139,887	25,062,506	25,641,364	26,053,527	96,275	26,149,802	20.0	20.0	20.0	-
Purchasing	916,948	1,012,958	1,001,987	1,001,987	46,661	1,048,648	17.0	17.0	17.0	-
<b>HUMAN RESOURCES</b>	<b>50,682,007</b>	<b>55,692,478</b>	<b>56,718,297</b>	<b>57,432,397</b>	<b>1,771,054</b>	<b>59,203,451</b>	<b>28.0</b>	<b>29.0</b>	<b>29.0</b>	<b>-</b>
OFFICE OF TECHNOLOGY & INFO.	7,082,427	9,038,542	9,160,658	9,178,158	(504,887)	8,673,271	54.0	55.0	54.0	(1.0)
CHARTER SCHOOLS	182,434	0	0	710,417	66,470	776,887	1.5	-	-	-
<b>TOTAL UNRESTRICTED FUND</b>	<b>\$ 370,727,505</b>	<b>\$ 400,707,870</b>	<b>\$ 405,014,534</b>	<b>\$ 405,014,534</b>	<b>\$ 14,306,069</b>	<b>\$ 419,320,603</b>	<b>4,681.7</b>	<b>4,810.4</b>	<b>4,799.3</b>	<b>(11.1)</b>
<b>RESTRICTED PROGRAMS</b>	<b>25,418,136</b>	<b>24,282,064</b>	<b>24,361,722</b>	<b>24,361,722</b>	<b>(1,086,200)</b>	<b>23,275,522</b>	<b>262.7</b>	<b>246.5</b>	<b>223.1</b>	<b>(23.4)</b>
<b>TOTAL CURRENT EXPENSE FUND</b>	<b>\$ 396,145,641</b>	<b>\$ 424,989,934</b>	<b>\$ 429,376,256</b>	<b>\$ 429,376,256</b>	<b>\$ 13,219,869</b>	<b>\$ 442,596,125</b>	<b>4,944.4</b>	<b>5,056.9</b>	<b>5,022.4</b>	<b>(34.5)</b>
FOOD SERVICE	13,547,123	13,769,788	13,881,026	13,881,026	57,681	13,938,707	237.3	249.3	254.3	5.0
PENSION*	17,752,000	23,870,733	23,870,733	23,870,733	2,549,267	26,420,000				
DEBT SERVICE**	7,891,079	11,196,145	17,886,488	17,886,488	(1,088,172)	16,798,316				
CAPITAL	48,069,687	96,141,847	87,725,980	87,725,980	45,204,587	132,930,567				
<b>GRAND TOTAL - ALL FUNDS</b>	<b>\$ 483,405,530</b>	<b>\$ 569,968,447</b>	<b>\$ 572,740,483</b>	<b>\$ 572,740,483</b>	<b>\$ 59,943,232</b>	<b>\$ 632,683,715</b>	<b>5,181.7</b>	<b>5,306.2</b>	<b>5,276.7</b>	<b>(29.5)</b>

**Notes:**

\*Pension Fund reflects Maryland State Aid. HCPS pension cost is included in Unrestricted, Restricted and Food Service Funds.

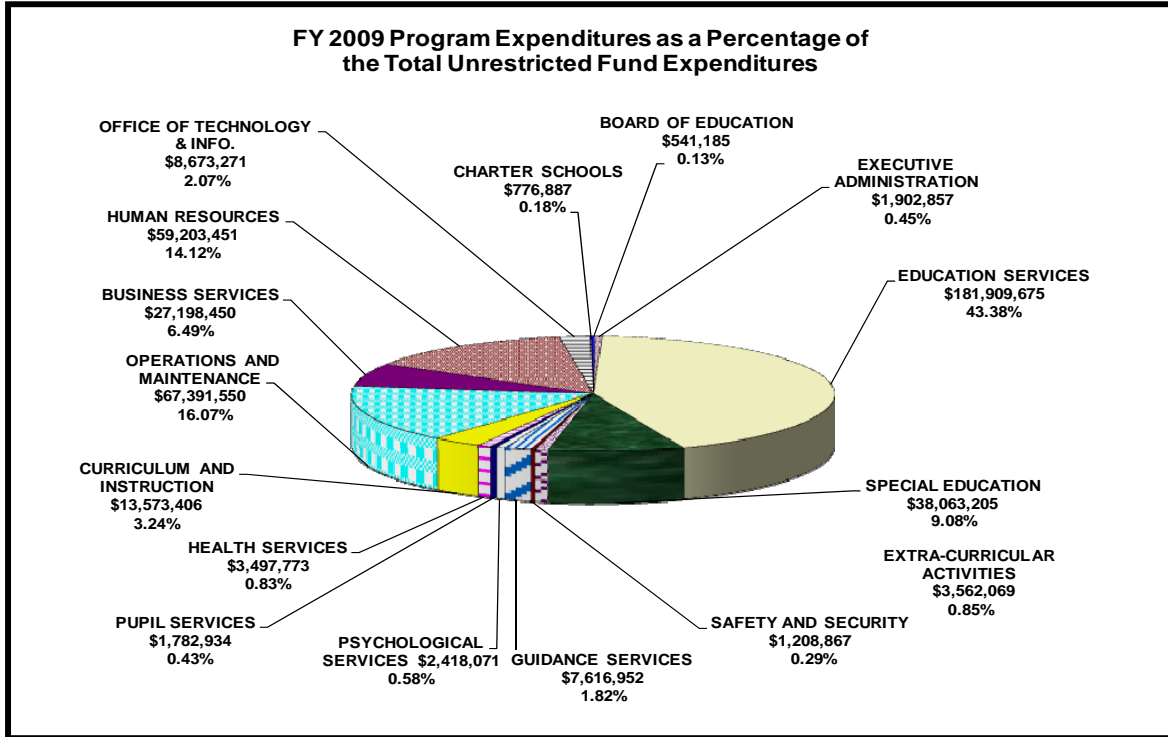
\*\*The information represents Harford County Government paid debt service.

The school system has lease purchase transactions totaling \$1,516,441 which are included in the Unrestricted Fund.

