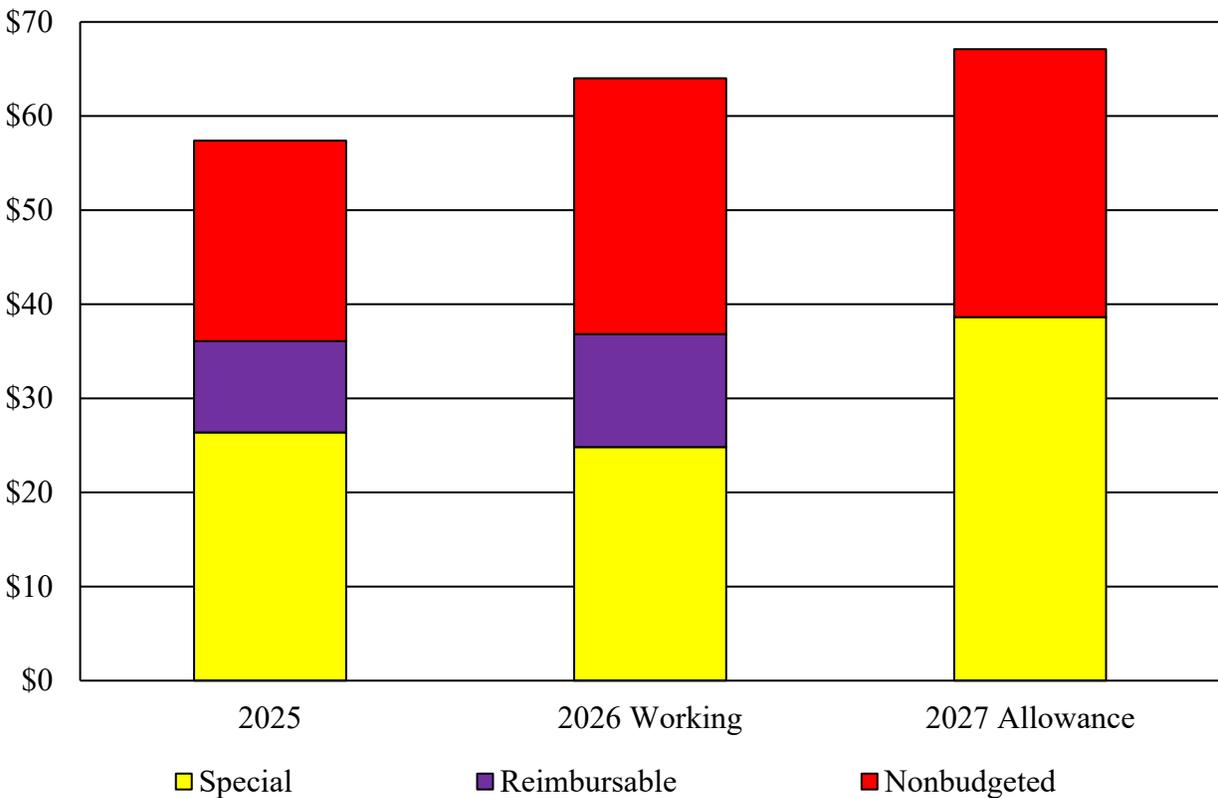**G20J01**
State Retirement Agency

Executive Summary

The State Retirement Agency (SRA) under the direction of the Board of Trustees (BOT), is responsible for administering the State Retirement and Pension System (SRPS). SRA is responsible for policy development, legislation, and legal affairs related to the State's retirement systems as well as managing investments, benefit payments, and employer/employee contributions.

Operating Budget Summary

Fiscal 2027 Budget Increases $3.1 Million, or 4.8%, to $67.1 Million
($ in Millions)

Note: Fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget.

For further information contact: Jacob C. Cash   jacob.cash@mga.maryland.gov

Analysis of the FY 2027 Maryland Executive Budget, 2026

- Reimbursable funds from State agency fees are phased out in fiscal 2027 and replaced with special funds due to Chapters 764 and 765 of 2025.

- Budgeted funds supporting SRA operational expenses grow by $1.8 million, or 4.9%.

- Nonbudgeted funds supporting the Investment Division grow by $1.3 million, or 4.7%.

Key Observations

- ***Call Center Performance Improved:*** Call center wait times improved to under a minute in calendar 2025 following years of inconsistent and often poor performance.

- ***Funded Ratio Improved:*** The pension system recorded a 73.46% actuarial funding level at the close of fiscal 2025, returning to an upward trend in funding levels and ending the only two-year streak of declines since the 2011 pension system reforms.

- ***Reduction to State Share of Teachers' Retirement Plan Costs:*** The Budget Reconciliation and Financing Act (BRFA) of 2026 proposes to lower the amount of mandated State funding for local teacher's retirement by an additional $39.3 million in fiscal 2027 and each year thereafter compared to current law.

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

G20J01
State Retirement Agency

Operating Budget Analysis

Program Description

SRA under the direction of the 15-member SRPS BOT is responsible for administering the State's retirement and pension systems. The board-appointed executive director is responsible for policy development, legislation, and legal affairs. The agency has identified four fundamental goals for its operation:

- to prudently invest system assets in a well-diversified manner to optimize long-term returns while controlling risk through the excellence in execution of investment objectives and strategies of the system;

- to effectively communicate to all retirement plan participants the benefits provided by the system and to educate them about planning and preparing for all aspects of their defined benefit;

- to pay all retirement allowances provided by State pension law to the system's retirees and their beneficiaries in an accurate and timely manner; and

- to efficiently collect the required employer and employee contributions necessary to fund the system.

