



# FY 2026 Board of Education Requested Operating Budget

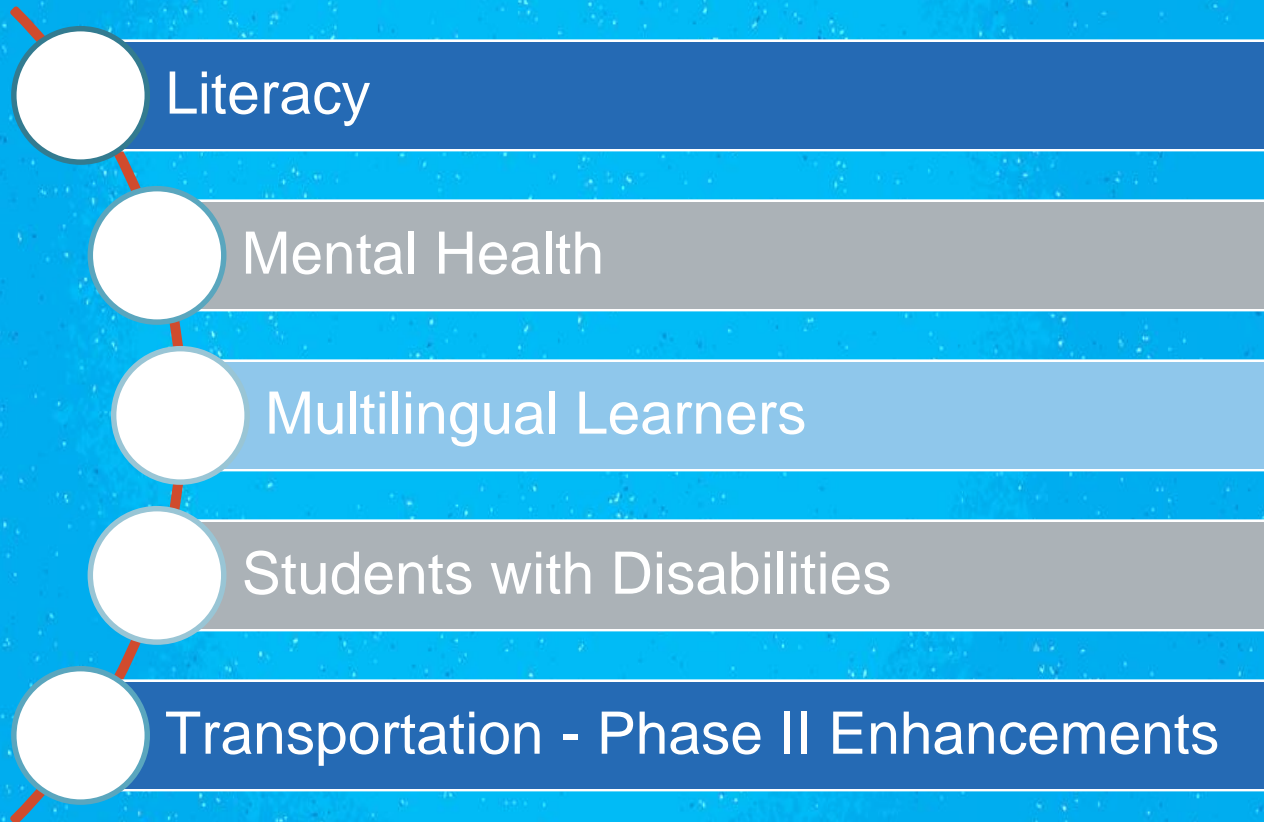
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*Prince George's County Council  
Education and Workforce Development  
Committee*

