

April 27, 2026

FY27 Board of Education Requested Budget

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From Pockets of Excellence to Excellence at Scale

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RECOGNITION

How did we get here?

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The Revenue Reality



TRIM

Limits Property Tax growth, capping our primary local revenue source.



TIF

Captures increment growth, diverting funds from general school operations.



DEBT

Impacts Bond Ratings, limiting the County's flexibility to expand funding.

***TRIM: Tax Reform Initiative by Marylanders | TIF: Tax Increment Financing**

What That Means for Schools



MINIMUM
≠ ADEQUATE

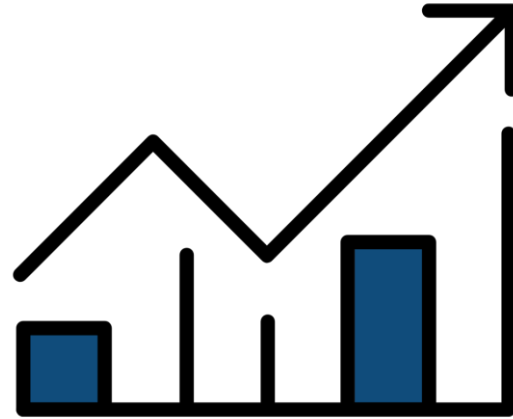
Required vs. Transformational

We are frequently funded at required state levels, not at the transformational levels our students deserve. This structural gap forces us to choose between general operations and targeted pockets of investment.

Scarcity Creates Patterns

Concentrated Excellence

Under fiscal pressure, excellence became concentrated in specific programs. These are “Islands of Excellence”. Systems built in scarcity produce patterns — and new patterns over time become inequities.



What We Built

MAGNET

Specific zones of high-quality arts and science focus.

IMMERSION

Intensive language tracks for select entry points.

IB & AVID

Rigorous college-prep pathways for specific cohorts.

These programs are strong. But they do not serve most students.

The Equity Tension



Overinvestment in Some

Significant central overinvestment in programs serving a distinct few students.

Underinvestment Across Many

Structural underinvestment across many schools that lack specialized labels.

Equity is not subtraction. It is design.

Blueprint Changed the Model

- Funds flow directly to schools
- Less discretionary subsidies

The decentralization of dollars is progress, but it forces us to change our business model.



REVERSAL

From Concentrated to
Distributed Excellence.

Justice requires us to reverse the pattern of
concentration. We are recalibrating for every child.

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Redistribution: Excellence at Scale



Mathematics & Literacy

Acceleration for every early learner, not just select sites.



\$27M Special Ed

Stabilizing supports for our most vulnerable across the district.



AI & Safety

Modernizing every classroom with future-ready tools and security.



Professional Development

A Renewed Focus on Employee Growth.

Shared Responsibility



County Executive



County Council



State Delegation



Business Leaders



Community

EXCELLENCE FOR ALL.

Excellence is our promise to every student.

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Tough Budget Years Ahead



Declining Enrollment

Student enrollment declines impact revenue growth



Shrinking Fund Balance

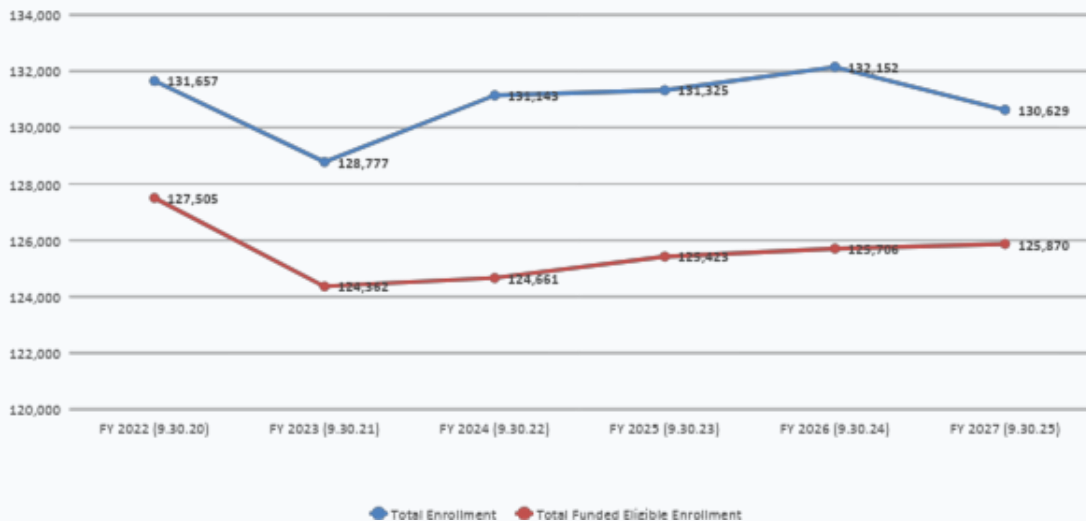
Further depletion weakens the district's financial position and limits flexibility for future uncertainties.



