





April 28, 2025

**MEMORANDUM**

TO: Krystal Oriadha, Chair  
Education and Workforce Development (EWD) Committee

THRU: Joseph R. Hamlin   
Director of Budget and Policy Analysis Division

FROM: Arian Albear   
Director, Education and Workforce Development Committee

RE: Board of Education (BOE)  
Fiscal Year 2026 Operating Budget Review

**BUDGET OVERVIEW**

The County Executive's FY 2026 Proposed Budget for the Board of Education (BOE) totals \$2,910,819,200, an increase of \$111,981,200, or 4.0%, over the FY 2025 Approved Budget. The Proposed Budget is \$6,103,552 less than the Superintendent's FY 2026 Proposed Operating Budget of \$2,938,396,320.

The increase from the FY 2025 County-approved budget is primarily due to a 2025 differential, cost-of-living adjustments, step increases for labor contracts, and the rollover of mid-year changes. Net decreases in restricted grants and other redirected sources partially offset these increases.

**NOTE**

The calculations for State and County contributions have significantly changed since the Superintendent's FY 2026 Proposed Budget and the County Executive's FY 2026 Proposed Budget have been published.

The Maryland State Department of Education is working out final calculations, which will substantially change the figures in this report.

**An update will be provided once the new figures are released.**

***FY 2026 Board of Education Requested Budget Fiscal Highlights<sup>1</sup>***

The Superintendent's FY 2026 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 \$16.1 million in FY 2026 to support compensation-negotiated commitments, the Blueprint mandates for workforce development and pre-kindergarten expansion, payment toward other post-employment benefits (OPEB), and a retirement administrative fee.
- **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 2026, these costs are anticipated to increase by \$20.1 million to provide 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 2026, redirected resources are anticipated to decrease by \$107.6 million and increase by 0.50 FTE positions from several programs and services. The largest decrease is a \$65.3 million decrease in Restricted Programs and a \$41.7 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 2026, this category is proposed to increase by \$19.4 million and 8 FTE positions.

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

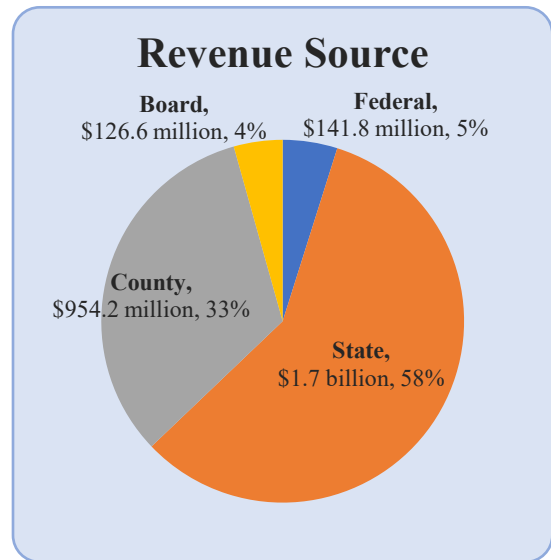
## REVENUES

EDUCATION REVENUE SOURCES					
Source	FY 2024 Actual	FY 2025 Approved	FY 2026 Proposed	\$ Change	% Change
Unrestricted Federal Aid	\$ 295,604	\$ 98,100	\$ 98,100	\$ -	0%
Restricted Federal Aid	230,760,143	145,342,200	141,655,100	(3,687,100)	-2.5%
<b>Subtotal Federal Sources</b>	<b>231,055,747</b>	<b>145,440,300</b>	<b>141,753,200</b>	<b>\$ (3,687,100)</b>	<b>-2.5%</b>
Foundation Program	\$ 661,123,689	\$ 651,356,200	\$ 662,250,600	\$ 10,894,400	1.7%
Comparable Wage Index	41,789,628	41,172,200	40,152,200	(1,020,000)	-2.5%
Special Education	74,287,686	73,819,000	82,365,000	8,546,000	11.6%
Nonpublic Placements	23,128,646	25,578,000	21,714,400	(3,863,600)	-15.1%
Transportation Aid	52,868,663	53,763,600	55,287,000	1,523,400	2.8%
Compensatory Education	352,033,634	346,711,400	351,377,400	4,666,000	1.3%
English Learners	163,247,409	172,227,900	175,487,800	3,259,900	1.9%
Transition Grant	20,505,652	17,429,800	13,328,700	(4,101,100)	-23.5%
Educational Effort	60,952,162	80,484,100	104,701,600	24,217,500	30.1%
Career Ladder	1,737,886	1,879,200	2,990,800	1,111,600	59.2%
College and Career Ready	1,202,870	873,900	6,433,400	5,559,500	636.2%
Blueprint - Prekindergarten	22,853,410	26,872,100	30,654,300	3,782,200	14.1%
Blueprint - Concentration of Poverty	47,429,645	104,325,800	136,711,200	32,385,400	31.0%
Blueprint - Transitional Supplemental Instruction	4,032,549	7,867,200	4,604,900	(3,262,300)	-41.5%
Maryland Safe Schools Grant	1,140,913	-	-	-	N/A
Blueprint Coordinator	89,666	-	87,200	87,200	N/A
Other State Aid/Out of County Living Arrangements	90,889	101,800	101,800	-	0%
	721,995	-	-	-	N/A
Other Restricted Grants	8,161,711	5,809,200	-	(5,809,200)	-100%
<b>Subtotal State Aid</b>	<b>\$ 1,537,398,703</b>	<b>\$ 1,610,271,400</b>	<b>\$ 1,688,248,300</b>	<b>\$ 77,976,900</b>	<b>4.8%</b>
General County Sources	\$717,130,933	\$675,773,900	\$680,480,300	\$ 4,706,400	0.7%
Real Property/BOE - Tax Increase	47,529,221	41,969,800	44,581,700	2,611,900	6.2%
Personal Property/BOE - Tax Increase	3,734,703	3,696,600	3,733,600	37,000	1.0%
Telecommunications Tax	-	12,460,000	46,453,100	33,993,100	272.8%
Energy Tax	-	53,415,200	63,775,100	10,359,900	19.4%
Transfer Tax	110,958,734	122,500,000	115,218,500	(7,281,500)	-5.9%
Telecommunications Tax	12,010,169	-	-	-	N/A
Energy Tax	51,691,039	-	-	\$0	N/A
<b>Subtotal County Revenue</b>	<b>\$943,054,799</b>	<b>\$909,815,500</b>	<b>\$954,242,300</b>	<b>\$44,426,800</b>	<b>4.9%</b>
Board Sources	\$39,410,679	\$13,310,800	\$31,575,400	\$18,264,600	137.2%
Use of Fund Balance	-	120,000,000	95,000,000	(25,000,000)	-20.8%
<b>Subtotal Board Sources</b>	<b>\$ 39,410,679</b>	<b>\$ 133,310,800</b>	<b>\$ 126,575,400</b>	<b>\$ (6,735,400)</b>	<b>-5.1%</b>
<b>TOTAL</b>	<b>\$ 2,750,919,928</b>	<b>\$ 2,798,838,000</b>	<b>\$ 2,910,819,200</b>	<b>\$ 111,981,200</b>	<b>4.0%</b>