April 28, 2025

# FY 2026 Superintendent Focus Areas

*Annual Prioritizations within the  
Transformation 2026 Strategic Framework*







# FY 2026 Revenue Update

## Unrestricted Revenue Sources

# Eligible K-12 Enrollment



# FY 2026 Unrestricted Operating Revenue

Projections based on Preliminary State Aid Calculations released January 16th

Funding Program	FY26 Proposed	FY26 Requested	FY26 Req v FY26 Prop
Foundation	1,156,061,431	1,159,758,943	3,697,512
Compensatory Education	676,615,602	676,733,232	117,630
English Learner	304,148,281	315,422,408	11,274,127
Special Education	145,709,499	147,752,644	2,043,145
Comparable Wage Index	70,311,989	70,316,184	4,195
Prekindergarten	59,686,652	59,634,032	(52,620)
Other Major State Aid *	94,286,173	94,295,513	9,340
<b>Major State Aid Funding (State &amp; County Share)</b>	<b>2,506,819,627</b>	<b>2,523,912,956</b>	<b>17,093,329</b>
Other Board, County & Federal Sources	34,407,838	36,266,458	1,858,620
Use of Fund Balance	95,000,000	95,000,000	-
<b>Total Unrestricted Revenue</b>	<b>2,636,227,465</b>	<b>2,655,179,414</b>	<b>18,951,949</b>

\* Other Major State Aid includes Transportation, Non-Public placements for Students with Disabilities, Blueprint Transition Grant funding and Out-of-County Living arrangements.



# FY 2026 Total Operating Revenue

Projections based on Preliminary State Aid Calculations released January 16th

Funding Source - Unrestricted	FY25 Approved	FY26 Requested	PY Change \$	PY Change %
State	1,489,516,104	1,565,222,272	75,706,168	5.1%
County	898,837,416	965,167,032	66,329,616	7.4%
Board	27,691,970	29,691,970	2,000,000	7.2%
Federal	98,140	98,140	-	0.0%
PY Fund Balance	120,000,000	95,000,000	(25,000,000)	-20.8%
<b>Total Unrestricted Revenues</b>	<b>2,536,143,630</b>	<b>2,655,179,414</b>	<b>119,035,784</b>	<b>4.7%</b>
Funding Source - Restricted	FY25 Approved	FY26 Requested	PY Change \$	PY Change %
State	133,782,081	165,605,633	31,823,552	23.8%
County	10,978,112	14,493,164	3,515,052	32.0%
Board	3,444,714	1,883,421	(1,561,293)	-45.3%
Federal	219,280,932	141,655,067	(77,625,865)	-35.4%
PY Fund Balance	-	-	-	
<b>Total Restricted Revenues</b>	<b>367,485,839</b>	<b>323,637,285</b>	<b>(43,848,554)</b>	<b>-11.9%</b>
<b>Total Revenues</b>	<b>2,903,629,469</b>	<b>2,978,816,699</b>	<b>75,187,230</b>	<b>2.6%</b>

# Federal Funding Uncertainty

Fund Type	FY25 Approved	% of Federal Funding	FY26 Requested	% of Federal Funding
<b>Federal Grants</b>				
Federal Formula Grant Programs (passthrough MSDE)	\$ 106,386,031	49%	\$ 87,536,176	62%
Special Education (passthrough MSDE)	\$ 25,868,149	12%	\$ 30,066,534	21%
Special Education - Medicaid Reimbursement	\$ 12,423,373	6%	\$ 13,770,238	10%
Other Special Education Grants	\$ 3,113,293	1%	\$ 3,062,219	2%
JROTC - Federal Share	\$ 1,621,077	1%	\$ 1,493,466	1%
COVID Relief Grants	\$ 57,950,000	26%	\$ -	0%
Competitive Grants	\$ 9,299,009	4%	\$ 3,084,819	2%
Other Federal Grants	\$ 2,620,000	1%	\$ 2,641,615	2%
<b>Total Federal Funds</b>	<b>\$ 219,280,932</b>	<b>100%</b>	<b>\$ 141,655,067</b>	<b>100%</b>

- PGCPSS Federal Funding Resources fall into three broad categories - - Entitlement Grants, Special Education and Other Federal Funding Sources.
- Our entitlement grants are formula-based funding. These are non-competitive grants usually based on need, demographics or enrollment. Title I is our largest federal award (~\$63M in FY25) provides additional supports to schools with students who are economically disadvantaged.
- Special Education is our second category of Federal funding which supports services for students with disabilities.
- We receive nearly \$26M Special Education funding for FY25 which is passed through MSDE to the LEAs. Medicaid reimbursement is over \$12M
- For other federal funding sources, the district receives grants for the JROTC Program, Competitive Grants, COVID Relief, and the USDA reimbursement for the Free and Reduced Priced Meals program.

