

## Division of Operations – Budget Summary

### Overview of the Division

The purpose of the Division of Operations is to provide quality services that promote equity for all stakeholders, enhancing the learning and work environment and academic and professional achievement. Each program provides services that ensure the essential operational and logistical services needed to support instruction and the work environment are delivered to students and employees.

The services of this Division are delivered through the following program's budgets:

- Chief Operating Officer
- School Construction
- School Planning
- Student Transportation
- Custodial Services
- Utilities
- Energy Management
- Logistics Center
- Environment
- Facilities Administration
- Building Maintenance
- Grounds Maintenance
- Fleet Management
- Use of Facilities
- Food and Nutrition Service

The Division of Operations for Howard County Public School System (HCPSS) operates 79 public education facilities, and 3 administrative office buildings comprised of approximately 9 million gross square feet of space. The HCPSS portfolio serves over 57,000 students, and over 9,000 teachers and staff. The Division of Operations is charged with the operations and maintenance of HCPSS assets as well as planning for renovations and new construction through facility planning, design, and construction related activities. Additional services include providing food and nutrition services, student transportation, organizational logistics support, fleet management services, and administering school system environmental, energy resource conservation and use of facility programs.

To carry out this charge, departments within the Division of Operations manage Comprehensive Maintenance Program (CMP) and Education Facilities Masterplan (EFMP) programs that are designed to align internal resources with outsourced management services. Programs are structured to ensure school facilities and grounds are kept in a state of good repair. Additionally, federal, state, and local requirements are met ensuring that students are safely transported to schools, programs, and extra-curricular activities and are fed nutritional meals in accordance with established guidelines.

Facilities, building systems, equipment, and vehicles can reach the point where repair and maintenance are no longer cost effective and full replacement is needed. When this occurs, requirements are identified for inclusion in the HCPSS Capital Improvement Program (CIP). The CIP is designed to address life and safety requirements, provide building occupants with a safe and healthy learning environment.

The procurement of contracted services, supplies and materials, and the deployment of internal staffing resources, are managed within the fiscal parameters and authority set under the school system's operating budget. All services are organized and delivered for the purpose of supporting the needs of students, staff, and programs throughout the Howard County public school community.

## Division of Operations – Budget Summary

### Summary of Major Budget Changes for FY 2026

The budget for the Division of Operations is increasing by a total of \$32.04 million or 24.12 percent compared to the FY 2025 budget. This total change is for budget additions and budget realignments. The amount of change for each is:

- Budget additions equal \$13.61 million, an increase of 10.24 percent.
- Budget realignments equal \$18.43 million.

More specific information on these budget changes is explained below which are followed by schedules summarizing the Division budget and changes by program.

Budget changes are grouped as Mandates, Commitments, Priorities and Realignments.

- 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.
- Realignments represent transfer of funds between programs, state categories and/or spend categories to support existing requirements. Realignments are budget neutral, although there can be significant changes between programs and accounts. The FY 2026 budget includes a significant movement of budget authority for budgetary realignments that have been done for three purposes:
  - Realignments to meet Blueprint Minimum School Fund reporting requirements. For FY 2026, employee benefits (Social Security, Medicare, pension, and health insurance) have been realigned from the Fixed Charges budget (Program 8001) into each program budget. As a result, all program budgets with positions will show a significant increase in budget reflecting the cost of the employee benefits in the program.
  - Realignments for the Superintendent's reorganization of divisions and programs done in July 2025.
  - Realignments of existing budget authority to meet budgetary needs and properly classify expenditures by state category, division, program, and/or account.

Budget additions for Mandates, Commitments, Priorities, and Realignments are sub-grouped for clearer understanding of the reason(s) for the budget changes in the division and programs. Each division summary section provides a narrative explanation of budget changes and schedules that present the changes in budget dollars and full-time equivalent (FTE) positions from the current budget. The Factors Influencing and Summary of the Budget in the Executive Summary section of the budget book provides the combined summary of budget changes for all divisions and by state category.