# FY 2009 EXPENDITURES

The following chart reflects program expenditures as a percentage of the total Unrestricted Fund Budget for Fiscal Year 2009:

Chart 1



The following tables reflect Unrestricted Fund Expenditures by State Category and by Object Class:

Table 2

## Harford County Public Schools Unrestricted Expenditures By State Category

SUMMARY BY CATEGORY	Actual FY 2007	Actual FY 2008	Budget FY 2008	Base Budget FY 2009	Budget FY 2009	Change	
						Amount	Percent
Administrative Services	\$9,791,740	\$10,590,567	\$11,207,599	\$11,385,152	\$12,146,530	\$761,378	0.2%
Mid-Level Administration	\$23,604,015	\$25,268,203	\$25,470,234	\$25,585,130	\$26,460,891	\$875,761	0.2%
Instructional Salaries	\$158,370,918	\$167,938,023	\$168,296,729	\$168,550,466	\$170,671,511	\$2,121,045	0.5%
Textbooks & Classroom Supplies	\$10,186,615	\$9,304,497	\$9,356,372	\$8,555,202	\$8,375,142	(\$180,060)	0.0%
Other Instructional Costs	\$2,358,584	\$2,602,330	\$2,623,658	\$3,500,903	\$3,704,825	\$203,922	0.1%
Special Education	\$31,821,434	\$35,777,658	\$35,789,847	\$35,798,756	\$38,207,492	\$2,408,736	0.6%
Student Personnel Services	\$1,522,541	\$1,606,266	\$1,635,440	\$1,625,368	\$1,669,272	\$43,904	0.0%
Health Services	\$3,018,759	\$3,250,895	\$3,375,229	\$3,380,982	\$3,504,235	\$123,253	0.0%
Student Transportation	\$22,622,081	\$26,878,007	\$27,149,740	\$26,088,602	\$29,920,716	\$3,832,114	0.9%
Operation of Plant	\$26,054,591	\$28,381,605	\$29,011,749	\$28,219,175	\$30,773,851	\$2,554,676	0.6%
Maintenance of Plant	\$9,894,531	\$11,208,864	\$11,826,448	\$11,863,037	\$11,713,493	(\$149,544)	0.0%
Fixed Charges	\$70,495,318	\$77,135,128	\$78,409,666	\$79,584,551	\$81,238,412	\$1,653,861	0.4%
Community Services	\$455,147	\$450,417	\$517,394	\$518,356	\$525,729	\$7,373	0.0%
Capital Outlay	\$531,231	\$315,410	\$344,429	\$358,854	\$408,504	\$49,650	0.0%
<b>Total</b>	<b>\$370,727,505</b>	<b>\$400,707,870</b>	<b>\$405,014,534</b>	<b>\$405,014,534</b>	<b>\$419,320,603</b>	<b>\$14,306,069</b>	<b>3.5%</b>

# FY 2009 EXPENDITURES

Table 3

## Unrestricted Expenditures By Object Class

SUMMARY BY CATEGORY	Actual	Actual	Budget	Base Budget	Budget	Change	
	FY 2007	FY 2008	FY 2008	FY2008	FY 2009	Amount	Percent
Salary and Wages	\$239,885,856	\$257,253,891	\$259,168,892	\$259,413,766	\$266,007,707	\$6,593,941	1.6%
Contacted Services	\$28,517,224	\$33,002,821	\$33,536,897	\$33,546,951	\$37,744,405	\$4,197,454	1.0%
Supplies and Materials	\$14,252,128	\$14,214,291	\$14,172,925	\$13,221,866	\$13,459,806	\$237,940	0.1%
Other Charges	\$84,794,211	\$93,216,404	\$95,156,088	\$95,739,490	\$99,532,890	\$3,793,400	0.9%
Equipment	\$3,599,229	\$3,357,252	\$3,239,732	\$3,352,461	\$2,835,795	(\$516,666)	-0.1%
Transfers	(\$321,143)	(\$336,789)	(\$260,000)	(\$260,000)	(\$260,000)	\$0	0.0%
<b>Total</b>	<b>\$370,727,505</b>	<b>\$400,707,870</b>	<b>\$405,014,534</b>	<b>\$405,014,534</b>	<b>\$419,320,603</b>	<b>\$14,306,069</b>	<b>3.5%</b>

The following tables reflect Current Expense Fund (Unrestricted Fund and Restricted Fund) Expenditures by State Category and by Object Class:

Table 4

## Harford County Public Schools Current Expense Fund By State Category

SUMMARY BY CATEGORY	Unrestricted Budget		Restricted Budget		Total Current Expense	
	FY 2009		FY 2009		FY 2009	
	Amount	Percent	Amount	Percent	Amount	Percent
Administrative Services	\$12,146,530	2.9%	\$ 276,000	1.2%	\$ 12,422,530	2.8%
Mid-Level Administration	\$26,460,891	6.3%	473,771	2.0%	26,934,662	6.1%
Instructional Salaries	\$170,671,511	40.7%	3,997,559	17.2%	174,669,070	39.5%
Textbooks & Classroom Supplies	\$8,375,142	2.0%	400,037	1.7%	8,775,179	2.0%
Other Instructional Costs	\$3,704,825	0.9%	1,518,291	6.5%	5,223,116	1.2%
Special Education	\$38,207,492	9.1%	12,355,405	53.1%	50,562,897	11.4%
Student Personnel Services	\$1,669,272	0.4%	0	0.0%	1,669,272	0.4%
Health Services	\$3,504,235	0.8%	0	0.0%	3,504,235	0.8%
Student Transportation	\$29,920,716	7.1%	1,250	0.0%	29,921,966	6.8%
Operation of Plant	\$30,773,851	7.3%	0	0.0%	30,773,851	7.0%
Maintenance of Plant	\$11,713,493	2.8%	0	0.0%	11,713,493	2.6%
Fixed Charges	\$81,238,412	19.4%	3,857,913	16.6%	85,096,325	19.2%
Community Services	\$525,729	0.1%	0	0.0%	525,729	0.1%
Capital Outlay	\$408,504	0.1%	395,296	1.7%	803,800	0.2%
<b>TOTAL</b>	<b>\$419,320,603</b>	<b>100.0%</b>	<b>\$ 23,275,522</b>	<b>100.0%</b>	<b>\$ 442,596,125</b>	<b>100.0%</b>

