



Blueprint for Maryland's Future – Fiscal Reporting Guidelines (Version 1.0)

Local Education Agency Reporting Guidance:
Education Article §5-234 – Minimum School
Funding Requirement

Office of Financial Planning, Operations and Strategy

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DOCUMENT HISTORY

Document Version	Date	Summary of Change
1.0	April 2024	Initial Document
2.0	June 2024	Clarifies information; responds to questions from local school finance officers.

Purpose

This Guidance was produced by the Maryland State Department of Education (MSDE) in collaboration with the Accountability and Implementation Board and is intended for local education agency (LEA) administrators, fiscal staff, and district and school leaders to use in implementing the requirements of the Blueprint for Maryland's Future. The Guidance also serves as a tool for LEA fiscal staff, administrators, information technology staff, and data processing staff who are responsible for submitting financial data files to the Blueprint? Financial Reporting System. This Guidance is intended to serve as a living document as the Blueprint for Maryland's Future is implemented. MSDE expects to update the Guidance as necessary over the course of the next two "beta" years. Fiscal year 2024 serves as the beta year for financial data collection, reporting, and validation. Fiscal year 2025 serves as the baseline year for monthly financial reporting.

Policy

ACCOUNTABILITY AND IMPLEMENTATION BOARD POLICY GUIDANCE ON THE BLUEPRINT MINIMUM SCHOOL FUNDING REQUIREMENT

Minimum School Funding Requirement

When the Maryland General Assembly created the Blueprint for Maryland's Future (Blueprint), it recognized the importance of ensuring per pupil funding reaches the students it is intended to help and, as a result, required minimum school funding. In Md. Code Ann., Ed. §5-234, the Blueprint law establishes minimum school funding at 75% of the per pupil amount applicable to the foundation program and seven targeted funding programs, as well as 100% of the concentration of poverty per pupil grant and 100% of per pupil funding for private providers participating in the full-day prekindergarten program.

Local education agencies (LEAs) must report to the Accountability and Implementation Board (AIB) on or before July 1, 2024, and each July 1 thereafter, on the LEA's compliance with minimum school funding requirements at the school system and individual school level. The new financial reporting system required by §5-234(c) to be developed by the Maryland State Department of Education (MSDE) in consultation with AIB is designed to collect LEA and school-level budget and spending information by Blueprint funding formula each year beginning July 1, 2024. (It is currently in beta testing; all LEAs will have access to the system by April 1, 2024.) The first full year of data will be available in September 2025 after the closeout of fiscal year 2025.

AIB Authority and Expectation

As with the implementation of other Blueprint programs and requirements, the AIB views the first year of data as baseline data and expects LEAs to make a good faith effort to meet the minimum school funding requirement. The 2024 updated LEA Blueprint Implementation Plans to be submitted by May 1, 2024, include a plan for how each LEA will meet the minimum school funding requirement.

Pursuant to Ed. §5-405(c), from fiscal year 2023 through fiscal year 2025, the Blueprint law requires the AIB to release funds that have automatically been withheld by law if the AIB finds a local school system or public school has developed an initial implementation plan and has received approval for its initial implementation plan and for any subsequent modification. These are the only criteria the AIB is authorized to consider in the aforementioned fiscal years.

Beginning in fiscal year 2026, in accordance with Ed. §5-405(d), the AIB is authorized, when deciding whether to release withheld funds or to withhold additional funds, to consider whether a local school system or public school has made sufficient progress on an implementation plan or taken appropriate steps to improve student performance. Minimum school funding is an integral part of making progress on implementation plans and improving student performance. At that time, the AIB will be authorized to evaluate a local school system's or public school's compliance with the minimum school funding requirements and make Blueprint funding determinations based on the level of compliance.

Appeals Process

The law, in Ed. §5-406(f), requires the AIB to adopt an appeal process for LEAs to request a waiver from minimum school funding requirements based on certain enrollment shifts and other criteria. In the coming months the AIB will begin developing the appeals process, which will include an opportunity for public review and comment before the appeals process is approved.

