



FY 2027 State Budget Overview

Office of Management and Budget

February 10, 2026



Agenda

- ▶ State Aid Overview
- ▶ Other Legislation

State Aid Overview

FY 2027 County Aid Summary

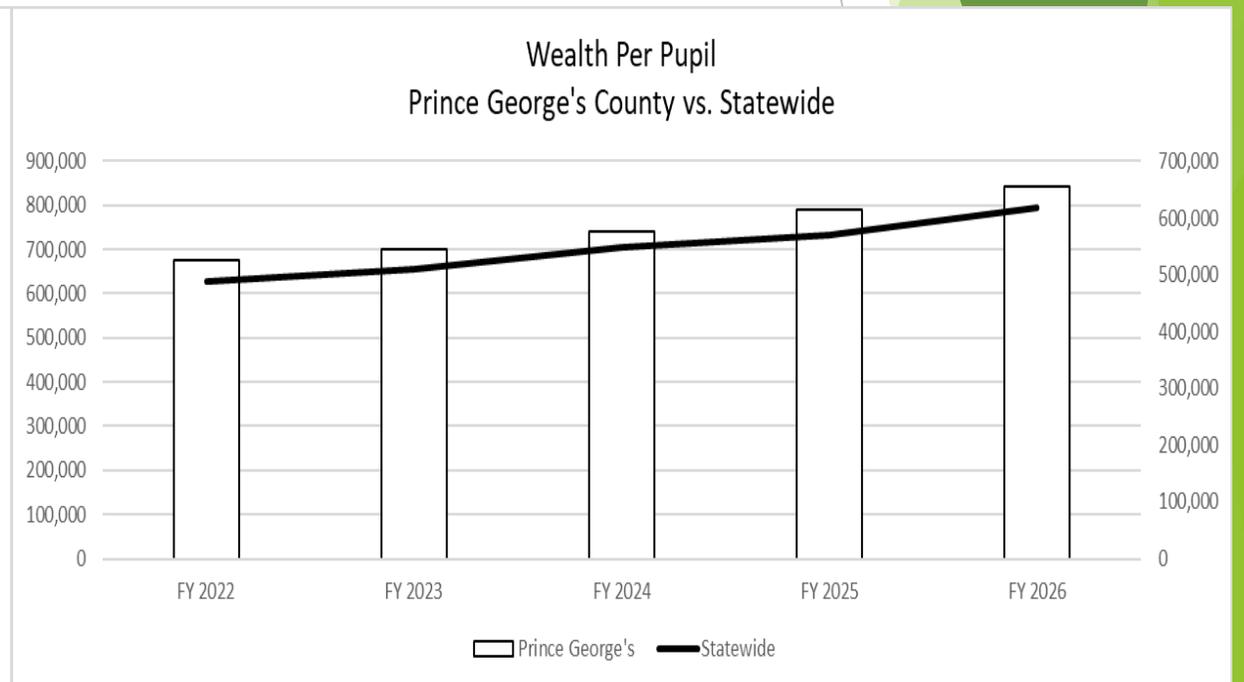
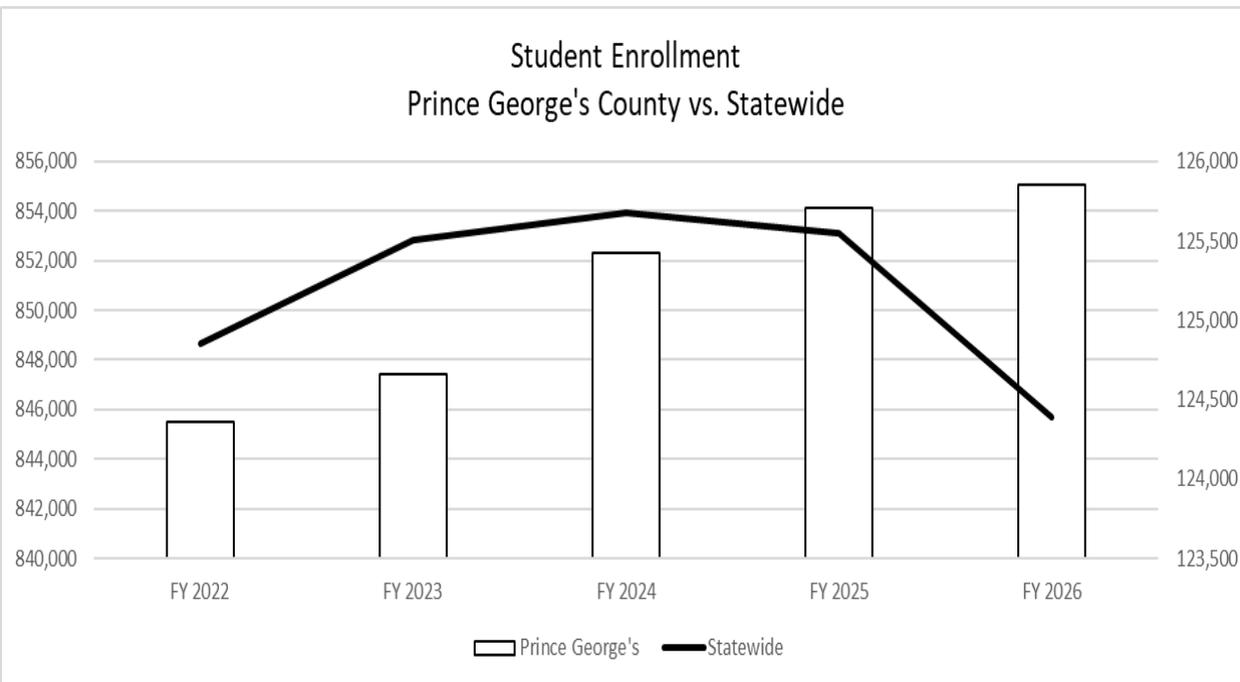
- ▶ State aid to/on behalf of Prince George's County totals \$2.2 billion in FY 2027.
- ▶ Direct Aid increases by \$77.9 million, or 4.0%.
 - ▶ K-12 education aid increases \$93.4 million, or 5.4%.
 - ▶ Library aid increases by \$459,036, or 5.2%.
 - ▶ Community College aid increases by \$1.8 million, or 3.4%.
 - ▶ County aid decreases by -\$17.8 million, or -10.8%.

