

Division of Administration – Budget Summary

Overview of the Division

The Division of Administration provides management functions for the transparent, efficient, and effective operation of the school system, supporting the goals of the Strategic Call to Action. Specifically, through its communications and partnership functions, the division provides access and information on student-centered school practices, promoting understanding and inclusivity by communicating district and school information to stakeholders, increasing parent and community engagement, and working with government partners. Through its fiscal management responsibilities, the division supports and advances the goals and desired outcomes for responsive and efficient operations with transparent budget processes and sound financial practices.

The division functions consist of Budget, Finance, Communications, Community and Workforce Engagement, Community Partnerships, and Print Services, with services delivered through ten budgetary programs:

- Chief Administrative Officer
- Partnerships
- Communications and Engagement
- Multimedia Communications
- Budget
- Payroll Services
- Accounting
- Fixed Charges
- Internal Service Fund Charges
- Print Services (Other Funds)

The division has improved fiscal oversight through enhanced budget management, increased financial planning and analysis, and strong collaboration with Division Chiefs to support the Strategic Call to Action commitment to ensure that operations and practices keep students at the heart of all decisions. Additionally, the division supports all school system offices with planning and execution of major system initiatives, crisis response, and improving collaboration with government partners.

Summary of Major Budget Changes for FY 2025

HCPSS faces the financial pressures of a structural deficit due to declining revenues and increasing costs. The budget strategy for FY 2025 rethinks the development of this budget to manage the pressure the structural deficit places on the request for new funding. This is done to align with Board and county requests to bring forward a budget that presents clear choices to reallocate funding from existing services to meet our fiscal obligations for FY 2025. As a result, while the budget includes an increase in funding for mandates, commitments, and priorities, reductions are included in program budgets to offset the overall growth of the budget.

The Division of Administration budget includes:

- Budget additions of \$29.0 million and 3.00 FTE positions.
- Budget reductions of \$(7.7) million and (12.00) FTE positions.
- Net changes to the budget are \$21.3 million more than the current FY 2024 approved budget and (9.00) less FTE positions.

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- Year over year, the division's budget is growing by 8.3 percent. More specific information on these budget changes is explained in the sections below. The schedules summarize the additions and reductions by program.

Budget Additions

All budget additions have been grouped as Mandates, Commitments, and Priorities:

- Mandates are budget changes necessary to meet a specific legal requirement. The mandated cost changes in this year's budget support the continued implementation of the Blueprint for Maryland's Future.
- Commitments are changes made in the budget to support the costs for existing obligations such as contracts and prior negotiated pay and benefits.
- Priorities represent those budget items to support existing policy, Superintendent or Board defined goals and objectives, and specific issues.

Sub-groupings for each of these are provided to summarize the budget dollars and positions included across programs and divisions. The Factors Influencing and Summary of the Budget in the Executive Summary section of the budget book provides the combined summary of budget additions for all divisions and by state category.

A summary of budget additions by grouping is provided below.

The Division of Administration's budget includes new budget cost additions of \$29.0 million and 3.00 FTE positions.

Mandates

- \$3.5 million increase – Blueprint costs requirements for Instructional Technology. Beginning in FY 2025, the Blueprint increases Foundation funding by \$63 per pupil. The funding must be used to support student devices, broadband, and technology staffing. The funds cannot supplant existing funds. The additional funding will support maintaining the student device instructional model.

Commitments

- \$(1.2) million – Year-over-Year Personnel Cost Change. This adjustment will appear in all program budgets that have budgeted personnel. A complete explanation for these changes is included in the Factors Influencing and Summary of the Budget schedule.
- \$18.8 million – Fixed Charges, including funding the actuarial project cost for employee health insurance, workers' compensation, and other benefits.
- \$2.9 million – benefit costs for new employees.

Priorities

- \$3.1 million – marker for employee compensation increases. This includes the centrally budgeted FICA and pension costs for compensation increases in all divisions.
- \$1.4 million – maintain current deployment of student devices and contractual cost increases.

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- \$82,361 and 1.00 FTE position – maintain a grant funded position in the Accounting Office that is critical support for grants accounting and reporting.
- \$122,400 and 2.00 FTE positions – add two Accounting Clerks to improve the accounting process, ensure adequate review and controls, support the current volume of work, and support the increase in reporting requirements related to the Blueprint.
- \$253,535 – increase to Internal Service Fund charges due to the lack of available fund balance in the Print Services Fund.
- \$1,000 – fund mileage reimbursement liability due to elimination of monthly mileage stipends.

Budget Reductions

Each division budget includes reductions to offset the expenditure increases in this budget. For each division and its programs, these reductions are grouped as Programmatic School-Based and Programmatic Non-School-Based.

- Programmatic School-Based are budget reductions directly affecting the classroom and schools. The reductions are sub-grouped by certain programmatic areas and services to summarize where budget dollars and positions are being reduced across programs and divisions.
- Programmatic Non-School-Based are reductions to Central Office services and systemwide costs that support students, staff, and the operation of schools. These reductions are sub-grouped into reductions affecting personnel and non-personnel reductions.