Adopted March 21, 2024, by the AIB

Timeline and Due Dates

Reporting Component	Due Date
Four Financial Files loaded to the Financial Reporting System	July 1, 2023. Monthly beginning July 1, 2024, for fiscal year 2025. Data due by August 15 th .
Finalize FY 2024 Financial Data; Resolve file errors	October 15, 2024
Monthly Reporting	15 th of the month after the close of the prior month
Expenditure Monitoring	Quarterly, beginning January 1, 2025
Prior Year Expenditure Review	October Annually, beginning in 2025
Current Year Budget Review	October Annually, beginning in 2025

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Education Article §5-234: Minimum School Funding

This section contains financial reporting guidance for the requirements in Education Article §5-234.

MINIMUM SCHOOL FUNDING REQUIREMENTS

The Blueprint for Maryland's Future requires funding to follow the student it is intended to support. Therefore, LEAs are required to allocate and spend at least 75% of the total per pupil amount for the following programs:

- Foundation
- Comparable Wage Index
- Compensatory Education
- Students with Disabilities
- Multilingual Learners
- College and Career Readiness
- Transitional Supplemental Instruction
- Public Prekindergarten

100% of the per pupil amount for private prekindergarten providers and the Concentration of Poverty per pupil component must be allocated to and spent at the school level.

REPORTING

The Blueprint Financial Reporting System is the platform that Local Education Agencies (LEAs) will use to report financial data to demonstrate compliance with the minimum school funding requirement.

Beta Year

Throughout fiscal year 2024, LEAs refined fiscal data adding a school-level dimension, ensuring the ability to crosswalk financial data to the State's chart of accounts with the addition of Blueprint programs, and configuring files to accurately transfer data to the new system. LEAs must have all four fiscal 2024 files submitted to and accessible through the system by June 15, 2024.

Beginning in fiscal 2024, LEAs will begin to report fiscal data monthly to the system. Using the System's dashboards and export tools, LEAs will compare the system data to ensure it is accurately displaying the data provided by the LEA. LEAs are required to report data once the fiscal month is closed, which is typically by the 15th of the following month. For example, the July 2024 data will be due by August 15, 2024.

Baseline Year

Beginning in fiscal 2025, LEAs must provide monthly financial reporting by the 15th of the following month. For example, the July 2024 data will be due by August 15, 2024. MSDE and the AIB will work closely with LEAs providing technical assistance as necessary to ensure school and LEA allocations and spending are aligned with the Minimum School Funding requirement. By October 15, 2025, final fiscal year 2025 data must be available in the System.

The Baseline data provided by LEAs in conjunction with strategic resource alignment and budgeting technical assistance provided through the AIB, will be used to inform local allocation decisions in FY 2026 and beyond. The baseline data will be the comparison point for measuring LEA progress on meeting the minimum school funding requirements in the Blueprint for Maryland's Future.

Blueprint Financial Reporting System

THE BLUEPRINT FINANCIAL REPORTING SYSTEM

The Blueprint Financial Reporting System developed by MSDE in collaboration with the AIB uses Power School's reporting system to collect student and school level data and financial information to report each LEA's school and system level allocation and spending of Blueprint program funding.

Data

The system relies on four LEA-level files:

1. ENTITIES – schools in the LEA
2. GL_ACCOUNTS: a crosswalk between the LEA's chart of accounts, the State's Chart of Accounts, and the Blueprint programs.
3. PERIOD_BALANCES: LEA and school level revenue and current budget by source
4. TRANSACTIONS: LEA and school level expenditures file.

The files are connected by the LEA_KEY, a unique identifier for the LEA and its schools. The LEA_KEY is expanded for the revenue and expenditure files and includes the type of transaction, the source of funds, and the Blueprint program. Annually, LEAs submit all four files, Monthly, LEAs submit the revenue and expenditure files.

The instructions, templates and file specifications are available [here](#). The State's Chart of Accounts can be found [here](#). Contacts for technical assistance through Power School can be found [here](#).

