

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 78 schools and 3 administrative office buildings comprised of approximately 9 million gross square feet of space. The HCPSS portfolio serves over 57,000 students, and almost 9,000 teachers and staff. The Division of Operations is charged with the operations and maintenance of HCPSS assets as well as planning 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, providing 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.

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Summary of Major Budget Changes for FY 2027

The budget for the Division of Operations is increasing by a total of \$9.9 million or 6.01 percent compared to the FY 2026 budget. This total change in budget supports funding for existing service commitments, employee compensation and benefits, priorities, and realignments. The specific amounts for each major budget grouping are:

- Existing Service Commitments – \$7.8 million
- Employee Compensation and Benefits – \$3.5 million
- Priorities – \$146,711
- One-Time Funding Items – \$(1.3) million
- Realignments – \$(210,000)

These budget groups are used to explain why the budget is changing by organizing adjustments into major categories and subcategories. Definitions of each major group, along with associated subgroups, are provided below. Note, some divisions will not have budget changes in every major group or subgroup.

Existing Service Commitments reflect budget changes necessary to continue the provision of current services. These changes include, but are not limited to:

- Blueprint for Maryland's Future
 - Collaborative Time Per Pupil
 - Multilingual Learners
 - Prekindergarten Expansion
- Staffing changes based on enrollment fluctuations
- Special education service levels, contract costs, compliance requirements, and non-public placements
- Student transportation
- Financial and contractual obligations
- Position reclassifications
- Utilities
- Year-over-year personnel cost changes
- Other cost changes required to maintain existing services

Employee Compensation and Benefits include budget changes that support employee pay and benefit obligations and projected cost increases, such as:

- Employee compensation placeholders for negotiated labor contracts and contracts under negotiation
- Costs associated with previously negotiated pay and benefits
- Employee health insurance changes based on actuarial projections and centrally determined rates
- Blueprint-related National Board Certification and maintenance pay
- Other employee benefit cost adjustments

Priorities represent budget changes that support existing policies, Superintendent or Board-defined goals, and Strategic Plan priorities, including:

- Strengthen Learning & Instruction
- Cultivate Student Belonging & Well-Being
- Foster Staff Growth & Engagement
- Enhance Systemic Planning & Procedures
- Partner with Families & Community

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One-Time Funding Items consist of non-recurring budget costs that have been specifically approved by the Maryland State Department of Education as one-time expenditures.

Base Budget Reductions are reductions to existing services funded in the base budget (FY 2026 Approved Budget) that are implemented to align expenditure growth with available revenue. These reductions are categorized as:

- School-Based Reductions, which directly affect school instruction and operations; and
- Non-School-Based Reductions, which impact Central Office services and systemwide costs that support students, staff, and school operations.

Realignments represent transfers of funds between programs, state categories, and/or expenditure categories to support existing requirements. While realignments are budget neutral overall, they may result in significant changes among programs and accounts. The FY 2027 budget includes realignments for two primary purposes:

- Adjustments related to the reorganization of divisions and programs; and
- Redistribution of existing budget authority to address budgetary needs and ensure expenditures are properly classified by state category, division, program, and/or account.

This Division Summary section provides a narrative explanation of budget changes, accompanied by supporting schedules that present changes in budgeted dollars and full-time equivalent (FTE) positions relative to the current budget. A consolidated summary of budget changes for all divisions and by state category is provided in the ***Factors Influencing and Summary of the Budget*** section of the Executive Summary in the budget book.

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

Existing Service Commitments

- \$5.4 million – Contractual increases for bus transportation based on historical trends
 - \$2.9 million for general budget routes
 - \$2.4 million for nonpublic and specialized transportation routes
 - \$133,225 for other routes
- \$1.6 million – Projected net increase in utilities, primarily driven by an increase in gas and electric rates.
- \$82,000 – Contractual increases for trash management
- \$39,000 – Contractual increases including \$37,000 for HVAC water treatment services and chiller maintenance and repair in Building Maintenance, and \$2,000 for contractual obligations in Grounds Maintenance.
- \$22,417 – Additional software module to incorporate Fleet Management services, improving efficiency for an existing service.
- \$609,567 – 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 in the Executive Summary section of the budget book.

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Employee Compensation and Benefits

- \$1.8 million – Placeholder for employee compensation increases subject to collective bargaining.
- \$1.2 million – Health Insurance cost increases based on preliminary actuarial estimates.
- \$430,600 – Employee compensation increases for overtime costs

Priorities

- \$136,711 – to support *Enhance Systemic Planning and Procedures* through organizational restructuring
- \$10,000 – Safety equipment for transportation.