Cost of doing business

Negotiated compensation, special education services and other operating costs are outpacing the growth in revenue.

Student Enrollment Trend



Total vs Funded Eligible Enrollment

- Total PreK-12 Enrollment declined by over **1,500 students (1.2%)** Sept 2025 vs 2024; statewide decline of 1.3%
- Projected decrease of another **2,200 students** for Sept 2026.
- FY27 School Budgets will be based on **Sept 2026 projected enrollment**.
- Immunization compliance (93% increase) slightly offset declines.

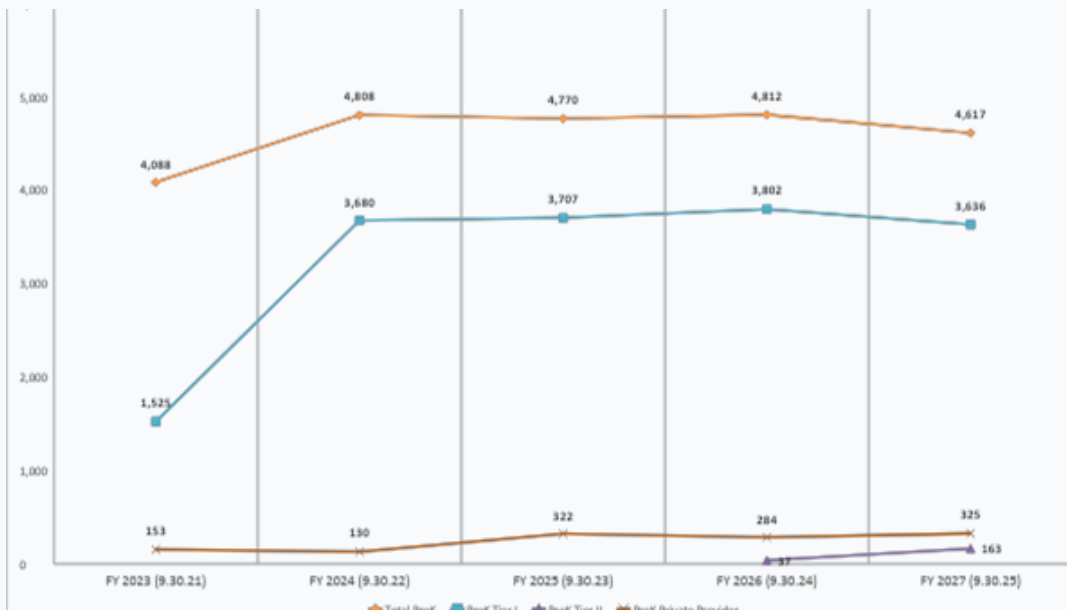
Funded Student Enrollment



Enrollment counts that drive funding

- Eligible funded enrollment, FARMs & ML counts include K-12 students
- Special Education (SPED) count includes PreK-12
- Eligible funded enrollment is relatively flat
- FARMs and SPED are also increasing
- ML student population is declining