The agency is funded with a combination of budgeted and nonbudgeted funds. Chapters 764 and 765 of 2025 revised the funding structure for administrative and operational expenses of BOT and SRA. For fiscal 2025, the existing fee structure remained in place. For fiscal 2026, pro rata administrative fees charged to each participating employer based on membership are repealed, and administrative costs are paid out of the accumulation fund of each State system (the pension trust fund) on a proportional basis. For fiscal 2027 and subsequent years, administrative costs are included as part of the employer contribution rates determined by the actuary and certified by BOT.

The SRA budget is subject to a statutory spending cap of 0.22% of active member payroll, retiree benefits, and compensation of vested former members as codified by Chapters 723 and 724 of 2018. The calculated cap for fiscal 2027 is $53.0 million, which applies only to the special fund portion of the agency's budget.

Chapters 727 and 728 of 2018 specified that compensation and other operational expenses for the Investment Division would be paid out of the accumulation funds of the State's retirement systems instead of from special or reimbursable funds collected from the administrative fees. This removed the division from the budget starting in fiscal 2019 and costs associated with the Investment Division do not count against SRA's expense cap.

Analysis of the FY 2027 Maryland Executive Budget, 2026

Performance Analysis: Managing for Results

1.   Active Membership

For the second year in a row, the number of active members in SRPS (including local members) increased at a faster rate than the number of retirees. As shown in **Exhibit 1**, active membership grew to 208,529 in fiscal 2025, up by 1.7% over the prior year. The number of retirees also grew in fiscal 2025 to 177,885 members, a 1.0% increase. In fiscal 2025, retirees represented 46.0% of the State's pension plan participation. Growth rates for the number of active members and retirees in State-only plans (not shown) match those for the combined State and local membership.

Exhibit 1
State Pension System Membership
Fiscal 2009-2025
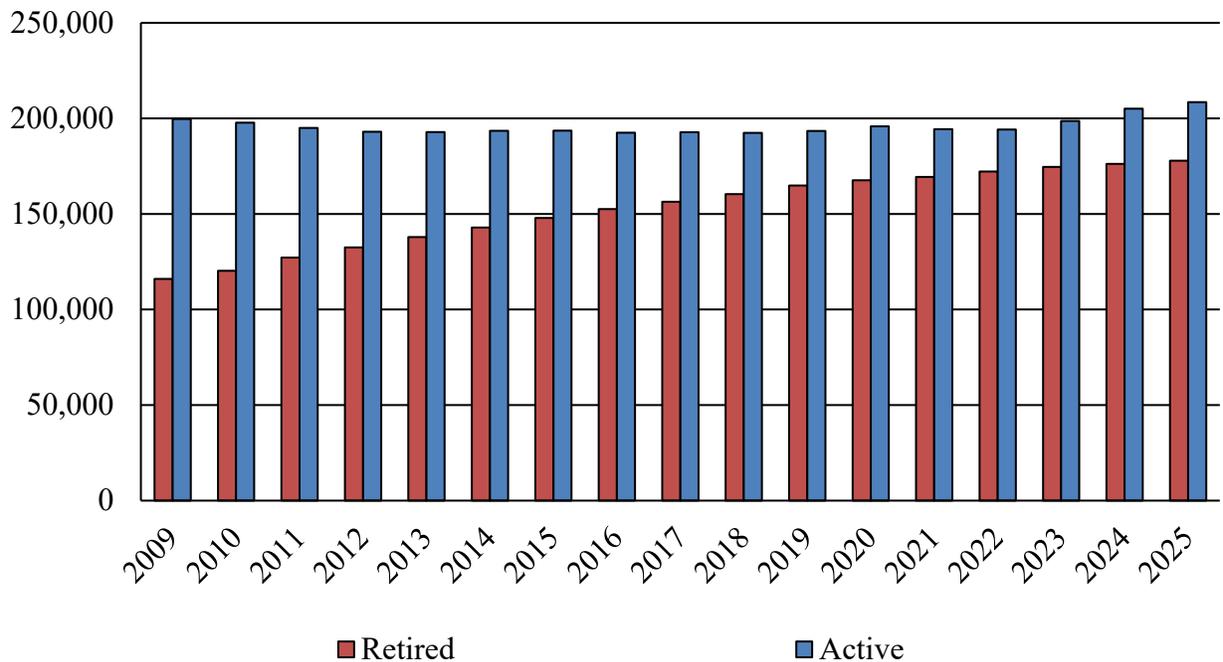
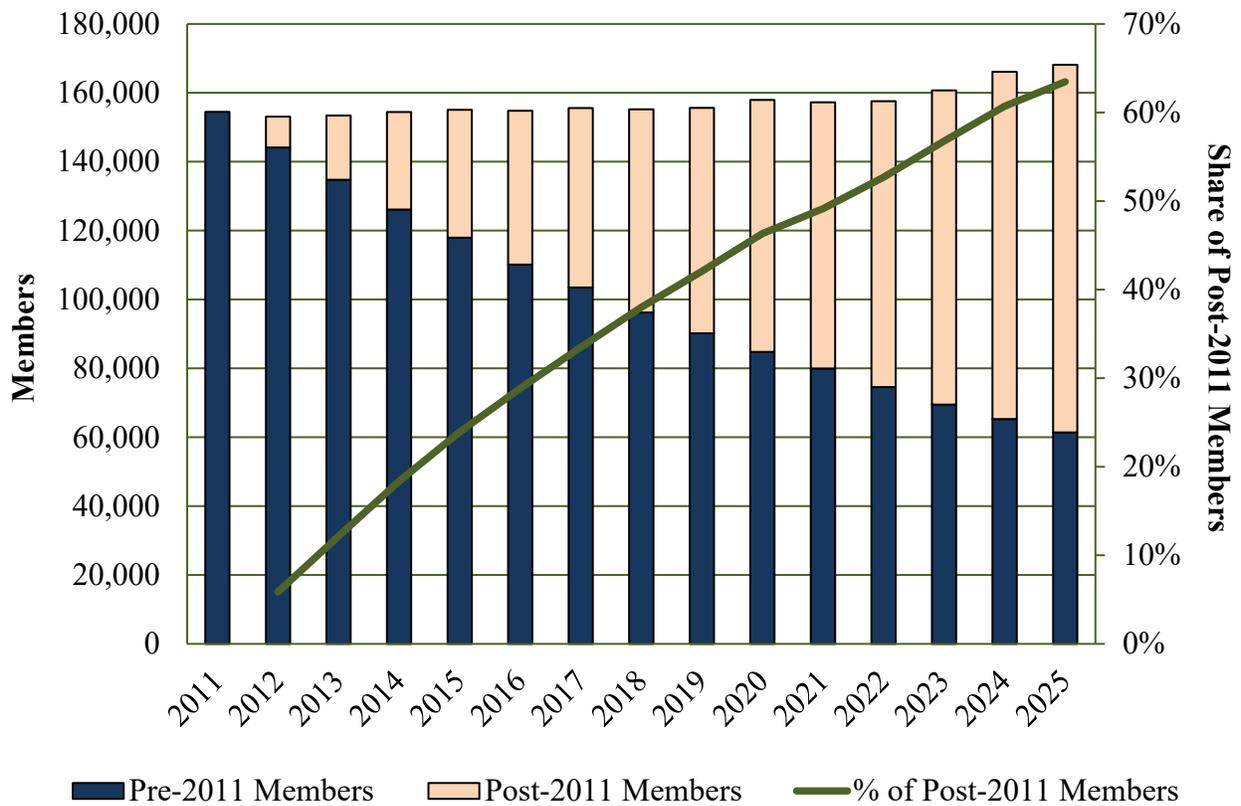
Source: State Retirement Agency