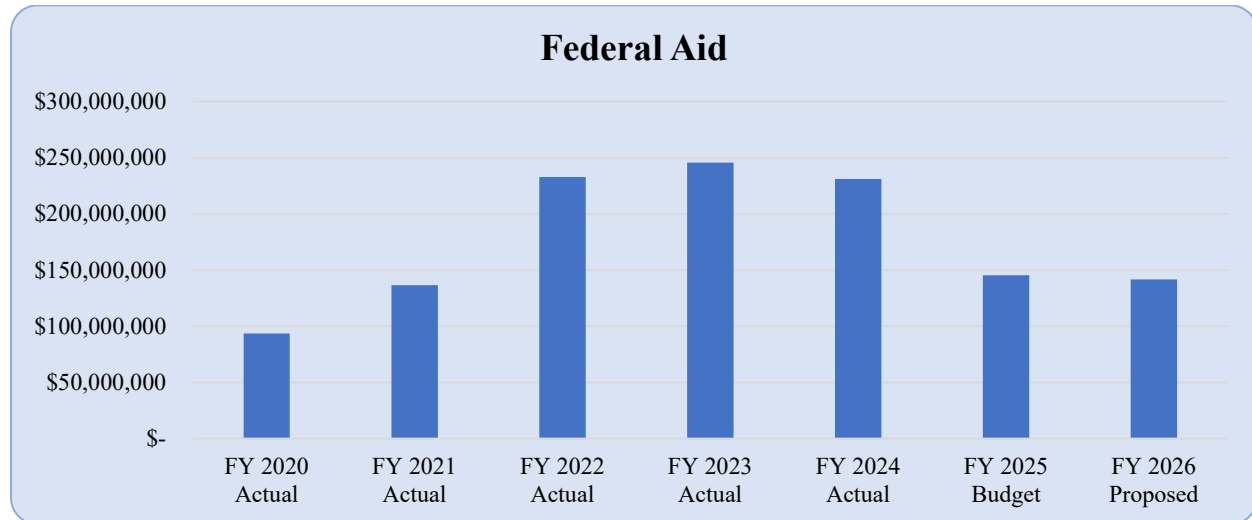
- Total revenue from all funding sources for FY 2026 is proposed at \$2,910,819,200, an increase of \$111,981,200, or 4.0%, over the FY 2025 approved level.

#### Federal Aid

- Total Federal Aid for FY 2026 is proposed at \$141,753,200, a decrease of \$3,687,100, or 2.5%, under the FY 2025 Approved Budget. However, this is \$77,625,900 below the FY 2025 estimated budget. Federal funding comprises 4.9% of the Board's total proposed funding.
- Federal Aid can be divided into three (3) general categories: Entitlement grants, Special Education, and Other federal funding sources.
- Entitlement Grants:
  - Title I – Non-competitive grants to improve the teaching and learning of children who are failing, or most at risk of failing, and are identified as living in highly concentrated poverty areas, as determined by approved applications for free or reduced-price lunch meals.
  - Title II – Non-competitive grants designed to support the increase of student academic achievement through strategies such as staff development, which improves teacher and principal quality, ultimately increasing the number of highly qualified teachers in the classroom in core subject areas.
  - Title III – Non-competitive grants to ensure that multilingual students attain English proficiency, meet the same challenging state academic content and achievement standards, and provide immigrant students with enhanced instruction.
  - Title IV – Non-competitive grants to provide students with a well-rounded education that promotes college and career readiness, STEM programs, academic enrichment, healthy student activities, drug and violence prevention, and the effective use of technology.
  - Perkins – Non-competitive grants supporting Career and Technical Education.
- Special Education:
  - The second largest category of federal aid supports services for all students with disabilities. In FY 2025, PGCPs received nearly \$26 million in Special Education funding, which is passed through the Maryland Department of Education to the local boards of education. Medicaid reimbursement is over \$12 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 SY 2023-2024, PGCPs received nearly \$60 million in federal meal reimbursement.



- The decrease in federal funding reflects the tapering off of COVID-19-related grants such as ESSER III and ARP State Supplemental pass-through grants.

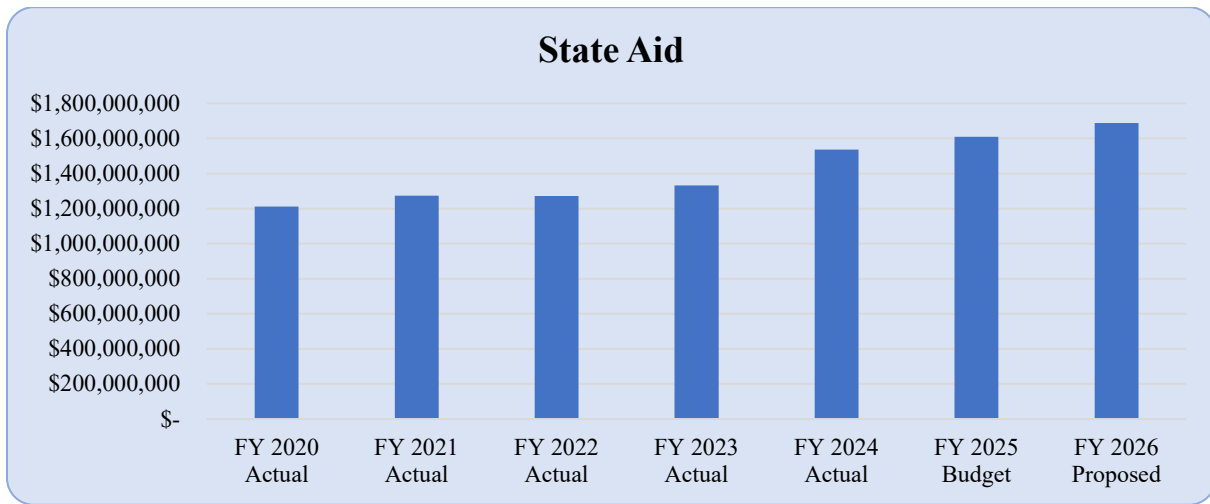


#### *COVID-19 Pandemic Funds*

- More information on how the funding was allocated within PGCPs can be found in response to questions 74 and 75 of the FY 2025 *First-Round Budget Review Questions*. A September 2023 report on ESSER funding allocations through the Strategic Initiatives Office can be found [here](#). The project summaries, as of September 2023, can be found [here](#).