K-12 Education Aid by Program

Category	Program	FY 2026	FY 2027	Change	% Change
Education	Foundation Aid	674,160,748	708,174,961	34,014,213	5.0%
	Comparable Wage Index	40,874,366	42,023,102	1,148,736	2.8%
	Compensatory Aid	357,671,493	362,360,081	4,688,588	1.3%
	Student Transportation - Regular	50,854,995	51,426,777	571,782	1.1%
	Student Transportation - Special Education	4,432,000	4,832,000	400,000	9.0%
	Special Education - Formula	82,364,987	99,349,442	16,984,455	20.6%
	Special Education - Nonpublic Placements	19,690,940	16,468,589	-3,222,351	-16.4%
	English Language Learners Grant	178,629,245	175,543,358	-3,085,887	-1.7%
	Teacher Development Grants	4,000	4,000	0	0.0%
	Food Service	994,983	1,734,704	739,721	74.3%
	Innovative Programs	251,267	251,267	0	0.0%
	Out-of-County Placements	92,720	92,720	0	0.0%
	Judy Hoyer Centers	2,375,250	2,758,476	383,226	16.1%
	Blueprint - Concentration of Poverty	136,711,216	156,793,081	20,081,865	14.7%
	Blueprint - Transitional Instruction	4,604,900	0	-4,604,900	-100.0%
	Blueprint - Transition Grants	13,328,674	10,252,826	-3,075,848	-23.1%
	Blueprint - Full Day PreKindergarten	30,654,325	44,424,210	13,769,885	44.9%
	Blueprint - College and Career Readiness	6,433,439	3,724,722	-2,708,717	-42.1%
	Blueprint - Education Effort Index	106,537,053	122,592,362	16,055,309	15.1%
	Blueprint - Career Ladder	2,990,770	4,229,365	1,238,595	41.4%
Blueprint - Coordinators	87,194	88,280	1,086	1.2%	
Subtotal Education		1,713,744,565	1,807,124,323	93,379,758	5.4%

