



PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

Aisha N. Braveboy
County Executive

To the Residents, Citizens, and Businesses of Prince George's County:

It is my honor to present the Proposed Fiscal Year 2027 (FY 27) budget, developed in partnership with the County Council, agency leaders, and community stakeholders. This year's proposed budget totals \$5.9 billion, reflecting a 2.0 percent increase in revenues and expenditures over previous years. This budget reflects our continued commitment to building a safe, inclusive, sustainable, and prosperous Prince George's County, where every resident can thrive.

The County began the fiscal planning cycle facing a projected structural budget gap of approximately \$170 million in February 2025. Through a combination of disciplined financial management, expenditure controls, and revenue alignment strategies, the projected deficit steadily declined to \$91.6 million by September and \$58.3 million by November. While updated fiscal forecasts in January temporarily increased the projected gap to \$75.8 million due to State budget cuts, targeted corrective actions were implemented immediately. These actions, including strategic spending reductions, updated revenue projections, and structural adjustments, enabled the County to fully close the projected deficit by February 2026, restoring structural balance to the budget.

Our Administration's vision is clear: a future where residents benefit from a government that is forward-thinking, responsive, innovative and accountable, delivering exceptional public service and strategic investments that strengthen our communities.

The FY 2027 budget advances that vision by prioritizing investments that improve quality of life, strengthen economic competitiveness, and ensure long-term fiscal stability. Even as local governments across the nation face economic uncertainty, this budget maintains our commitment to responsible fiscal management while continuing to invest in the services and infrastructure that residents rely upon every day.

The State of Our Budget

As we develop the FY 2027 budget, local governments continue to face economic pressures including slower revenue growth, rising costs for goods and services, and increased demand for public services. Our Administration has approached these challenges with fiscal discipline and strategic decision-making.

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This budget reflects several guiding principles:

- Protect core government services while maintaining fiscal stability
- Prioritize investments that deliver measurable community impact
- Strengthen long-term disciplined budgeting
- Target resources where they are most effective

By aligning investments with the County's strategic priorities, we ensure that every dollar contributes to building a stronger Prince George's County.

The FY 2027 budget advances the County's Executive's strategic priorities, ensuring that County resources directly support the areas that matter most to our residents.

Protecting Investments in Education

Education remains our top priority, and we are increasing funding for Prince George's County Public Schools (PGCPS) by \$20.8 million, bringing the total FY27 budget for PGCPS to \$2.97 billion. This includes:

- \$968.7 million from the County, matching our obligations under Kirwan.
- \$144.1 million for Prince George's Community College, supporting workforce development.
- \$1 million for the Summer Youth Enrichment Program, providing job opportunities for young residents.
- \$42 million for Phase Two of the Alternative Construction Financing Program, accelerating the delivery of eight new schools.
- Another \$20 million will be added to PGCPS prior to the approved budget for FY 2027.

Maintaining Public Safety Investments

Ensuring safe neighborhoods is a fundamental priority. In FY 27, we are increasing funding for law enforcement and emergency services:

- \$453.5 million for the Prince George's County Police Department – Includes funding for 150 new recruits, continued investments in community policing, and purchase of new body worn cameras/tasers.
- \$325.9 million for Fire & EMS – Includes funding for 100 new recruits and the addition of 22 new civilian employees. The sworn complement will increase by 46 new positions.
- \$106.2 million for the Department of Correction – Includes funding for 50 new recruits.
- \$70.5 million for the Office of the Sheriff and \$58.3 million for Homeland Security, enhancing emergency preparedness.
- \$30.6 million for the State's Attorney Office -Includes funding for operational costs.

With homicide rates down over 48 percent in CY 2025, we are ensuring that our investments in public safety continue to yield real results for Prince Georgians.

High-Performance Government & Infrastructure Investments

This year's budget includes \$139.9 million for high-performance government programs, including:

- \$2.7 million for animal shelter renovations and a \$4 million increase in funding for police station renovations.
- Investments in Vision Zero pedestrian safety initiatives to protect residents.
- \$3.9 million to improve the County's permitting and licensing system, supporting businesses and homeowners.
- Continued investments in electric vehicle charging infrastructure, positioning the County for a sustainable future.

Prioritizing Health & Human Services

Despite budget constraints, we continue to invest in public health and social services:

- \$55.5 million for Health & Human Services, including:
 - Funding for family services, veterans' programs, and the health department.
 - \$24.2 million for mental health and addiction treatment programs, addressing the ongoing need for behavioral health services.
- \$27.2 million for emergency and transitional housing, ensuring support for vulnerable residents.
- \$1 million to support the new Senior Electricity Assistance Program
- \$250k added to the Health Department for Early Detection

Beautification & Environmental Sustainability

Prince George's County is leading the way in climate resilience and environmental protection:

- \$10.5 million for beautification and environmental programs, including:
 - Street sweeping, litter pickup, and Clear-the-Curb programs.
 - \$84.4 million for stormwater management projects, mitigating flooding and improving sustainability.