PreK Student Enrollment



Enrollment counts that drive funding

- Total PreK Count includes ½ day students for which we do not receive funding
- PreK Tier 1: 3 or 4 year olds in full day PreK; family income < 300% of FPL
- PreK Tier II: 4 year olds in full day PreK; family income 300% - 600% of FPL
- Full funding for Tier I; partial funding for Tier II

FY 2027 Per Pupil Amount Change



	Foundation	Compensatory Education	Multilingual Learners	Special Education	PreK
FY 2022	0.80%	0.80%	0.80%	0.81%	0.00%
FY 2023	12.45%	3.18%	13.59%	30.68%	0.00%
FY 2024	4.00%	1.66%	4.00%	11.25%	14.86%
FY 2025	1.70%	0.53%	3.74%	9.43%	12.15%
FY 2026	4.97%	3.74%	0.85%	9.22%	11.31%
FY 2027	3.63%	-0.71%	1.18%	14.70%	37.84%
FY 2028	2.38%	1.57%	1.96%	13.47%	0.00%

Per Pupil Amounts that drive funding

- ↑ Foundation
- ↑ Multilingual Learners
- ↑ Special Education
- ↑ PreK
- ↓ Compensatory Education (FARMs students)

FY 2027 Projected Unrestricted Revenue (By Program)



Key Revenue Drivers

- The increase in Foundation, Special Education and PreK revenue is primarily driven by the increase in the per pupil allocation for these programs.
- Decreased funding for our ML students is primarily due to fewer students.
- Other Major State Aid is declining by \$2.1M primarily due to the continued phaseout of the Blueprint Transition funding.

Funding Program	FY26 Revised	FY27 Requested	PY Change \$	PY Change %
Foundation	1,156,130,626	1,203,292,484	47,161,858	4.1%
Compensatory Education	676,733,232	676,369,820	(363,412)	-0.1%
Multilingual Learner	315,422,408	306,522,036	(8,900,372)	-2.8%
Special Education	147,752,644	175,533,600	27,780,956	18.8%
Comparable Wage Index	70,316,184	71,403,376	1,087,192	1.5%
Prekindergarten	57,636,579	80,068,035	22,431,456	38.9%
Other Major State Aid *	90,222,762	88,109,607	(2,113,155)	-2.3%
Major State Aid Funding (State & County Share)	2,514,214,435	2,601,298,958	87,084,523	3.5%
Other County, Board & Federal Sources	29,790,110	80,571,185	50,781,075	170.5%
Use of Fund Balance	95,000,000	25,000,000	(70,000,000)	-73.7%
Total Unrestricted Revenue	2,639,004,545	2,706,870,143	67,865,598	2.6%

*Primarily includes transportation, non-public and Blueprint Transition revenue.

FY 2027 Projected Unrestricted Revenue (By Funding Source)

