

Capital Budget

Program Overview

The Facilities Management Department Division of Planning and Construction develops school facilities that meet student population and educational program requirements. The department is responsible for managing the planning and construction activities that are coordinated for the purposes of modernizing, renovating and improving educational facilities for the students and staff of HCPS. The department utilizes demographic information, educational specifications, procurement practices, architectural and engineering parameters, and budget data to deliver planning and construction related services in support of High Student Achievement.

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 levels of county and state funding levels from the prior 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 are considered.

All construction projects are budgeted in the School Construction Fund, which is often referred to as the Capital Budget. School construction is budgeted on a per-project basis. Projects may be funded over several years with funding allocations carried forward over multiple years until completion.

The Harford County Board of Education lacks taxing authority and remains revenue dependent upon Harford County Government and the State of Maryland to fund the Capital Budget. State funds are approved based on the recommendations of the Interagency Committee on School Construction (IAC).

The Capital Improvement Plan is managed by the Facilities Management Department, Division of Planning and Construction and the Office of Operations. 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. The School Construction Fund accounting is administered by the Finance Department, a division of HCPS Business Services.

Harford County Public Schools School Construction Fund Capital Projects					
	Actual FY 2017	Actual FY 2018	Actual FY 2019	Budget FY 2019	Budget FY 2020
Revenues:					
State	3,963,370	11,416,550	19,377,532	12,278,472	12,963,559
Local	19,129,002	17,933,573	21,426,319	25,927,000	30,762,600
Other Revenue (Including Transfers)	75,442	1,457,286	161,747	-	-
Total Capital Revenue	\$23,167,814	\$30,807,409	\$40,965,598	\$38,205,472	\$43,726,159
Total Capital Expenditures	(\$23,576,768)	(\$30,518,578)	(\$42,382,147)	(\$38,205,472)	(\$43,726,159)
Excess/deficit	(408,954)	288,831	(1,416,549)	-	-
Capital Projects Beginning Fund Balance	2,128,445	1,719,491	2,008,322	2,008,322	591,773
Capital Projects Ending Fund Balance	\$ 1,719,491	\$ 2,008,322	\$ 591,773	\$ 2,008,322	\$ 591,773

Harford County Public School accounts for school construction by individual projects, 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 used in the acquisition, construction, or improvements of 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. However, some capital expenditure designations have been determined by the way Harford County Government funds the expenditure (i.e. Textbook/Supplemental Refresh).

Capital Improvement Impact on the Operating Budget

When the School Construction Fund pays for a new building or the expansion of a school, there is an impact on the Operating Budget. The Executive Directors of Elementary, Middle and High School determine the staffing needs at the school, while the Executive Director of Facilities and the Assistant Superintendent of Operations determine the building maintenance needs.

As the Capital Improvement Plan is implemented and facilities are expanded, the Board of Education determines staffing additions based on:

- Enrollment projections
- State rated capacities and percentages of utilization
- Availability of operating funds

While some 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 allocation is calculated based on 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, modernization, additions, roof repairs, HVAC repairs, textbooks, technology, and various other equipment or improvements.

BOARD OF EDUCATION OF HARFORD COUNTY
CAPITAL IMPROVEMENT PROCESS
DEVELOPMENT OF THE FY 2020 CAPITAL IMPROVEMENT PROGRAM

Each year, the Board of Education reviews and analyzes the capital needs of the school system. Factors such as the age of existing facilities, student enrollments, school capacity, population trends, residential development, and existing building systems are all studies to develop a list of capital priorities.

THE CAPITAL IMPROVEMENT SCHEDULE

October 2017 to April 2018.....	Superintendent's Technical Advisory Committee
January to May 2018	CIP Priorities List Developed
June 2018	Facilities Master Plan Approved
July 2018	First Reading of CIP to Board of Education
September 2018	Board of Education Adoption of CIP Priorities
September 2018	Presentation to Planning Advisory Board
October 2018.....	Presentation to Harford County Government
October 2018	Submission to Interagency Committee (IAC)
February 2019	Submission to Harford County Government
May 2019	Approved by Interagency Commission on School Construction
June 2019.....	Approved by Harford County Council
July 2019	Funds Available