# Fund Balance Overview

## Balance Sheet - Governmental Funds

June 30, 2024

	General Fund	Capital Projects Fund	Non-Major Special Revenue Fund	Total Governmental Funds
<b>Fund Balance:</b>				
Nonspendable	4,768,391	-	2,393,877	7,162,268
Restricted	-	19,408,209	-	19,408,209
Assigned	298,103,271	-	56,569,367	354,672,638
Unassigned	71,038,491	-	-	71,038,491
<b>Total Fund Balance</b>	<b>373,910,153</b>	<b>19,408,209</b>	<b>58,963,244</b>	<b>452,281,606</b>

### What is Fund Balance?

- In governmental accounting, fund balance is the difference between a government's assets and liabilities, representing the amount of resources a government has available for spending.

### What should it be used for?

- Fund balance should be used to provide a cushion against financial uncertainty and ensure a government's long-term stability.

### What should it NOT be used for?

- Fund balance should not be used for ongoing recurring expenditures.

### Is there a best practice for Use of Fund Balance?

- GFOA recommends maintaining unrestricted budgetary fund balance of no less than **two months** of regular general fund operating revenues or expenditures.





# FY 2026 Baseline Expenditures

Salary Improvements & New Requirements

# Baseline Unrestricted Operating Expenditures

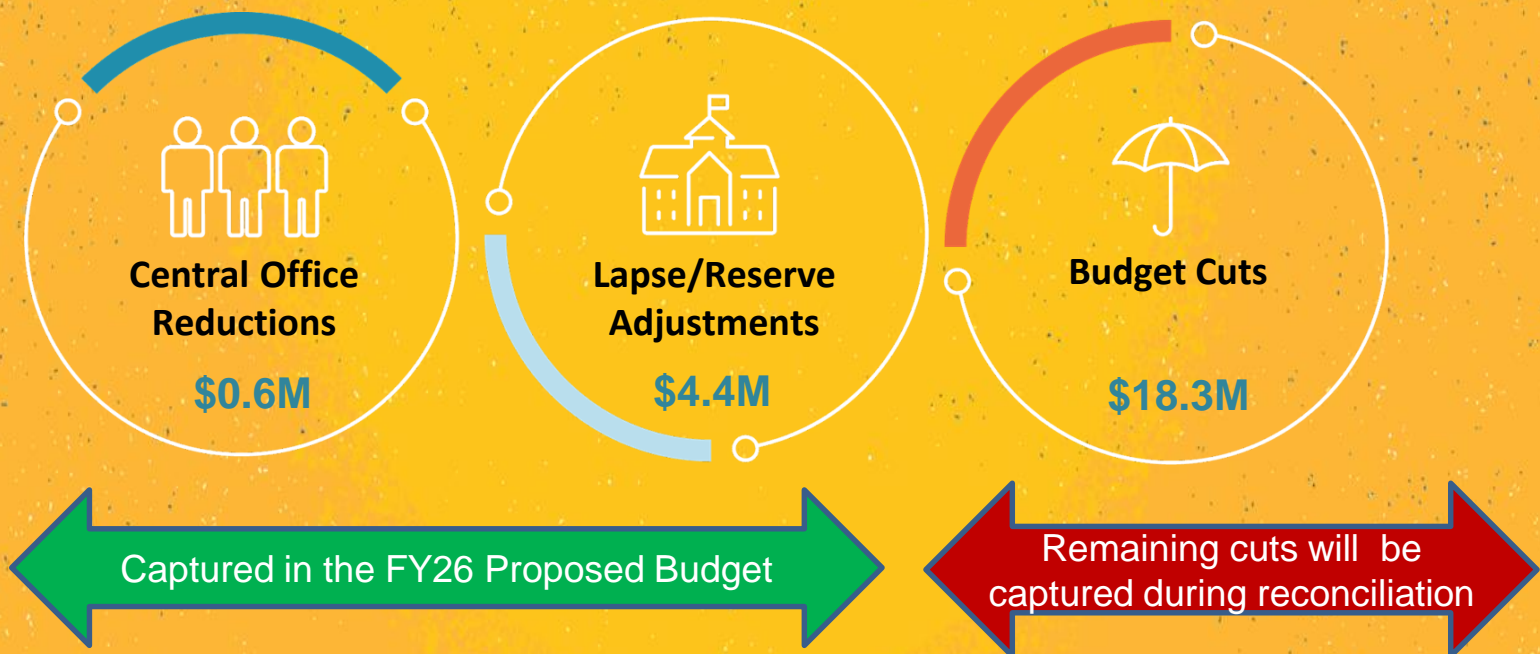
Unrestricted Budget Change	\$ Change
Proposed Unrestricted Revenue Increase	\$ 119,035,784
Mandatory Costs	
Compensation Negotiated Commitments	\$ 86,750,466
Other Post Employment Benefit Liability (OPEB)	\$ 15,000,000
State-Required Partner Distributions	\$ 176,723
Retirement Administrative Fee	\$ 359,127
<b>Total Mandatory Costs</b>	<b>\$ 102,286,316</b>
Cost of Doing Business	
Lease Purchase - Textbooks, Buses/Other Vehicles, Technology	\$ 15,655,915
Utilities	\$ 4,000,000
Technology Maintenance and Upgrades	\$ 454,738
<b>Total Cost of Doing Business</b>	<b>\$ 20,110,653</b>
Program Enhancements	
New SAAS ERP Solution (year 1 implementation)	\$ 8,400,000
Student and Staff Digital Tools (previously ESSER funded)	\$ 4,047,671
Synergy - Student Information System (previously ESSER funded)	\$ 2,743,245
Other Program Improvements	\$ 4,859,841
<b>Total Program Enhancements</b>	<b>\$ 20,050,757</b>
<b>Total Proposed Expenditure Increases for FY 2026</b>	<b>\$ 142,447,726</b>
<b>Updated Budget Deficit for FY 2026</b>	<b>\$ (23,411,943)</b>



