



April 27, 2026

MEMORANDUM

TO: Education and Workforce Development (EWD) Committee

THRU: Dr. Arun Puracken *AP*
Director of Education and Workforce Development (EWD) Committee

FROM: Caleb Callender *CC*
Legislative Policy and Budget Analyst

RE: Board of Education (BOE)
Fiscal Year 2027 Operating Budget Review

BUDGET OVERVIEW

The County Executive's FY 2027 Proposed Budget for the Board of Education (BOE) totals \$2,971,479,900, an increase of \$20,844,500, or 0.7%, over the FY 2026 Approved Budget. The Proposed Budget is \$23,337,889 less than the Superintendent's FY 2027 Proposed Operating Budget of \$2,994,817,789.

The increase from the FY 2026 County-approved budget is primarily due to cost-of-living adjustments, step increases for labor contracts, the rollover of mid-year changes, and decrease in projected salary lapses. These were partially offset by decrease in restricted grant programs, savings under the Chief Operating Officer, and decrease in school-based resources due to decreased enrollment.

FY 2027 Board of Education Requested Budget Fiscal Highlights¹

The Superintendent's FY 2027 Proposed Operating Budget includes the following fiscal highlights and organizational changes:

- **Mandatory Costs** are expenditures required by law and support contract commitments. They cover employee-negotiated contracts for compensation, state retirement and leave obligations, Blueprint legislation mandates, and other essential support. These costs are anticipated to increase by \$150.37 million in FY 2027 to support compensation-negotiated commitments, the

¹. Further details on the Superintendent's Proposed Budget Book Fiscal Highlights are on pages 11-12.

Blueprint mandates for workforce development and pre-kindergarten expansion, payment toward other post-employment benefits (OPEB), and salary lapse adjustment.

- **Costs of Doing Business** are expenditures that support students, maintain the existing workforce, and invest in operational infrastructure. The category covers student/school-based support, including Blueprint Phase II school construction availability payment, lease purchases, technology improvements, and building maintenance. In FY 2027, these costs are anticipated to increase by \$22.8 million to provide student/school-based supports technology maintenance and upgrades and pay for utilities and lease purchases.
- **Redirected Resources** are reductions from amounts appropriated in the prior fiscal year for selected programs and services. For FY 2027, redirected resources are anticipated to decrease by \$172.1 million and 88 FTE positions. The largest decrease is a \$48.9 million decrease in School-Based Resources and a \$31.17 million decrease from Salary & Benefits Lapse and Reserve.
- **Organizational Improvements** fund instructional programs, facilities, and services consistent with the Strategic Plan, enhance teaching and learning for all students, and strengthen accountability and support systems. In FY 2027, this category is proposed to increase by \$35.08 million and 52 FTE positions.