Due to employee turnover, 63.5% of members in the Teachers' Pension System (TPS)/Employees' Pension system are in the reformed benefit tier as of fiscal 2025, as shown in **Exhibit 2**. Per Chapter 397 of 2011, all members hired on or after July 1, 2011, are part of the reformed benefit tier, which requires a longer vesting period (10 years instead of 5 years)

and provides a less generous benefit calculation. Increasing membership in the reformed pension system puts downward pressure on the State's pension liabilities due to fewer employees vesting and less generous benefits for employees who do vest. Employees who leave the State's service without vesting receive their contributions and a guaranteed return on their contributions (5%), but the State's contributions for the employee stay in the system.

Exhibit 2
Pre- and Post-2011 Pension Reform Members
State Employees' and Teachers' Pension Systems
Fiscal 2011-2025
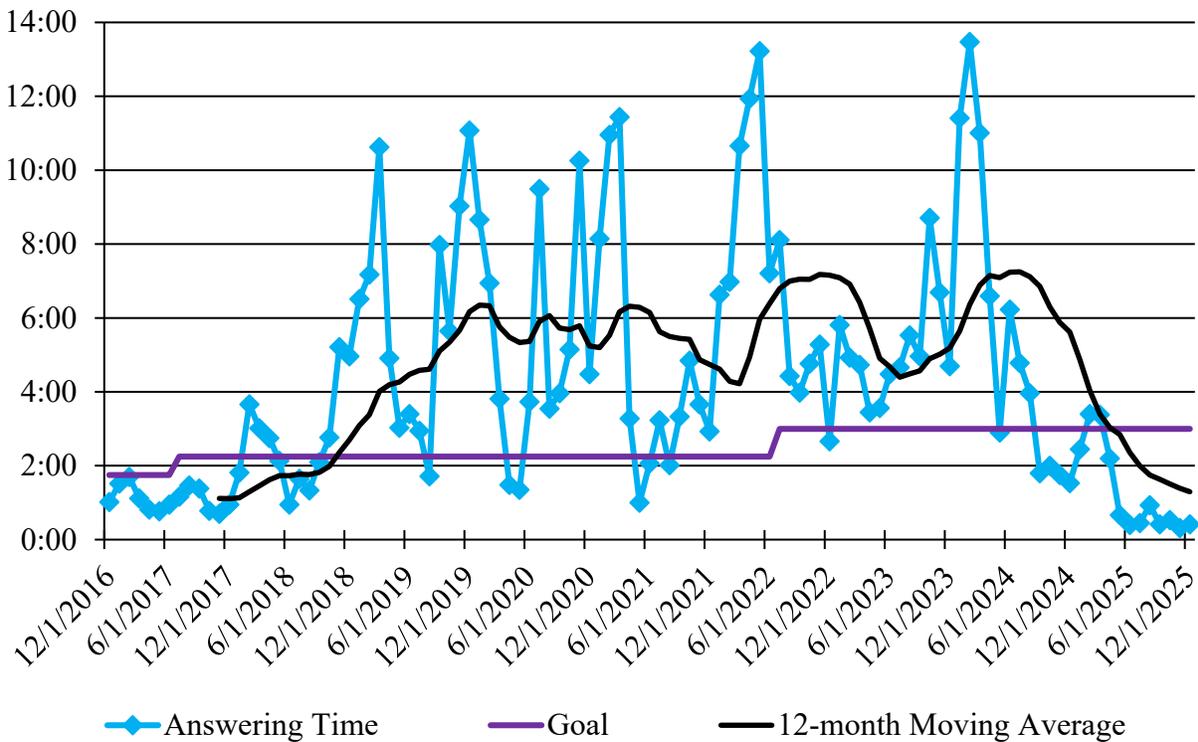

Source: State Retirement Agency

2.   Call Center Wait Times

As the administrator of retirement benefits, SRA's performance measures focus on customer service that the agency provides to participants of the State's pension plans. After struggling for several years to meet its goal of callers waiting no more than one minute and

45 seconds for a counselor to pick up their call, the agency raised its call center wait-time goal to no more than two minutes and 15 seconds starting in fiscal 2018; the agency goal is now three minutes.