Table 5

## Expenditures By Object Class

SUMMARY BY OBJECT	Unrestricted Budget		Restricted Budget		Total Current Expense	
	FY 2009		FY 2009		FY 2009	
	Amount	Percent	Amount	Percent	Amount	Percent
Salary and Wages	\$266,007,707	63.4%	\$ 11,182,059	48.0%	\$ 277,189,766	62.6%
Contacted Services	\$37,744,405	9.0%	6,266,410	26.9%	44,010,815	9.9%
Supplies and Materials	\$13,459,806	3.2%	585,164	2.5%	14,044,970	3.2%
Other Charges	\$99,532,890	23.7%	4,286,310	18.4%	103,819,200	23.5%
Equipment	\$2,835,795	0.7%	695,579	3.0%	3,531,374	0.8%
Transfers	(\$260,000)	-0.1%	260,000	1.1%	0	0.0%
<b>TOTAL</b>	<b>\$ 419,320,603</b>	<b>100.0%</b>	<b>\$ 23,275,522</b>	<b>100.0%</b>	<b>\$ 442,596,125</b>	<b>100.0%</b>

# FY 2009 EXPENDITURES

This section is intended to provide a brief overview of the changes contained in the expenditure allocations of the FY 2009 Approved Operating Budget. A table is included at the end of this section reflecting approved changes by Wages and Benefits, Cost of Doing Business including reversal of onetime items and Charter School funding, expenses for the new 11<sup>th</sup> grade at the Patterson Mill Middle/High School, Special Education complex mandates and the increasing needs of the student population including non-public placement, and the Intervention Programs for School Improvement. An elimination of 56 teaching positions was necessary to reconcile the budget to the funding level approved by the County Council. All expenditures are detailed by board goal(s).

In following the logic of distinguishing changes by how they were approved in the budget, each program outlines the changes by the same categories:

- Wages and Benefits
- Cost of Doing Business ( Reversal of Onetime Items, Charter School expenses, Approved Magnet & Special Programs, Transportation & Utilities, a Pilot Energy Program, and other Cost of Doing Business expenditures)
- Patterson Mill Middle/High School Expenditures
- Special Education legal mandates and increased student needs
- Intervention Programs for School Improvement

## **Budget Development Process**

During the FY 2009 budget development cycle, budget managers were asked to examine their accounts in terms of:

**Base Budget Adjustments** – The Budget Department in conjunction with Budget Managers, the Superintendent and Senior Staff realign current funding based on historical data and changing program requirements to better meet the goals and objectives of the entire Harford County Public School system. These adjustments are reflected throughout the document in the column entitled “FY 2009 Base Budget”.

**Inflation and Non-Discretionary Cost Increase** - Building the budget requires making assumptions about cost growth in areas of spending that are not directly tied to funding decisions regarding educational policies, collective bargaining commitments, or enrollment. These include transportation, facilities management, employee benefits, and contracted educational services. Each one of these areas has been examined and adjusted to reflect the variables that drive fixed costs. The factors considered include:

- Current year forecasted spending
- Inflation/cost of living
- Impact of increases in wage base on employee benefit costs
- Anticipated increases in the rate structure for medical insurance premiums
- Historical spending and growth rates for operations, transportation, and contracted services
- Impact of the addition of new staff on employee benefit costs
- Utility cost increases – fuel for buildings and vehicles

# FY 2009 EXPENDITURES

The following table summarizes the increases in the FY 2009 Unrestricted Fund Budget:

*Table 6*

<b>Summary of the Board of Education's FY 2009 Unrestricted Operating Budget - June 23, 2008 Revised</b>			
	FY 2008 Original Budget		\$405,793,753
	Reduction of Special Education Revenue FY08		(\$1,054,956)
	OPEB - Original Entry	\$ 12,125,933	
	OPEB - Reversal (To Trust)	\$ (11,850,196)	\$275,737
<b>FTEs</b>			
<b>4,810.4</b>	<b>FY 2008 Revised Budget</b>		<b>\$405,014,534</b>
			<b>% Change</b>
0.0	Wages and Fixed Charges		\$8,633,608 2.1%
	Less: Turnover/Permanent Salary Variances		(\$1,896,907) -0.5%
0.0	Health & Dental Insurance Increase		\$1,964,438 0.5%
	<i>One Time Expenditures:</i>		
0.0	Reversal of One Time FY 2008 Expenditures	(\$1,359,262)	(\$1,359,262) -0.3%
	Reversal of One Time FY 2008 Net OPEB Entries	\$ (275,737)	(\$275,737) -0.1%
	<i>Cost of Doing Business:</i>		
-56.0	Decrease in Regular Program Positions	(\$3,319,636)	
0.0	Increases in Transportation and Utilities Cost	5,002,953	
5.0	Approved Magnet & Special Programs	425,180	
1.0	Establish Pilot Energy Program (Funded with Fund Balance)	\$106,862	
-1.0	Other Cost of Doing Business Expenditures	838,109	
-10.2	Increase in cost per pupil for Charter School	\$66,470	\$3,119,938 0.8%
11.3	Patterson Mill Middle/High School Expenditures		\$695,039 0.2%
32.8	Special Education		\$2,118,351 0.5%
6.0	Intervention Programs for Schools and Students		\$1,306,601 0.3%
<b>-11.1</b>	<b>Total Change FY 2009 Budget</b>		<b>\$14,306,069 3.5%</b>
<b>4,799.3</b>	<b>Final FY 2009 Budget Unrestricted Budget</b>		<b>\$419,320,603</b>

## Wages and Benefits

This item represents an increase in employee salaries of \$8.6 million, including a cost of living increase and a step increase, if applicable. Benefit changes include increases in health and dental benefits for existing employees of \$1.96 million. An increase in health premiums of 3% and decrease in dental premiums of 5.5%, along with a projected increase in participation levels, require the additional allocation. Given the current participation in the program, the average participant cost to HCPS is projected to be of \$8,869 for health premiums and \$513 for dental premiums. The Fiscal Year 2008 enrollment for health and dental coverage is 6,704 and 6,378 participants respectively.

Naturally, not every employee participates in the benefit programs. Moreover, approximately one third of the participants are retirees. Compensation is viewed as critical to every Board goal since it supports the ability to attract and retain a highly qualified staff that can help fulfill other goals. Wage adjustments are contained in every applicable program that has personnel eligible for this change. The health and dental benefit changes are located within the Human Resources program of this budget.