Fiscal Structure

The file specifications for the Blueprint Financial Reporting System mirror the State's Chart of Accounts for local financial reporting, which include dimensions for purpose and use of funds. Purpose describes the user or category/program using the funds, and use of funds describes how the funds are being used. For example, the Chart of Accounts to describe a payment for multilingual learner classroom library books looks like this: 12204020331XXXX24, "XXXX" represents a school code or the central office. The coding is described below.

Fund:	1 – Current Expense (General Fund)
Type:	2 - Expenditure
USER: Category:	204 - Instructional Textbooks and Supplies
Program:	02 – Special Programs
USE: Object:	03 – Supplies and Materials
Sub Object:	29 – Other Supplies and Materials
Blueprint Program:	24 – Multilingual Learner

Connecting Revenue and Expenditures to the Blueprint Programs

The Statute Codes for the Blueprint Programs are used to connect the Chart of Accounts to the Blueprint programs.

STATUTE_CODE	STATUTE	GL_STATE_PROGRAM_CODE	GL_ACTIVITY_CODE	GL_ACTIVITY
5-201, 5-212	Foundation Program	01	31	Formula
5-215	Foundation Program	01	91	Blueprint Transition Grant
5-216	Comparable Wage Index	71	00	CE-Rev-State-BLUEPRINT-Comparable Wage Index
5-217	CCR Program	63	00	BLUEPRINT-COLLEGE AND CAREER READY (CCR)
5-222	Compensatory Education	02	37	Formula
5-223- PERSONNEL	Concentration of Poverty - Personnel Grant Funding	61	16	CE-Rev-State-Concentration of Poverty Grant
5-223-PUPIL	Concentration of Poverty - Per Pupil Grant	61	18	CE-Rev-State-Concentration of Poverty Grant
5-224	Multilingual Learners	24	35	Formula
5-225	Special Education	65	00	CE-Rev-State-Students Disabilities Grant
5-226	Transitional Supplemental Instruction	66	00	CE-Rev-State- Transitional Supp. Instruction
5-229	Pre-K Funding	59	00	Private Providers
5-229	Pre-K Funding	62	00	Public Providers

REPORTING ISSUES

Programs that are not Schools

District programs that serve students but do not have an official 9/30 enrollment are not subject to the §5-234 and §5-406 requirements. LEAs should develop allocation methodologies for the schools whose students benefit from those programs similar to a methodology used in the ESSA fiscal reporting guidelines to help meet the 5-234 and 5-406 requirements. If an LEA chooses, MSDE can work with the LEA to establish pseudo codes for these programs that will allow for budget and expenditure data to be reported monthly. At the end of the year, LEAs can use the 13th fiscal period to reallocate the costs back to the home schools for the students that utilized the programs. Additional information is included in the Budgeting Questions (#12) and the Expenditure Questions (#4) in the FAQ section.

Centrally Budgeted Items

For items that are budgeted centrally, LEAs have the flexibility to determine a methodology to allocate the expenditures to the school level. LEAs should look to the methodologies used in the ESSA report to help determine an appropriate methodology for allocating these amounts to the school level. MSDE and AIB will provide technical assistance on this and other strategic initiatives through the baseline year and beyond, to assist LEAs and to ensure consistency in implementation of this requirement.

Blueprint Funding Programs

BACKGROUND

The Blueprint for Maryland's Future is the result of years of research and analysis first by the Commission on Excellence and Equity in Education (Thorton Commission) and the first Cost of Adequacy of Education Funding in Maryland study and culminating with the work of the Commission on Innovation and Excellence in Education (Kirwan Commission). The research and analysis began with an updated adequacy study of education funding in Maryland, bolstered by a gap analysis of education in Maryland and in the United States compared to top performing education systems in the world. The cumulative result of this work are the interdependent pillars of the Blueprint, a cohesive education policy designed to ensure all children have the resources necessary to be successful in school, and beyond.

The table below connects the five pillars of the Blueprint policy with specific Blueprint funding programs. It is important to note that the funding programs are intended to be cumulative for students. The Foundation program provides the base funding and the at-risk program funds are layered in top, to provide the additional supports and services needed by eligible students to reach the same success as their more-abled counterparts.