As shown in **Exhibit 3**, wait times improved in calendar 2025 to a monthly average of one minute and 15 seconds. Wait times were lower compared to the more than five-minute wait on average in calendar 2024 and the peak of more than seven minutes on average in calendar 2022. Monthly call wait times have been within the three minute goal since September 2024. SRA attributes the call center improvements to lower turnover among call center staff and efficiency gains from metrics-based management.

Exhibit 3
Monthly Services Call Answering Time
December 2016 to December 2025
(Time in Minutes)

Source: State Retirement Agency

Fiscal 2027 Overview of Agency Spending

The fiscal 2027 allowance totals $67.1 million and is comprised of two components – SRA operations (58%) and the Investment Division (42%), as shown in **Exhibit 4**. Personnel makes up the largest portion of the SRA operations budget.

Exhibit 4
Overview of Agency Spending
Fiscal 2027 Allowance
($ in Millions)
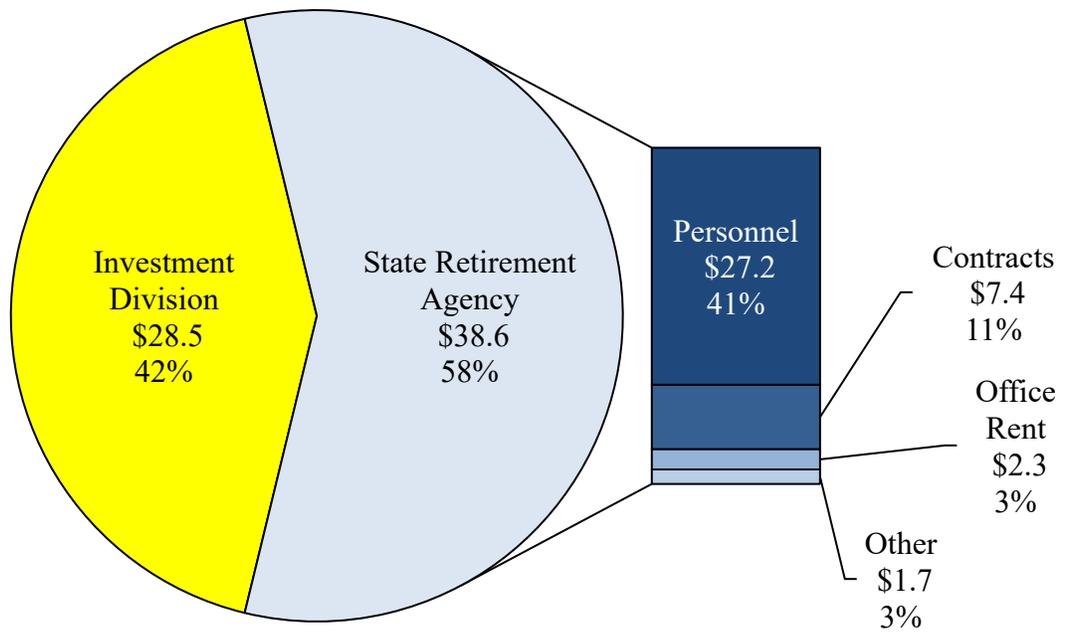
Note: Fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget.

Source: Governor's Fiscal 2027 Budget Books

Proposed Budget Change

As shown in **Exhibit 5**, the fiscal 2027 allowance increases by $3.1 million, or 4.8%, compared to the fiscal 2026 working appropriation. Information technology expenses are on the decline by approximately $168,000 due mostly to one-time fiscal 2026 spending. Administrative

expenses and contracts, excluding shared services, increase by approximately $440,000 due to a variety of new initiatives and escalations in existing contracts. Personnel expenses for SRA are on the rise due to regular salary increases and associated fringe benefits.

Exhibit 5
Proposed Budget
State Retirement Agency
($ in Thousands)

How Much It Grows:	Special Fund	Nonbudgeted Fund	Reimb. Fund	Total
Fiscal 2025 Actual	$26,371	$21,292	$9,717	$57,380
Fiscal 2026 Working	24,822	27,192	12,000	64,015
Fiscal 2027 Allowance	38,638	28,459	0	67,097
Fiscal 2026-2027 $ Change	$13,815	$1,267	-$12,000	$3,082
Fiscal 2026-2027 % Change	55.66%	4.66%	-100.00%	4.81%

Where It Goes:	Change
Personnel Expenses	
Employee and retiree health insurance..	$957
Salary increases and associated fringe benefits, including fiscal 2026 cost-of-living adjustment and increments	856
Turnover adjustments	-74
State Retirement Agency Administrative Expenses	
Office rent annual escalation..	114
New graphics design services contract to enhance the communications to members and the public..	65
Actuarial services contract renewal..	61
Travel costs increase to expand Member Services counseling sessions to areas outside of Baltimore City. Funds will cover transportation and space reservation costs.	54
Agencywide management and supervisor training for leadership development	54
Banking services costs increase based on actual fiscal 2025 expenditures.......	35
Third-party peer review of Internal Audit Division as required by Generally Accepted Government Auditing Standards	30
Contractual position health insurance and turnover adjustments.......................	20
Other..	9
IT contracts and equipment	-168
Shared services allocations..	-195

Where It Goes:	**Change**
Investment Division (Nonbudgeted)	
Salaries, wages, and fringe benefits	2,246
Fixed charges	-137
Contractual services	-843
Total	**$3,082**

IT: information technology

Note: Numbers may not sum to total due to rounding.