One-Time Funding Items

- \$(1.3) million – Removal of one-time funding items approved by MSDE in the FY 2026 Approved Budget in Building Maintenance (7602) and Fleet Management (7802).

Realignments

- \$(200,000) – Realignment of parent reimbursements for nonpublic placements from Student Transportation (6801) to Special Education Compliance and Nonpublic Services (3328).
- \$(10,000) – Realignment of Iron Mountain document storage contract management from Logistics Center (7301) to the Division of the Deputy Superintendent, Human Resources (0303).

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

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SUMMARY OF FY 2027 SUPERINTENDENT'S PROPOSED BUDGET										
Program	Program Number	Approved Budget FY 2026	Budget Additions and Base Reductions	Total Realignments	Net Budget Changes	Net Budget Changes FTE	Superintendent Proposed FY 2027	\$ Change From FY 2026	% Change from FY 2026	
Chief Operating Officer	0201	\$ 444,825	\$ 153,795	\$ -	\$ 153,795	-	\$ 598,620	\$ 153,795	34.57%	
School Construction	0202	1,132,954	67,416	-	67,416	-	1,200,370	67,416	5.95%	
School Planning	0212	509,764	27,531	-	27,531	-	537,295	27,531	5.40%	
Student Transportation	6801	71,838,754	5,595,458	(200,000)	5,395,458	-	77,234,212	5,395,458	7.51%	
Custodial Services	7102	39,620,908	2,897,575	-	2,897,575	-	42,518,483	2,897,575	7.31%	
Utilities	7201	19,754,995	1,628,959	-	1,628,959	-	21,383,954	1,628,959	8.25%	
Energy Management	7202	2,020	-	-	-	-	2,020	-	0.00%	
Logistics Center	7301	2,566,079	110,741	(10,000)	100,741	-	2,666,820	100,741	3.93%	
Environment	7402	697,289	(5,964)	-	(5,964)	-	691,325	(5,964)	-0.86%	
Facilities Administration	7601	1,306,767	66,365	-	66,365	-	1,373,132	66,365	5.08%	
Building Maintenance	7602	18,089,557	(712,664)	-	(712,664)	-	17,376,893	(712,664)	-3.94%	
Grounds Maintenance	7801	4,910,639	329,659	-	329,659	-	5,240,298	329,659	6.71%	
Fleet Management	7802	2,651,514	(106,825)	-	(106,825)	-	2,544,689	(106,825)	-4.03%	
Use of Facilities	9301	407,068	16,087	-	16,087	-	423,155	16,087	3.95%	
Operations Total		\$ 163,933,133	\$ 10,068,133	\$ (210,000)	\$ 9,858,133	-	\$ 173,791,266	\$ 9,858,133	6.01%	

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SUMMARY OF FY 2027 BUDGET CHANGES BY PROGRAM AND SUMMARY GROUPINGS									
General Fund	0201 Chief Operating Officer	0202 School Construction	0212 School Planning	6801 Student Transportation	7102 Custodial Services	FTE	FTE	FTE	FTE
PROGRAMS									
EXISTING SERVICE COMMITMENTS									
Bus Contracts-Obligated Increase	\$ -	\$ -	\$ -	\$ 5,386,089	\$ -	-	-	-	-
Contractual Obligation	-	-	-	-	-	-	-	-	82,000
Existing Services-Other	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-
Year over Year Personnel Cost Change	4,927	13,848	4,092	46,073	-	-	-	-	422,973
Subtotal Existing Service Commitments	4,927	13,848	4,092	5,432,162	-	-	-	-	504,973
EMPLOYEE COMPENSATION AND BENEFITS									
Employee Compensation-Placeholder	\$ 8,177	\$ 40,633	\$ 17,469	\$ 107,526	\$ -	-	-	-	1,097,347
Employee Compensation-Ratified Agreement	-	-	-	-	-	-	-	-	430,600
Health Insurance	3,980	12,935	5,970	45,770	-	-	-	-	864,655
Subtotal Employee Compensation and Benefits	12,157	53,568	23,439	153,296	-	-	-	-	2,392,602
PRIORITIES									
Enhance Systemic Planning & Procedures	\$ 136,711	\$ -	\$ -	\$ -	\$ -	-	-	-	-
Priorities-Other	-	-	-	10,000	-	-	-	-	-
Subtotal Priorities	136,711	-	-	10,000	-	-	-	-	-
ONE-TIME REQUESTS									
One-Time Funding Items-PY Removal	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-
Subtotal One-Time Requests	-	-	-	-	-	-	-	-	-
SUBTOTAL BUDGET ADDITIONS	153,795	67,416	27,531	5,595,458	-	-	-	-	2,897,575
REALIGNMENTS	-	-	-	(200,000)	-	-	-	-	-
DIVISION TOTAL	\$ 153,795	\$ 67,416	\$ 27,531	\$ 5,395,458	\$ -	-	-	-	\$ 2,897,575