The Factors Influencing and Summary of the Budget in the Executive Summary section of the budget book provides a combined summary of budget reductions by group and sub-group for all divisions and by state category.

A high-level overview of major reductions and the service impact(s) for the Division of Administration budget are shown below.

The Division of Administration budget includes reductions of \$(7.7) million and (12.00) FTE positions. All the reductions are programmatic non-school based.

Programmatic Non-School-Based

- \$(89,269) and (1.00) FTE position – Program 0301 Chief Administrative Officer: Elimination of 1.00 Executive Assistant position.
 - Impact: The work to produce three budget books will be shifted to the budget staff decreasing capacity to perform budget analysis and other analytic work to support the budget development and deliberation processes. It will also result in increased workload during peak budget development, heightening risks of burnout and error. Administrative support for tracking, review, and approvals will be shifted to other staff, increasing workload.

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- \$(140,453) and (1.00) FTE position – Program 0105 Partnerships: Elimination of 1.00 Partnerships Manager position.
 - Impact: This will decrease the Partnerships Office staffing by 50 percent and will require a decrease in support to schools with partnership agreements. Additionally, system offices will receive limited support with Memorandum of Understanding/Agreement (MOU/MOA) management and negotiations. This will increase workload for other staff within Administration as well as in Legal and Purchasing to support the management of MOUs/MOAs.
- \$(454,700) – Program 0203 Budget: Elimination of funding to implement a new budget system.
 - Impact: This will impact the replacement of an aging budget system, make budget reporting laborious, and increase workload on Budget office staff as the Blueprint reporting requirements are implemented.
- \$(64,844) and (1.00) FTE position – Program 0204 Payroll: Elimination of 1.00 Technical Assistant
 - Impact: This is part of a reorganization of the Accounting and Payroll offices for a net budget savings but will add needed capacity for the current volume of work and increased reporting requirements.
- \$(207,914) and (2.00) FTE positions – Program 0206 Accounting: Elimination of 1.0 Accounting Analyst II, Financial Reporting and 1.0 Treasury Accountant.
 - Impact: This is part of a reorganization of the Accounting and Payroll offices for a net budget savings but will add needed capacity for the current volume of work and increased reporting requirements.
- \$(35,550) – Program 0302 Communications and Engagement: Decrease of Bright Minds contribution and other non-personnel expenditures.
 - Impact: Bright Minds will have less funding to spend on programs, and they will need to raise additional funds to offset this reduction.
- \$(7,714,824) – Program 8001 Fixed Charges: Decrease of employee benefits related to personnel reductions and a 50 percent reduction in the benefit credit for employees beginning January 2025, generating \$775,000 in estimated savings.
 - Impact: The impact of the decreases in employee benefit costs are directly related to the position reductions explained in each divisional summary.
 - Impact: The benefit credit reduction will represent a decrease in the benefit credit received by all employees enrolled in health insurance benefits.
- \$(1,304,651) and (7.00) FTE positions – Program 8002 Internal Service Fund Charges. This represents the General Fund impact of the changes in two internal Service Funds: Print Services (9713) and Technology Services (9714).
 - \$(253,535) and (2.00) FTE positions – Program 9713 Print Services: Elimination of 1.00 Audiovisual Producer and 1.00 Equipment Operator
 - Impact: This will reduce graphic design and publication support for system documents, including course catalogs, programs, brochures, flyers, and other materials, and will require offices to submit print-ready documents. Print Services may reduce the total print volume and will increase the current 48-hour turnaround time to adjust the

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- workload for remaining employees. The system will discontinue production of large-scale graphics for school aesthetics.
- \$(1,051,116) and (5.00) FTE positions – Program 9714 Technology Services: Elimination of 1.00 Manager, 1.00 Analyst, 2.00 Technicians, and 1.00 Technology Support, and reductions in supplies and equipment costs.
 - Impact: Overall, these reductions will increase IT implementation and support time and delay lifecycle replacement. This will increase Chromebook and device repair time and reduce schools’ access to IT Technicians. Staff will have reduced access to hands-on support for HCPSS cell phones. Furthermore, the reduction will increase the implementation time of the development of new and modifications to HCPSS information system functionalities.

Position Reduction List

Division/Dept	Program	Classification Job Title	FTE Count
Administration	Accounting-0206	ACCOUNTANT	(1.00)
		ACCOUNTING ANALYST	(1.00)
	Chief Administrative Officer-0301	EXECUTIVE ASSISTANT	(1.00)
		Partnerships-0105	MANAGER
	Payroll-0204	TECHNICAL ASSISTANT	(1.00)
	Print Services-9713	AUDIOVISUAL PRODUCER	(1.00)
		REPRO EQUIPMENT OPERATOR	(1.00)
		Technology Services-9714	ANALYST
	MANAGER		(1.00)
	TECHNICIAN		(2.00)
	TECHNOLOGY SUPPORT		(1.00)

Note: This list includes the (7.0) position reductions in the Print Services Fund and Technology Services Fund. These positions are funded through program 8002.