Personnel Data

	FY 25	**FY 26**	**FY 27**	**FY 26-27**
	Actual	**Working**	**Allowance**	**Change**
Regular Positions	232.00	237.00	245.00	8.00
Contractual FTEs	7.84	1.00	3.00	2.00
Total Personnel	**239.84**	**238.00**	**248.00**	**10.00**
Vacancy Data: Regular Positions				
Turnover and Necessary Vacancies, Excluding New Positions		13.87	5.66%	
Positions and Percentage Vacant as of 12/31/2025		27.00	11.02%	
Vacancies Above Turnover		13.13		

- On October 22, 2025, the Board of Public Works approved the abolition of 502.7 positions statewide, include 170.7 vacant positions and 332.0 positions associated with the Voluntary Separation Program (VSP). In SRA, 3 budgeted administrative positions were abolished due to the VSP, reducing personnel costs by $226,254 from the fiscal 2026 legislative appropriation to the fiscal 2026 working appropriation.

- The Investment Division adds 8 nonbudgeted positions in fiscal 2027, adding more than $1 million in nonbudgeted expenditures. The new positions, which account for all new positions in the agency, include administrative and investment staff.

Issues

1.   Fiscal 2025 Returns Beat Assumed Rate of Return and Benchmarks

The system's investment return for fiscal 2025 was 9.83% net of management fees, exceeding the assumed rate of return of 6.80%. The system also exceeded its policy benchmark for the system as a whole by 0.30%. As shown in **Exhibit 6**, the total market value of the system's assets was $73.6 billion as of June 30, 2025, compared to $68.2 billion at the end of fiscal 2024.

Exhibit 6
State Retirement and Pension System of Maryland
Fund Investment Performance for Periods Ending June 30, 2025
($ in Millions)

	Assets	% Total	Time-weighted Total Returns		
			1 Year	5 Years	10 Years
Growth Equity					
Public Equity	$23,759	32.3%	16.31%	12.71%	9.28%
Private Equity	15,059	20.5%	6.39%	16.25%	14.24%
Subtotal[1]	*$38,834*	*52.8%*	*12.27%*	*13.69%*	*10.47%*
Rate Sensitive					
Nominal Fixed Income	$9,440	12.8%	4.71%	–5.37%	0.94%
Inflation Sensitive	2,447	3.3%	6.23%	1.74%	2.87%
Subtotal	*$11,888*	*16.2%*	*5.04%*	*–3.75%*	*1.40%*
Credit/Debt					
High Yield Bonds and Bank Loans	$1,942	2.6%	9.20%	6.29%	n/a
Private Credit	3,947	5.4%	9.26%	10.96%	8.19%
Non-U.S. Credit	815	1.1%	10.89%	3.00%	2.84%
Subtotal	*$6,722*	*9.1%*	*9.32%*	*6.80%*	*5.42%*
Real Assets					
Real Estate	$6,995	9.5%	3.05%	4.38%	5.62%
Natural Resources and Infrastructure	3,703	5.0%	17.14%	14.60%	n/a
Subtotal	*$10,840*	*14.7%*	*6.98%*	*7.70%*	*4.85%*

	Assets	% Total	Time-weighted Total Returns		
			1 Year	5 Years	10 Years
Absolute Return	4,016	5.5%	10.72%	6.25%	3.47%
Multi Asset	297	0.4%	14.36%	4.45%	n/a
Cash	997	1.4%	4.99%	3.67%	4.52%
Total Fund	**$73,594**	**100.0%**	**9.83%**	**8.29%**	**7.04%**

Note: The Real Assets Subtotal includes an additional $142 million in commodities assets. Returns beyond one year are annualized. Returns are net of fees. Columns may not add to total due to rounding.

Source: State Street – State Retirement Agency of Maryland – Rates of Return – Net Mgr – Periods Ending June 30, 2025

SRPS BOT sets the allocation of assets to each investment class and continuously monitors the appropriateness of the allocation considering its investment objectives. The asset allocation is structured into five categories:

- *Growth Equity:* public equity (domestic, international developed, and international emerging markets) and private equity investments;

- *Rate Sensitive:* investments in bonds, loans, or associated derivatives with an average portfolio credit quality of investment grade;

- *Credit:* investments in bonds, loans, or associated derivatives with an average portfolio credit quality of below investment grade;

- *Real Assets:* investments whose performance is expected to exceed the rate of inflation over an economic cycle; and

- *Absolute Return:* consists of investments that are expected to exceed the three-month U.S. Treasury bill by 4% to 5% over a full market cycle and exhibit low correlation to public stocks.

Included within these asset classes are sub-asset classes. The board approves adjustments to the asset allocations and sets transitional targets. The board also approves target ranges for sub-asset classes as well as constraints on hedge fund exposure, with total hedge fund investments capped across all asset classes. **Exhibit 7** shows system asset allocations in relation to the strategic targets in effect on July 1, 2025. While the system is close to targets, the system is currently below targets for assets invested in public equity and fixed income and over the target for private equity.

Exhibit 7
State Retirement and Pension System Asset Allocation

Asset Class	Actual June 30, 2025	Target July 1, 2025
Growth Equity		
U.S. Equity	14.2%	17.0%
International Equity	9.1%	11.0%
Emerging Markets Equity	5.0%	6.0%
Global Equity	4.0%	n/a
Private Equity	20.5%	16.0%
Subtotal	*52.8%*	*50.0%*
Rate Sensitive		
Nominal Fixed Income	12.8%	16.0%
Inflation-linked Bonds	3.3%	4.0%
Subtotal	*16.2%*	*20.0%*
Credit/Debt		
High Yield Bonds and Bank Loans	8.0%	8.0%
Emerging Market Debt	1.1%	1.0%
Subtotal	*9.1%*	*9.0%*
Real Assets		
Real Estate	9.5%	10.0%
Natural Resources and Infrastructure	5.0%	5.0%
Subtotal	*14.7%*	*15.0%*
Absolute Return	5.5%	6.0%
Multi Asset	0.4%	n/a
Cash	1.4%	n/a
Total Fund	**100.0%**	**100.0%**

Note: Numbers may not add to total due to rounding.