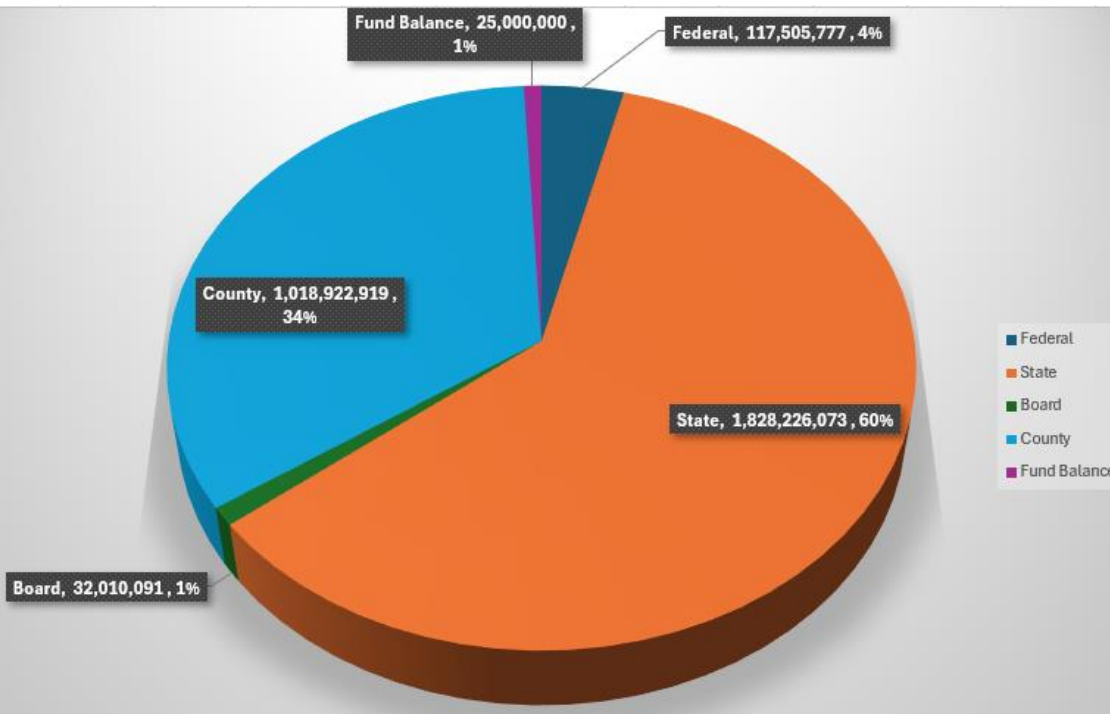


Funding Source - Unrestricted	FY26 Revised	FY27 Requested	PY Change \$	PY Change %
State	1,561,114,978	1,642,577,123	81,462,145	5.2%
County	953,099,457	1,009,502,910	56,403,453	5.9%
Board	29,691,970	29,691,970	-	0.0%
Federal	98,140	98,140	-	0.0%
PY Fund Balance	95,000,000	25,000,000	(70,000,000)	-73.7%
Total Unrestricted Revenues	2,639,004,545	2,706,870,143	67,865,598	2.6%

Key Insights

- State share of Blueprint funding formula is increasing.
- The increase in the County Contribution is primarily due to the \$50M in additional funding we are requesting above the minimum required by Blueprint.

Total FY 2027 Revenue by Source



State Revenue

\$1,528,226,073

60% of Total

County Revenue

\$1,018,922,919

34% of Total

Other Funding Sources

Federal: \$117.5M (4%)

Board: \$22.0M (1%)

Fund Balance: \$25.0M (1%)

FY 2027 Minimum County Contribution



	FY26 Revised	FY27 Requested	FY27 Requested vs. FY26 Revised	
MINIMUM COUNTY CONTRIBUTION REQUIRED	967,592,621	968,737,919	1,145,298	0.1%

Blueprint Legislation

County minimum funding requirement is strictly defined in Blueprint legislation.

Minimal Mandated Increase

The FY27 requirement represents only an increase of **\$1.1M** over the prior year.

Strategic Investment

Additional funding is requested to **stabilize operations** and support critical **program accelerants**.

FY 2027 Requested Budget



Unrestricted Budget Change	\$ Change
Proposed Unrestricted Revenue Increase	\$ 17,865,598
Mandatory Costs	
Compensation Negotiated Commitments	\$ 99,176,209
Retiree Benefit Contribution	\$ 15,000,000
Salary Lapse	\$ 40,000,000
Total Mandatory Costs	\$ 154,176,209
Cost of Doing Business	
Textbooks, Buses/Other Vehicles, Technology Refresh	\$ 14,675,608
Utilities	\$ 2,500,000
Technology Maintenance and Upgrades	\$ 1,853,009
Student/School Based Supports	\$ 8,023,815
Total Cost of Doing Business	\$ 27,052,432
Program Enhancements	
Special Education Services	\$ 27,204,714
Safety and Security Services	\$ 2,321,964
AI Literacy	\$ 1,300,000
Academic Interventions	\$ 1,217,822
Professional Development	\$ 1,088,500
Total Program Enhancements	\$ 33,133,000
Total Proposed Expenditure Increases for FY 2027	\$ 214,361,641
Budget Reductions	\$ (146,496,043)
Initial Budget Deficit for FY 2027	\$ (50,000,000)