#### State Aid

- Total State Aid for FY 2026 is anticipated to be \$1,688,248,300, an increase of \$78 million, or 4.8%, over the FY 2025 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 (\$32.9 million), Educational Effort (\$24.2 million), Foundation Program (\$10.9 million), Special Education (\$8.5 million), College and Career Readiness (\$5.6 million), Compensatory Education (\$4.7 million), Pre-Kindergarten (\$3.8 million), English Learner Program (\$3.3 million), Transportation (\$1.5 million), and Teacher Career Ladder (\$1.1 million).
  - Decreases in the following categories partly offset the increases above: State reductions in restricted grants (\$5.7 million), Blueprint Transition Grant (\$4.1 million), Non-public special education placements (\$3.9 million), Transitional Supplemental Instruction (\$3.3 million), and Comparable Wage Index (\$1.0 million).
  - State Aid comprises 58.0% of the Board's total proposed funding.



*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.
- Through HB 504/SB 429 – Excellence in Maryland Public Schools Act, the State has paused the Collaborative Planning element of the Blueprint until 2029. Funding for the program will remain as planned at \$163 per pupil in FY 2026.
- 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 2026 proposal includes \$6.4 million.

County Contribution

- **The FY 2025 proposed County Contribution to the Board of Education is \$954,242,300, an increase of \$44,426,800, or 4.9%, over the FY 2025 Approved Budget.** The increase is primarily due to mandated Blueprint formula-driven adjustments.
- In addition to the Blueprint-mandated increases, the County provides \$42.6 million more towards the Board's share of the Alternative Construction Financing projects and \$12.6 million toward Teacher Retirement. **The additional \$55.2 million is reflected in the Non-Departmental budget, bringing the total County contribution to \$1,009,442,300.**
- The County Contribution is composed of County revenue from sources discussed below:

- General County Sources – the largest category and proposed at \$680,480,300 for FY 2026, an increase of 0.7%.
- Real Property Tax rate for FY 2026 is \$1.00 per \$100 of assessable value (\$0.04 per \$100 is dedicated to the BOE). Revenue anticipated is \$44,581,700, an increase of 6.2%.
- Personal Property Tax rate for FY 2026 is \$2.50 per \$100 of assessable value (\$0.10 per \$100 is dedicated to the BOE). Revenue anticipated is \$3,733,600, an increase of 1.0%.
- Net proceeds of the Telecommunications Tax are dedicated to the school system, with a caveat that up to 10% of the net proceeds must be used to fund school renovation and systemic replacement projects. The revenue anticipated from the Tax in FY 2026 is \$46,453,100, an increase of 272.8%. The historical decrease in Telecommunications Tax revenue is due to market shifts from landline to wireless services (some non-taxable). CB-018-2025 repealed the sales tax on telecommunications and enacted an excise tax of \$3.50 per line. Revenue from this source is expected to increase.
  - Beginning in FY 2025, the Telecommunications Tax is no longer added above the County Contribution to the Board of Education.
  - The Telecommunications Tax is levied upon all telecommunications bills in the County (including wireless phones).
- A portion of the County's Energy Tax revenue is earmarked for the school system. The revenue anticipated in FY 2026 is \$63,775,100, an increase of 19.4%.
  - Beginning in FY 2025, the Energy Tax is no longer added above the County Contribution to the Board of Education.
  - The Energy Tax is levied upon organizations transmitting, distributing, manufacturing, producing, or supplying electricity, natural gas, fuel oil, or propane for the County based on units sold.
- All of the County's Transfer Tax revenue is earmarked for the school system. The revenue anticipated in FY 2026 is \$115,218,500, a decrease of 5.9%.
  - 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 2026, 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 32.8% of the budget. When considering the \$55.2 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 \$126,575,400 for FY 2026, a decrease of \$6,735,400, or 5.1%, under the FY 2025 Approved Budget. The increase is driven by a \$25 million decrease in use of Fund Balance, partially offset by a 137.2% increase in Board Sources. Board Sources represent 4.3% of the total proposed budget.
- The decrease in Board Sources is driven by forecasted estimates for future mini-grants and carryover from private organizations and foundations, in addition to the year two payment for the JUUL Labs nationwide settlement.
- The Board of Education proposes using \$95,000,000 of its total fund balance as a revenue source for FY 2026. This amount is a decrease of \$25 million, or 20.8%, below the prior year's amount. As of June 30, 2024, the Board of Education's total Fund Balance was segmented into the following categories:
  - Restricted: \$ 0
  - Non-Spendable: \$ 4,768,391 (for non-capital inventories and pre-paid expenses)
  - Committed: \$ 0
  - Unassigned: \$ 71,038,491
  - Assigned: \$ 298,103,271 (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.<sup>2</sup> The unrestricted total of \$369.1 million equates to 1.53 months<sup>3</sup> of expenditures (an additional \$115 million is required to meet the minimum requirement).

## **EXPENDITURES**

- FY 2026 proposed expenditure is \$2,910,819,200, an increase of \$111,981,200, or 4.0%, over the FY 2025 Approved Budget.

<b>Change in Expenditures by Category</b>						
<b>Category</b>	<b>FY 2024 Actual</b>	<b>FY 2025 Approved</b>	<b>FY 2025 Estimate</b>	<b>FY 2026 Proposed</b>	<b>\$ Change</b>	<b>% Change</b>
Compensation	\$ 1,587,115,783	\$ 1,762,121,600	\$ 1,750,508,200	\$ 1,810,658,900	\$ 48,537,300	2.8%
Fringe Benefits	488,277,930	509,596,300	542,442,800	517,191,900	7,595,600	1.5%
Operating Expenses	623,107,966	484,296,100	574,722,500	549,990,700	65,694,600	13.6%
Capital Outlay	32,653,190	42,824,000	35,956,000	32,977,700	(9,846,300)	-23.0%
<b>Total</b>	<b>\$2,731,154,869</b>	<b>\$ 2,798,838,000</b>	<b>\$ 2,903,629,500</b>	<b>\$ 2,910,819,200</b>	<b>\$ 111,981,200</b>	<b>4.0%</b>

- Compensation is proposed to increase by \$48.5 million, or 2.8%, primarily due to negotiated and pending FY 2026 salary improvements for various collective bargaining units and staffing requirements tied to student-based budgeting requirements. This is partially offset by reducing federal restricted grant resources and other system-wide savings initiatives. Compensation costs include funding for all 21,382 full-time equivalent positions.
- Fringe Benefits are proposed to increase by \$7.6 million, or 1.5%, 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 increase by \$65.7 million, or 13.6%, to align with projected costs.
- Capital Outlay expenditures are proposed to decrease by \$9.8 million, or 23.0%, due to removing one-time costs.