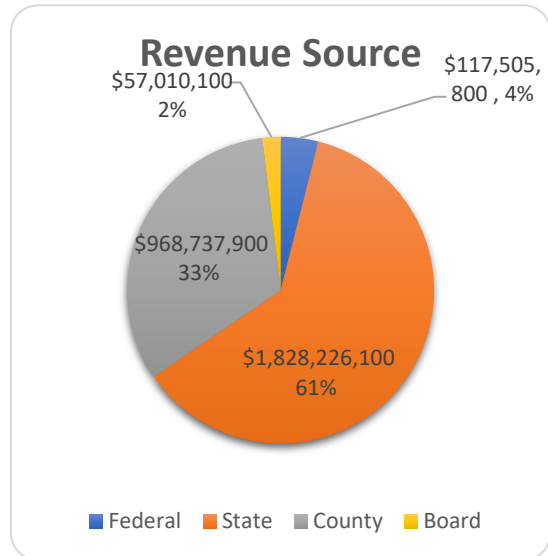
REVENUES

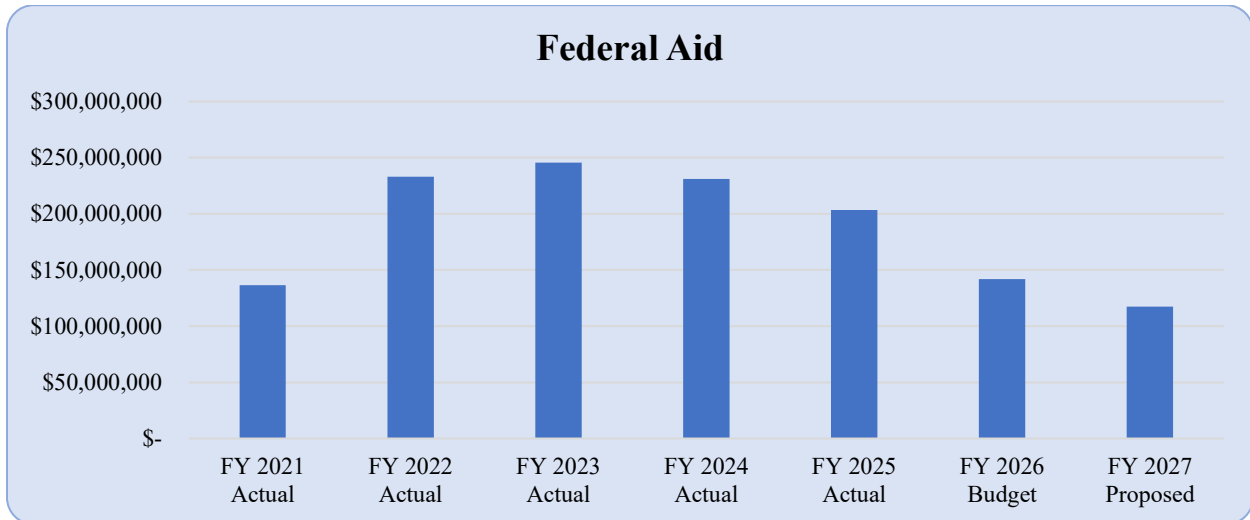
| EDUCATION REVENUE SOURCES | | | | | |
|---|-------------------------|-------------------------|-------------------------|------------------------|-----------------|
| Source | FY 2025 Actual | FY 2026 Approved | FY 2027 Proposed | \$ Change | % Change |
| Federal Sources: | | | | | |
| Unrestricted Federal Aid | \$ - | \$ 98,100 | \$ 98,100 | \$ - | 0% |
| Restricted Federal Aid | 203,303,902 | 141,655,100 | 117,407,700 | (24,247,400) | -17.1% |
| Subtotal Federal Sources | 203,303,902 | 141,753,200 | 117,505,800 | \$ (24,247,400) | -17.1% |
| State Aid: | | | | | |
| Foundation Program | \$ 651,356,169 | \$ 674,160,700 | \$ 708,175,000 | \$ 34,014,300 | 5.0% |
| Comparable Wage Index | 41,172,223 | 40,874,400 | 42,023,100 | 1,148,700 | 2.8% |
| Special Education | 75,031,181 | 82,365,000 | 99,349,400 | 16,984,400 | 20.6% |
| Nonpublic Placements | 22,233,630 | 22,271,300 | 21,505,300 | (766,000) | -3.4% |
| Transportation Aid | 53,763,576 | 55,287,000 | 56,258,800 | 971,800 | 1.8% |
| Compensatory Education | 346,711,419 | 357,671,500 | 362,360,100 | 4,688,600 | 1.3% |
| English Learners | 172,227,907 | 178,629,200 | 175,543,400 | (3,085,800) | -1.7% |
| Transition Grant | 17,429,804 | 13,328,700 | 10,252,800 | (3,075,900) | -23.1% |
| Educational Effort | 80,484,079 | 106,537,100 | 122,592,400 | 16,055,300 | 15.1% |
| Career Ladder | 1,879,239 | 2,990,800 | 4,229,400 | 1,238,600 | 41.4% |
| College and Career Ready | 798,170 | 6,433,400 | 3,724,700 | (2,708,700) | -42.1% |
| Blueprint - Prekindergarten | 24,616,269 | 30,654,300 | 44,424,200 | 13,769,900 | 44.9% |
| Blueprint - Concentration of Poverty | 88,356,322 | 136,711,200 | 170,464,200 | 33,753,000 | 24.7% |
| Blueprint - Transitional Supplemental Instruction | 7,730,371 | 4,604,900 | 460,000 | (4,144,900) | -90.0% |
| Blueprint Coordinator | 96,480 | 87,200 | 88,300 | 1,100 | N/A |
| Other State Aid/Out of County | | | | | |
| Living Arrangements | - | 106,000 | 92,700 | (13,300) | N/A |
| Teacher Development Grants | - | 4,000 | - | (4,000) | N/A |
| Miscellaneous Revenue | 301,733 | - | - | - | N/A |
| Other Restricted Grants | 7,862,846 | - | 6,682,300 | 6,682,300 | N/A |
| Subtotal State Aid | \$ 1,592,051,418 | \$ 1,712,716,700 | \$ 1,828,226,100 | \$ 115,509,400 | 6.7% |
| County Revenue: | | | | | |
| General County Sources | \$675,910,524 | \$695,828,100 | \$708,715,600 | \$ 12,887,500 | 1.9% |
| Real Property/BOE - Tax Increase | 50,562,764 | 44,581,700 | 48,603,900 | 4,022,200 | 9.0% |
| Personal Property/BOE - Tax Increase | 3,477,023 | 3,733,600 | 3,560,400 | (173,200) | -4.6% |
| Telecommunications Tax | 14,431,081 | 46,453,100 | 50,989,700 | 4,536,600 | 9.8% |
| Energy Tax | 58,866,751 | 63,775,100 | 60,768,300 | (3,006,800) | -4.7% |
| Transfer Tax | 106,567,357 | 115,218,500 | 96,100,000 | (19,118,500) | -16.6% |
| Subtotal County Revenue | \$909,815,500 | \$969,590,100 | \$968,737,900 | (\$852,200) | -0.1% |
| Board Sources: | | | | | |
| Board Sources | \$39,122,500 | \$31,575,400 | \$32,010,100 | \$434,700 | 1.4% |
| Use of Fund Balance | 100,139,591 | 95,000,000 | 25,000,000 | (70,000,000) | -73.7% |
| Subtotal Board Sources | \$ 139,262,091 | \$ 126,575,400 | \$ 57,010,100 | \$ (69,565,300) | -55.0% |
| TOTAL | \$ 2,844,432,911 | \$ 2,950,635,400 | \$ 2,971,479,900 | \$ 20,844,500 | 0.7% |

- Total revenue from all funding sources for FY 2027 is proposed at \$2,971,479,900, an increase of \$20,844,500, or 0.7%, over the FY 2026 approved level.

Federal Aid

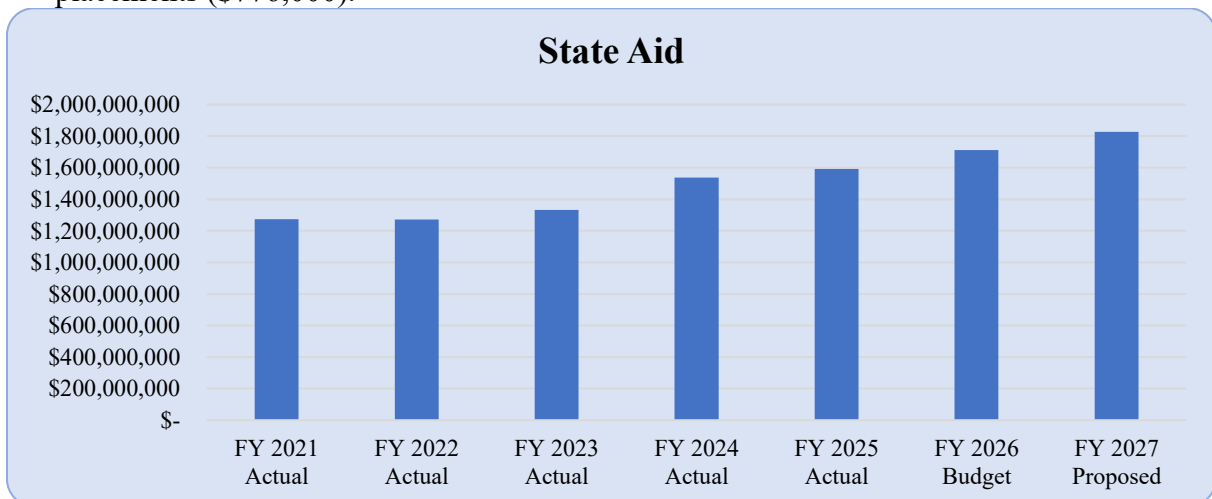
- Total Federal Aid for FY 2027 is proposed at \$117,505,800, a decrease of \$24,247,400, or 17.1%, under the FY 2026 Approved Budget. However, this is \$20,073,600 below the FY 2026 estimated budget. Federal funding comprises 4% of the Board's total proposed funding.
- Federal Aid can be divided into three (3) general categories: Federal Formula, Special Education, and Other federal funding sources.
- Federal Formula Grant:
 - The largest category of federal aid is a pass-through grant from MSDE. In FY 2026, PGCPS received nearly \$83 million from this grant, but is projected to decrease in FY27 by over \$10 million.
- Special Education:
 - The second largest category of federal aid supports services for all students with disabilities. In FY 2026, PGCPS received just over \$30 million in Special Education funding, most of which is passed through the Maryland Department of Education to the local boards of education. Medicaid reimbursement is nearly \$14 million.
- Other Federal Funding:
 - The category includes several competitive and local-match requirement grants, such as the JROTC Program, USDA reimbursement for the Free and Reduced-Price Meals Program, and other smaller grants. In FY26, PGCPS received just over \$7 million in other federal funding.
- The decrease in federal funding reflects the termination of Grants related to Title I, Medicaid, Entitlement, and other discretionary funds.