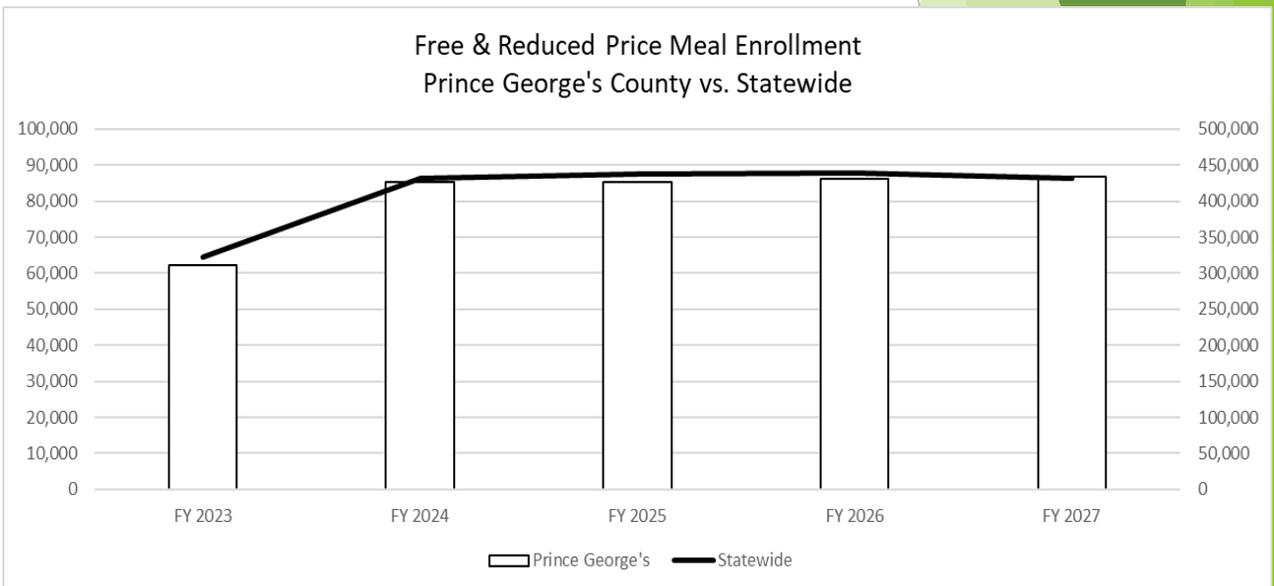
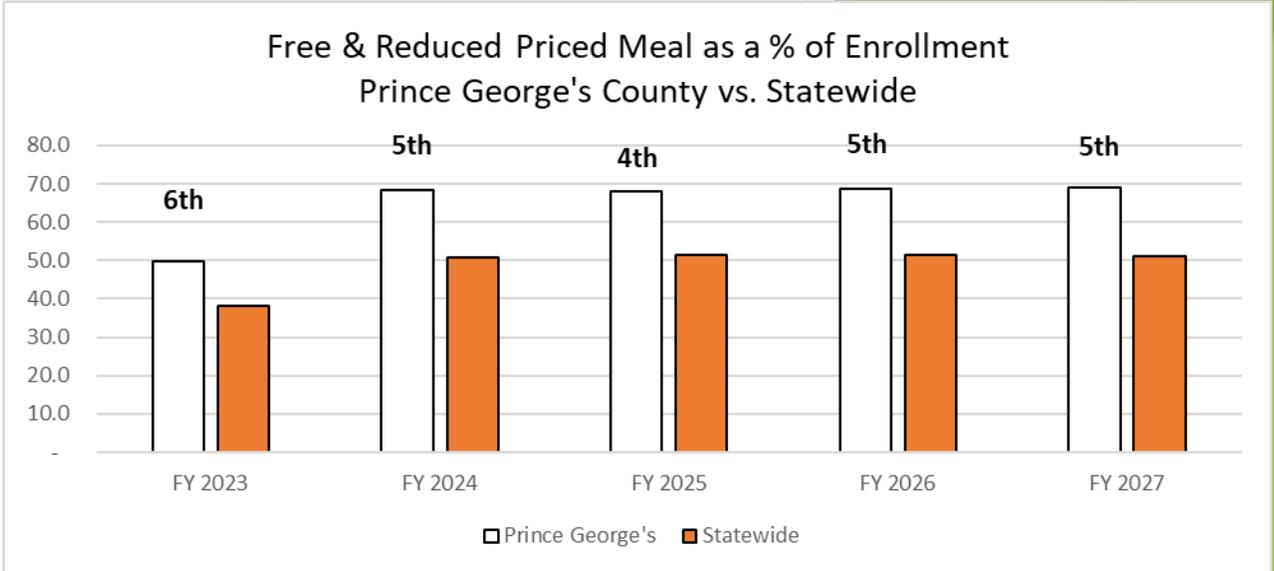
Drivers of K-12 Funding: Enrollment & Wealth Per Student