## **Expenditures by State Category**

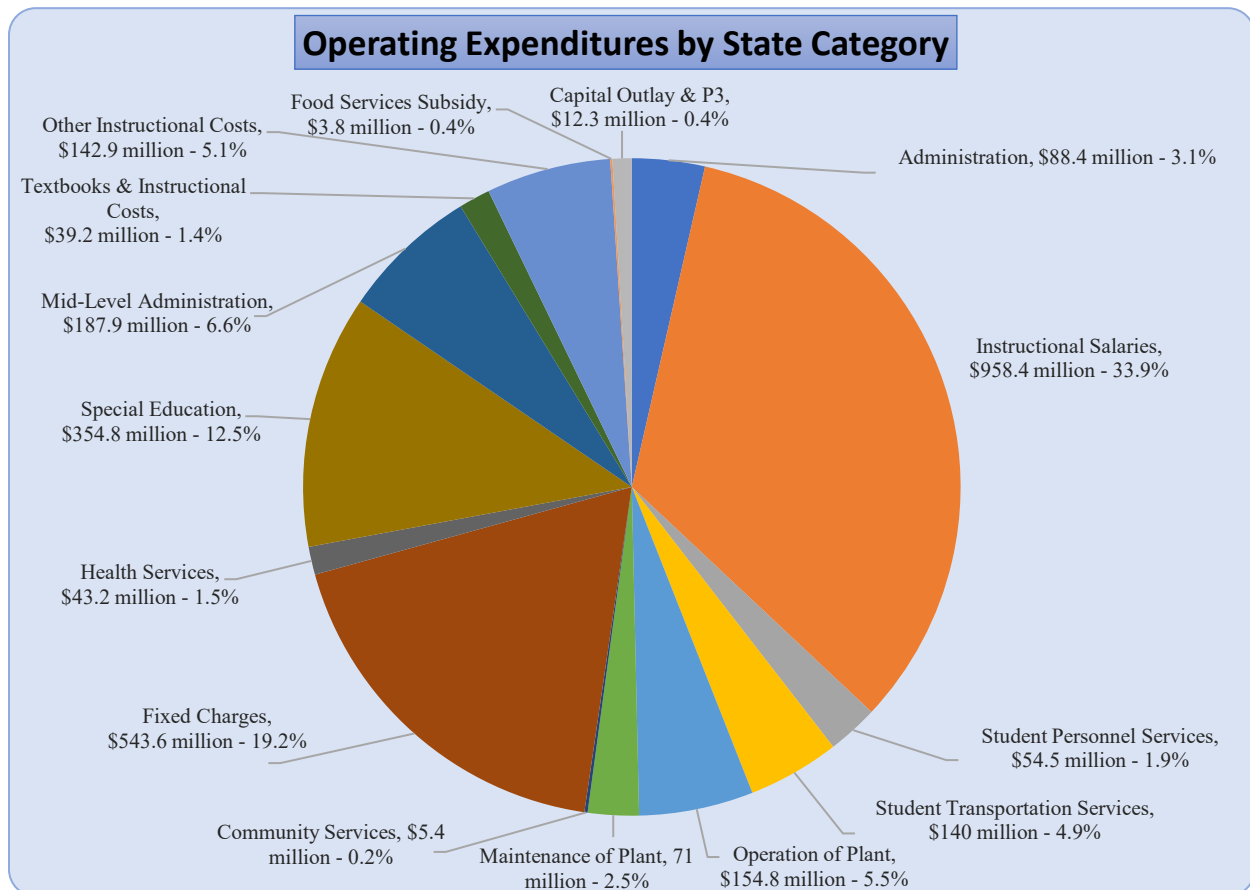
- By State Expenditure Category, increases are proposed for Administration, Instructional Salaries, Student Personnel Services, Operation of Plant, Maintenance of Plant, Fixed Charges, Special Education, Mid-Level Administration, Textbooks and Instructional Materials, and Other Instructional Costs. Decreases are proposed for Student Transportation Services,

<sup>2</sup> 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.

<sup>3</sup> Last year, the amount equates to 1.10 months of expenditures.

Community Services, Health Services, Food Service Subsidy, and Capital Outlay. The table and chart below summarize the expenditures:

Changes in Expenditures - by State Category						
Category	FY 2024 Actual	FY 2025 Approved	FY 2025 Estimate	FY 2026 Proposed	\$ Change	% Change
Administration	\$ 83,211,057	\$ 88,436,000	\$ 101,943,700	\$ 104,185,400	\$ 15,749,400	17.8%
Instructional Salaries	862,404,164	958,383,400	935,423,100	972,730,000	14,346,600	1.5%
Student Personnel Services	44,778,582	54,494,100	80,836,700	72,945,800	18,451,700	33.9%
Student Transportation Services	166,529,726	139,998,800	144,257,300	131,592,900	(8,405,900)	-6.0%
Operation of Plant	148,380,290	154,828,000	168,884,800	163,671,700	8,843,700	5.7%
Maintenance of Plant	63,146,361	71,031,200	80,168,900	72,870,800	1,839,600	2.6%
Community Services	1,792,495	5,395,600	6,451,000	4,549,100	(846,500)	-15.7%
Fixed Charges	506,204,498	513,127,700	545,965,000	535,464,600	22,336,900	4.4%
Health Services	61,110,968	43,210,100	48,893,000	40,078,700	(3,131,400)	-7.2%
Special Education	329,414,119	354,815,200	352,307,100	362,594,500	7,779,300	2.2%
Mid-Level Administration	169,349,272	187,893,100	188,885,200	196,294,800	8,401,700	4.5%
Textbooks and Instructional Materials	65,241,712	39,245,400	50,669,300	44,895,300	5,649,900	14.4%
Other Instructional Costs	172,155,765	142,922,800	168,562,600	178,426,800	35,504,000	24.8%
Food Services Subsidy	61,862	3,760,600	2,881,800	3,018,800	(741,800)	-19.7%
Capital Outlay	57,373,998	41,296,000	27,500,000	27,500,000	(13,796,000)	-33.4%
<b>TOTAL</b>	<b>\$ 2,731,154,869</b>	<b>\$ 2,798,838,000</b>	<b>\$ 2,903,629,500</b>	<b>\$ 2,910,819,200</b>	<b>\$ 111,981,200</b>	<b>4.0%</b>



## **EMPLOYEE DATA**

- Proposed staffing for FY 2026 totals 21,382 full-time equivalent (FTE) positions, an increase of 246 positions, or 1.2%, over the number of FTE positions budgeted for FY 2025.