State Aid

- Total State Aid for FY 2027 is anticipated to be \$1,828,226,100, an increase of \$115.5 million, or 6.7%, over the FY 2026 Approved Budget.
 - The increase is mainly due to the continued implementation of formula changes in the Blueprint for Maryland’s Future (House Bill 1300) legislation. Increases are driven by the following categories: Concentration of Poverty (\$33.7 million), Foundation Program, (\$34 million), Educational Effort (\$16 million), Prekindergarten (\$13.7 million), Special Education (\$16.9 million), Compensatory Education (\$4.6 million), Teacher Career Ladder (\$1.2 million), Comparable Wage Index (\$1.1 million), and Transportation (\$971,800).
 - Decreases in the following categories partly offset the increases above: Transition Grant (\$3 million), English Learners (\$3 million), College and Career Readiness (\$2.7 million), Blueprint Transitional Supplemental (\$4.1 million) and Non-public special education placements (\$776,000).



Blueprint for Maryland's Future

- The State's Blueprint for Maryland's Future legislation substantially altered State Aid formulas and mandated appropriations beginning in FY 2023. Formula-based calculations impacted include State Share of the Foundation Program, College and Career Readiness, State Compulsory Education, English Learner Aid, Pre-Kindergarten, Career Ladder, Comparable Wage Index, Transitional Supplemental Instruction (through FY 2026), and Students with Disabilities. State revenue also includes Transportation Aid, Transition Aid, Concentration of Poverty, and Education Effort.
- *Proposed legislation* - HB 390/SB 282 is designed to address a significant state deficit and includes constrained growth in education funding, limiting anticipated increases in state aid. In addition, proposed Blueprint for Maryland's Future adjustments – including potential per-pupil funding changes and program delays – could result in tens of millions in reduced or deferred funding to local school systems.
- From FY 2024, each county Board of Education shall distribute \$62 per pupil to the local workforce development board to support Career Counseling Programs for Middle and High School Students, per Education Article 5-213. The FY 2027 proposal includes \$3.7 million.

County Contribution

- **The FY 2027 proposed County Contribution to the Board of Education is \$968,737,900, a decrease of \$852,200, or 0.1%, under the FY 2026 Approved Budget.** This decrease reflects the fifth year under the Blueprint for Maryland's Future Act in which the County's local share is run through the prism of the major State formula aid programs.
- In addition to the Blueprint-mandated increases, the County provides \$42 million more towards the Board's share of the Alternative Construction Financing projects and \$18.7 million toward Teacher Retirement. **An additional \$60.7 million is reflected in the non-departmental budget, bringing the total County contribution to \$1,029,438,000.**
- The County Contribution is composed of County revenue from sources discussed below:
 - General County Sources – the largest category and proposed at \$708,715,600 for FY 2027, an increase of 1.9%.
 - Real Property Tax rate for FY 2027 is \$1.00 per \$100 of assessable value (\$0.04 per \$100 is dedicated to the BOE). Revenue anticipated is \$48,603,900, an increase of 9%.
 - Personal Property Tax rate for FY 2027 is \$2.50 per \$100 of assessable value (\$0.10 per \$100 is dedicated to the BOE). Revenue anticipated is \$3,560,400, a decrease of 4.6%.

- The Telecommunication Tax was modified by Chapter 970 of the Acts of Maryland of 2024, which authorized the County to pass local legislation to implement a \$3.50 per line telecommunications excise tax. This was included in CB-018-2025, which went into effect for most of FY 2026. At least 90% of the telecommunication tax is dedicated to the Board of Education, with authority to utilize up to 10% of the net proceeds for school renovation. The revenue anticipated from the Tax in FY 2027 is \$50,989,700, an increase of 9.8%.
- A portion of the County's Energy Tax revenue is earmarked for the Board of Education. The revenue anticipated in FY 2027 is \$60,768,300, a decrease of 4.7%.
- All of the County's Transfer Tax revenue is earmarked for the Board of Education. The revenue anticipated in FY 2027 is \$96,100,000, a decrease of 16.6%.
 - The Transfer Tax is imposed on the recordation of title to real property or any other interest in real property. The tax rate is unchanged at 1.4% for FY 2026.
- State law requires each County to, at least, provide local funds for the next fiscal year at the same per-pupil level as the current fiscal year or its required local share—whichever is greater. The per-pupil MOE is calculated as the greater of (1) prior year FTE enrollment or (2) the three-year moving average of FTE enrollment.
- Beginning in FY 2022, the local share requirement continues to include the local share of the Foundation formula but also consists of the local share of the Compensatory Education, English Learner, Special Education, Comparable Wage Index, Full-day Prekindergarten, College and Career Ready, Transitional Supplemental Instruction (TSI) (through FY 2026), and Career Ladder aid programs.
- Funding formulas are calculated as follows:
 - Local Education Effort (LEE) = County's Local Share of Major Education Aid / Local County's Wealth
 - State Average Education Effort (SAEE) = Total State Counties Local Share of Major Education Aid / Total State Counties Wealth
 - Local Education Effort Index = LEE / SAEE (must be above 1.0 for two consecutive years to receive state relief)
 - Maximum Local Share = Local County's Wealth x SAEE
 - Education Effort Adjustment = Local Share of Major Education Aid – Maximum Local Share
 - FY 2026 State Relief = Education Effort Adjustment x 55% (phased up to 100% by FY 2030)
- For FY 2027, no allocation is proposed for Crossland High School's Career and Technical Education (CTE) program from annual Video Lottery Terminal (VLT) revenue. However, this was historically counted toward the Maintenance of Effort calculation, and therefore, the Board of Education continues to receive the same total allocation.

- **County Aid to the Board of Education accounts for 32.6% of the budget. When considering the \$60.7 million in additional non-departmental aid to the Board of Education, the County’s share increases to 34.0%.**

Board Sources and Fund Balance

- Board Sources are proposed at \$57,010,100 for FY 2027, a decrease of \$69,565,300, or 55%, under the FY 2026 Approved Budget. The decrease is driven by a \$70 million decrease in use of Fund Balance, partially offset by a 1.4% increase in Board Sources. Board Sources represent 2% of the total proposed budget.
- The increase in board sources primarily reflects an increase in restricted sources.
- The Board of Education proposes using \$25,000,000 of its total fund balance as a revenue source for FY 2027. This amount is a decrease of \$70 million, or 73.7%, below the prior year's amount. As of June 30, 2025, the Board of Education’s total Fund Balance was segmented into the following categories:
 - Restricted: \$ 0
 - Non-Spendable: \$ 5,706,922 (for non-capital inventories and pre-paid expenses)
 - Committed: \$ 0
 - Unassigned: \$ 35,957,360
 - Assigned: \$ 175,025,392 (assigned to the “use of fund balance” amount included in the FY 2026 approved operating budget)
- BOE fund balance is below the recommended level of two (2) months of regular general fund revenues or expenditures.² The unrestricted total of \$210.9 million equates to 0.86 months³ of expenditures (an additional \$282 million is required to meet the minimum requirement).