BOARD OF EDUCATION OF HARFORD COUNTY								
FISCAL YEAR 2020 - CAPITAL IMPROVEMENT PROGRAM								
Approved Budget								
PROJECT	HCPS PRIORITY	STATE PRIORITY	STATE REQUEST	STATE APPROVED ^{1, 6}	LOCAL REQUEST	LOCAL APPROVED ¹	TOTAL FY 2020 CAPITAL FUNDING APPROVED	TOTAL ³ PROJECT COST
Special Ed Facility Improvements ⁵	1		\$0	N/A	\$842,000	\$842,000	\$842,000	\$842,000
Havre de Grace Middle/High School Replacement	2		\$0	N/A	\$13,486,645	\$13,487,000	\$13,487,000	\$98,539,943
Technology Refresh	3		\$0	N/A	\$13,028,878	\$500,000	\$500,000	\$13,028,878
Joppatowne High School Limited Renovation (Planning)	4		\$0	N/A	\$1,500,000	\$0	\$0	\$2,500,000
Emergency Systems & Communications	5		\$0	N/A	\$479,000	\$0	\$0	\$479,000
Replacement Buses	6		\$0	N/A	\$4,536,000	\$1,296,000	\$1,296,000	\$4,536,000
Security Measures	7		\$0	N/A	\$421,600	\$421,600	\$421,600	\$421,600
Aberdeen Middle School Roof Replacement ^{1, 2}	8	1	\$2,222,000	\$2,222,000	\$123,000	\$123,000	\$2,345,000	\$2,776,000
Roye Williams Elementary School HVAC ¹	9	2	\$4,977,000	\$4,977,000	\$6,980,000	\$6,980,000	\$11,957,000	\$11,720,000
Stormwater Mgt, Erosion, Sediment Control	10		\$0	N/A	\$865,000	\$0	\$0	\$865,000
Environmental Compliance	11		\$0	N/A	\$880,000	\$0	\$0	\$880,000
Outdoor Track Reconditioning	12		\$0	N/A	\$282,000	\$0	\$0	\$282,000
Hickory Elementary School Roof Replacement ¹	13	3	\$960,750	\$378,059	\$879,000	\$879,000	\$1,257,059	\$1,794,000
Major HVAC Repairs	14		\$0	N/A	\$353,000	\$0	\$0	\$353,000
Athletic Fields Repair & Restoration	15		\$0	N/A	\$660,000	\$100,000	\$100,000	\$660,000
Replacement Vehicles	16		\$0	N/A	\$1,500,000	\$0	\$0	\$1,500,000
ADA Improvements	17		\$0	N/A	\$400,000	\$0	\$0	\$400,000
Septic Facility Code Upgrades	18		\$0	N/A	\$75,000	\$0	\$0	\$75,000
George D. Lisby Elementary School HVAC ¹	19	4	\$4,410,000	\$4,410,000	\$5,050,000	\$5,050,000	\$9,460,000	\$9,250,000
North Bend Elementary School Central Plant and Fire Alarm ^{1,4}	20	5	\$976,500	\$976,500	\$1,101,000	\$1,221,000	\$2,197,500	\$2,031,000
Domestic Water & Backflow Prevention	21		\$0	N/A	\$1,135,000	\$0	\$0	\$1,135,000
Technology Education Lab Refresh	22		\$0	N/A	\$300,000	\$0	\$0	\$300,000
Paving - Overlay and Maintenance	23		\$0	N/A	\$1,020,000	\$0	\$0	\$1,020,000
Swimming Pool Renovations	24		\$0	N/A	\$705,000	\$120,000	\$120,000	\$705,000
Building Envelope Improvements	25		\$0	N/A	\$200,000	\$0	\$0	\$200,000
Music Equipment Refresh	26		\$0	N/A	\$75,000	\$0	\$0	\$75,000
Music Technology Labs	27		\$0	N/A	\$200,000	\$0	\$0	\$200,000
Equipment & Furniture Replacement	28		\$0	N/A	\$100,000	\$0	\$0	\$100,000
Textbook/Supplemental Refresh	29		\$0	N/A	\$1,000,000	\$0	\$0	\$1,000,000
Band Uniform Refresh	30		\$0	N/A	\$150,000	\$0	\$0	\$150,000
Playground Equipment	31		\$0	N/A	\$560,000	\$0	\$0	\$560,000
Folding Partition Replacement	32		\$0	N/A	\$100,000	\$0	\$0	\$100,000
Paving - New Parking Areas	33		\$0	N/A	\$400,000	\$0	\$0	\$400,000
CEO Annex and Training Areas HVAC Upgrades	34		\$0	N/A	\$1,860,000	\$0	\$0	\$1,860,000
Floor Covering Replacement	35		\$0	N/A	\$200,000	\$0	\$0	\$200,000
Career & Tech Education Equipment Refresh	36		\$0	N/A	\$275,000	\$0	\$0	\$275,000
Bleacher Replacement	37		\$0	N/A	\$100,000	\$0	\$0	\$100,000
Energy Conservation Measures	38		\$0	N/A	\$250,000	\$0	\$0	\$250,000
Locker Replacement	39		\$0	N/A	\$150,000	\$0	\$0	\$150,000
Relocatable Classrooms	40		\$0	N/A	(257,000)	(257,000)	(257,000)	(257,000)
			\$ 13,546,250	\$ 12,963,559	\$ 61,965,123	\$ 30,762,600	\$ 43,726,159	\$ 161,456,421

Notes

¹ The State and local cost share percentages are updated every 2 years based on a pre-defined formula. The State and local cost share percentages for FY 16 - FY19 were - State 63% and local 37%. When original requests were prepared, the proposed State and local cost share for Harford County was 60% State and 40% local. The State Interagency Commission (IAC) voted to a no loss cost share percentages, therefore the FY 2020 CIP will continue to use the State 63% and local 37% share percentages. This has not been adjusted in the local budget, however, the State approved budget reflects that change.

² The Aberdeen Middle School Roof Replacement project was funded by the county in the FY 2019 CIP. The State did not fund the project due to fiscal constraints. The critical need has moved the project to the #1 State priority. Due to the proposed State and local cost share change, the project will also require additional local funding in FY 2020. The BID results were significantly higher than anticipated. HCPS worked with an on call contractor to adjust the design and lower the cost; however, the project still required additional funding to move forward. The State increased the maximal allowable allocation for the project. HCPS is planning to use State contingency funds to cover the difference. HCPS plans to request the additional local funding needed come from the savings from the local and State share changes.

³ Some projects receive funding over multiple years. The **TOTAL PROJECT COST** column identifies the total cost budgeted for a project receiving funding over multiple fiscal years. The **STATE REQUEST**, **LOCAL REQUEST**, and **TOTAL FY 2020 CAPITAL FUNDING REQUEST** columns identifies the funding requested for fiscal year 2020.

⁴ Amended on November 19, 2018 to include the Fire Alarm in the State Eligible portion of the project.

⁵ Remaining project funding transferred from Portable Capital Account