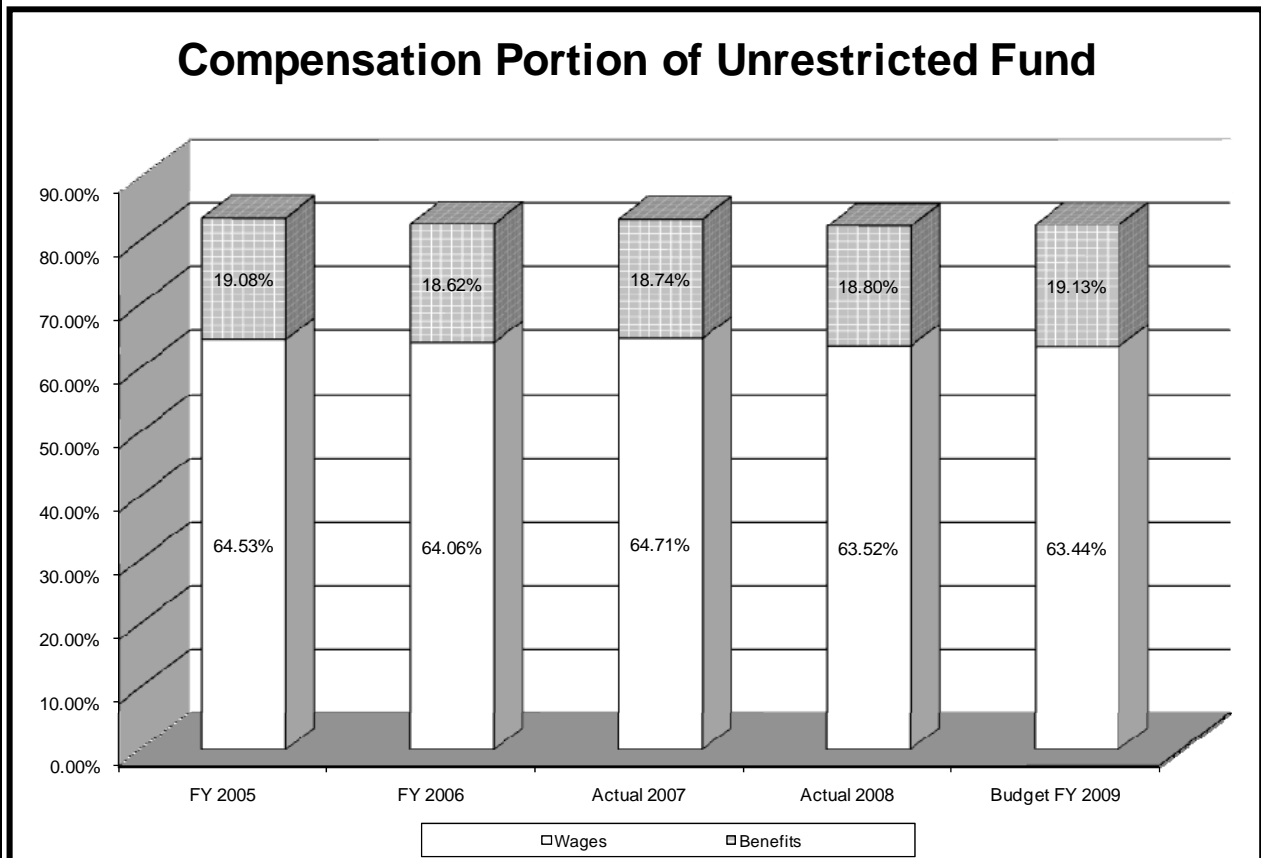
# FY 2009 EXPENDITURES

## Schools are Labor Intensive

Compensation related expenditures represent \$346,225,141 or 82.57 % of the total FY 2009 Unrestricted Operating Budget (Chart 2), a typical pattern for a human capital-intensive enterprise such as a school system. These expenditures include all salary and wages, health and dental benefits, life insurance, retirement costs, social security, workers' compensation, and tuition reimbursement. Clearly, the operation of the public school system is an investment in human capital assets. In addition and not reflected in the above numbers is a contribution in the State Budget for retirement costs for certificated positions. The State of Maryland is projected to contribute \$26,420,000 on behalf of Harford County Public Schools employees. If the pension contribution from the State is added into the totals, the compensation related expenditures would total \$372,645,141 or 83.6%.

The following chart reflects the total percentage of wages and benefits of the Unrestricted Fund over a five year period:

Chart 2



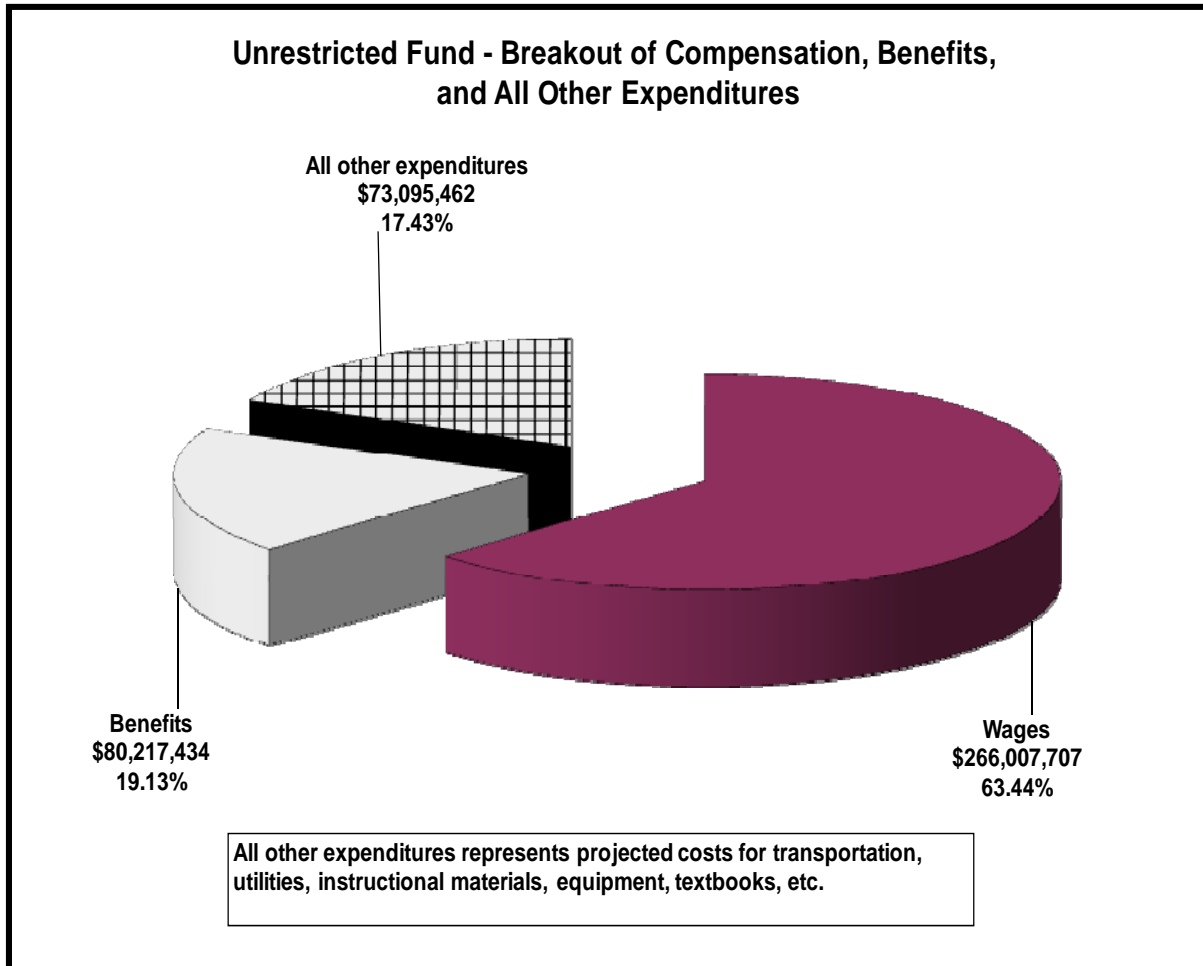
*Note for Chart 2:* Wages represent the bottom section of each bar for each year and Benefits represents the top portion of the bar for each year. As an example, in the FY 2009 Budget, wages represent 63.44% of the total Unrestricted Fund expenditures and fringe benefits represent 19.13%.



# FY 2009 EXPENDITURES

The following chart depicts the FY 2009 Approved Budget portion of compensation and benefits versus other expenditures.

Chart 3

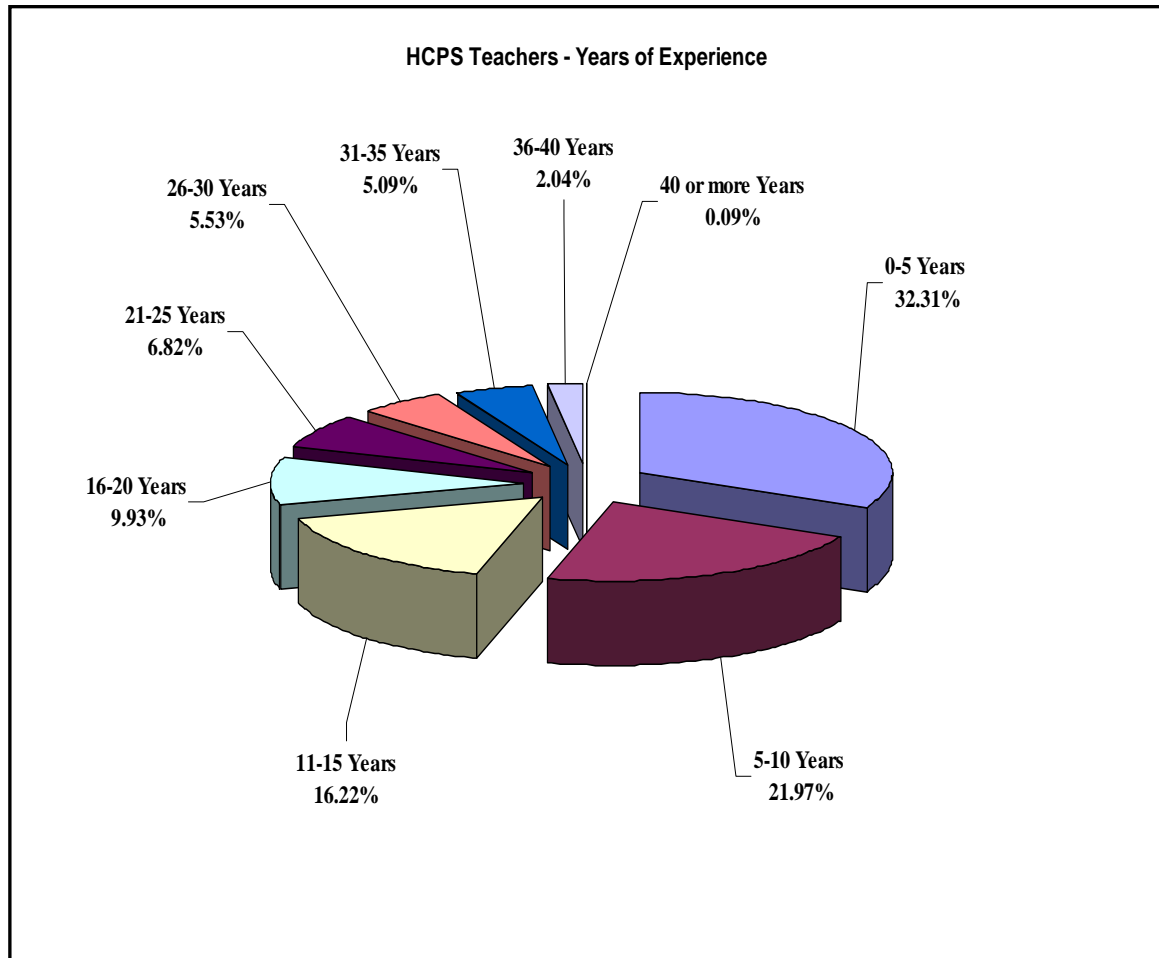


## Experience Levels and Turnover Issues among Faculty

As the budget adjustments are reviewed and priorities are set, the experience level and turnover of teachers should be noted. Many items included in this budget document pertain to addressing the needs for teacher and instructional development, particularly for teachers who have been on the job for 5 years or less (Chart 4). Measures to recruit and retain teachers that will help increase student achievement are also included. The tenure of teachers and the continuing ability to recruit good teachers in a very competitive market make it necessary to address several issues within the budget in order to maintain a high quality workforce.