EXPENDITURES

- FY 2027 proposed expenditure is \$2,971,479,900, an increase of \$20,844,500, or 0.7%, over the FY 2026 Approved Budget.

| Change in Expenditures by Category | | | | | | |
|---|------------------------|-------------------------|-------------------------|-------------------------|----------------------|-----------------|
| Category | FY 2025 Actual | FY 2026 Approved | FY 2026 Estimate | FY 2027 Proposed | \$ Change | % Change |
| Compensation | \$ 1,710,225,319 | \$ 1,810,658,900 | \$ 1,860,334,100 | \$ 1,901,571,100 | \$ 90,912,200 | 5.0% |
| Fringe Benefits | 495,810,314 | 557,008,100 | 531,619,500 | 508,515,000 | (48,493,100) | -8.7% |
| Operating Expenses | 590,225,799 | 549,990,700 | 532,032,000 | 533,336,600 | (16,654,100) | -3.0% |
| Capital Outlay | 43,435,302 | 32,977,700 | 34,688,000 | 28,057,200 | (4,920,500) | -14.9% |
| Total | \$2,839,696,734 | \$ 2,950,635,400 | \$ 2,958,673,600 | \$ 2,971,479,900 | \$ 20,844,500 | 0.7% |

² The Government Finance Officers Association (GFOA) recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two (2) months of regular general fund operating revenues or regular general fund operating expenditures.

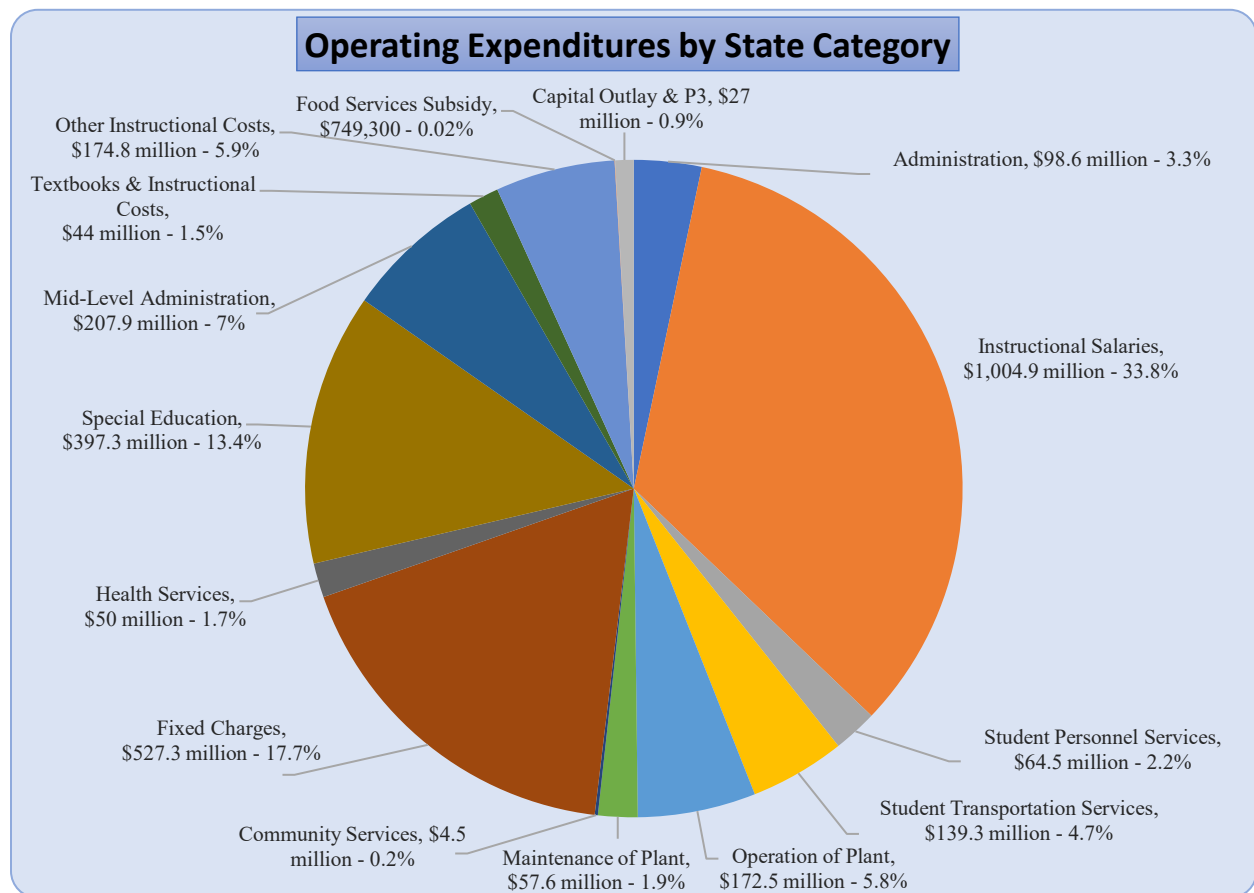
³ Last year, the amount equated to 1.53 months of expenditures.

- Compensation is proposed to increase by \$90.9 million, or 5%, primarily due to negotiated and pending FY 2027 salary improvements for various collective bargaining units and staffing requirements tied to student-based budgeting requirements. This is partially offset by reducing school-based resources due to decreased enrollment and a decrease in restricted grant programming. Compensation costs include funding for all 21,194 full-time equivalent positions.
- Fringe Benefits are proposed to decrease by \$48.4 million, or 8.7%, to reflect anticipated post-employment benefit, healthcare, and life insurance costs and the net differential between the initial Board request and the approved Council budget.
- Operating Expenses are proposed to decrease by \$16.6 million, or 3%, to align with projected costs. Operating expenses are driven by changes in the State and County programming sources supporting various system activities and initiatives.
- Capital Outlay expenditures are proposed to decrease by \$4.9 million, or 14.9%, due to removing one-time costs.