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SUMMARY OF FY 2025 REQUESTED BUDGET									
Program Number	Approved Budget FY 2024	Total Additions	Total Reductions	Net Budget Changes FTE	Board of Education Requested FY 2025	\$ Change From FY 2024	% Change from FY 2024		
Chief Administrative Officer									
0301	\$ 654,062	\$ 138,674	\$ (89,269)	(1.00)	\$ 703,467	\$ 49,405	7.55%		
Partnerships									
0105	250,569	2,005	(140,453)	(1.00)	112,121	(138,448)	-55.25%		
Budget									
0203	1,391,868	20,434	(454,700)	-	957,602	(434,266)	-31.20%		
Payroll Services									
0204	924,498	(49,165)	(64,844)	(1.00)	810,489	(114,009)	-12.33%		
Accounting									
0206	1,293,181	261,941	(207,914)	1.00	1,347,208	54,027	4.18%		
Communications and Engagement									
0302	524,086	4,524	(35,550)	-	493,060	(31,026)	-5.92%		
Multimedia Communications									
2701	913,177	18,944	(16,750)	-	915,371	2,194	0.24%		
Fixed Charges									
8001	228,834,652	23,414,308	(5,415,549)	-	246,833,411	17,998,759	7.87%		
Internal Service Fund Charges									
8002	21,616,760	5,184,648	(1,304,651)	(7.00)	25,496,757	3,879,997	17.95%		
Administration Total	\$ 256,402,853	\$ 28,996,313	\$ (7,729,680)	(9.00)	\$ 277,669,486	\$ 21,266,633	8.29%		

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Requested FY 2025 Budget Changes														
BUDGET ADDITIONS	Mandates			Commitments			Priorities					FY 2025 Requested		
	Program Number	Blueprint-Instructional Technology	Year over Year Personnel Cost Change	Financial Obligations	Benefit Costs for New Positions	Employee Compensation Marker	Technology and Student Devices	COVID-Grants Transition	COVID-Grants Transition	COVID-Grants Transition	FTE	Other FTE	Total Additions	Total Additions FTE
Chief Administrative Officer														
0301	\$ -	\$ 115,919	\$ -	\$ -	\$ 21,755	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ 138,674	-
Partnerships														
0105	-	(974)	-	-	2,979	-	-	-	-	-	-	-	2,005	-
Budget														
0203	-	1	-	-	20,433	-	-	-	-	-	-	-	20,434	-
Payroll Services														
0204	-	(67,048)	-	-	17,883	-	-	-	-	-	-	-	(49,165)	-
Accounting														
0206	-	25,517	-	-	31,663	-	82,361	1.00	122,400	2.00	-	-	261,941	3.00
Communications and Engagement														
0302	-	(13,340)	-	-	17,864	-	-	-	-	-	-	-	4,524	-
Multimedia Communications														
2701	-	(1,107)	-	-	20,051	-	-	-	-	-	-	-	18,944	-
Fixed Charges														
8001	-	(1,273,535)	18,823,017	2,896,225	2,968,601	-	-	-	-	-	-	-	23,414,308	-
Internal Service Fund Charges														
8002	3,528,425	-	-	-	-	1,402,688	-	-	253,535	-	-	-	5,184,648	-
Administration Total	\$ 3,528,425	\$ (1,214,567)	\$ 18,823,017	\$ 2,896,225	\$ 3,101,229	\$ 1,402,688	\$ 82,361	1.00	\$ 376,935	2.00	\$ 28,996,313	\$ 28,996,313	3.00	\$ 3.00

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BUDGET REDUCTIONS		Requested FY 2025 Budget Changes					FY 2025 Requested
		Programmatic-Non School Based					Total
Program	Program Number	Personnel	Personnel FTE	Non- Personnel	Employee Benefits	Total Reductions	Reductions FTE
Chief Administrative Officer	0301	\$ (77,349)	(1.00)	\$ (11,920)	-	\$ (89,269)	(1.00)
Partnerships	0105	(134,153)	(1.00)	(6,300)	-	(140,453)	(1.00)
Budget	0203	-	-	(454,700)	-	(454,700)	-
Payroll Services	0204	(61,200)	(1.00)	(3,644)	-	(64,844)	(1.00)
Accounting	0206	(256,639)	(2.00)	48,725	-	(207,914)	(2.00)
Communications and Engagement	0302	-	-	(35,550)	-	(35,550)	-
Multimedia Communications	2701	-	-	(16,750)	-	(16,750)	-
Fixed Charges	8001	-	-	(75,000)	(5,340,549)	(5,415,549)	-
Internal Service Fund Charges	8002	(1,224,351)	(7.00)	(80,300)	-	(1,304,651)	(7.00)
Administration Total		\$ (1,753,692)	(12.00)	\$ (635,439)	\$ (5,340,549)	\$ (7,729,680)	(12.00)