<b>Staffing by Position Type</b>				
<b>Positions by Category</b>	<b>FY 2025 Approved</b>	<b>FY 2026 Proposed</b>	<b>FTE Change</b>	<b>% Change</b>
Aides - Paraprofessionals	2,399	2,519	120	5.0%
Assistant Principals	364	374	10	2.7%
Bus Drivers	1,410	1,409	(1)	-0.1%
Superintendent, Chiefs, Administrators, Area Assistant Superintendents	17	18	1	5.9%
Directors, Coordinators, Supervisors, Specialists	587	604	17	2.9%
Guidance Counselors	411	417	6	1.5%
Librarians	129	132	3	2.3%
Nurses	263	263	-	0.0%
Other Professional Staff	548	558	10	1.8%
Other Staff	3,199	3,199	-	0.0%
Principals	206	207	1	0.5%
Psychologists	99	99	-	0%
Pupil Personnel Workers, School Social Workers	76	75	(1)	-1.3%
Secretaries and Clerks	967	976	9	0.9%
Teachers	10,287	10,359	72	0.7%
Therapists	174	173	(1)	-1%
<b>Total FTE Positions</b>	<b>21,136</b>	<b>21,382</b>	<b>246</b>	<b>1.2%</b>

- Average PGCEA teacher experience, per school, is provided as an attachment in response to *First-Round Budget Review Question #34*.

### Union Negotiated Compensation Agreements

- The Board's FY 2026 Requested Annual Operating Budget includes \$4,610,412 for carryover compensation costs related to FY 2025. Contract negotiations with ASASP II, ASASP III, ACE/AFSCME, and PGCEA are underway and are expected to be finalized by the end of FY 2025. A breakdown of compensation enhancements by union has been provided below.

<b>FY 2025 Negotiated Compensation Commitments</b>						
<b>Union</b>	<b>Current Contract Ends</b>	<b>FY 2025 Step/COLA Carryover Cost</b>	<b>FY 2026 Step Increase</b>	<b>FY 2026 COLA</b>	<b>FY 2026 Board Certified Stipends</b>	<b>Total</b>
ASASP II	June 30, 2024		*	*	*	\$ -
ASASP III	June 30, 2024		*	*	*	0
SEIU	June 30, 2026	548,610	749,760	1,723,079	-	3,021,449
ACE/AFSCME	June 30, 2025	4,061,802	*	*	*	4,061,802
PGCEA	June 30, 2025		*	*	*	0
Non-Represented			*	*	*	-
<b>Total</b>		<b>\$ 4,610,412</b>	<b>\$ 749,760</b>	<b>\$ 1,723,079</b>	<b>\$ -</b>	<b>\$ 7,083,251</b>

### Teacher Retirement and Pensions

- PGCPS' share for teacher retirement increased from 4.96% in FY 2025 to 5.09% in FY 2026. This may result in a reallocation of funding for teacher pensions in the final approved budget.
- The number of teachers eligible to retire within the next five (5) years is detailed below:

PGCEA Members Eligible for Retirement (cumulative)			
Fiscal Year	Years of Services Retirement	Age Service Retirement	Total
2025	203	709	912
2026	262	896	1158
2027	353	1092	1445
2028	476	1312	1788
2029	647	1551	2198

- PGCPS encourages retirees to participate and return as part of the Maryland Retire-Rehire Program for critical shortage areas. Additionally, the school system's "Grow Your Own" program helps PGCPS staff pursue alternative pathways to Maryland State certification, with financial assistance provided. Other initiatives noted include the Support to Teacher Pathway, Resident Teacher Program, Conditional Educator Program, and Teacher Prep Programs.
- The valuation for Net Other Post-Employment Benefits (OPEB) Liability, as of June 30, 2024, was \$2.83 billion, while overall OPEB liability is \$3.1 billion.
- The minimum \$15 million contribution is budgeted for FY 2026; however, this may not suffice due to the rising cost of health benefits and significant overall liability.

### Attrition and Vacancies

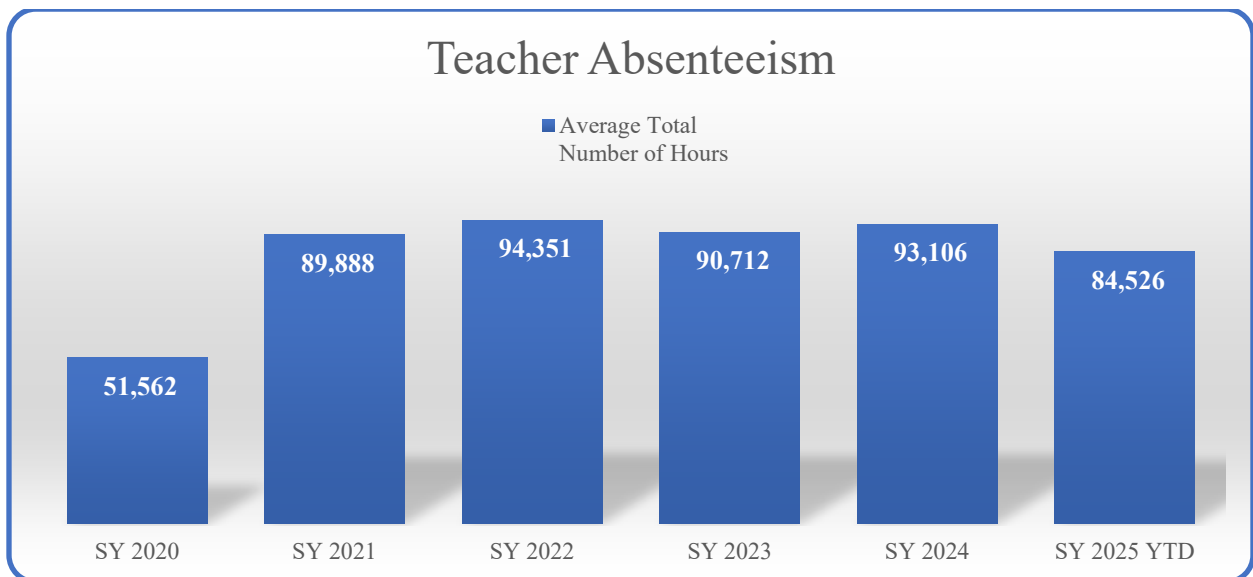
- PGCPS defines "resignations" as notifications from employees to vacate a position or job, and "separations" as including all reasons why an employee leaves PGCPS (including retirement). "Turnover" is defined by the school system as the number of full-time or part-time staff who leave a specific school for any reason, including promotions and voluntary and involuntary transfers, but remain with PGCPS.<sup>4</sup>
- 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, 2024, ASASP II (principals and assistant principals) saw 13 resignations, representing 2.4% of employees. PGCEA saw 610 resignations, representing 7.9% of

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<sup>4</sup> Note: This does not follow the generally accepted [dictionary definition](#) of "turnover."

employees. For FY 2024, PGCPs estimates a PGCEA summer attrition rate between 5.0% and 6.0%. The projected summer attrition rate for ASASP union members is 2%.