## Division of Operations – Budget Summary

A summary of budget changes for this division is provided below.

### *Commitments*

- \$3,704 – Benefit costs for the reclassification of Preventative Maintenance Mechanics.
- \$5,307,340 – Contracted specialized bus transportation increases based on historical trends and increased enrollment for students with special needs.
- \$1,210,000 – Contracted bus transportation increases related to the implementation of Policy 5200, which decreases the walk zone for schools.
- \$81,297 – Contractual increases in lease agreements for the Logistics Center and the Stanford Building.
- \$800,700 – Health Insurance cost increases based on preliminary actuarial estimates.
- \$30,091 – Reclassification of Preventative Maintenance Mechanics.
- \$227,711 – Estimated change in retirement costs for Division of Operations positions .
- \$1,609,229 – Estimated increase in utilities based on projected rate increases and usage.
- \$229,173 – 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 in the Executive Summary section of the budget book.

### *Priorities*

- \$2.09 million – Placeholder for employee compensation increases subject to collective bargaining.
- \$1.00 million – Increase for school security enhancement projects.
- \$210,000 – Estimated increase for the trash and recycling contract, based on the expiration of the current contract in FY 2025 and the projected increase in rates under the new contract to be issued.
- \$805,000 – Increase for one-time costs to replace aging equipment and software.

### *Realignments*

- \$18,323,649 – Realignment of Employee Health Insurance, Social Security, Medicare, and Retirement from Fixed Charges to the programs in the Division of Operations.
- \$106,000 – Realignment of Howard County Community College shuttle services from Postsecondary Access (2802) program to Student Transportation (6801) program.

Summary schedules of these changes are presented in the following pages.

# Division of Operations – Budget Summary

| SUMMARY OF FY 2026 REQUESTED BUDGET |                |                         |                 |                    |                    |                        |                                 |                         |                        |                       |  |
|-------------------------------------|----------------|-------------------------|-----------------|--------------------|--------------------|------------------------|---------------------------------|-------------------------|------------------------|-----------------------|--|
| Program                             | Program Number | Approved Budget FY 2025 | Total Additions | Total Realignments | Net Budget Changes | Net Budget Changes FTE | Superintendent Proposed FY 2026 | Board Requested FY 2026 | \$ Change From FY 2025 | % Change from FY 2025 |  |
| Chief Operating Officer             | 0201           | \$ 302,228              | \$ 51,430       | \$ 92,205          | \$ 143,635         | -                      | \$ 442,860                      | 445,863                 | \$ 143,635             | 47.53%                |  |
| School Construction                 | 0202           | 815,665                 | 68,143          | 253,872            | 322,015            | -                      | 1,129,791                       | 1,137,680               | 322,015                | 39.48%                |  |
| School Planning                     | 0212           | 381,376                 | 27,205          | 103,393            | 130,598            | -                      | 508,471                         | 511,974                 | 130,598                | 34.24%                |  |
| Student Transportation              | 6801           | 64,106,852              | 7,230,561       | 999,431            | 8,229,992          | -                      | 71,810,445                      | 72,336,844              | 8,229,992              | 12.84%                |  |
| Custodial Services                  | 7102           | 25,512,828              | 2,108,047       | 12,113,672         | 14,221,719         | -                      | 39,512,352                      | 39,734,547              | 14,221,719             | 55.74%                |  |
| Utilities                           | 7201           | 16,493,126              | 1,609,229       | 1,652,640          | 3,261,869          | -                      | 19,754,995                      | 19,754,995              | 3,261,869              | 19.78%                |  |
| Energy Management                   | 7202           | 2,020                   | -               | -                  | -                  | -                      | 2,020                           | 2,020                   | -                      | 0.00%                 |  |
| Logistics Center                    | 7301           | 1,925,960               | 178,206         | 461,107            | 639,313            | -                      | 2,554,096                       | 2,565,273               | 639,313                | 33.19%                |  |
| Environment                         | 7402           | 578,620                 | 18,163          | 100,212            | 118,375            | -                      | 694,182                         | 696,995                 | 118,375                | 20.46%                |  |
| Facilities Administration           | 7601           | 1,070,676               | 52,616          | 182,802            | 235,418            | -                      | 1,300,240                       | 1,306,094               | 235,418                | 21.99%                |  |
| Building Maintenance                | 7602           | 13,258,086              | 1,686,335       | 3,180,792          | 4,867,127          | -                      | 16,905,238                      | 18,125,213              | 4,867,127              | 36.71%                |  |
| Grounds Maintenance                 | 7801           | 3,522,925               | 331,226         | 1,329,328          | 1,660,554          | -                      | 5,153,533                       | 5,183,479               | 1,660,554              | 47.14%                |  |
| Fleet Management                    | 7802           | 2,200,595               | 211,007         | 239,450            | 450,457            | -                      | 2,489,671                       | 2,651,052               | 450,457                | 20.47%                |  |
| Use of Facilities                   | 9301           | 2,651,810               | 34,322          | (2,279,255)        | (2,244,933)        | -                      | 404,213                         | 406,877                 | (2,244,933)            | -84.66%               |  |
| Operations Total                    |                | \$ 132,822,767          | \$ 13,606,490   | \$ 18,429,649      | \$ 32,036,139      | -                      | \$ 162,662,107                  | \$ 164,858,906          | \$ 32,036,139          | 24.12%                |  |