- County enrollment increases to 125,854.
- County wealth increases 6.8% in FY 2027 compared to the statewide average of 8.7%.
- The County ranks 16th on wealth per student, the same level for the past two fiscal years.



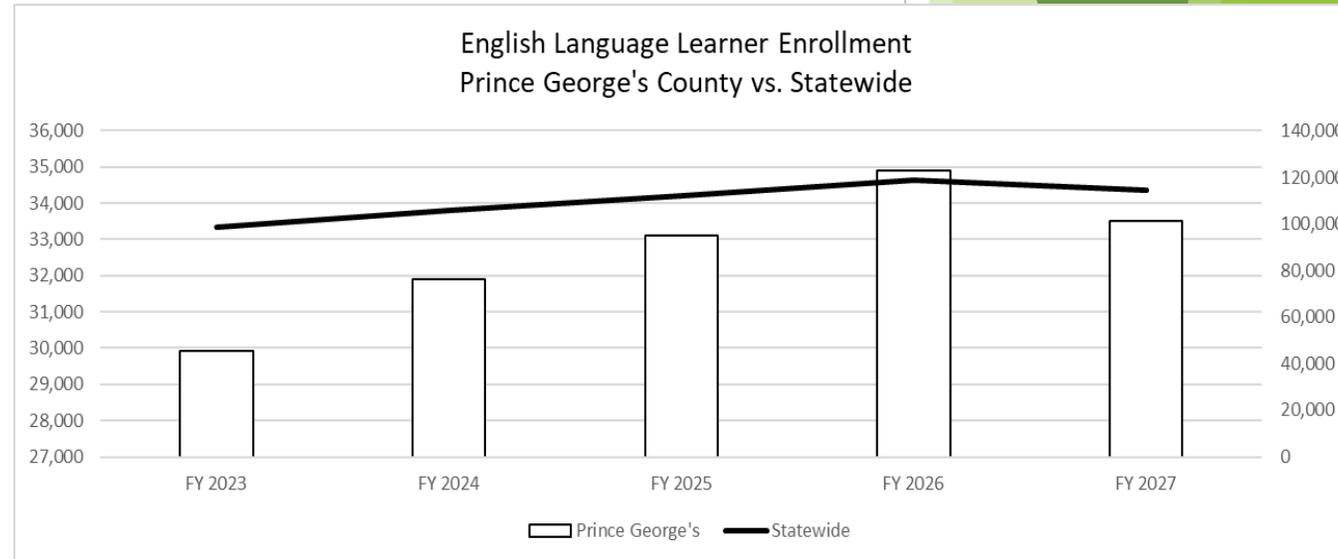
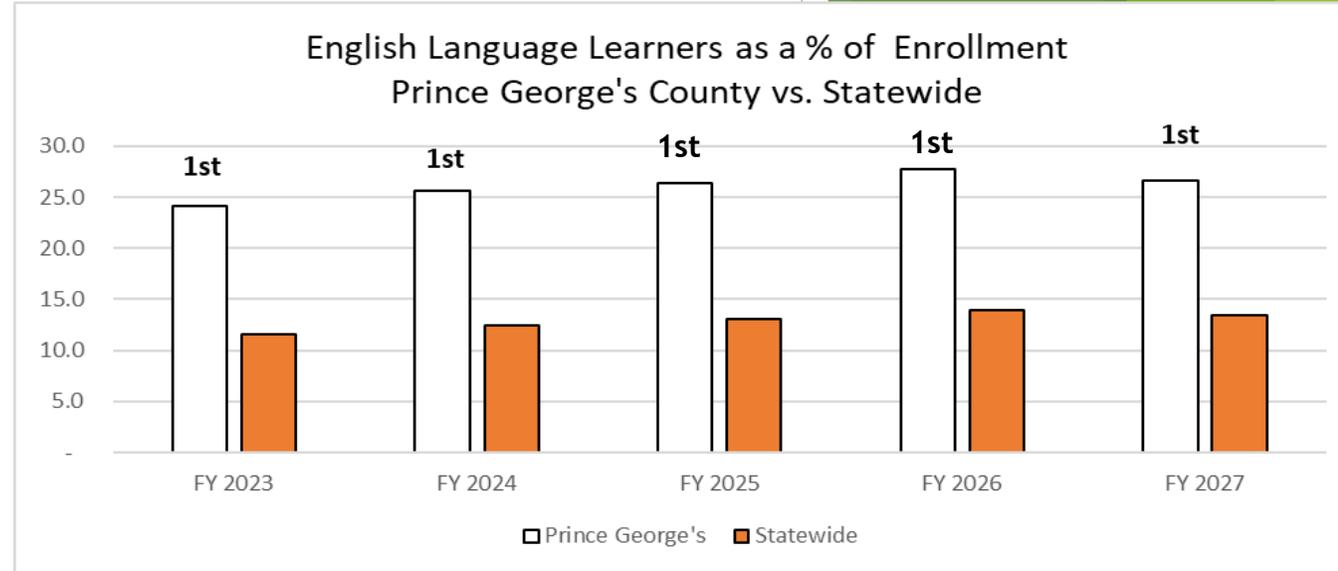
Drivers of K-12 Education Funding: Free and Reduced-Price Meals

- At 69.0% of enrollment, the County ranks 5th in the percent of enrolled students who qualify for free and reduced-price meals. The statewide average is 51.0%.
- FRPM student counts decreased by about -7,500 statewide, leading the Governor to modify the methodology for FY 2027.