Budget Gap - Essential Operations



Essential Operations: \$181M

- **\$154M** Mandatory compensation for employees & retirees
- **\$27M** Ongoing operational cost increases (textbook adoptions, fleet refresh, utilities, technology refresh and maintenance)

Funding Sources: \$164M

- Proposed Cuts (\$146M) - See appendix
- Unrestricted Revenue Increase (\$18M)

Shortfall: \$17M

\$181M (Costs) - \$164M (Sources)

\$50M County Funding Request: \$17M Stability + \$33M Program Accelerants

Accelerants / Strategic Investments (\$33M)



Special Education

Enhances critical services for our students with disabilities

Safety & Security

Additional On-site Staffing for Middle Schools & K-8 Academies

Professional Development

Supports staff growth and retention efforts through specialized training.

AI Literacy

Investments in literacy promote innovative instructional practices.

Math & Reading Literacy

Allocating resources to improve core literacy and numeracy skills.

Special Education Services **\$27.2M**



Focusing on critical support initiatives

The FY27 budget enhances Special Education, including essential services like speech therapy, occupational therapy, and new autism program initiatives to support diverse learners.

Ensuring Critical Service Delivery | \$24.2M

Contracted Instructional and Related Services for five critical areas:

- Related Services (Speech, OT, PT, Counseling)
- Private Duty Nursing
- Sign Language Interpretation
- Compensatory Education Services
- Contracted Instructional Staff

SPED Program Support | \$3.0M

- 9 coordinators for Elementary Autism Programs (\$1.5M)
- Templeton Autism Program, K-1 (\$0.9M)
- Early Childhood Classroom Teachers (\$0.6M)

Academic Achievement **\$1.2M**

Enhancing Reading and Math Literacy

*The FY27 budget
allocates **\$1.2M**
supporting a Systemic
Approach to K-5 Literacy
and targeted academic
interventions.*



Safety and Security Investments **\$2.3M**



Enhancing Safety and Learning Environments

Increased On-Site Staffing

Additional Staffing for Middle Schools & K-8 Academies to support expanded rollout of security enhancement devices to remaining secondary schools

27

Safety and Security Assistants

2

Lead Safety and Security Counselors

Office of Organizational Development **\$1.1M**

A Renewed Focus on Employee Growth

*The FY27 budget allocates **\$1.1M** to support professional development.*



Leadership & Structure

- Led by an associate superintendent hired in FY26
- Year one focus on foundational growth

Strategic Priorities

- Job embedded learning: reading, math, and special education
- Technology as a tool to enable learning, confidence, innovation, and efficiency
- Employee development and retention
- Organizational culture

Artificial Intelligence Investments **\$1.3M**



Supporting Educator and Student AI Literacy

*The FY27 budget allocates **\$1.3M** to enhance AI literacy, ensuring our staff are equipped with essential skills for future success.*

Strategic Focus Areas

- Professional development for K-12 staff
- Integration of AI tools in classroom instruction
- Promoting ethical and transparent AI use

Expected Outcomes

- Increased staff proficiency in leveraging AI for efficiency
- Enhanced student preparedness for the future workforce
- Equitable access to AI literacy resources across schools
- Establishment of safe AI usage guidelines