# FY 2009 EXPENDITURES

Chart 4<sup>1</sup>



## Cost of Doing Business

Reversal of Onetime Items - These expenditures from the FY 2008 Budget are purchases of a onetime nature and do not need to be included in the base budget. The items have been reversed in the “Summary of Fiscal Year 2009 Unrestricted Operating Budget Changes” included within this section of the budget. These onetime purchases from the FY 2008 budget total \$1.4 million.

Cost of Doing Business requests are generally intended to continue existing level of services. This would primarily encompass per pupil allocations for materials and supplies; address price increases for on-going services and supplies, such as utilities and summer programs; and, fund needs associated with mandated services and infrastructure support (Nonpublic Placement, HVAC, building security, software maintenance). Items approved for this area of the Budget are in the following tables:

<sup>1</sup> Data derived from HCPS Human Resources as of December 2007.

# FY 2009 EXPENDITURES

*Table 7*

<b>Increases in Transportation &amp; Utilities</b>		
	<b>FTE</b>	<b>Total</b>
Transportation - Contracted Bus Service		2,666,895
Transportation - Fuel & oil for special education buses		60,000
Transportation - Contracted repairs for regular program buses		21,000
Transportation - Field Trips Other (HCPS sponsored events)		10,000
Transportation - Contracted bus service for Arrow School due to increase in time & mileage		6,000
Transportation - Fuel & oil related to six additional Special Education buses		175,000
Transportation - Parts, materials and supplies for special needs buses		50,000
Transportation - Additional fuel costs for existing Special Education buses		70,000
Electricity - Increase is needed to cover the projected 5% increase in electricity costs as well as the additional square footage being added to Joppatowne High, Aberdeen High, Prospect Mill and Joppatowne Elementary Schools		1,043,249
Natural Gas - The increase needed to cover the additional square footage being added to Joppatowne High, Aberdeen High and Prospect Mill Schools is offset by a reduction of a \$350K projected favorable variance expected in the account		(85,091)
Additional funds for Special Education Extended School Year Services		36,000
Oil - Increase is needed to cover the rapid escalation in fuel oil costs, plus the additional square footage being added to Joppatowne Elementary School		949,900
<b>Total Transportation &amp; Utilities</b>	<b>0.0</b>	<b>5,002,953</b>

*Table 8*

<b>Pilot Energy Conservation Program</b>		
	<b>FTE</b>	<b>Total</b>
Energy Program Coordinator	1.0	106,862
<b>PILOT ENERGY PROGRAM</b>	<b>1.0</b>	<b>106,862</b>

*Table 9*

<b>Approved Magnet &amp; Special Programs</b>		
	<b>FTE</b>	<b>Total</b>
Curriculum Development to support the development of curriculum guides/models for three magnet programs		80,990
2 Teachers for Homeland Security Program at JHS	2.0	119,277
Half time coordinator/half time teacher for Natural Resource & Ag. Science Program	1.0	80,636
2 Teachers for International Baccalaureate Program at EHS	2.0	119,277
Funding for setup, development and promotion of HCPS Magnet Programs		25,000
<b>Total Magnet &amp; Special Programs</b>	<b>5.0</b>	<b>425,180</b>

# FY 2009 EXPENDITURES

Table 10

<b>Other Cost of Doing Business Expenditures</b>		
	FTE	Total
Fiscal Services - Reduction of clerical over-time		(1,083)
Liability Insurance - Reduction for good experience rating for contracted bus services		(10,000)
Convert 2.0 Computer Technician positions into 1.0 Network Administrator to meet high demand on system for network administration	-1.0	(10,263)
Retirement		(644,603)
Paper & Miscellaneous School Supplies. - To cover the increased demand/cost of copier machine rental. (This account is allocated to the school level and has been over budget the past five years.)		110,000
Safety & Security - Contracted services for additional security cameras at Harford Tech High School, Bel Air Middle School, Southampton Middle School and Havre De Grace Middle School		81,924
Increase cost associated with on-line backup service caused by increase volume of data, document and email retention		70,000
Workers Compensation (rate increase)		66,912
Office of Technology Software Maintenance - Software, hardware and annual license fee associated with E-school Solutions substitute management system. (\$43,200 upgrade needed due to elimination of support for current system and \$8,800 for annual usage fees)		52,000
Executive Administration - Consulting services to manage redistricting <i>ArcView Software Application</i> for two new elementary schools		50,000
Lighting Supplies - Increase cost of energy efficient lighting supplies		50,000
Construction contingency for Edgewood High School		50,000
Elementary Summer School (Increase in participation)		47,000
Algebra II testing (2188 students @ \$21)		45,948
Planning & Construction - Increased cost of advertising and other costs associated with large number of on going capital projects		43,500
Office of Accountability - Other contracted services support for scoring of tests administered system wide as well as maintenance of and additional software for scanners to enable OA to design, develop and scan forms in-house		31,000
OTIS - Software maintenance due to an increase in annual maintenance contracts and new software contracts		30,291
OTIS - Institutes, conferences & meetings required to maintain a highly trained staff		30,000
Property Insurance - General rate increase		24,000
OTIS technicians overtime due to increase need for audio visual technicians at after hours meetings		21,597
Contracted Services - Refuse/Waste Management		20,000
Advanced Placement instructional training for teachers		20,000
Custodial overtime for November 2008 general election		18,358
Board of Education - Legal fees for hearing examiners		17,496
Heating & Ventilation - Annual built in cost increase associated with Sun Trust Energy Performance Contract		16,740
Interscholastic athletics officials & judges due to increased cost of officials fees		16,100
Annual increase to Johnson Controls Maintenance Contract		12,500
Contracted transportation to transport interscholastic athletes at Edgewood High School to offsite practice locations due to construction at school site		12,000
Board of Education - Institutes, meetings & conferences		11,500