# Division of Operations – Budget Summary

| SUMMARY OF FY 2026 BUDGET CHANGES BY PROGRAM AND SUMMARY GROUPINGS |   |                         |     |                     |     |                 |     |                        |     |               |
|--|---|-------------------------|-----|---------------------|-----|-----------------|-----|------------------------|-----|---------------|
| COMMITMENTS  | PROGRAMS                                  | 0201                    |     | 0202                |     | 0212            |     | 6801                   |     | 7102          |
|  |   | Chief Operating Officer | FTE | School Construction | FTE | School Planning | FTE | Student Transportation | FTE |               |
|  | Benefit Cost-New Positions/Salaries/Wages | \$ -                    | -   | \$ -                | -   | \$ -            | -   | \$ -                   | -   | \$ 1,331      |
|  | Bus Contracts-Obligated Increase          | -                       | -   | -                   | -   | -               | -   | 5,307,340              | -   | -             |
|  | Bus Contracts-Walk Zone                   | -                       | -   | -                   | -   | -               | -   | 1,210,000              | -   | -             |
|  | Contractual Obligation                    | -                       | -   | -                   | -   | -               | -   | -                      | -   | -             |
|  | Health Insurance                          | 2,545                   | -   | 8,269               | -   | 3,817           | -   | 29,262                 | -   | 552,798       |
|  | Reclassifications                         | -                       | -   | -                   | -   | -               | -   | -                      | -   | 10,816        |
|  | Retirement                                | 1,889                   | -   | 6,878               | -   | 1,924           | -   | 25,680                 | -   | 109,587       |
|  | Utilities                                 | -                       | -   | -                   | -   | -               | -   | -                      | -   | -             |
|  | Year over Year Personnel Cost Change      | 35,820                  | -   | 13,879              | -   | 1,206           | -   | 22,520                 | -   | (28,188)      |
| Subtotal Commitments   |   | 40,254                  | -   | 29,026              | -   | 6,947           | -   | 6,594,802              | -   | 646,344       |
| PRIORITIES   |   |                         |     |                     |     |                 |     |                        |     |               |
|  | Employee Compensation                     | 11,176                  | -   | 39,117              | -   | 20,258          | -   | 135,759                | -   | 1,251,703     |
|  | School Safety and Security                | -                       | -   | -                   | -   | -               | -   | -                      | -   | -             |
|  | Facilities and Maintenance                | -                       | -   | -                   | -   | -               | -   | -                      | -   | 210,000       |
|  | Priorities-Other                          | -                       | -   | -                   | -   | -               | -   | 500,000                | -   | -             |
| Subtotal Priorities  |   | 11,176                  | -   | 39,117              | -   | 20,258          | -   | 635,759                | -   | 1,461,703     |
|  |   |                         |     |                     |     |                 |     |                        |     |               |
| SUBTOTAL BUDGET ADDITIONS  |   | 51,430                  | -   | 68,143              | -   | 27,205          | -   | 7,230,561              | -   | 2,108,047     |
|  |   |                         |     |                     |     |                 |     |                        |     |               |
|  | Budget Realignments                       | 92,205                  | -   | 253,872             | -   | 103,393         | -   | 999,431                | -   | 12,113,672    |
|  |   |                         |     |                     |     |                 |     |                        |     |               |
|  | DIVISION TOTAL \$                         | 143,635                 | -   | \$ 322,015          | -   | \$ 130,598      | -   | \$ 8,229,992           | -   | \$ 14,221,719 |