# Closing the Unrestricted Budget Deficit

## FY26 Requested Budget

Budget Category	\$ Amount
Baseline Unrestricted Expenditures	\$2,678,520,266
Baseline Unrestricted Revenues	\$2,655,179,414
<b>Operating Budget Gap (Expenditures Less Revenues)</b>	<b>(\$23,340,852)</b>





# Strategies to Close the Unrestricted Budget Deficit (\$18.3M)

Revised budget assumptions - \$9M

- ERP year 1 estimate
- Summer School nurse & security coverage
- Terminal leave payouts

Updated systemic projections - \$7M

- Teacher and employee retirement

Reduction in non-personnel (full-time) spend - \$2M

- Revised contract commitments
- Part-time costs

Optimized organizational efficiencies - \$0.3M

- Functional area improvements

# FY 2026 Unrestricted Budget Impacts

## During Reconciliation Cycle

School Budgets

Updated Vendor Estimates/Tariffs

Updated Grant Assumptions

Labor Partner Agreements

General Assembly Legislative Outcomes

County Council Budget Approval

## Ongoing into FY26 and Beyond

Federal Government Uncertainties (i.e. Title I, Special Education/Medicaid, and Food & Nutrition Services)

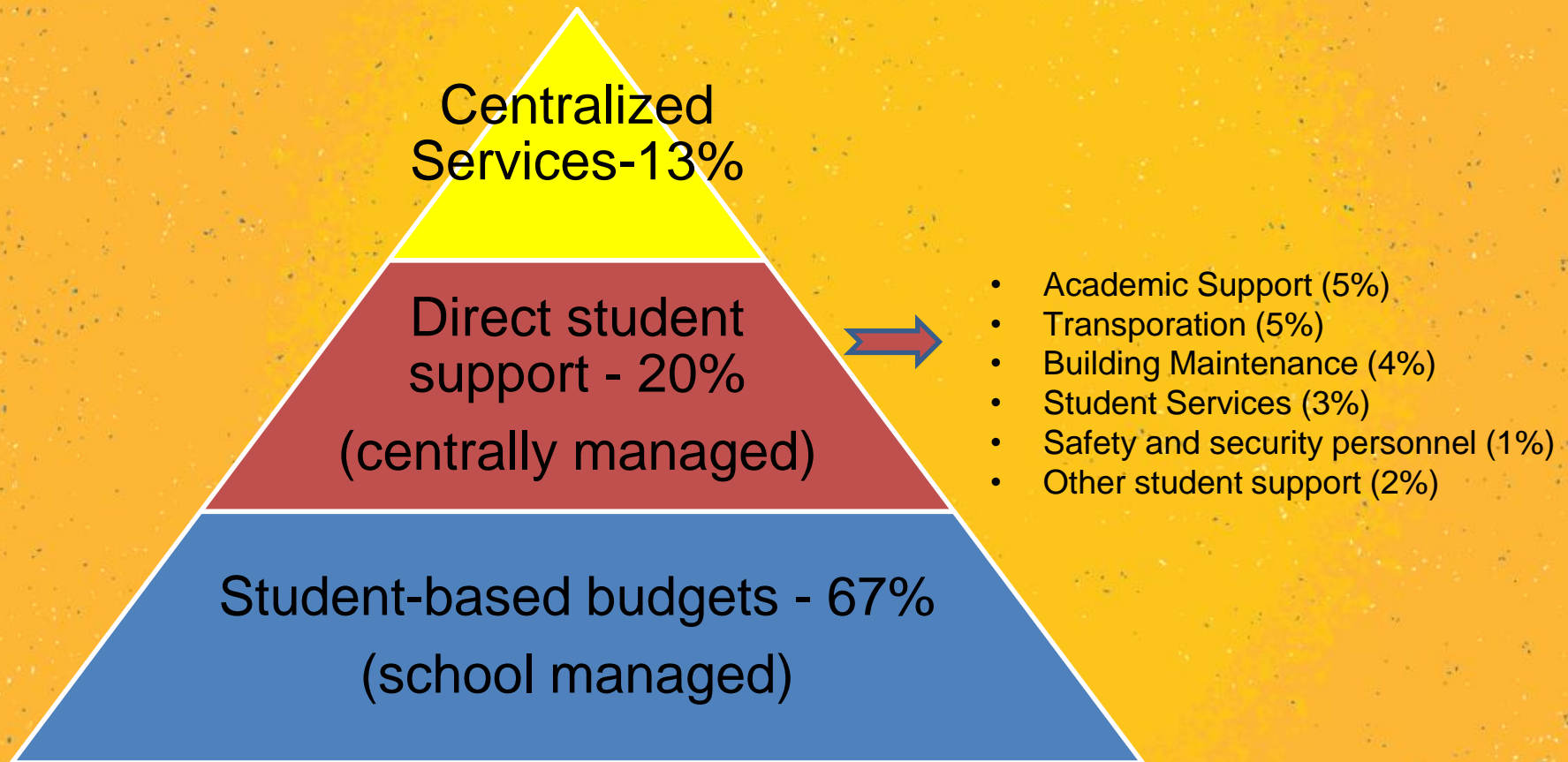
Expiring COVID-Relief Grants

Rollback of COVID-Relief Grant Reimbursement

