

Superintendent's Proposed FY 2027 Operating Budget Summary

The Superintendent's Proposed Budget for Fiscal Year 2027 reflects Dr. Cynthia McCabe's plan to propose a balanced budget despite several challenges. Among these are inflationary pressures, including rising employee health care costs and maintaining competitive employee compensation, and limited increases in state revenues due to declining student enrollment. The budget includes several measures to balance the budget, including reductions in teachers proportionate to the student enrollment decline, closure of the Outdoor School, and requests to the county government for increases in on-going funding as well as some one-time funding.

Revenues

- Total non-restricted operating budget proposed revenues are \$485,992,091, an increase of \$20,722,634, or 4.45%.
- Requested on-revenues from the **Carroll County Government** are \$265,215,449, which is an increase of \$13,243,789 (5.3%) in overall funding. This request exceeds the amount included for fiscal year 2027 in the county government's five-year operating plan. Additionally, the school system proposes the county government provide one-time funding of an additional \$7 million to cover initial charter school costs (\$4 million), maintenance expenditures (\$2 million), and technology refresh costs of an additional \$1 million.
- The fall 2025 K-12 enrollment count was 437 students less than in fall 2024, reducing the expected increases in the **State of Maryland's** share of the Foundation and other Blueprint programs. Due to these factors, the proposed budget assumes that non-restricted state revenues will increase by only \$5,846,345.

Expenditures

- **Salaries** - The proposed budget includes both a reserve for increased fiscal year 2027 employee compensation costs (pending the completion of negotiations) and the remaining cost to fully fund previously negotiated salary increases deferred beyond the beginning of fiscal year 2026.
- **Inflation** - The largest remaining change to the budget is for inflationary changes, including employee and retiree health insurance, totaling \$8.2 million.
- **Decrease of Teacher Positions in line with enrollment decline** - The elimination of these 15 positions is not expected to impact teacher-student ratios due to the enrollment declines now occurring.
- **Outdoor School Program Closure** - This program will be discontinued in fiscal year 2027, resulting in annual savings of \$1.4 million.

Blueprint Resource Allocation / Fiscal Compliance

As part of the Blueprint for Maryland's Future, school systems are required to spend at least 75% of the funds received for each Blueprint program in the specific schools driving that funding (e.g., proportionately to the enrollments applicable to the program). The school systems also must be able to demonstrate this is occurring via detailed budget reporting and monthly expenditure reporting. Reaching compliance is underway in consultation with the State Accountability and Implementation Board (AIB) and a consultant provided by the AIB. It is important to note that this process involves identifying existing resources, including staff positions, and reallocating how they are accounted for and/or assigned. There is no impact on the school system's total budget associated with this process.

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

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