Expenditures by State Category

- By State Expenditure Category, increases are proposed for Instructional Salaries, Student Transportation Services, Operation of Plant, Community Services, Health Services, Special Education, and Mid-Level Administration. Decreases are proposed for Administration, Student Personnel Services, Maintenance of Plant, Fixed Charges, Community Services, Textbooks and Instructional Materials, Other Instructional Costs, Food Service Subsidy, and Capital Outlay. The table and chart below summarize the expenditures:

| Changes in Expenditures - by State Category | | | | | | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|----------------------|-------------|
| Category | FY 2025 Actual | FY 2026 Approved | FY 2026 Estimate | FY 2027 Proposed | \$ Change | % Change |
| Administration | \$ 89,877,056 | \$ 104,185,400 | \$ 104,559,700 | \$ 98,661,900 | \$ (5,523,500) | -5.3% |
| Instructional Salaries | 916,730,359 | 972,730,000 | 994,116,300 | 1,004,918,800 | 32,188,800 | 3.3% |
| Student Personnel Services | 55,201,533 | 72,945,800 | 78,030,300 | 64,555,800 | (8,390,000) | -11.5% |
| Student Transportation Services | 142,349,846 | 131,592,900 | 141,516,700 | 139,347,400 | 7,754,500 | 5.9% |
| Operation of Plant | 156,626,493 | 163,671,700 | 162,417,900 | 172,528,200 | 8,856,500 | 5.4% |
| Maintenance of Plant | 64,958,149 | 72,870,800 | 69,871,200 | 57,664,000 | (15,206,800) | -20.9% |
| Community Services | 644,136 | 4,549,100 | 6,206,900 | 4,576,100 | 27,000 | 0.6% |
| Fixed Charges | 527,261,072 | 575,280,800 | 534,418,400 | 527,313,700 | (47,967,100) | -8.3% |
| Health Services | 55,253,980 | 40,078,700 | 49,236,100 | 50,066,200 | 9,987,500 | 24.9% |
| Special Education | 341,158,807 | 362,594,500 | 374,731,500 | 397,314,000 | 34,719,500 | 9.6% |
| Mid-Level Administration | 185,973,122 | 196,294,800 | 199,067,800 | 207,911,600 | 11,616,800 | 5.9% |
| Textbooks and Instructional Materials | 56,705,478 | 44,895,300 | 52,705,000 | 44,066,300 | (829,000) | -1.8% |
| Other Instructional Costs | 206,092,377 | 178,426,800 | 163,960,300 | 174,806,600 | (3,620,200) | -2.0% |
| Food Services Subsidy | 555,408 | 3,018,800 | 835,500 | 749,300 | (2,269,500) | -75.2% |
| Capital Outlay | 40,308,918 | 27,500,000 | 27,000,000 | 27,000,000 | (500,000) | -1.8% |
| TOTAL | \$ 2,839,696,734 | \$ 2,950,635,400 | \$ 2,958,673,600 | \$ 2,971,479,900 | \$ 20,844,500 | 0.7% |



EMPLOYEE DATA

- Proposed staffing for FY 2027 totals 21,194 full-time equivalent (FTE) positions, a decrease of 188 positions, or 0.9%, under the number of FTE positions budgeted for FY 2026.

| Staffing by Position Type | | | | |
|---|-----------------------------|-----------------------------|-----------------------|---------------------|
| Positions by Category | FY 2026 Approved | FY 2027 Proposed | FTE Change | % Change |
| Aides - Paraprofessionals | 2,519 | 2,443 | (76) | -3.0% |
| Assistant Principals | 374 | 394 | 20 | 5.3% |
| Bus Drivers | 1,409 | 1,387 | (22) | -1.6% |
| Superintendent, Chiefs, Administrators, Area Assistant Superintendents | 18 | 20 | 2 | 11.1% |
| Directors, Coordinators, Supervisors, Specialists | 604 | 622 | 18 | 3.0% |
| Guidance Counselors | 417 | 408 | (9) | -2.2% |
| Librarians | 132 | 122 | (10) | -7.6% |
| Nurses | 263 | 259 | (4) | -1.5% |
| Other Professional Staff | 558 | 590 | 32 | 5.7% |
| Other Staff | 3,199 | 3,245 | 46 | 1.4% |
| Principals | 207 | 208 | 1 | 0.5% |
| Psychologists | 99 | 99 | - | 0% |
| Pupil Personnel Workers, School Social Workers | 75 | 75 | - | 0.0% |
| Secretaries and Clerks | 976 | 969 | (7) | -0.7% |
| Teachers | 10,359 | 10,189 | (170) | -1.6% |
| Therapists | 173 | 164 | (9) | -5% |
| Total FTE Positions | 21,382 | 21,194 | (188) | -0.9% |

- Average PGCEA teacher experience, per school, is provided as an attachment in response to *First-Round Budget Review Question #30*.

Union Negotiated Compensation Agreements

- The Board’s FY 2027 Requested Annual Operating Budget includes \$2,298,604 for carryover compensation costs related to FY 2026. Contract negotiations with SEIU are underway and are expected to be finalized by the end of FY 2027. A breakdown of compensation enhancements by union has been provided below.

| FY 2025 Negotiated Compensation Commitments | | | | | | |
|--|--------------------------------------|---|----------------------------------|-------------------------|---|----------------------|
| Union | Current Contract Ends | FY 2026 Step/COLA Carryover Cost | FY 2027 Step Increase | FY 2027 COLA | FY 2027 Board Certified Stipends | Total |
| ASASP II | June 30, 2028 | \$ - | 4,654,956 | 3,024,383 | \$ - | \$ 7,679,339 |
| ASASP III | June 30, 2028 | - | 2,528,332 | 1,322,767 | - | 3,851,099 |
| SEIU | June 30, 2027 | 276,403 | * | * | - | 276,403 |
| ACE/AFSCME | June 30, 2026 | 2,022,201 | 5,859,552 | 10,590,524 | 3,277,117 | 21,749,394 |
| PGCEA | June 30, 2028 | - | 14,987,561 | 34,009,397 | 6,547,184 | 55,544,142 |
| Non-Represented | | - | 558,069 | 487,183 | - | 1,045,252 |
| Total | | \$ 2,298,604 | \$ 28,588,470 | \$ 49,434,254 | \$ 9,824,301 | \$ 90,145,629 |

Teacher Retirement and Pensions

- The number of teachers eligible to retire within the next four (4) years is detailed below:

| PGCEA Members Eligible for Retirement (cumulative) | | | |
|--|------------------------------|------------------------|-------------|
| Fiscal Year | Years of Services Retirement | Age Service Retirement | Total |
| 2026 | 308 | 938 | 1246 |
| 2027 | 419 | 1143 | 1562 |
| 2028 | 577 | 1370 | 1947 |
| 2029 | 700 | 1632 | 2332 |