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SUMMARY OF FY 2027 BUDGET CHANGES BY PROGRAM AND SUMMARY GROUPINGS										
General Fund	7201		7202		7301		7402		7601	
PROGRAMS	Utilities	FTE	Energy Management	FTE	Logistics Center	FTE	Environment	FTE	Administration	FTE
EXISTING SERVICE COMMITMENTS										
Bus Contracts-Obligated Increase	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-
Contractual Obligation	-	-	-	-	-	-	-	-	-	-
Existing Services-Other	-	-	-	-	-	-	-	-	22,417	-
Utilities	1,628,959	-	-	-	-	-	-	-	-	-
Year over Year Personnel Cost Change	-	-	-	-	21,354	-	(23,612)	-	4,344	-
Subtotal Existing Service Commitments	1,628,959	-	-	-	21,354	-	(23,612)	-	26,761	-
EMPLOYEE COMPENSATION AND BENEFITS										
Employee Compensation-Placeholder	\$ -	-	\$ -	-	\$ 60,035	-	\$ 11,678	-	\$ 29,654	-
Employee Compensation-Ratified Agreement	-	-	-	-	-	-	-	-	-	-
Health Insurance	-	-	-	-	29,352	-	5,970	-	9,950	-
Subtotal Employee Compensation and Benefits	-	-	-	-	89,387	-	17,648	-	39,604	-
PRIORITIES										
Enhance Systemic Planning & Procedures	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-
Priorities-Other	-	-	-	-	-	-	-	-	-	-
Subtotal Priorities	-	-	-	-	-	-	-	-	-	-
ONE-TIME REQUESTS										
One-Time Funding Items-PY Removal	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-
Subtotal One-Time Requests	-	-	-	-	-	-	-	-	-	-
SUBTOTAL BUDGET ADDITIONS	1,628,959	-	-	-	110,741	-	(5,964)	-	66,365	-
REALIGNMENTS	-	-	-	-	(10,000)	-	-	-	-	-
DIVISION TOTAL	\$ 1,628,959	-	-	-	\$ 100,741	-	(5,964)	-	\$ 66,365	-

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SUMMARY OF FY 2027 BUDGET CHANGES BY PROGRAM AND SUMMARY GROUPINGS									
General Fund	7602	7801	7802	9301					
	Building Maintenance	Grounds Maintenance	Fleet Management	Use of Facilities	FTE	Total	Total FTE		
PROGRAMS									
EXISTING SERVICE COMMITMENTS									
Bus Contracts-Obligated Increase	\$ -	\$ -	\$ -	\$ -	-	\$ 5,386,089	-		
Contractual Obligation	37,000	2,000	-	-	-	121,000	-		
Existing Services-Other	-	-	-	-	-	22,417	-		
Utilities	-	-	-	-	-	1,628,959	-		
Year over Year Personnel Cost Change	(13,225)	122,348	9,353	(2,908)	-	609,567	-		
Subtotal Existing Service Commitments	23,775	124,348	9,353	(2,908)	-	7,768,032	-		
EMPLOYEE COMPENSATION AND BENEFITS									
Employee Compensation-Placeholder	\$ 246,401	\$ 123,721	\$ 24,892	\$ 13,821	-	\$ 1,781,354	-		
Employee Compensation-Ratified Agreement	-	-	-	-	-	430,600	-		
Health Insurance	167,160	81,590	13,930	5,174	-	1,246,436	-		
Subtotal Employee Compensation and Benefits	413,561	205,311	38,822	18,995	-	3,458,390	-		
PRIORITIES									
Enhance Systemic Planning & Procedures	\$ -	\$ -	\$ -	\$ -	-	\$ 136,711	-		
Priorities-Other	-	-	-	-	-	10,000	-		
Subtotal Priorities	-	-	-	-	-	146,711	-		
ONE-TIME REQUESTS									
One-Time Funding Items-PY Removal	\$ (1,150,000)	\$ -	\$ (155,000)	\$ -	-	\$ (1,305,000)	-		
Subtotal One-Time Requests	(1,150,000)	-	(155,000)	-	-	(1,305,000)	-		
SUBTOTAL BUDGET ADDITIONS									
	(712,664)	329,659	(106,825)	16,087	-	10,068,133	-		
REALIGNMENTS									
	-	-	-	-	-	(210,000)	-		
DIVISION TOTAL									
	\$ (712,664)	\$ 329,659	\$ (106,825)	\$ 16,087	-	\$ 9,858,133	-		