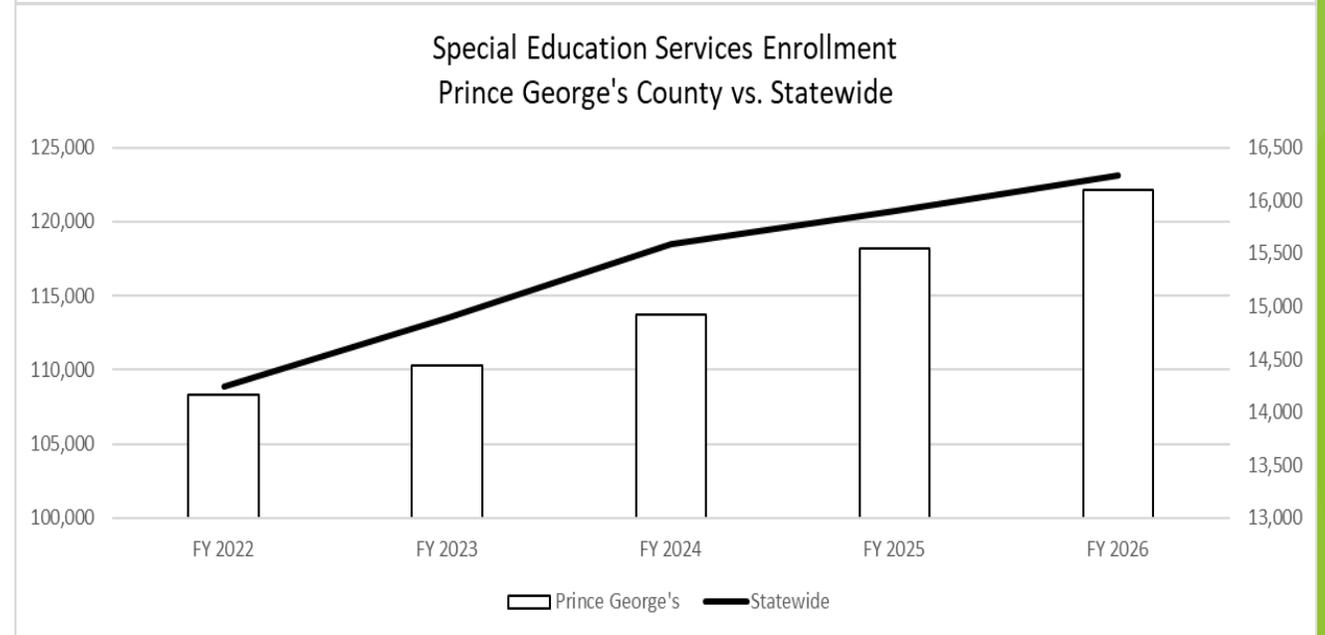
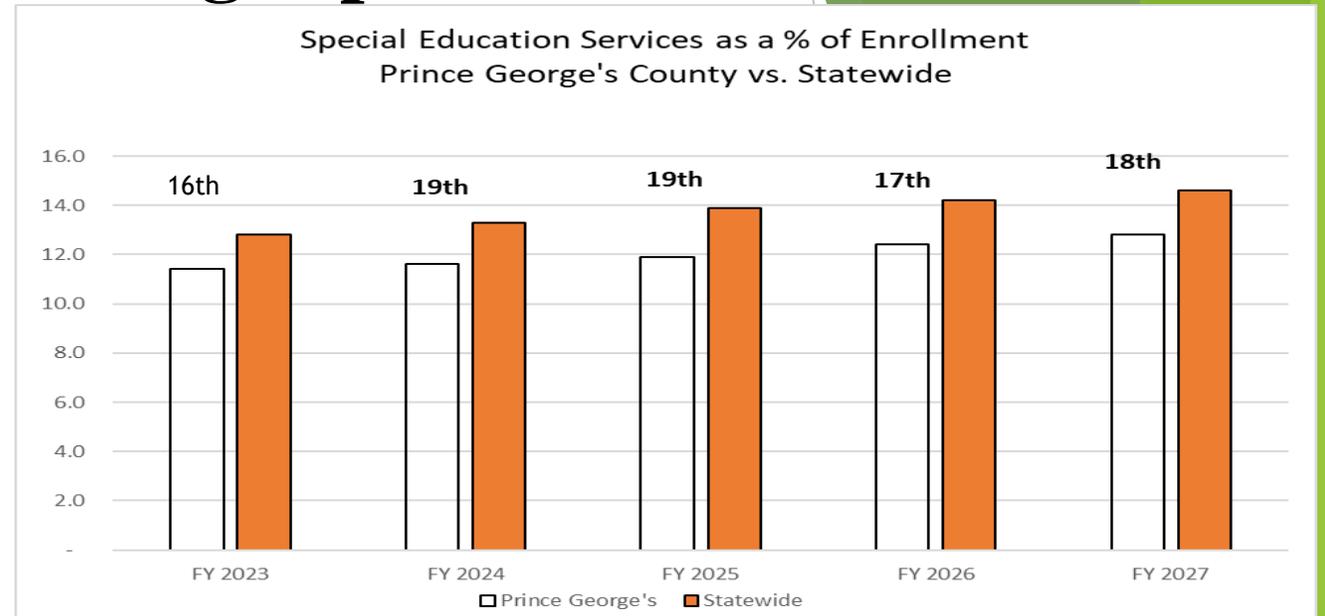
Drivers of K-12 Education Funding: English Language Learners