# FY 2009 EXPENDITURES

The following is a continuation of Table 10 which identifies Other Cost of Doing Business Expenditures:

*Table 10 continued*

<b>Other Cost of Doing Business Expenditures</b>		
Establishment of evaluation model for the implementation of Middle School reform. (\$5,000 for professional development and \$5,000 for consulting services)		10,400
General Liability Insurance (rate/market conditions)		10,000
FY 2009 Comprehensive Secondary School Reform Program (CSSRP) cost will be approx. \$50k; \$40,000 will be covered by Curriculum Office's current budget		10,000
Safety & Security - Contracted security with Havre de Grace Police Department		8,500
Home and Hospital account adjustment based on prior year experience		(100,000)
Align Summer School accounts based on historical data		20,191
Supplies for students, counselors and teachers attending the overnight program at Harford Glen Outdoor Education Center		39,720
Chesapeake Summer Center for the Arts		4,000
Equipment funds for school allocations		400,000
Increase interscholastic athletics supplies based on increased gate receipts		7,381
BRAC Education System Study		50,000
Consulting Services related to Board of Education Strategic Plan		20,000
Increase mileage reimbursement accounts for government rate change		75,000
<b>Total Other Cost of Doing Business</b>	<b>(1.0)</b>	<b>838,109</b>

## Charter Schools

During the 2003 General Assembly session, the Maryland Public Charter School Act was passed and the Governor signed the measure into law on May 22, 2003. A public charter school operates with the approval of a local Board of Education in accordance with a written charter executed between the local Board of Education and the administrative entity operating the public charter school. Just as any other public school, a public charter school is subject to federal, state, and local laws prohibiting discrimination and must comply with all applicable health and safety laws. The school system has negotiated a contract with Innovative Community Development, Inc. for a public charter school operating as Restoration Alternative Academy Charter School (RAACS) which opened in the fall of 2006. RAACS will be in their third year of operation with a projected enrollment of 75 students. \$66,470 in additional funding is included for FY 2009. Total funding of \$776,887 is budgeted for RAACS for FY 2009.

# FY 2009 EXPENDITURES

## Patterson Mill Middle/High School

Additional expenses for Patterson Mill including those associated with adding 11<sup>th</sup> grade students in August 2008 totals \$695,039 or 0.2% of the increase to the total budget. Table 10 provides the detail of the Patterson Mill budget requests. Additional positions, as needed, will be transferred to Patterson Mill Middle High School as a result of shifting enrollment.

*Table 11*

<b>Patterson Mill Middle &amp; High School</b>		
	FTE	Total
Safety & Security - Contracted security for extra curricular events		8,500
Property Insurance - To add Patterson Mill to premium		26,000
Two Special Education Teachers - To meet the needs of incoming grade 11 students	2.0	119,277
One Special Education Paraeducator - To meet the needs of incoming grade 11 students	1.0	29,997
Contracted Instruction for Ropes Course		1,000
Athletic Supplies- To provide athletic budget for PMHS until gate receipts are collected		5,000
Interscholastic athletic fees for officials and judges		15,800
Eight teachers for incoming 11th grade students	8.0	481,237
Library Technician (Additional .7 FTE will be transferred from another school to provide Patterson Mill with a full time library technician)	0.3	5,468
Software, Materials of Instruction - Cognitive Tutoring		2,760
<b>Total Patterson Mill Middle &amp; High School</b>	<b>11.3</b>	<b>695,039</b>

# FY 2009 EXPENDITURES

## Special Education Budget

The cost of the complex mandates and needs of the student population totaling \$2,118,351 or 0.5% of the increase to the total budget including non-public placement tuition and student increases. Table 11 identifies the details of the Special Education budget increases for FY 2009. Many of the items below, including 18.8 positions represent a transfer of expenditures from the restricted programs to the unrestricted operating budget due to limited grant funding.

*Table 12*

<b>Special Education</b>		
	FTE	Total
<b>General Special Education</b>		
Non-Public Placement - Projected 3% increase in tuition and placements		591,180
Grant positions that can no longer be funded under Medical Assistance (.2 Psychologist, 5.1 SE teachers & .5 SE paraeducator)	5.8	465,256
Six Special Education Bus Drivers	6.0	198,689
Six Special Education Bus Attendants	6.0	163,611
Special Education - Parent mileage reimbursement		20,000
Two Teachers from Grants (.5 PreSchool, .5 Least Restrictive Environment & 1.0 Passthrough Grant) due to salary and fringe benefit increases	2.0	153,153
One Special Education Teacher - Expand secondary autism program located at Patterson Mill Middle School	1.0	59,639
One Special Education Paraeducator - Expand secondary autism program located at Patterson Mill Middle School	1.0	29,997
Nine Inclusion Helpers from Medical Assistance Grant	9.0	205,275
<b>Total General Special Education</b>	<b>30.8</b>	<b>1,886,800</b>
<b>Extended School Year and Infants &amp; Toddlers</b>		
Infant and Toddler Grant - Two teachers from restricted	2.0	169,178
Extended School Year - Increase six Special Education teachers to 11 month positions to support Extended School Year Services & Child Find summer coverage		62,373
<b>Total Extended School Year and Infants &amp; Toddlers Program</b>	<b>2.0</b>	<b>231,551</b>
<b>Total Special Education</b>	<b>32.8</b>	<b>2,118,351</b>

# FY 2009 EXPENDITURES

## Intervention Programs for School Improvement

Funding is approved to provide intervention services to schools in need of improvement in meeting the federal requirements of *No Child Left Behind*. Schools that have not met annual yearly progress standards or are in need of improvement for certain subgroups of students are included in this area and identified in the information below.

### Adequate Yearly Progress<sup>2</sup>

#### 2007 – 2008 Schools Identified for Improvement

The following schools have been identified as Schools in Need of Improvement for the 2007-2008 school year. School Improvement designations are:

SI Year 1

SI Year 2

Corrective Action (CA)

Restructuring - Planning (RS Plan)

Restructuring – Implementation (RS Implement)

Aberdeen High	Year 2
Alternative Center	CA
Edgewood High	Year 1
Edgewood Middle	RS Plan

The education intervention improvements include \$265,971 to continue and expand extended day remediation that includes transportation. An amount of \$650,332 is approved for Edgewood Middle School: five additional classroom teachers, an instructional facilitator, intervention and remediation funds including transportation, professional development funds, and funding for the Alternative Governance Board and Edgewood Learning Community. The funding for Summer Middle School is approved at \$358,545. Funding for additional bus attendant hours is approved at \$31,753. The total request for this portion of the budget is \$1,306,601 or .0.3% of the increase to the total budget. The following table provides a list of expenditures for Intervention:

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<sup>2</sup> Information from the MSDE web site, 2007 Maryland Report Card.