Blueprint Pillar	Blueprint Funding Program
Pillar 1: Early Childhood Education	5-229 Prekindergarten (Public and Private Providers) 5-225 Students with Disabilities Judy Centers
Pillar 2: High Quality and Diverse Teachers and School Leaders	6-1009 Career Ladder 6-1012 National Board Certification Fees 5-201 Foundation Program – Minimum Teacher Salary 5-201 Blueprint Transition Grants 5-216 Comparable Wage Index 5-214 Guaranteed Tax Base
Pillar 3: College and Career Readiness	5-201 Foundation Program 5-201 Blueprint Transition Grants 5-216 Comparable Wage Index 5-214 Guaranteed Tax Base 5-226 Transitional Supplemental Education 5-227 Post-College and Career Readiness
Pillar 4: More Resources to Ensure all Students are Successful.	5-222 Compensatory Education 5-223 Concentration of Poverty 5-224 Multilingual Learners 5-225 Students with Disabilities
Pillar 5: Governance and Accountability	5-201 Foundation Program 5-201 Blueprint Transition Grants 5-216 Comparable Wage Index 5-214 Guaranteed Tax Base

BLUEPRINT FUNDING PROGRAMS

All education funding programs in Maryland are designed with a per pupil/staff amount and a specified student/staff count, with the exception of the Comparable Wage Index and Blueprint Transition Grants. The per pupil amount multiplied by the student count of the applicable program represents the total program amount. The total program amount is distributed to the LEAs based on their relative local wealth. This wealth-equalization process results in more State funding to less wealthy jurisdictions. In addition to the State funding, local governments are required to provide a local share for all but one of the Blueprint funding programs. The exception is the Concentration of Poverty program. The State provides the full cost of the personnel component and the per pupil component for a majority of LEAs.

Local Share

County Governments are required to share the cost of education with the State, known as Maintenance of Effort (MOE). The MOE requirement was revised under the Blueprint to include a required local share of the Blueprint programs. As a result, MOE is now calculated as the greater of the required local share or the prior year net local appropriation on a current year per pupil basis.

LEAs receiving **Education Effort Adjustment** grants should adjust the Blueprint program that contributed to the grant. For example, LEAs that receive a Guaranteed Tax Base grant can make the adjustment to the Foundation Program. For LEAs that receive the minimum State guarantees in the Foundation, Compensatory Education, Multilingual Learners, or Special Education programs should adjust those programs.

The **Foundation program** is designed to provide a base amount of funding for all students. The per pupil amount is based on the cost to serve all students, including the cost of running the school system, as identified in [§5-201](#), [§5-212](#), and [§5-213](#) of the Education Article. The base cost includes funds for classroom, school and system staffing, instructional materials, technology, operations and maintenance, and administration. Below is a breakdown of allowable 75% expenses for each Blueprint Program, for school level expenditures:

- Foundation and CWI
- Expenditures outlined in 5-212 and 5-213 of the Education Article of Maryland
- Expenditures in the following State Categories
 - Mid-Level Administration (Office of the Principal Only)
 - Instructional Salaries
 - Instructional Supplies
 - Other Instructional Costs
 - Special Education (after the Special Education Blueprint Funding Requirement has been met)
 - Student Personnel Services
 - Student Health Services
 - Student Transportation Services (only expenditures in excess of State Transportation Revenue)
 - Operation of Plant
 - Maintenance of Plant
 - Fixed Charges (associated with personnel budgeted in Foundation)

The **Comparable Wage Program** provides certain LEAs with higher costs of living additional funding to account for the higher-than-average costs. These funds must be allocated to schools per Education Article §5-234. LEAs may use these funds for any of the expenditure examples or categories identified under the Foundation Program.