Source: State Street – State Retirement Agency of Maryland – Rates of Return – Net Mgr – Periods Ending June 30, 2025; State Retirement and Pension System Investment Policy Manual, June 2025

Exhibit 8 shows how the system performed against class-specific and overall benchmarks. The system performed 0.30% (30 basis points) above the total system return benchmark, indicating that the system's use of active management is yielding returns above what could be achieved through a passive (indexed) approach. The system did not meet its benchmarks in three of its five major asset classes. However, each of those three asset classes performed in excess of the 6.8% assumed rate of return.

Exhibit 8
State Retirement and Pension System of Maryland
Performance Relative to Benchmarks for Year Ending June 30, 2025

	Return	**Return Benchmark**	**Excess**
Growth Equity	12.27%	12.70%	-0.43%
Public Equity	16.31%	16.66%	-0.35%
Private Equity	6.39%	7.04%	-0.65%
Rate Sensitive	5.04%	3.99%	1.05%
Nominal Fixed Income	4.71%	3.53%	1.18%
Inflation Sensitive	6.23%	5.71%	0.53%
Credit	9.32%	9.70%	-0.38%
High Yield Bonds and Bank Loans	9.20%	9.69%	-0.49%
Private Credit	9.26%	n/a	n/a
Non-U.S. Credit	10.89%	9.76%	1.14%
Real Assets	6.98%	8.16%	-1.18%
Real Estate	3.05%	3.07%	-0.03%
Natural Resources and Infrastructure	17.14%	19.16%	-2.02%
Absolute Return	10.72%	7.17%	3.55%
Multi Asset	14.36%	9.54%	4.83%
Cash and Cash Equitization	4.99%	4.88%	0.11%
Total Fund	**9.83%**	**9.54%**	**0.30%**

Note: Numbers may not add to total due to rounding.

Source: State Street – State Retirement Agency of Maryland – Rates of Return – Net Mgr – Periods Ending June 30, 2025

Another approach to evaluating the system's investment performance is to compare the system's investment performance with the performance of other systems. The Wilshire Trust Universe Comparison Service (TUCS) rankings provide a big picture, snapshot assessment of the system's performance relative to other large public pension plans. In the TUCS analysis, systems are ranked on a scale of 1 to 100, with a rank of 1 being the system with the highest investment returns for the time period. As shown in **Exhibit 9**, according to TUCS, the system's fiscal 2023 total fund investment performance was rated in the sixty-fifth percentile among the public pension funds with at least $25 billion in assets. As the system has historically had a low allocation to equity investments compared to its peers – and to domestic equity in particular – the system's investment policy will have a low TUCS ranking when equity markets are experiencing strong performance, as has been the case for a number of recent years. The long-term relative performance rankings have placed SRPS' relative total fund performance in the bottom quartile. The TUCS rankings are based on returns gross of fees.

Exhibit 9
TUCS Percentile Rankings for Periods Ending June 30
Fiscal 2022-2025

|	**2022**	**2023**	**2024**	**2025**
1 Year	37	96	94	65
3 Years	37	71	89	95
5 Years	43	59	70	88
10 Years	75	78	75	92

TUCS: Wilshire Trust Universe Comparison Service

Note: Rankings for systems greater than $25 billion.

Source: Wilshire Trust Universe Comparison Service

In the 2011 session, the General Assembly passed comprehensive pension reform (Chapter 397) aimed at addressing the long-term sustainability of the State's defined benefit pension plans and the affordability of the State's contributions to those plans. At that time, SRPS had only 63% of assets necessary to cover its liability. As shown in **Exhibit 10**, the actual funded ratio in fiscal 2025 was 73.5% for all State plans, which is up from 72.9% in fiscal 2024, but down from the recent peak of 76.6% in fiscal 2022. Barring major external shocks from financial markets, the system remains on track to achieve 90% funding by fiscal 2035 and 100% funding by fiscal 2045.