Driving Economic Growth & Housing Affordability

We continue to make bold investments in economic development to strengthen our local economy and provide opportunities for residents:

- \$83 million for the Department of Public Works and Transportation, supporting \$8 million for the Transit Oriented Development Infrastructure capital project.
- \$7 million for the Central Avenue Connector Trail, expanding multimodal access for 300,000 residents.
- \$21.2 million for the Housing Investment Trust Fund, preserving affordable

housing across the County.

A Responsible and Forward-Looking Budget

This budget reflects the Administration's commitment to responsible governance and long-term financial stability. Our approach prioritizes strategic investments while maintaining prudent financial management practices that protect the County's fiscal health.

The FY 27 budget:

- ✓ Protects essential government services.
- ✓ Maintains strong fiscal discipline.
- ✓ Targets investments where they deliver the greatest impact.
- ✓ Positions Prince George's County for long-term economic success.

FY 2027 Proposed Budget - All Funds

The proposed FY 2027 budget for all operating funds is \$5.9 billion, an increase of \$114.1 million, or 2.0% over the FY 2026 budget. The General Fund accounts for 83.9% of all spending in FY 2027 and will increase by \$154.3 million or 3.2%. This fund supports most County government services and programs including education, public safety, general government, public works, the environment, and other critical services.

The Internal Service Funds total \$87.1 million in FY 2027, an increase of \$3.0 million or 3.6% over the FY 2026 budget.

The County's Enterprise Fund totals \$284.5 million, an increase of 3.5% over the FY 2026 budget. This fund accounts for 4.8% of total FY 2027 spending. The Enterprise Fund supports various water quality programs and addresses State mandates.

Special Revenue Funds account for \$322.2 million or 5.4% of all spending in FY 2027. Spending from these funds is projected to decrease by -\$36.3 million, or -10.1%. The decline is largely due to debt service expenses based on principal and interest for previously issued bonds. This amount decreases by -\$41.8 million in FY 2027 due to two issuances of Qualified School Construction bonds that were retired in FY 2026. Another -\$8.5 million is due to spending from the Opioid Local Abatement Fund, and there is a decline of -\$0.5 million from the Cannabis Reinvestment & Restoration Fund. A new Emergency Operations Fund adds \$15.0 million, and smaller decreases occur in the Drug Enforcement and Education Fund, Property Management & Services Fund, Fair Election Fund, and the Transportation Services Improvement Fund. Spending from the Housing Investment Trust Fund rises by \$1.1 million.

Grant funding accounts for 4.3% of all spending and is estimated to total \$256.7 million in FY 2027. This is a decrease of -\$16.5 million, or -6.0% below the FY 2026 budget. County agencies will continue to diligently seek new sources of revenue and will likely exceed the budgeted amount before year-end.

The chart below provides a summary of all operating funds in FY 2027:

	FY 2025 ACTUAL	FY 2026 BUDGET	FY 2026 ESTIMATE	FY2027CHANGE PROPOSED FY26 - FY27	
REVENUES					
General Fund	\$4,746,252,856	\$4,815,956,900	\$4,988,074,000	\$4,970,283,400	3.2%
Internal Service Funds	77,095,230	84,060,400	84,060,400	87,080,300	3.6%
Enterprise Funds	239,541,485	274,962,000	270,608,800	284,490,700	3.5%
Special Revenue Funds	279,810,240	358,540,300	340,844,200	322,209,200	-10.1%
Grant Program Funds	241,554,041	273,182,700	269,419,600	256,699,400	-6.1%
TOTAL	\$5,584,253,852	\$5,806,702,300	\$5,953,007,000	\$5,920,763,000	2.0%
EXPENDITURES					
General Fund	\$4,650,610,594	\$4,815,956,900	\$4,933,892,000	\$4,970,283,400	3.2%
Internal Service Funds	77,776,465	84,060,400	82,286,100	87,080,300	3.6%
Enterprise Funds	218,566,306	274,962,000	270,608,800	284,490,700	3.5%
Special Revenue Funds	265,345,405	358,540,300	330,444,700	322,209,200	-10.1%
Grant Program Funds	241,554,041	273,182,700	269,419,600	256,699,400	-6.0%
TOTAL	\$5,453,852,811	\$5,806,702,300	\$5,886,651,200	\$5,920,763,000	2.0%

General Fund Revenues

All signs point to a slowing economy, and the effects of the current military action in Iran may worsen conditions depending on the length of U.S. involvement. The unemployment rate rose throughout calendar year 2025, in part due to federal actions to reduce employment. A 2024 report by the U.S. Census Bureau indicated that roughly 70,000 County residents were employed in civilian positions in the federal workforce. The current administration announced plans to relocate the U.S. Department of Agriculture to other states and to reduce the campus of the National Aeronautics and Space Administration by 25%. The Six Flags Park also closed in the fall of 2025. Mortgage rates have remained above 6%, and while the median home price has remained in the range of \$450,000, average home sales have continued to decline and now approximate 600 sales per month.