The **College and Career Ready** program provides a set amount per student to support students who are identified as college and career ready by the end of 10th grade. Students who meet the CCR standard are eligible for dual enrollment programs, college preparatory programs, and career and technical program pathways as identified in §7-205.1 of the Education Article. Expenditure examples include:

- Dual Enrollment
- AP
- IB
- CTE
- AICE (Advanced International Certificate of Education - Cambridge Diploma Program)
- Personnel and other related costs including fees associated with operating these programs.
- Non-CCR activities only after exhausting all opportunities for CCR-identified students.

Note: Further guidance will be provided after the CCR standard is adopted by MSBE and the CTE Committee approves pathways.

The **Transitional Supplemental Instruction** program is designed to provide additional support to students in kindergarten through third grade with a primary focus on reading and literacy. The per pupil amount for this program is designed to provide additional tutoring, supplemental instruction, and interventions to support struggling readers and struggling learners. Expenditures in the following State categories may be used to meet the needs early struggling learners:

- Instructional Salaries
- Instructional Supplies
- Other Instructional Costs
- Special Education (after the Special Education Blueprint funding requirement has been met)
- Fixed Charges (associated with Personnel budgeted in TSI)

The **Prekindergarten** program as designed, is an expansion of high-quality prekindergarten programs for all children, with an immediate focus on children from families with annual incomes at or below 300% of the federal poverty level. The mixed-delivery model includes public and private providers. Expenditures in the following State categories may be used to meet the needs public and private prekindergarten students:

- Mid-level Administration
- Instructional Salaries
- Instructional Supplies

- Other Instructional Costs
- Special Education (after the Special Education Blueprint funding requirement has been met)
- Student Personnel Services
- Student Transportation Services
- Fixed Charges (associated with personnel budgeted in PreK)

At Promise Programs

The at-promise programs include compensatory education, multilingual learners, students with disabilities, and supplemental instruction. For the first three risk programs, the program funding is determined by applying each program’s weight to the base per pupil amount and multiplied by the eligible student count. The supplemental instruction program has a specific per pupil amount as opposed to a weight.

The **Compensatory Education** program is designed to provide the additional funding needed so students at risk of academic failure can be successful. The weight for this program is derived from the additional costs for before and after school programs, summer school, additional transportation, academic interventions, social workers, positive behavior programming, smaller class sizes, and enrichment activities and materials. Expenditures in the following State Categories may be used to provide services that meet the needs of students who qualify for Free and Reduced Price Meals in schools only after the Foundation amount has been met:

- Mid-level Administration (Charter Schools that are employing an academic dean)
- Instructional Salaries
- Instructional Supplies
- Other Instructional Costs
- Special Education (After the Special Education Blueprint Funding Requirement has been met)
- Student Personnel Services
- Student Health Services
- Student Transportation Services (i.e., summer school)
- Operation of Plant
- Fixed Charges (associated with personnel budgeted in Comp Ed.)

The **Multilingual Learners** program is designed to provide the additional funding needed so students whose home language is other than English can be successful. In addition to the costs for staffing, differentiated instruction, specialized before and after school and summer programming, and instructional materials, this program includes the cost of family support liaisons that assist families in supporting their child’s education. Expenditures in the following State Categories may be used to meet the needs of students who qualify for English Language services only after the Foundation amount has been met:

- Mid-level Administration (For LEAs that administer ML programs centrally)
- Instructional Salaries

- Instructional Supplies
- Other Instructional Costs
- Special Education (After the Special Education Blueprint Funding Requirement has been met)
- Student Personnel Services
- Student Health Services
- Student Transportation Services (i.e. Summer School)
- Fixed Charges (Associated with personnel budgeted in English Learner)

Note: Examples of best practice in using these funds include additional teachers for smaller classes (EL, Comp Ed), summer programming, tutoring, social/emotional support, EL services, or family services where the needs of the students warrant.