- The County continues to rank 1st in the number of students who are English Language Learners as a percent of enrollment.
- English Language Learner enrollment fell by -3.6% statewide, versus a -4.0% decrease in Prince George's County.



Drivers of K-12 Education Funding: Special Education Services

- The County ranked 18th in the number of students who receive Special Education Services as a percent of enrollment.
- The September 2025 counts grew 3.6% in the County and 2.0% statewide.



Library and Community College Aid by Program

Category	Program	FY 2026	FY 2027	Change	% Change
Libraries	Library Formula	8,837,721	9,296,757	459,036	5.2%
Community Colleges	Community College Formula	49,675,434	51,165,697	1,490,263	3.0%
	Grants for ESOL Programs	884,928	1,176,216	291,288	32.9%
	Optional Retirement	2,469,293	2,476,499	7,206	0.3%
Subtotal Community Colleges		53,029,655	54,818,412	1,788,757	3.4%

County Aid by Program

Category	Program	FY 2026	FY 2027	Change	% Change
Health	Local Health Formula	8,321,371	10,038,736	1,717,365	20.6%
Transportation	Highway User Revenue	11,632,882	11,297,062	-335,820	-2.9%
	Elderly & Disabled Transportation Grants	357,763	366,707	8,944	2.5%
	Paratransit Grants	450,000	450,000	0	0.0%
	Purple Line Access	3,311,044	0	-3,311,044	-100.0%
Public Safety	Police Aid	15,245,295	15,518,915	273,620	1.8%
	Fire and Rescue Aid	1,895,207	1,895,207	0	0.0%
	Vehicle Theft Prevention	835,051	819,583	-15,468	-1.9%
	Other Public Safety Aid	4,652,699	4,652,699	0	0.0%
	Police Aid Enhancement	7,440,941	7,440,941	0	0.0%
Shared Taxes	Gaming Impact Grants	34,454,825	34,689,111	234,286	0.7%
Other	Disparity Grant	68,267,357	56,889,464	-11,377,893	-16.7%
	Teachers Retirement Supplemental Grants	4,814,351	0	-4,814,351	-100.0%
	Local Impact Grants	3,000,000	3,000,000	0	0.0%
	Other Direct Aid	500,000	350,000	-150,000	-30.0%
Subtotal County		165,178,786	147,408,425	-17,770,361	-10.8%

County Aid Changes

- ▶ A one-time grant of \$3.3 million for businesses affected by construction of the Purple Line was only funded in FY 2026.
- ▶ The Governor continued to fund a discretionary police aid enhancement in FY 2027.
- ▶ Disparity Grant funding decreases by -\$11.4 million (-16.7%) compared to FY 2026, which included a one-time grant added by the Legislature. The FY 2027 formula would have grown to \$74.4 million based on current law, so the actual loss to the County is -\$17.5 million.
- ▶ Chapter 604 of 2025 phased-out the Supplemental Teacher Retirement Grant by 50% in FY 2026 and 100% in FY 2027; a loss of -\$4.8 million in FY 2027.

