

# Superintendent's Proposed FY 2026 Operating Budget Summary

The fiscal year 2026 budget outlook is impacted by inflationary pressures, including utilities and employee health care, combined with limited increases in local and discretionary state revenues. The Superintendent's Proposed Budget for Fiscal Year 2026 reflects Dr. McCabe's plan to propose a balanced budget within these constraints.

## Revenues

- Total non-restricted operating budget proposed revenues are \$455,224,183, an increase of \$31,865,766, or 7.53%. However, \$13,319,026 of that is merely a shift of existing Compensatory Education spending from restricted to non-restricted, and \$6 million in prescription drug rebate revenue is offset by its use for the employee medical insurance program.
- Requested revenues from the **Carroll County Government** are \$246,171,660, which is an increase of \$7,170,050 (3.0%) in overall funding. This request is aligned with FY 2026's amount in the county's five-year operating plan.
- The fall 2024 K-12 enrollment count was essentially flat, reducing the expected increases in the **State of Maryland's** share of the Foundation formula. The Governor's proposed budget plan also reduces the scheduled per pupil Foundation amount by \$163, further reducing the increase in Foundation to only \$2,112,946. There were increases in populations served by the Compensatory Education and Multilingual Learners programs, driving increases for those programs, but those revenues are dedicated to those programs and are not available for general expenditures in the non-restricted budget. Due to these factors, the proposed budget assumes that non-restricted state revenues will increase by \$19,745,784; after factoring in the \$13,319,026 of Compensatory Education revenue from the restricted budget and \$1,844,125 in new Compensatory Education and Multilingual dedicated revenues, only \$4,582,633 is available for all other expenditures in the budget.

## Expenditures

- **Salaries** - The proposed budget does not include any increases for employee compensation, including existing negotiated contracts.
- **Technology** - Digital devices, such as laptops, issued to students during the pandemic have now become part of the instructional process for students in most grade levels. While one-time federal pandemic aid funded the initial purchase and support of these devices, there is a replacement cycle to continue to provide reliable, up-to-date devices. To reduce this cost, students in grades 3-5 will not be issued individual devices; mobile carts of class sets of devices will be available for classroom use as needed.
- **Electricity** - The school system had been benefitting from below market electricity costs due to favorable bids in the last cycle of energy procurement. The new contract reflects the current market and costs are projected to be \$3.1 million over the current budget in fiscal year 2026.
- **Inflation** - The largest remaining change to the budget is for inflationary changes, including employee and retiree health insurance, general property and liability insurances, and other utilities, totaling \$7.9 million.
- **Prekindergarten** - The Prekindergarten Expansion grant provided "seed" funding to assist in starting additional full-day prekindergarten classrooms; continuing these classrooms in fiscal year 2026 these cost \$1.5 million.
- **Outdoor School Program** - This program will be discontinued in fiscal year 2026, resulting in savings of \$1.1 million.

For the complete proposed budget, presentations, updated hearing and meeting schedules, and the timeline for approval, please visit the CCPS Budget Page online: [www.carrollk12.org/operation/financial-services/budget/operating-budget](http://www.carrollk12.org/operation/financial-services/budget/operating-budget)

## Carroll County Public Schools

Cynthia A. McCabe, Ed.D., Superintendent of Schools

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