Exhibit 10
State Plans Pension Assets, Liabilities, and Funded Ratio
Fiscal 2006-2025
($ in Billions)
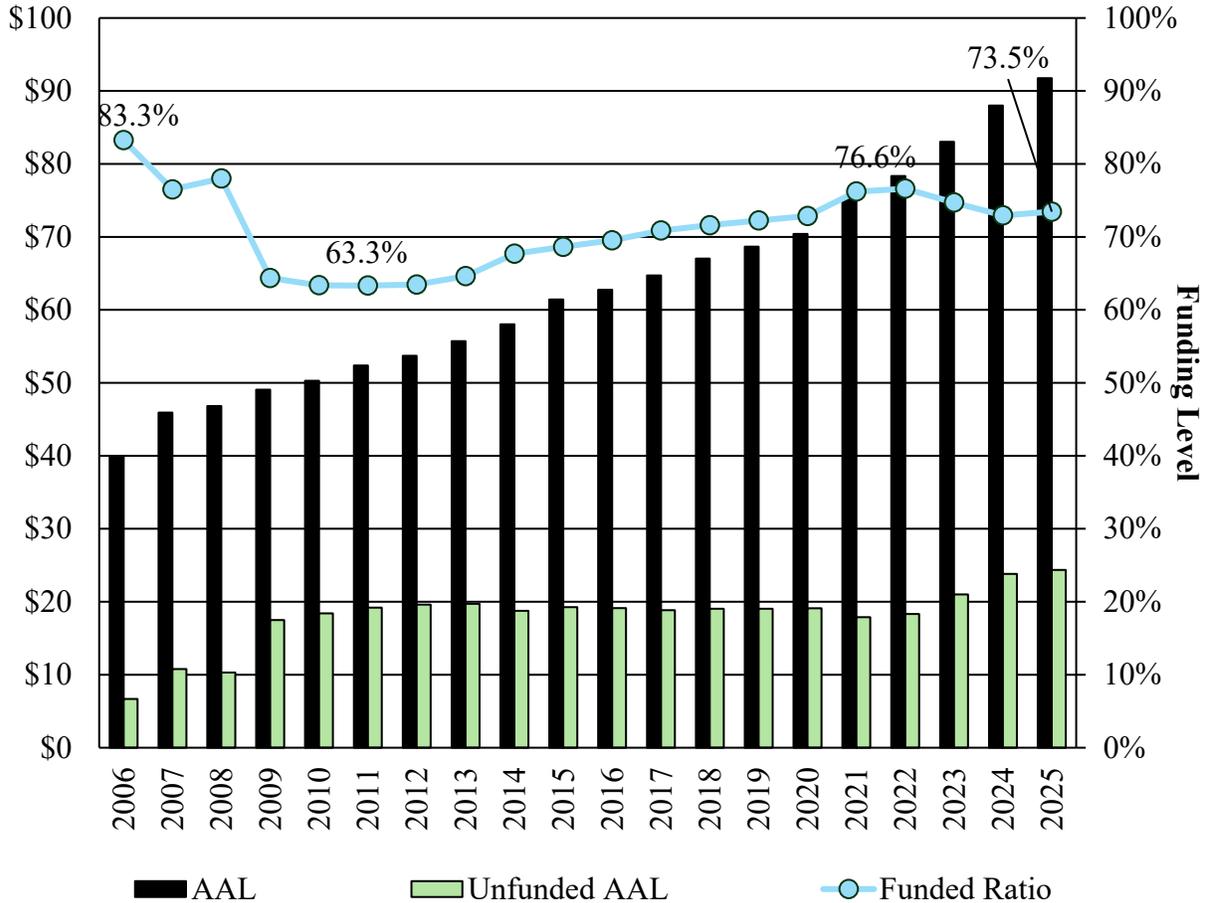

AAL: Actuarial Accrued Liability

Source: State Retirement Agency

2.   The BRFA Further Reduces State Share of Teacher Retirement

The State is required by statute to fund a share of the employer contribution for local employees in the Teachers' Retirement System and TPS. This share varies each year depending on the normal contribution rate calculated by the actuary and certified by BOT. The BRFA of 2025 included a cost containment measure to permanently lower the State subsidy by $97,744,521 in

fiscal 2026 and each year thereafter (with counties making up the difference). The BRFA of 2026 as introduced proposes to further lower the subsidy by $39,283,970 in fiscal 2027 and each year thereafter for a total reduction of $137.0 million across all jurisdictions. **Exhibit 11** shows the cost shift in relation to the overall amount.

Exhibit 11
Local Teacher Retirement Grant Funding
Fiscal 2025-2027
($ in Millions)
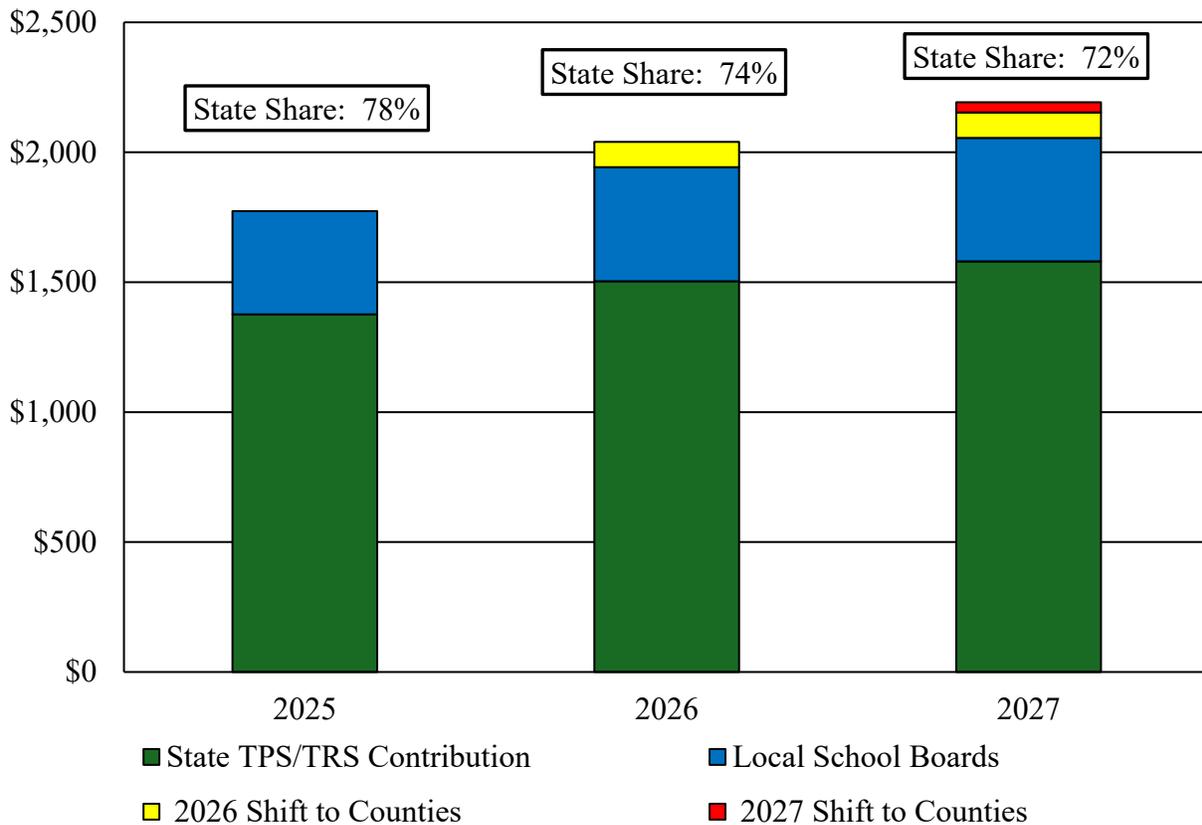
TPS/TRS: Teacher Pension System/Teacher Retirement System