Increased Cost of Doing Business

Use of Fund Balance

# FY 2026 Unrestricted Operating Budget Expenditures







# Proposed County Contribution

Requested FY26 Budget

# FY 2026 County Contribution

Projections based on Preliminary State Aid Calculations released January 16th

		FY25 Approved	FY26 Requested	FY26 Requested vs. FY25 Approved
COUNTY CONTRIBUTION	<b>MINIMUM LOCAL COUNTY EFFORT BLUEPRINT REQUIREMENT</b>	<b>909,815,528</b>	<b>969,555,531</b>	<b>59,740,003</b>
	<b>ADD:</b>			
	Office of Integrity and Compliance		1,583,747	1,583,747
	Adolescent Single Parenting Program		185,000	185,000
	JROTC Program		3,443,317	3,443,317
	<b>Total Dedicated Revenue Sources</b>	<b>-</b>	<b>5,212,064</b>	<b>5,212,064</b>
	<b>MINIMUM COUNTY CONTRIBUTION REQUIRED</b>	<b>909,815,528</b>	<b>974,767,595</b>	<b>64,952,067</b>
	<b>ADD:</b>			
	Office of Sustainability and Resiliency		2,892,601	2,892,601
	Retention Ponds (estimated County Maintenance)		2,000,000	2,000,000
	Additional County Contribution			-
	<b>Total Amount Over Minimum Contribution</b>	<b>-</b>	<b>4,892,601</b>	<b>4,892,601</b>
	<b>TOTAL COUNTY CONTRIBUTION</b>	<b>909,815,528</b>	<b>979,660,196</b>	<b>69,844,668</b>