- The FY 2026, as in the prior year, PGCPs' budget includes \$6.1 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 1, 2025, is 1,887 FTE positions. The associated salary lapse resulted in savings of \$112,444,935. A complete list of vacancies, by category, was provided in response to *First-Round Budget Review Question # 42*. Vacancies include 286 elementary and 173 secondary classroom teachers.
- 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 2026, PGCPs is anticipating enrollment of 133,112 students in Pre-K through 12<sup>th</sup> and 788 in nonpublic schools for students with disabilities. This is an increase of 960 students, or 0.7% over the FY 2024 actual enrollment.
- The Preschool student population is projected to total 5,622 students, an increase of 801, or 16.6%. Additional enrollment figures are provided in the Pupil Population chart below.

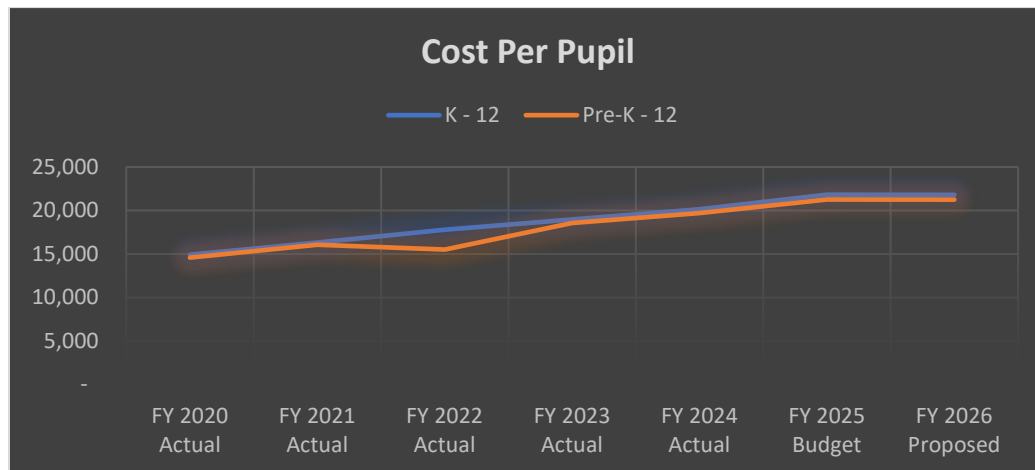
Pupil Population					
	FY 2024 Actual as of 09/30/23	FY 2025 * Actual for 09/30/24	FY 2026 * Projected as of 09/30/25	Change from FY 2025 Actual to FY 2026 Projected	
<b>Full-Time</b>					
<u>Regular and Special Education Day Programs:</u>					
Kindergarten @ 100%	9,259	8,850	8,798	(52)	-0.6%
Elementary Grades 1 to 5	48,022	48,696	48,477	(219)	-0.4%
Middle School Grades 6, 7 and 8	29,263	29,300	29,354	54	0.2%
High School Grades 9 to 12	40,000	40,485	40,861	376	0.9%
<b>Total Regular and Special Education</b>	<b>126,544</b>	<b>127,331</b>	<b>127,490</b>	<b>159</b>	<b>0.1%</b>
<u>Pre-school:</u>					
Prekindergarten	4,459	4,497	5,270	773	17.2%
Montessori	322	324	352	28	8.6%
<b>Total Pre-School</b>	<b>4,781</b>	<b>4,821</b>	<b>5,622</b>	<b>801</b>	<b>16.6%</b>
<b>Total Pre-K to 12 Enrollment</b>	<b>131,325</b>	<b>132,152</b>	<b>133,112</b>	<b>960</b>	<b>0.7%</b>
Nonpublic Schools - Students with Disabilities	694	696	788	92	13.2%
<b>Total Full-Time Enrollment</b>	<b>132,019</b>	<b>132,848</b>	<b>133,900</b>	<b>1,052</b>	<b>0.8%</b>
<b>Part-Time</b>					
<u>Summer School:</u>					
Regular Instructional Programs	12,363	11,365	12,000	635	5.6%
Extended School Year Services for Students with Disabilities	1,810	2,177	4,308	2,131	97.9%
<b>Total Summer School</b>	<b>14,173</b>	<b>13,542</b>	<b>16,308</b>	<b>2,766</b>	<b>20.4%</b>
Evening High School <sup>(1)</sup>	1,135	3,175	4,000	825	26.0%
Home and Hospital Teaching	55	69	542	473	685.5%
<b>Total Part-Time</b>	<b>15,363</b>	<b>16,786</b>	<b>20,850</b>	<b>4,064</b>	<b>24.2%</b>
<u>Online Campus<sup>(1)</sup></u>					
7-12	231	229	212	(17)	-7.4%
<b>Total Online Campus</b>	<b>231</b>	<b>229</b>	<b>212</b>	<b>(17)</b>	<b>-7.4%</b>

<sup>(1)</sup> 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 9/30/24 actual enrollment count is utilized to project expected revenue funding and the 9/30/25 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 17 students to 212 pupils in FY 2026.
- **For FY 2026, the cost per pupil is projected to be an average of \$21,788 for K-12 students and \$21,242 when also accounting for Pre-kindergarten**, decreases of \$36 and \$23 per pupil, respectively, from the FY 2025 budget. This is, however, \$233 and \$127 more than the FY 2025 estimate. 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

- PGCPs currently offers the following programs for children under five (5):
  - Prekindergarten (four-year-olds by Sept. 1) (4,260 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 8<sup>th</sup> 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 #48*. The attachment in response to *First-Round Budget Review Question #47* also includes the number of special education seats available.