County Contribution Request



Requested: \$50M above Blueprint Minimum

- Budget shortfall (essential services): \$17M
- Accelerants: \$33M

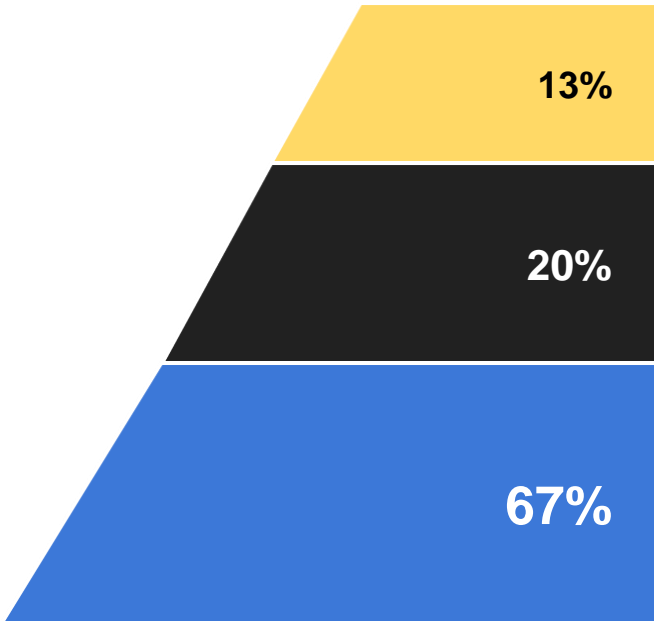
CEX Committed: \$20M

- On-behalf payment towards teacher retirement or
- Non-recurring County Contribution

FY27 Budget Shortfall: \$30M

- Cut Safety & Security and AI Literacy accelerants; and
- Reduce SPED accelerant to only fund what is required (IDEA/COMAR compliance); and
- Cut further spending across central offices & schools to support SPED requirements

FY 2027 Operating Budget Expenditures



Centralized Services

(Central Office Administrative Functions)

Direct Student Support

(Centrally Managed)

Academic Support (5%), Transportation (5%), Maintenance (4%), Student Services (3%), Security (1%), Other (2%)

Student-Based Budgets

(School Managed)

Next Steps to Close Budget Gap



Revalidate SPED Accelerant

- Autism Program at Templeton
- Early Childhood Teachers & Elementary Autism Coordinators
- Contracted Services

- **Finalize school budget planning, traditional & Charters**
- **Revalidate revenue and discretionary budget assumptions**
- **Make final resource allocation decision, minimizing impact on schools**



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Thank You!

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Appendix

Budget Reductions **\$146.5M**

**Centralized Budget
Reductions**

\$86.6M

**Strategic
Realignment**

\$46.4M

Optimizing Funding Sources

**School-based
adjustments**

\$13.5M

Centralized Budget Reductions **\$86.6M**



Facilities & Operations | **\$21.1M**

- Contracted Services: \$10M
- Transportation & Bldg Overtime: \$8.8M
- Maintenance & Supplies: \$2.2M

Operational Efficiencies | **\$17.6M**

- Position reductions: \$7.5M
- Travel, Reg & Catering: \$5.1M
- Food Services Reimbursement: \$5.0M

Central Academic Support | **\$12.2M**

Discretionary funding and position realignments within Curriculum & Instruction, Early Learning, Specialty Programs & the Arts.

Student Support | **\$8.9M**

- Area Office Discretionary: \$4.0M
- Outsourced Contracts: \$3.0M
- Position Eliminations: \$1.9M

Info Technology | **\$6.1M**

- Software Licenses: \$2.5M
- Position Eliminations: \$2.3M
- Consultant/Overtime: \$1.3M

Strategy & Reserves | **\$20.7M**

- Central Office Hiring Freeze: \$8.6M
- Reserve Reduction: \$9.5M
- Long-term vacancies: \$2.6M

Strategic Realignment \$46.4M

Optimizing Funding Sources



Student Support | \$25.3M

Realigning Substitute Funding

Shifting substitute funding as full-time positions are being filled.

Grant Optimization | \$16.9M

- Community Schools
- CCR

Facilities | \$4.2M

Shift building repairs to Capital Improvement Plan (CIP)

These actions leverage grant funds and capital streams to relieve pressure on the operating budget.

School-based adjustments **\$13.5M**

Academic & Programmatic | \$10.4M

- Boundary Language Immersion
- Elementary & Middle Years Programs (EYP/MYP)
- AVID
- PreK classroom reduction
- S&T and Aeronautics program counselor and assistant principal

SBB Discretionary | \$5.0M

Student Based Budget Discretionary funding for schools.

Restored Programming | \$1.9M

Academic programming restored