# FY 2026 County Minimum Local County Blueprint Requirement

Projections based on Preliminary State Aid Calculations released January 16th

	FY25 Approved	FY26 Requested	FY26 Requested vs. FY25 Approved
LOCAL COUNTY SHARE MAJOR STATE AID PROGRAMS	990,299,607	1,076,127,126	85,827,519
LESS: EDUCATION EFFORT ADJUSTMENT-STATE SHARE	(80,484,079)	(106,571,595)	(26,087,516)
<b>MINIMUM LOCAL COUNTY BLUEPRINT REQUIREMENT</b>	<b>909,815,528</b>	<b>969,555,531</b>	<b>59,740,003</b>
BLUEPRINT PROGRAMS - UNRESTRICTED	883,837,416	943,690,684	59,853,268
BLUEPRINT PROGRAMS - RESTRICTED	7,416,332	10,864,847	3,448,515
NON-BLUEPRINT GRANTS - RESTRICTED *	3,561,780	-	(3,561,780)
P3, Phase I Schools Construction Financing *	15,000,000	15,000,000	-
<b>MINIMUM LOCAL COUNTY BLUEPRINT REQUIREMENT</b>	<b>909,815,528</b>	<b>969,555,531</b>	<b>59,740,003</b>

\* Starting in FY25, these commitments are now be required to come out of the Blueprint Program funding



# FY 2026 County Local Share

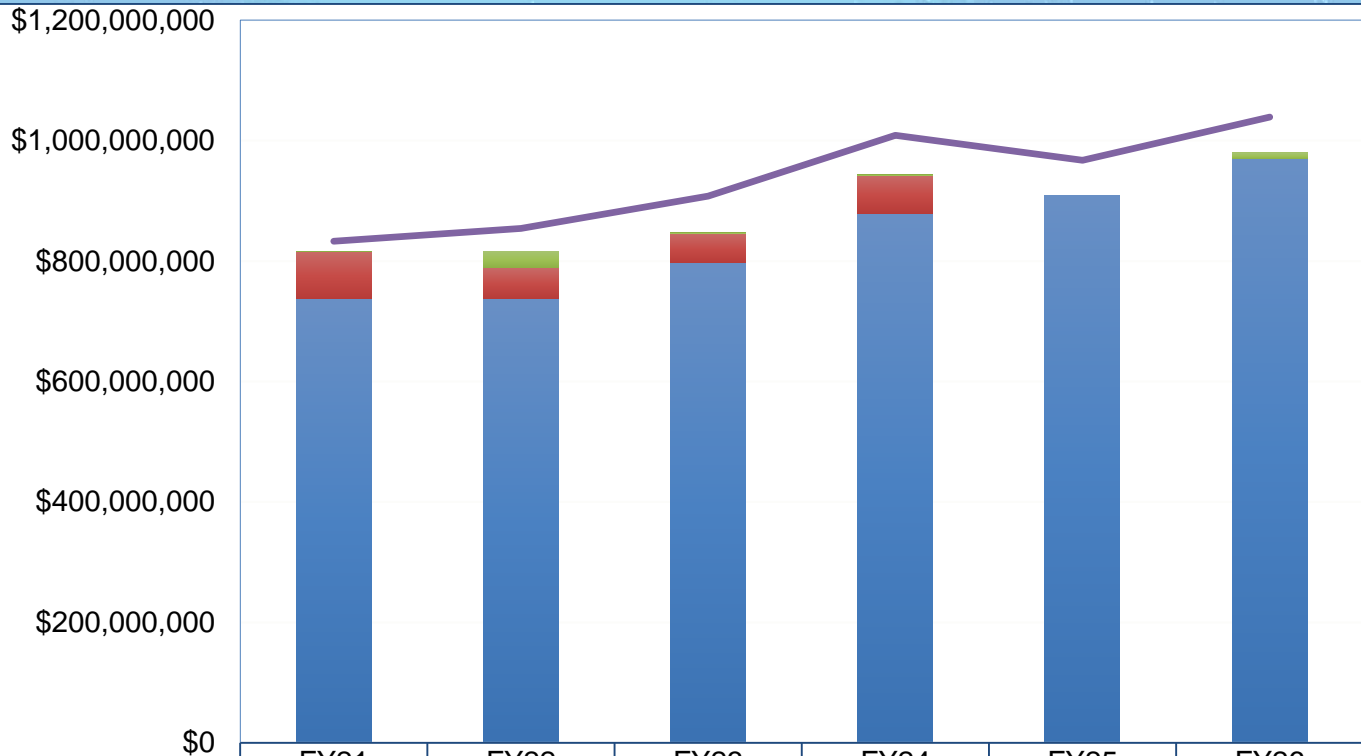
Projections based on Preliminary State Aid Calculations released January 16th