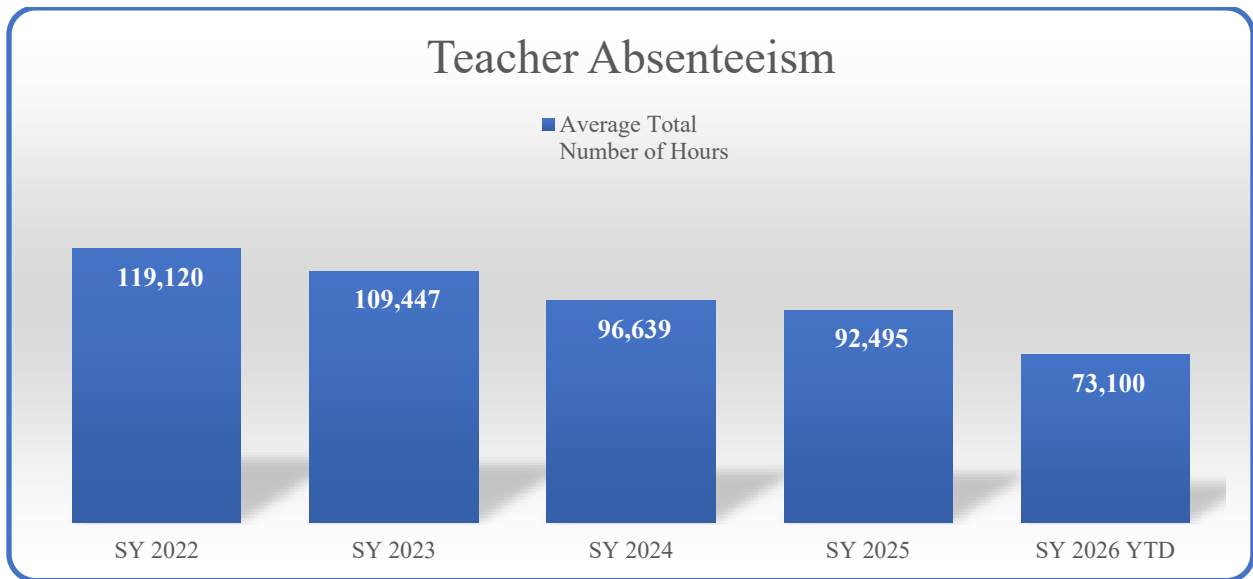
- PGCPS encourages highly experienced teachers to extend their careers and seek leadership roles or obtain National Board Certification, which compensates teachers above the standard salary. PGCPS has also implemented structured mentorship programs that pair veteran teachers with early-career staff to preserve instructional expertise. PGCPS has other initiatives including the Grow-Your-Own Programs and strengthening partnerships with local universities and teacher preparation programs to build a consistent pipeline for new educators.
- The valuation for Net Other Post-Employment Benefits (OPEB) Liability, as of June 30, 2025, was \$2.7 billion, while overall OPEB liability is \$3 billion.
- The minimum \$15 million contribution is budgeted for FY 2027 due to budget constraints.

Attrition and Vacancies

- PGCPS defines “resignations” as notifications from employees to vacate a position or job, and “separations” as including all reasons why an employee leaves PGCPS (including retirement). “Turnover” is defined by the school system as the number of full-time or part-time staff who leave a specific school for any reason, including promotions and voluntary and involuntary transfers, but remain with PGCPS.⁴
- PGCEA union teacher turnover, by school, was provided in response to *First-Round Budget Review Question # 40*.
- **PGCPS noted that it does not collect data on the specific reasons for teacher turnover.**
- As of June 30, 2025, ASASP II (principals and assistant principals) saw 10 resignations, representing 1.7% of employees. PGCEA saw 464 resignations, representing 4.7% of employees. PGCPS projects an overall attrition rate of 10.21% for FY 2026.

⁴ Note: This does not follow the generally accepted [dictionary definition](#) of “turnover.”

- The FY 2027 PGCPs' budget includes \$5.9 million for terminal leave payouts based on estimated cost projections. These costs are not deferred by PGCPs but are booked as the employees leave and the expense is incurred.
- The number of vacancies, as of March 6, 2025, is 961 FTE positions. The associated salary lapse resulted in savings of \$71,603,990. A complete list of vacancies, by category, was provided in response to *First-Round Budget Review Question # 38*.
- The chart below shows teacher absenteeism by 'Average Total Number of Hours' and 'Average Total Number of Days' from school year 2020 to school year 2025, year-to-date.



STUDENT DATA

Enrollment and Cost per Pupil

- In FY 2027, PGCPs is anticipating enrollment of 130,204 students in Pre-K through 12th and 697 in nonpublic schools for students with disabilities. This is a decrease of 1,109 students, or 0.8% under the FY 2026 actual enrollment.
- The Preschool student population is projected to total 4,863 students, an increase of 240, or 5.2% over the FY 2026 actual enrollment. Additional enrollment figures are provided in the Pupil Population chart below.

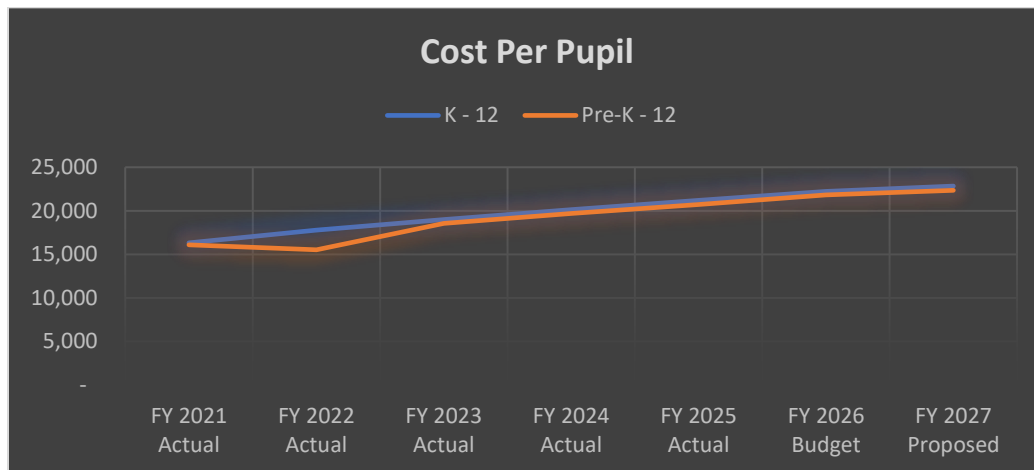
| Pupil Population | | | | | |
|---|--|--|---|---|--------------|
| | FY 2025 Actual as of 09/30/24 | FY 2026 * Actual for 09/30/25 | FY 2027 * Projected as of 09/30/26 | Change from FY 2026 Actual to FY 2027 Projected | |
| Full-Time | | | | | |
| <u>Regular and Special Education Day Programs:</u> | | | | | |
| Kindergarten @ 100% | 8,850 | 8,920 | 8,510 | (410) | -4.6% |
| Elementary Grades 1 to 5 | 48,696 | 48,040 | 48,093 | 53 | 0.1% |
| Middle School Grades 6, 7 and 8 | 29,300 | 29,184 | 28,915 | (269) | -0.9% |
| High School Grades 9 to 12 | 40,485 | 39,862 | 39,126 | (736) | -1.8% |
| Total Regular and Special Education | 127,331 | 126,006 | 124,644 | (1,362) | -1.1% |
| <u>Pre-school:</u> | | | | | |
| Prekindergarten | 4,497 | 4,294 | 4,529 | 235 | 5.5% |
| Montessori | 324 | 329 | 334 | 5 | 1.5% |
| Total Pre-School | 4,821 | 4,623 | 4,863 | 240 | 5.2% |
| Total Pre-K to 12 Enrollment | 132,152 | 130,629 | 129,507 | (1,122) | -0.9% |
| Nonpublic Schools - Students with Disabilities | 696 | 684 | 697 | 13 | 1.9% |
| Total Full-Time Enrollment | 132,848 | 131,313 | 130,204 | (1,109) | -0.8% |
| Part-Time | | | | | |
| <u>Summer School:</u> | | | | | |
| Regular Instructional Programs | 11,365 | 12,712 | 10,000 | (2,712) | -21.3% |
| Extended School Year Services for Students with Disabilities | 2,177 | 2,470 | 4,832 | 2,362 | 95.6% |
| Total Summer School | 13,542 | 15,182 | 14,832 | (350) | -2.3% |
| Evening High School ⁽¹⁾ | 3,175 | 1,162 | 1,250 | 88 | 7.6% |
| Home and Hospital Teaching | 69 | 44 | 514 | 470 | 1068.2% |
| Total Part-Time | 16,786 | 16,388 | 16,596 | 208 | 1.3% |
| <u>Online Campus⁽¹⁾</u> | | | | | |
| 7-12 | 231 | 226 | 217 | (9) | -4.0% |
| Total Online Campus | 231 | 226 | 217 | (9) | -4.0% |