Source: Department of Budget and Management

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

Appendix 1
Projected Retirement Appropriations
Fiscal 2018-2027
($ in Millions)

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
State Employer Base	$1,547.5	$1,569.8	$1,627.7	$1,669.6	$1,736.6	$1,698.3	$1,800.5	$2,146.5	$2,391.7	$2,540.7
Supplemental	75.0	75.0	75.0	75.0	75.0	75.0	54.0	50.0	0.0	0.0
Sweeper	0.0	0.0	0.0	0.0	0.0	25.0	0.0	0.0	0.0	0.0
Governor	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total State	**$1,622.5**	**$1,644.8**	**$1,702.7**	**$1,744.6**	**$1,811.6**	**$1,798.3**	**$1,854.5**	**$2,196.5**	**$2,391.7**	**$2,540.7**
Local School Boards	$280.5	$283.8	$288.6	$293.8	$296.5	$373.0	$380.2	$397.1	$536.4	$612.7
Total Employer	**$1,903.0**	**$1,928.6**	**$1,991.3**	**$2,038.4**	**$2,108.1**	**$2,171.3**	**$2,234.7**	**$2,593.6**	**$2,928.1**	**$3,153.4**

Note: Fiscal 2026 and 2027 reflect $97.7 million in cost shifted from the State Employer Base to Local School Boards pursuant to Chapter 604 of the 2025 regular session. Fiscal 2027 reflects an additional $39.3 million in cost shifted from the State Employer Base to Local School Boards contingent on SB 284/ HB 392.

Source: State Retirement Agency; Department of Legislative Services

Appendix 2
Audit Findings

Audit Period for Last Audit	May 1, 2021 – April 15, 2025
Issue Date	November 2025
Number of Findings	2
Number of Repeat Findings:	0
% of Repeat Findings:	0%

Finding 1:   The agency did not establish procedures to verify the propriety of certain private fund management fees that totaled $260 million in fiscal 2025. As a result, the agency paid certain fees without ensuring the propriety of the payment.

Finding 2:   Redacted cybersecurity-related finding.

Appendix 3
Object/Fund Difference Report
State Retirement Agency

Object/Fund	FY 25 Actual	FY 26 Working Appropriation	FY 27 Allowance	FY 26 - 27 $ Change	% Change
Positions					
01 Regular	232.00	237.00	245.00	8.00	3.4%
02 Contractual	7.84	1.00	3.00	2.00	200.0%
Total Positions	**239.84**	**238.00**	**248.00**	**10.00**	**4.2%**
Objects					
01 Salaries, Wages, and Fringe Benefits	$37,619,262	$38,049,960	$42,011,761	$3,961,801	10.4%
02 Technical and Special Fees	781,975	464,789	507,195	42,406	9.1%
03 Communications	992,057	826,911	900,411	73,500	8.9%
04 Travel	276,282	287,233	341,083	53,850	18.7%
07 Motor Vehicle Operation and Maintenance	158,859	158,337	156,880	-1,457	-0.9%
08 Contractual Services	13,562,769	20,301,371	19,415,656	-885,715	-4.4%
09 Supplies and Materials	155,714	133,558	133,445	-113	-0.1%
10 Equipment – Replacement	1,042,671	490,845	317,715	-173,130	-35.3%
11 Equipment – Additional	99,773	74,800	114,800	40,000	53.5%
12 Grants, Subsidies, and Contributions	160,606	160,606	160,606	0	0.0%
13 Fixed Charges	2,500,661	3,066,664	3,037,329	-29,335	-1.0%
14 Land and Structures	29,297	0	0	0	N/A
Total Objects	**$57,379,926**	**$64,015,074**	**$67,096,881**	**$3,081,807**	**4.8%**
Funds					
03 Special Funds	$26,370,875	$24,822,385	$38,637,570	$13,815,185	55.7%
07 Non-budgeted	21,291,637	27,192,407	28,459,311	1,266,904	4.7%
09 Reimbursable Funds	9,717,414	12,000,282	0	-12,000,282	-100.0%
Total Funds	**$57,379,926**	**$64,015,074**	**$67,096,881**	**$3,081,807**	**4.8%**

Note: The fiscal 2027 allowance does not include statewide salary adjustments budgeted within the Department of Budget and Management.

Program/Unit	FY 25 Actual	FY 26 Working Appropriation	FY 27 Allowance	FY 26 - 27 $ Change	% Change
01 State Retirement Agency	$36,088,289	$36,822,667	$38,637,570	$1,814,903	4.9%
43 Investment Division	21,291,637	27,192,407	28,459,311	1,266,904	4.7%
Total Expenditures	**$57,379,926**	**$64,015,074**	**$67,096,881**	**$3,081,807**	**4.8%**
Special Funds	$26,370,875	$24,822,385	$38,637,570	$13,815,185	55.7%
Non-budgeted	21,291,637	27,192,407	28,459,311	1,266,904	4.7%
Total Appropriations	**$47,662,512**	**$52,014,792**	**$67,096,881**	**$15,082,089**	**29.0%**
Reimbursable Funds	$9,717,414	$12,000,282	$0	-$12,000,282	-100.0%
Total Funds	**$57,379,926**	**$64,015,074**	**$67,096,881**	**$3,081,807**	**4.8%**

Note: The fiscal 2027 allowance does not include statewide salary adjustments budgeted within the Department of Budget and Management.