FUNDING PROGRAM	FUNDING TYPE	BLUEPRINT TARGET	FY 2025 Approved	FY 2026 Requested	FY26 Req vs FY25 App
Foundation	Unrestricted	Base funding provided for each student to support: • Instructional Salaries • Teacher Retirement • Career Counseling • Behavioral health • College & Career Readiness • Maintenance and operations of schools • Supplies and materials for teachers • technology costs • Collaborative planning • Gaps in other funded programs	450,986,578	485,598,195	34,611,617
Comparable Wage Index (CWI)	Unrestricted	Regional cost differences in educating students with higher than average cost of living.	28,506,862	29,441,818	934,956
Compensatory Education	Unrestricted	Supports economically disadvantaged students to improve student academic achievement: • Additional teachers for smaller classes • Summer programming • Social/emotional support • Tutoring and academic interventions	297,118,847	319,061,739	21,942,892
Multilingual Learner	Unrestricted	Additional funding for English Learners (EL) students: • EL family coordinators • Additional teachers for smaller classes • Summer programming • Social/emotional support • Tutoring and academic interventions • EL services or family services	124,701,858	136,793,163	12,091,305
Special Education	Unrestricted	To meet the needs of students who qualify for IEP services to significantly improve outcomes.	56,052,165	65,387,657	9,335,492
PreKindergarten	Unrestricted	Public funding for PreK public-schools and private providers for 3-and 4-year-olds	25,516,965	28,979,707	3,462,742
Career Ladder Grant	Restricted	Raising the pay and status of teachers, including a performance-based career ladder	1,149,761	2,032,230	882,469
College Career Ready (CCR)	Restricted	Provide access to post college and career readiness (post-CCR) pathways	532,638	4,769,479	4,236,841
Transitional Supplemental Instruction	Restricted	Instructional Support for K-3 struggling learners	5,733,933	4,000,332	(1,733,601)
Blueprint Coordinator	Restricted	Partial funding for this position responsible for the coordinating efforts across various functions and divisions to ensure the successful implementation of the Blueprint's initiatives.	-	62,806	
<b>TOTAL LOCAL SHARE</b>			<b>990,299,607</b>	<b>1,076,127,126</b>	<b>85,764,713</b>

**Note:** The Total Local Share excludes Education Effort, which reduced the Local Share by \$106.6M

# County Contribution Trend

## County Contribution Over Time



<span style="color: green;">■</span> Amount Over Minimum Requirement	190,563	28,538,700	927,955	261,175	-	10,104,665
<span style="color: red;">■</span> Energy & Telecom Revenue	77,571,500	50,185,100	49,118,500	63,206,300	-	-
<span style="color: blue;">■</span> Minimum County Requirement	738,032,937	738,223,500	796,950,845	879,587,325	909,815,528	969,555,531
<span style="color: purple;">—</span> Funding per student	\$6,247	\$6,407	\$6,811	\$7,565	\$7,254	\$7,793

	FY21 Approved	FY22 Approved	FY23 Approved	FY24 Approved	FY25 Approved	FY26 Requested
Amount Over Minimum Requirement	190,563	28,538,700	927,955	261,175	-	10,104,665
Energy & Telecom Revenue	77,571,500	50,185,100	49,118,500	63,206,300	-	-
Minimum County Requirement	738,032,937	738,223,500	796,950,845	879,587,325	909,815,528	969,555,531
Funding per student	\$6,247	\$6,407	\$6,811	\$7,565	\$7,254	\$7,793