⁽¹⁾ Evening High School - A portion of the Evening HS student enrollment total is also included in the full-time enrollment for grades 9 - 12.
 Online Campus, the student count is also included in the Full Time count in the appropriate grade span.

* The 9/30/25 actual enrollment count is utilized to project expected revenue funding and the 9/30/26 projected enrollment is used for expenditure planning.

Note: The K-12 enrollment represents the headcount. It does not reflect the full time equivalent enrollment used for the state aid funding purposes.

- The Online campus is proposed to decrease by 9 students to 217 pupils in FY 2027.
- **For FY 2027, the cost per pupil is projected to be an average of \$22,841 for K-12 students and \$22,352 when also accounting for Pre-kindergarten,** increases of \$620 and \$523 per pupil, respectively, from the FY 2026 budget. The cost per pupil calculation is based on the State formula, which excludes food service, equipment, community services, and outgoing transfers from total school system costs. The cost-per-pupil may fluctuate based on additional receipt of funds.



Pre-kindergarten, Kindergarten, and Preschool

- PGPCS currently offers the following programs for children under five (5):
 - Prekindergarten (four-year-olds by Sept. 1) (4,120 seats)
 - Meets income eligibility guidelines.
 - Registered with the McKinney-Vento Program (homelessness).
 - Demonstrates developmental delays or is at risk for developmental delays as identified by an IEP placement.
 - Montessori (three/four-year-olds by Sept. 1) (352 seats)
 - Lottery-based.
 - Three Montessori schools (pre-K to 8th grade)
 - Entry at three/four years old or with prior accredited Montessori experience.
 - Three-year-olds attend half-day.
 - Preschool Special Education (accepts all students with IEPs)
 - Infants and toddlers.
 - Autism.
 - Intensive needs.
 - Special education.
 - Parent-infant program.
 - Community-based services.

- The Blueprint for Maryland’s Future legislation requires that, beginning in FY 2025, eligible private providers should account for at least 10% of State-funded Pre-K slots in the County. The proportion should then increase by 10% per school year until the 2028-2029 school year, where private provider slots account for at least 50% of all seats. A waiver must be submitted when the yearly threshold requirements are not met.
- A list of prekindergarten sites and proposed expansions was provided in response to *First-Round Budget Review Question #43*. The attachment in response to *First-Round Budget Review Question #43* also includes the number of special education seats available.

Before- and After-School Programs

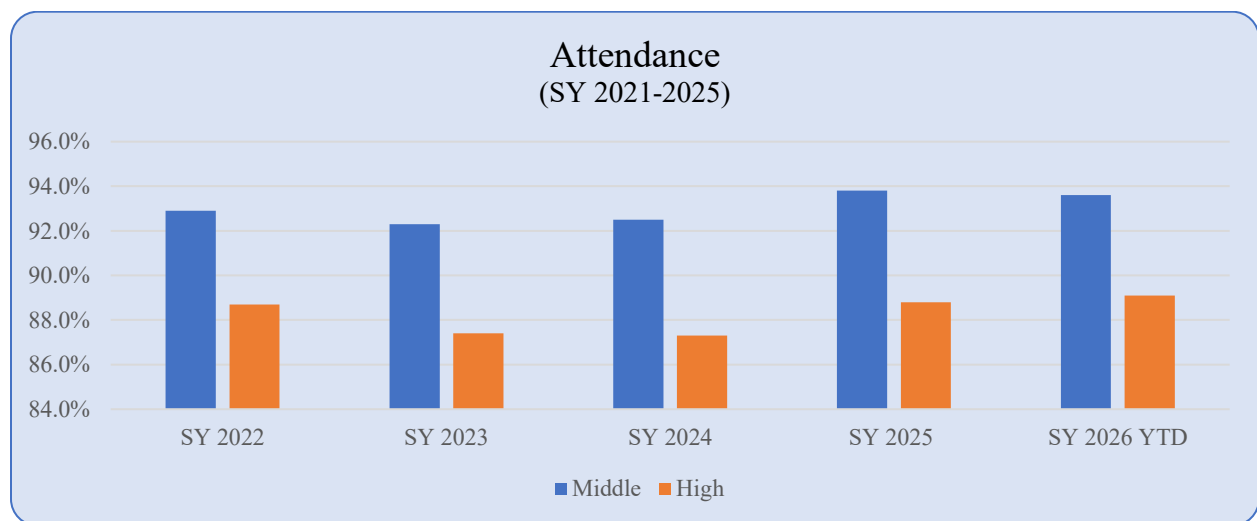
- A list of schools with before- and after-school programs, capacity, and cost was attached in response to *First-Round Budget Review Questions #65*.
- PGCPs contracts with four (4) vendors to provide services.

Benchmark Assessments

- Benchmark assessment scores, per school, for Reading and Language Arts and Mathematics can be found as an attachment in response to questions 45 (Elementary School), 47 (Middle School), and 49 (High School) of the *First-Round Budget Review Questions*.
- A discussion on current and planned remediation efforts to address low-scoring schools and students can be found in the responses to questions 46 (Elementary School), 48 (Middle School), and 50 (High School) of the *First-Round Budget Review Questions*.