Payments on Behalf of the County

Payments on Behalf

Category	Program	FY 2026	FY 2027	Change	% Change
Education	Retirement - Teachers	141,513,241	151,311,144	9,797,903	6.9%
Libraries	Retirement - Libraries	3,052,524	3,020,716	-31,808	-1.0%
Community Colleges	Retirement - Community College	6,632,565	6,479,138	-153,427	-2.3%
Total Payments on Behalf		151,198,330	160,810,998	9,612,668	6.4%

- The State makes payments directly to the State Retirement Agency on behalf of the County, paying a share of the retirement costs for teachers, community college and library personnel.
- Teacher retirement costs continue to grow in FY 2027 due to inflation and teacher raises due to Blueprint funding.

Other Legislation

Budget Reconciliation and Financing Act

SB 284/HB 392

- ▶ Governor Moore has proposed legislation that helps to balance the State's FY 2027 budget, by making changes in mandated formulas, transferring balances to the General Fund, etc.
- ▶ Revenue Impacts:
 - ▶ Disparity Grant Cap for 3 Years.
 - ▶ The BRFA caps the Disparity Grant at the FY 2026 formula level (which excludes the \$11.4 million added by the budget committees for FY 2026).
 - ▶ For Prince George's County, this cap results in a loss in State aid of -\$17.5 million in FY 2027 and about the same level of revenue loss in FY 2028 and FY 2029 depending on tax year 2025 and 2026 disparity levels.
 - ▶ Cade Formula Cap for 3 Year.
 - ▶ The BRFA states that for FY 2027-2029 the State Share of community college operating funds as determined by the Cade formula may not exceed an increase of 3% over the State share provided in the preceding FY.
 - ▶ For Prince George's County, this 3% growth cap results in a loss in State aid of -\$4.5 million.
 - ▶ Prisoner Re-Entry Grant.
 - ▶ The BRFA decreases the annual State appropriation for the County Reentry Employment incentive Program from \$500,000 to \$350,000 for FY 2027 and FY 2028. The program was already scheduled to end after FY 2028.

Budget Reconciliation and Financing Act

SB 284/HB 392

- ▶ Revenue Impacts continued:
 - ▶ Assisted Outpatient Mental Illness Treatment Program
 - ▶ Outlines annual reimbursements for FY 2028-2031 that a County must pay to the State health department if it does not opt to establish an assisted outpatient treatment program.
 - ▶ Specifically, a County in which the State establishes an assisted outpatient treatment program shall reimburse the State for 25% of the State share of associated costs in FY 2028 and then increase the percent of the State share by 25 percentage point increments each year – reimbursing the State for 100% of the associated costs by FY 2031.
- ▶ Spending Impacts:
 - ▶ Teacher/Community College/Library retirement costs
 - ▶ The BRFA increases the amount that each county shall pay to the Board of Trustees for FY 2027 and beyond for retirement costs related to teachers, community college, and for the first time, library employees.
 - ▶ For Prince George’s County this results in a spending increase of \$5.6 million, to \$18.7 million to be paid in each FY assuming this amount remains unchanged in future years.

The Blueprint for Maryland's Future-Revisions

SB 311/HB 490

- ▶ The Governor has introduced Blueprint revisions to:
 - ▶ Repeal the requirement that county boards of education submit a report detailing technology related spending and access data.
 - ▶ Extend the previous calculation method used to calculate compensatory education enrollment.
 - ▶ For FY 2027 the existing calculation is extended, which relies on a mix of direct certification data, alternative income forms, and adjustments for schools in the Community Eligibility Provision.
 - ▶ Beginning in FY 2028, the calculation will be based on the greater of the count free or reduced-price meals eligible students OR the number of students directly certified as low income.
 - ▶ Alter teacher qualification requirements.
 - ▶ Remove the FY 2027 sunset of the Concentration of Poverty School Grant Program, making it permanent.
 - ▶ Alter the definition of “wraparound services as it applies to community schools to include certain academic interventions.
 - ▶ Relating to Career Technical Education (CTE) programs:
 - ▶ Alter the purpose, composition, and duties of the CTE Committee and repeal the CTE Skills Standards Advisory Committee.
 - ▶ Require certain State agencies and certain workforce development and education programs to use a certain list of occupations.

Questions