# FY 2009 EXPENDITURES

*Table 13*

<b>Harford County Public Schools Intervention List FY2009 Operating Budget</b>		
Description	FTE	Total
Increase intervention funds to support extended day remediation and include transportation.		265,971
<b>Intervention Funds requests specifically directed to Edgewood Middle:</b>		
- Additional Administrative Compensation		53,993
- Five Additional Classroom Teachers	5.0	298,192
- Instructional Facilitator	1.0	111,567
- Intervention/Remediation Funds including transportation		159,983
- Professional Development Funds		21,597
- Alternative Governance Board		2,500
- Edgewood Learning Community		2,500
<b>Subtotal - Edgewood Middle Intervention</b>	<b>6.0</b>	<b>650,332</b>
Summer Middle School	0.0	358,545
Additional Bus Attendant hours equivalent to one half day for four people for 10 months	0.0	31,753
<b>FY2009 Intervention List Total</b>	<b>6.0</b>	<b>1,306,601</b>

### FY 2009 Items funded with Fund Balance

The following Table 13 identifies the onetime expenditure items that will be funded by Appropriated Fund Balance for FY 2009. An amount of \$1,147,400 represents the onetime purchases within the Unrestricted Fund. An amount of \$4,084,000 represents the transfer of Appropriated Fund Balance to the Capital Projects Fund.

# FY 2009 EXPENDITURES

Table 14

<b>FY2009 - Operating Budget Items Funded with Fund Balance</b>	
<i>Patterson Mill MSHS/Balancing Enrollment:</i>	
Transportation - 30 additional runs due to grandfathering of students	240,000
Transportation - Patterson Mill Extra Runs due to grandfathering	48,000
Supplement FY08 gate receipts at Patterson Mill	5,000
Staff Development - set up days	18,180
<b>Total from Patterson Mill MSHS/Balancing Enrollment</b>	<b>\$ 311,180</b>
<i>Other Operating Items:</i>	
Construction Contingency for Bel Air High School	75,000
Contingency Contingency for Edgewood High School	50,000
Interscholastic Athletics Transportation during Renovation Bel Air High School	10,000
Facilities Management - Contracted Management Services (2 yrs)	114,000
Consulting Services for Redistricting for Two New Elementary Schools	50,000
Custodian Overtime for Nov. 2008 General Election	18,358
Interscholastic Athletics Transportation for EHS during Construction	12,000
Per Pupil Allocation for Equipment	400,000
<b>Total</b>	<b>\$ 729,358</b>
<i>Other:</i>	
Pilot Energy Program	106,862
<b>Total Other</b>	<b>\$ 106,862</b>
<b>Total FY09 Fund Balance Transfer to Operating Budget</b>	<b>\$ 1,147,400</b>
<b>Capital Budget Items to be Funded with Fund Balance Transfer</b>	
Bel Air Elementary School Site Improvement	450,000
Bleacher Replacement-Edgewood Middle & Havre de Grace High	200,000
Equipment & Furniture Replacement	100,000
HVAC Replacement - North Harford Middle School	409,000
Locker Replacement - Havre de Grace Middle School	100,000
Major HVAC Repairs	250,000
Replacement Vehicles	465,000
Technology Infrastructure	1,500,000
Textbook Refresh	510,000
Vocational/Technical Equipment Refresh	100,000
<b>Total new Capital Items</b>	<b>\$ 4,084,000</b>
<b>Total FY2009 Fund Balance Transfer to Capital Budget</b>	<b>\$ 4,084,000</b>
<b>FY09 Total Use of Fund Balance</b>	<b>\$ 5,231,400</b>

## Restricted Funds

Details of the Restricted Funds FY 2009 Budget and individual grants are in the Restricted Section of this Budget Book. A total of \$23,275,522 in funding is anticipated to support 223.1 FTE positions. This is a reduction of 23.4 FTEs from Fiscal Year 2008.

# FY 2009 EXPENDITURES

## Summary of FY 2009 Unrestricted Operating Budget Changes

Within programs, changes are identified as reversal of onetime items, wages and benefits, cost of doing business, Patterson Mill Middle/High School, special education requirements, and intervention programs for school improvement. Each new dollar added to the operating budget is then identified by a Board Strategic Goal.

The chart below identifies the five strategic Board goals and objectives within goals.

Chart 4

### **Board of Education Strategic Plan Goals and Objectives**

- 1. Every child feels comfortable going to school.**
  - *Maintain safe, secure, comfortable schools that meet student needs*
  - *Expect personal responsibility & respect in positive learning environments*
  - *Explore use of uniforms to promote social equality and focus on learning*
- 2. Every child achieves personal and academic growth.**
  - *Find and build on every student's motivation*
  - *Develop and deliver high quality instruction that elevates each student*
  - *Support the emotional, social, and physical growth of every student*
- 3. Every child benefits from accountable adults.**
  - *Obtain and optimize use of adequate resources*
  - *Improve operational and instructional efficiency and effectiveness*
  - *Earn credibility with education stakeholders and respect of colleagues*
  - *Define parent involvement; reach out to parents to explain involvement opportunities*
- 4. Every child connects with great employees.**
  - *Recruit & retain a high quality, diverse workforce*
  - *Direct utilization of resources responsively to meet individual student needs*
  - *Encourage employee knowledge & creativity to advance learning*
- 5. Every child graduates ready to succeed.**
  - *Promote opportunities for skilled trades and advanced career choices*
  - *Use business partnerships to identify & respond to emerging market trends*
  - *Enable students to live in & contribute to a contemporary world*

### **Operating Budget Expenditure Changes**

The program narratives and budgets that follow the summary sections are intended to provide more information on specific expenditures across the entire budget.

The following table, "Summary of Fiscal Year 2009 Unrestricted Operating Budget Changes" reflects the dollar changes by program.