Attendance and Truancy

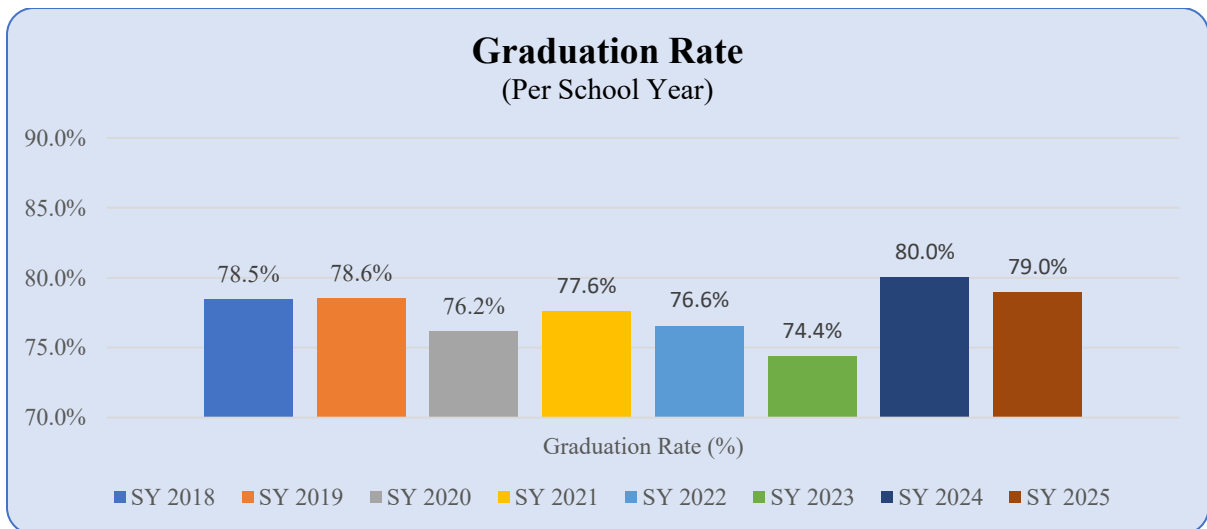
- The student attendance rates for School Years 2022 through 2026 are shown below:



- SY 2026 year-to-date data on middle and high school truancy was provided in response to *First-Round Budget Review Question #52*.
- Chronic Absenteeism, defined as the percentage of students with absence rates (excused or unexcused) over 10%.
- Efforts to address chronic absenteeism and truancy were provided in response to *First-Round Budget Review Question # 53*.

Graduation and Dropout Rates

- **Graduation rates decreased from 80% in SY 2024 to 79% in SY 2025, a decrease of 1%.** Average graduation rates from SY 2018 to SY 2025 are presented in the chart below:



- Graduation rates, per school, for all high schools and specialty schools, can be found on the Maryland Report Card website [here](#).
- Dropout Rates were highest among English Learner (32.6%), Hispanic (24.9%), and Title I (20.1%) groups. Dropout rates, per student group, are listed below:

| Dropout Rates (SY 2018 – SY 2024) | | | | | | | | |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------------------|
| Service/Student Group | SY 2019 | SY 2020 | SY 2021 | SY 2022 | SY 2023 | SY 2024 | SY 2025 | Change SY 2024 to SY 2025 |
| Black/African American | 9.9% | 9.8% | 10.2% | 8.5% | 9.3% | 10.7% | 9.0% | -1.7% |
| Hispanic | 29.3% | 31.0% | 26.1% | 29.2% | 33.1% | 21.5% | 24.9% | 3.4% |
| White | 11.7% | 17.9% | 12.9% | 15.2% | 15.5% | 14.8% | 15.7% | 0.9% |
| Asian | 3.6% | 8.1% | 6.1% | 4.7% | 8.8% | 4.5% | 10.4% | 5.9% |
| Other/More than one | 9.2% | 9.2% | 8.6% | 7.1% | 5.6% | 11.5% | 9.6% | -1.9% |
| Students w/ disabilities | 13.9% | 13.0% | 13.9% | 12.8% | 13.5% | 16.2% | 14.8% | -1.4% |
| English Learners | 33.9% | 32.6% | 31.9% | 32.6% | 38.3% | 25.0% | 32.6% | 7.6% |
| Free/Reduced Meals | 19.3% | 20.4% | 16.5% | 18.1% | 18.7% | 16.6% | 15.6% | -1.0% |
| Title I | 21.4% | 28.4% | 24.3% | 31.2% | 34.5% | 19.5% | 20.1% | 0.6% |
| District Average | 15.7% | 17.8% | 15.4% | 16.0% | 19.1% | 14.6% | 15.9% | 1.3% |

- By gender, school year 2025 dropout rates are 12.2% for female and 19.4% for male students.
- PGCPS listed interventions to help increase in-school retention, including: Cohort Tracker, 12th Grade Professional Learning Communities (PLC), Credit Recovery Programs, District-Level Support Teams (DLST), and Student Withdrawal Assistance Teams. **No information was provided on the overall effectiveness of each intervention.**

Free And Reduced Meals (FARM) Students

- Participation in the Free and Reduced Meals program, per school, is provided in response to *First-Round Budget Review Question # 55* for SY 2024-2025 and SY 2025-2026.
- The number of schools participating in the Community Eligibility Provision and the Identified Student Percentage is provided in response to *First-Round Budget Review Question # 56*.

Specialty Programs

- A list of specialty programs, per school, was provided as an attachment in response to *First-Round Budget Review Questions #62*. The attachment provides capacity and enrollment data. In SY 2027, PGCPS expects to have capacity for 18,202 students in specialty programs.

Career and Technical Education (CTE) Programs

- CTE programs, per school, were provided as an attachment in response to *First-Round Budget Review Questions #63*.
- PGCPS CTE programs, in all high schools, have a capacity for 13,803 students.

Non-Traditional Programs – Alternative Schools

- PGCPS maintains a non-traditional school program with two (2) regional high school (grades 9-12) programs:

| Region | Capacity |
|--------|----------|
| North | 292 |
| South | 120 |

- In addition to the non-traditional high school programs, PGCPS maintains a non-traditional middle school (grades 6-8) program with a capacity of 230.
- PGCPS also has an Online Campus Program that offers a flexible and innovative learning environment for grades 6-12 students. The program has a capacity of 350 students.
- Further information and details on each regional program were provided in response to *First-Round Budget Review Questions #64*.

Community Schools

- The Community School Model is a national model in which schools serve as the hub of the community, providing academic and social-emotional support for students and their families. The PGCPS Office of Community Schools (OCS) coordinates around the [Six Pillars of Community Schools](#) and [Wrap-Around Services](#). There are 147 Community Schools in the system.
- Additional information on Community Schools and needs assessments for each school was provided in response to *First-Round Budget Review Questions #68*.

Class Size

- Average class size, per school and grade, was provided as an attachment in response to *First-Round Budget Review Question #60*.

Community Partnerships

- Community partnerships, by school, were provided as a response to *First-Round Budget Review Questions #67*.
- PGCPS counts on 42 district agreement partners, 56 memorandums of understanding with community partners, and 16 organizational supporters. More information on organizational partnerships was provided as an attachment in response to *First-Round Budget Review Questions #67*.