# Division of Operations – Budget Summary

| SUMMARY OF FY 2026 BUDGET CHANGES BY PROGRAM AND SUMMARY GROUPINGS |              |     |                   |     |                  |     |             |     |                |            |
|--|--------------|-----|-------------------|-----|------------------|-----|-------------|-----|----------------|------------|
| PROGRAMS   | 7201         |     | 7202              |     | 7301             |     | 7402        |     | 7601           |            |
|  | Utilities    | FTE | Energy Management | FTE | Logistics Center | FTE | Environment | FTE | Administration | Facilities |
| COMMITMENTS  |              |     |                   |     |                  |     |             |     |                |            |
| Benefit Cost-New Positions/Salaries/Wages                          | \$           | -   | \$                | -   | \$               | -   | \$          | -   | \$             | -          |
| Bus Contracts-Obligated Increase                                   |              | -   |                   | -   |                  | -   |             | -   |                | -          |
| Bus Contracts-Walk Zone  |              | -   |                   | -   |                  | -   |             | -   |                | -          |
| Contractual Obligation   |              | -   |                   | -   | 70,197           | -   |             | -   |                | 11,100     |
| Health Insurance   |              | -   |                   | -   | 18,766           | -   | 3,817       | -   |                | 6,361      |
| Reclassifications  |              | -   |                   | -   |                  | -   |             | -   |                | -          |
| Retirement   |              | -   |                   | -   | 10,327           | -   | 2,483       | -   |                | 4,454      |
| Utilities  | 1,609,229    | -   |                   | -   |                  | -   |             | -   |                | -          |
| Year over Year Personnel Cost Change                               |              | -   |                   | -   | 15,974           | -   | (4,027)     | -   |                | 3,476      |
| Subtotal Commitments   | 1,609,229    | -   | -                 | -   | 115,264          | -   | 2,273       | -   | -              | 25,391     |
| PRIORITIES   |              |     |                   |     |                  |     |             |     |                |            |
| Employee Compensation  |              | -   |                   | -   | 62,942           | -   | 15,890      | -   |                | 27,225     |
| School Safety and Security   |              | -   |                   | -   |                  | -   |             | -   |                | -          |
| Facilities and Maintenance   |              | -   |                   | -   |                  | -   |             | -   |                | -          |
| Priorities-Other   |              | -   |                   | -   |                  | -   |             | -   |                | -          |
| Subtotal Priorities  |              | -   | -                 | -   | 62,942           | -   | 15,890      | -   | -              | 27,225     |
| SUBTOTAL BUDGET ADDITIONS  | 1,609,229    | -   | -                 | -   | 178,206          | -   | 18,163      | -   | -              | 52,616     |
| Budget Realignments  | 1,652,640    | -   | -                 | -   | 461,107          | -   | 100,212     | -   | -              | 182,802    |
| DIVISION TOTAL   | \$ 3,261,869 | -   | \$                | -   | \$ 639,313       | -   | \$ 118,375  | -   | \$             | 235,418    |