The State took actions to address an estimated \$1.4 billion shortfall and introduced budget reconciliation legislation to cap the Disparity Grant for three years, limit community college aid growth to 3% for three years, require additional County payments for teacher, Community College, and library retirement costs, and to reduce a prisoner re-entry grant. The Governor also proposed a mandated increase in County spending for assisted outpatient mental health treatment programs starting in FY 2028. The County budget reflects these actions, though final budget action will differ by the end of the session. The FY 2027 General Fund budget includes \$2.86 billion in revenue from County Sources and \$2.1 billion from Outside Sources.

General Fund - County Sources

County-sourced revenues-taxes, fees, licenses and permits, service charges, use of money and property, etc. - represent resources used to fund most government programs and services, including the County's contribution to the Board of Education, Memorial Library System and the Community College. In FY 2027, County Sources are projected to be \$2.86 billion, an increase of \$131.0 million or 4.8% over the FY 2026 budget. These revenues account for 57.6% of the total General Fund revenues for FY 2027

Real property taxes represent the largest portion of County-sourced funding for government operations. In FY 2027, receipts are projected to total \$1.215 billion, an increase of \$100.6 million or 9.0% over the FY 2026 budget but only because the FY 2026 approved budget is understated. Using the estimated FY 2026 budget as the base yields a growth rate estimated at 4.8%. Excluding the revenue dedicated to the school system, the County's real property tax revenues are projected to increase by \$96.5 million or 9.0% in FY 2027 over the FY 2026 budget.

Personal property tax revenues are projected to be \$89.0 million, a decrease of -\$4.3 million or -4.6% below the FY 2026 approved budget. Excluding the additional revenue assigned to the school system, the County's personal property tax revenues are projected to decrease by -\$4.2 million or -4.6% in FY 2027.

Income tax revenues are expected to total \$1.0 billion in FY 2027, including the State Income Disparity Grant. This represents an increase of \$77.0 million or 8.3% over the FY 2026 budget. Income tax receipts total \$950.0 million and the Income Disparity grant totals \$56.9 million in FY 2027. Income tax revenue is estimated to increase by \$88.4 million, or 10.3% relative to the FY 2026 approved budget. Although the FY 2026 approved budget is understated. Relative to the estimated FY 2026 budget, income tax revenues are projected to decrease -65.0%. Tax year 2024 reflected continued wage growth that was stronger than expected, and distributions from the State are now expected to top \$1.0 billion in the current fiscal year. This is counter to current unemployment trends, and there is a possibility that the strong growth in estimated payments that the State is experiencing is due to State tax law changes at the 2025 session that largely benefit the State's general fund. Funding from the State Income Disparity Grant decreases by -\$11.4 million. The Governor proposed capping the County grant at \$56.9 million for three years, starting in FY 2027, as one action toward addressing the State's budget problems. The County would have received \$74.4 million in FY 2027 absent this change.

Transfer and Recordation taxes are anticipated to total \$126.6 million in FY 2027, a decline of -\$28.0 million or -18.1%. In calendar year 2025 home sales averaged 618 per month, which is a drop of 40% from the high of 1,000 homes sold per month in FY 2021. Mortgage rates remain in the 6% range, and in combination with a median home price of approximately \$450,000, home affordability remains an issue. County home prices, however, remain competitive with surrounding jurisdictions. County law dedicates the greater of 20% or \$10.0 million of the Recordation Tax to the Housing Investment Trust Fund. It is estimated that \$10.0 million will be allocated for this purpose.

At \$4,970.3 billion, the FY 2027 proposed budget is -\$19.2 million, or -0.4%, below the Committee's recommendation. The Committee recognized that there was a large gap between projected revenues and spending, and it recommended that the budget be balanced to match the revenue estimate through ongoing spending reductions. While the proposed budget does contain a large measure of reduced spending, most of the difference is due to a revised income tax revenue estimate. Although total General Fund spending is above the recommended SAC limit, spending is completely supported by ongoing tax and fee revenues with no use of unassigned fund balance.

The Committee also expressed concern over unfunded liabilities in the County. Specifically, it was concerned that risk management liabilities continue to increase and that the County was not contributing toward the Other Post-Employment Benefits (OPEB) unfunded liability. The County did contribute \$5 million toward risk management and \$10 million toward OPEB as part of the fiscal 2025 close-out.

The budget is balanced and complies with the intent of the SAC recommendations.

Moving Prince George's County Forward

Prince George's County continues to grow as one of the most dynamic communities in the region. This budget reflects our shared commitment to ensuring that growth benefits every resident.

By investing in safety, education, economic development, environmental sustainability, infrastructure, and equitable communities, we are building a County that is prepared for the future.

Together, with the partnership of the County Council, our dedicated public servants, community leaders, and residents, we will continue advancing the vision of a Prince George's County where everyone can thrive.

Thank you for your commitment to our community.

Sincerely,



Aisha N. Braveboy
County Executive