#### Before- and After-School Programs

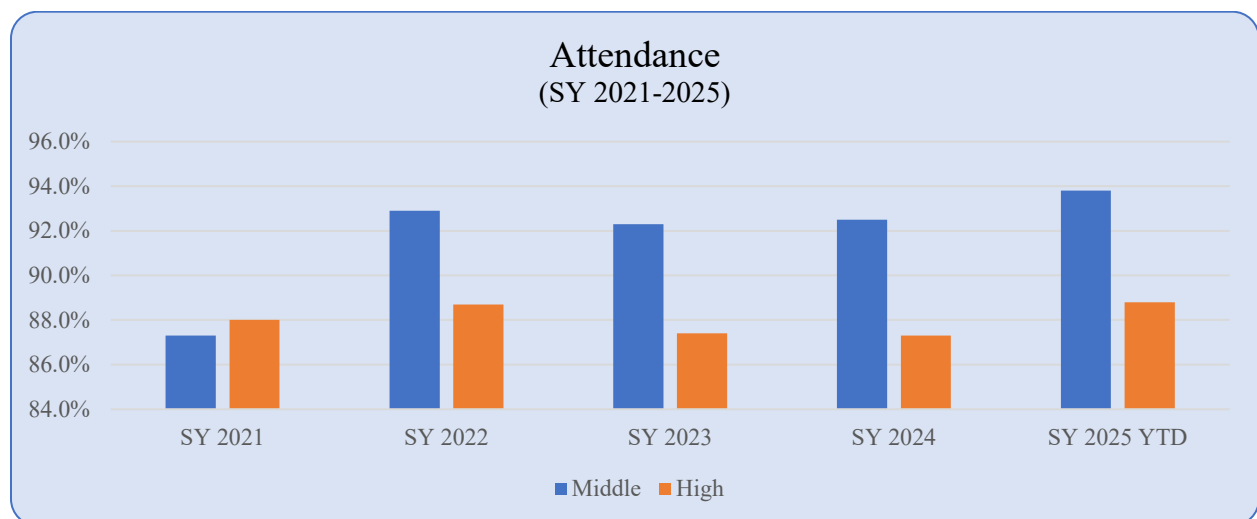
- A list of schools with before- and after-school programs, capacity, and cost was attached in response to *First-Round Budget Review Questions #71*.
- PGCPs contracts with four (4) vendors to provide services.

#### Benchmark Assessments

- Benchmark assessment scores, per school, for Reading and Language Arts and Mathematics can be found as an attachment in response to questions 49 (Elementary School), 51 (Middle School), and 53 (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 50 (Elementary School), 52 (Middle School), and 54 (High School) of the *First-Round Budget Review Questions*.

#### Attendance and Truancy

- The student attendance rates for School Years 2020 through 2025 are shown below:

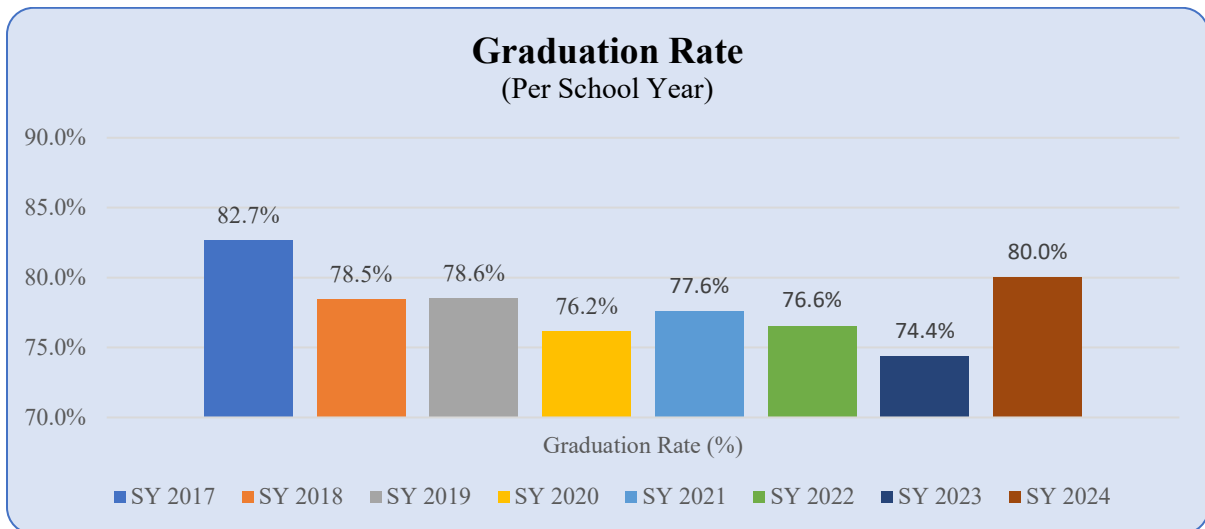




- SY 2025 year-to-date data on middle and high school truancy was provided in response to *First-Round Budget Review Question #56*.
- Chronic Absenteeism, defined as the percentage of students with absence rates (excused or unexcused) over 10%.
- Efforts to address chronic absenteeism and truancy were provided in response to *First-Round Budget Review Question # 57*. **No information was provided on the overall effectiveness of each intervention.**

#### Graduation and Dropout Rates

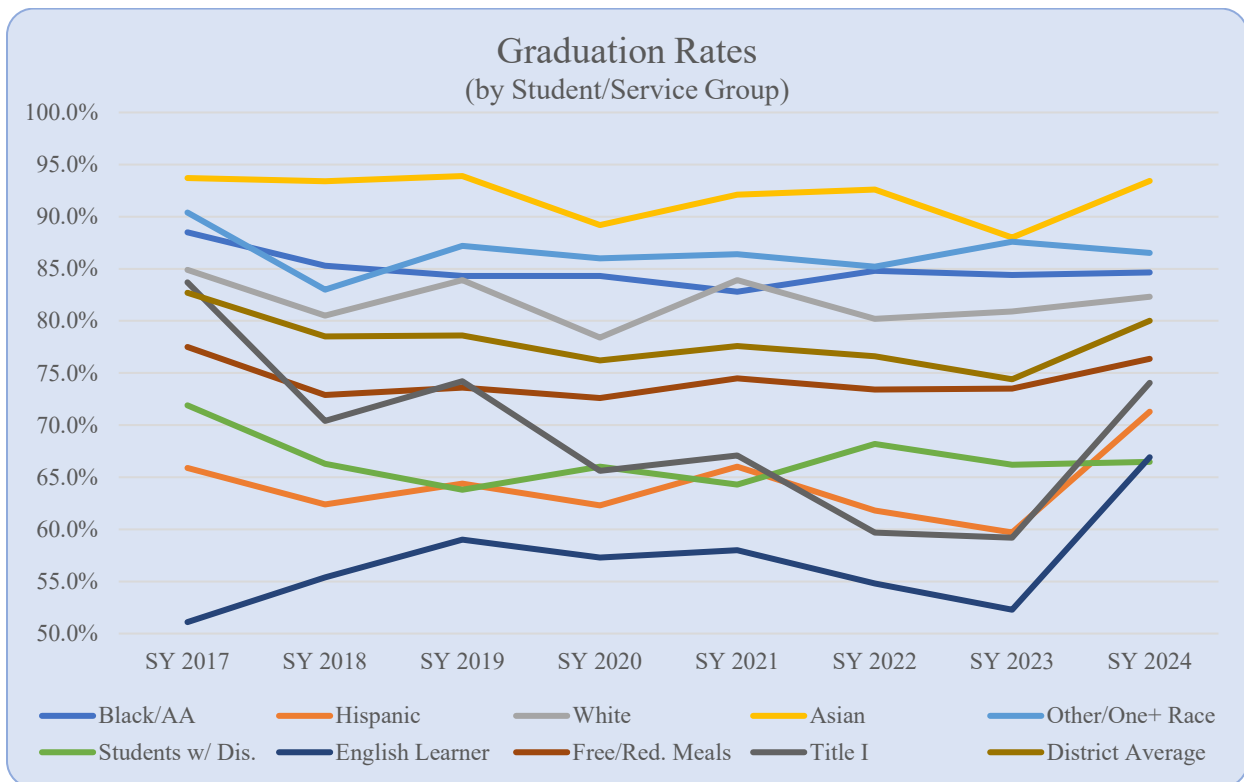
- **Graduation rates increased from 74.4% in SY 2023 to 80.0% in SY 2024, an increase of 5.6%.** Average graduation rates from SY 2017 to SY 2024 are presented in the chart below:



- Graduation rates, per school, for all high schools and specialty schools, can be found on the Maryland Report Card website [here](#).
- Graduation rates, per student group, increased for all but one student group. Title I, English Learners, and Hispanic students obtained the most significant year-over-year percentage gains at 14.8%, 14.6%, and 11.6%, respectively. Graduation rates are listed below:

Graduation Rates (SY 2018 – SY 2024)								
Service/Student Group	SY 2018	SY 2019	SY 2020	SY 2021	SY 2022	SY 2023	SY 2024	SY 2023 - SY 2024 Change
Black/African American	85.3%	84.3%	84.3%	82.8%	84.8%	84.4%	84.7%	0.2%
Hispanic	62.4%	64.4%	62.3%	66.0%	61.8%	59.7%	71.3%	11.6%
White	80.5%	83.9%	78.4%	83.9%	80.2%	80.9%	82.3%	1.4%
Asian	93.4%	93.9%	89.2%	92.1%	92.6%	88.0%	93.4%	5.4%
Other/More than one race	83.0%	87.2%	86.0%	86.4%	85.2%	87.6%	86.5%	-1.1%
Students w/ disabilities	66.3%	63.8%	66.0%	64.3%	68.2%	66.2%	66.5%	0.3%
English Learner	55.4%	59.0%	57.3%	58.0%	54.8%	52.3%	66.9%	14.6%
Free/Reduced Meals	72.9%	73.6%	72.6%	74.5%	73.4%	73.5%	76.4%	2.8%
Title I	70.4%	74.2%	65.6%	67.1%	59.7%	59.2%	74.1%	14.8%
<b>District Average</b>	<b>78.5%</b>	<b>78.6%</b>	<b>76.2%</b>	<b>77.6%</b>	<b>76.6%</b>	<b>74.4%</b>	<b>80.0%</b>	<b>5.6%</b>

- By gender, school year 2024 graduation rates were 84.4% for female and 75.9% for male students.
- PGCPS attributes low graduation rates to several factors: chronic absenteeism, academic struggles, socioeconomic factors, lack of support systems, mental health challenges, disciplinary issues, lack of engagement and motivation, high mobility rates, language barriers, and insufficient college and career preparation.



- Dropout Rates were highest among English Learner (25.0%), Hispanic (21.5%), and Title I (19.5%) groups. Dropout rates, per student group, are listed below:

Dropout Rates (SY 2018 – SY 2024)								
Service/Student Group	SY 2018	SY 2019	SY 2020	SY 2021	SY 2022	SY 2023	SY 2024	Change SY 2023 to SY 2024
Black/African American	9.9%	9.9%	9.8%	10.2%	8.5%	9.3%	10.7%	1.4%
Hispanic	31.0%	29.3%	31.0%	26.1%	29.2%	33.1%	21.5%	-11.6%
White	14.3%	11.7%	17.9%	12.9%	15.2%	15.5%	14.8%	-0.7%
Asian	4.3%	3.6%	8.1%	6.1%	4.7%	8.8%	4.5%	-4.3%
Other/More than one	10.1%	9.2%	9.2%	8.6%	7.1%	5.6%	11.5%	5.9%
Students w/ disabilities	20.3%	13.9%	13.0%	13.9%	12.8%	13.5%	16.2%	2.8%
English Learners	36.2%	33.9%	32.6%	31.9%	32.6%	38.3%	25.0%	-13.4%
Free/Reduced Meals	20.5%	19.3%	20.4%	16.5%	18.1%	18.7%	16.6%	-2.2%
Title I	23.3%	21.4%	28.4%	24.3%	31.2%	34.5%	19.5%	-15.0%
<b>District Average</b>	<b>16.2%</b>	<b>15.7%</b>	<b>17.8%</b>	<b>15.4%</b>	<b>16.0%</b>	<b>19.1%</b>	<b>14.6%</b>	<b>-4.5%</b>

- By gender, school year 2024 dropout rates are 11.7% for female and 17.3% for male students.
- PGCPS listed interventions to help increase in-school retention, including: Cohort Tracker, 12<sup>th</sup> Grade Professional Learning Communities (PLC), STAT Days, 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 # 59* for SY 2023-2024 and SY 2024-2025.
- 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 # 60*.

#### Specialty Programs

- A list of specialty programs, per school, was provided as an attachment in response to *First-Round Budget Review Questions #67*. The attachment provides capacity and enrollment data. In SY 2026, PGCPS expects to have capacity for 18,105 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 #68*.

- PGCPS CTE programs, in all high schools, have a capacity for 12,512 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 #69 and #70*.

#### 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 129 Community Schools in the system, with an additional 19 expected for FY 2026.
- Additional information on Community Schools and needs assessments for each school was provided in response to *First-Round Budget Review Questions #74*.

#### Class Size

- Average class size, per school and grade, was provided as an attachment in response to *First-Round Budget Review Question #64*.

#### Community Partnerships

- Community partnerships, by school, were provided as a response to *First-Round Budget Review Questions #73*.
- PGCPS counts on 42 district agreement partners, 56 memoranda 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 #75*.