# Division of Operations – Budget Summary

| SUMMARY OF FY 2026 BUDGET CHANGES BY PROGRAM AND SUMMARY GROUPINGS |   |                     |     |                     |     |                   |     |                        |   |
|--|---|---------------------|-----|---------------------|-----|-------------------|-----|------------------------|---|
| COMMITMENTS  | PROGRAMS                                  | 7602 Building       |     | 7801 Grounds        |     | 7802 Fleet        |     | 9301 Use of Facilities |   |
|  |   | Maintenance         | FTE | Maintenance         | FTE | Management        | FTE |                        |   |
|  | Benefit Cost-New Positions/Salaries/Wages | \$ 2,373            | -   | \$ -                | -   | \$ -              | -   | \$ -                   | - |
|  | Bus Contracts-Obligated Increase          | -                   | -   | -                   | -   | -                 | -   | -                      | - |
|  | Bus Contracts-Walk Zone                   | -                   | -   | -                   | -   | -                 | -   | -                      | - |
|  | Contractual Obligation                    | -                   | -   | -                   | -   | -                 | -   | -                      | - |
|  | Health Insurance                          | 106,871             | -   | 55,980              | -   | 8,906             | -   | 3,308                  | - |
|  | Reclassifications                         | 19,275              | -   | -                   | -   | -                 | -   | -                      | - |
|  | Retirement                                | 40,823              | -   | 15,576              | -   | 6,102             | -   | 1,988                  | - |
|  | Utilities                                 | -                   | -   | -                   | -   | -                 | -   | -                      | - |
|  | Year over Year Personnel Cost Change      | 36,463              | -   | 107,550             | -   | 11,108            | -   | 13,392                 | - |
|  |   | <b>205,805</b>      | -   | <b>179,106</b>      | -   | <b>26,116</b>     | -   | <b>18,688</b>          | - |
| <b>Subtotal Commitments</b>  |   |                     |     |                     |     |                   |     |                        |   |
| <b>PRIORITIES</b>  |   |                     |     |                     |     |                   |     |                        |   |
|  | Employee Compensation                     | 330,530             | -   | 152,120             | -   | 29,891            | -   | 15,634                 | - |
|  | School Safety and Security                | 1,000,000           | -   | -                   | -   | -                 | -   | -                      | - |
|  | Facilities and Maintenance                | -                   | -   | -                   | -   | -                 | -   | -                      | - |
|  | Priorities-Other                          | 150,000             | -   | -                   | -   | 155,000           | -   | -                      | - |
|  |   | <b>1,480,530</b>    | -   | <b>152,120</b>      | -   | <b>184,891</b>    | -   | <b>15,634</b>          | - |
| <b>Subtotal Priorities</b>   |   |                     |     |                     |     |                   |     |                        |   |
| <b>SUBTOTAL BUDGET ADDITIONS</b>                                   |   |                     |     |                     |     |                   |     |                        |   |
|  |   | <b>1,686,335</b>    | -   | <b>331,226</b>      | -   | <b>211,007</b>    | -   | <b>34,322</b>          | - |
|  | Budget Realignments                       | 3,180,792           | -   | 1,329,328           | -   | 239,450           | -   | (2,279,255)            | - |
|  |   | <b>4,867,127</b>    | -   | <b>1,660,554</b>    | -   | <b>450,457</b>    | -   | <b>(2,244,933)</b>     | - |
| <b>DIVISION TOTAL</b>  |   |                     |     |                     |     |                   |     |                        |   |
|  |   | <b>\$ 4,867,127</b> | -   | <b>\$ 1,660,554</b> | -   | <b>\$ 450,457</b> | -   | <b>\$ (2,244,933)</b>  | - |
|  |   |                     |     |                     |     |                   |     | <b>\$ 32,036,139</b>   | - |