The **Students with Disabilities** program is designed to provide the additional funding needed so students receiving special education services can be successful. The weight for this program is designed to support the costs of public day school students' Individualized Education Plans. This includes therapeutic services, additional medical support, differentiated instruction, specialized summer programming, behavioral health support, and specialized transportation. Expenditures in the following State Categories may be used to meet the needs of students who qualify for IEP services only after the Foundation amount has been met:

- Special Education
- Student Personnel Services
- Student Health Services
- Transportation (only expenditures in excess of State Special Education Transportation revenue)
- Operation of Plant
- Fixed Charges (associated with personnel budgeted in Special Education)

The **Concentration of Poverty program** provides additional resources to transform schools with higher concentrations of poverty into Community Schools. When fully phased-in, schools with 55% of students identified as economically disadvantaged are eligible for the Concentration of Poverty program. In the first year of eligibility, schools receive a personnel grant which must be used to hire a Community School Coordinator and to ensure that the school has coverage by a licensed health care practitioner when students are in school. Schools must complete a needs assessment and an implementation plan as part of the transition to a community school. In the second year of the program, schools who meet the eligibility threshold receive a per pupil grant that is used to provide the wrap-around services identified in the school's needs assessment.

The wrap around services for Community Schools are identified in the §9.9-101 of the Education Article and further defined in the Concentration of Poverty program guide.

The **Career Ladder** will include additional funding for teachers and leaders as they move through the local career ladders. These salary adjustments for steps on the career ladder are negotiated by each local board. This funding is expected to begin in FY 2026 for those LEAs that have an approved Career Ladder by October 1, 2024.

National Board-Certified Teachers who are eligible for a salary increase per §6-1009 receive a \$10,000 increase beginning July 1st following receipt of the certification. NBC teachers who achieve a certification renewal beginning in December 2022 are entitled to an additional salary increase that must be negotiated by the local boards and included in the local career ladder. This funding is expected to begin in fiscal year 2026.

NBC Teachers teaching in a low performing school receive an additional \$7,000 salary adjustment. If the low-performing school exits low-performing status, Eligible NBC teachers will continue to receive the salary adjustment. A teacher who achieves NBC in the school year prior to the school year in which the school exits low-performance status will not be eligible for the continued salary increase.

For example, School A is set to exit low-performing status in school year 2026-2027 (fiscal year 2027). Teacher B achieves the NBC in December of 2025 and is eligible for the salary increase beginning July 1, 2026 (fiscal year 2027), and teaches at School A. Since the salary increase begins in the fiscal year that the school is not identified as low performing, that NBC teacher is not eligible for the low-performing school salary increase.

Blueprint Programs and State Chart of Accounts

The work of the Kirwan Commission and the Commission’s final recommendations, supported by the updated Adequacy Study authorized by the Bridge to Excellence Act, and codified in Chapters 771 of the Acts of 2019 and 36 of the Acs of 2021 collectively represent the State’s intentions and policies for the education of its children and the estimated costs for the Blueprint for Maryland’s Future.

To assist LEAs in transitioning to a student and school-level fiscal reporting system, the following displays the Blueprint Pillars connected to the program statutes, and the State’s Chart of Accounts.

BLUEPRINT PILLARS, PROGRAMS AND THE STATE CHART OF ACCOUNTS

Revenue Category and Program

BLUEPRINT PILLAR	STATUTE CITATION	BLUEPRINT PROGRAM	REVENUE CATEGORY	PROGRAM
2, 3, 4, 5	5-201	Foundation Program	101, 120	00 05
2, 3, 4, 5	5-201	Blueprint Transition Grants	120	05
2	5-213-CT	Teacher Collaborative Time	101, 120	00, 05
3, 4	5-213-WB	Career Counseling - Workforce Board	101, 120	00, 05
2, 3, 4, 5	5-216	Comparable Wage Index	120	00, 71
3, 4	5-217	CCR Program	101, 120	00, 63
4	5-222	Compensatory Education	101, 120	00, 02
4	5-223-PERS	Concentration of Poverty - Personnel	120	61
4	5-223-PER PUP	Concentration of Poverty - Per Pupil	101, 120	00, 61
4	5-224	Multilingual Learners	101, 120	00, 05
4	5-225	Special Education	101, 120	00, 07
4	5-226	Transitional Supplemental Instruction	101, 120	00, 69
1	5-229	Pre-K Funding	101, 120	00, 62
1	5-229	Pre-K Funding - Private Providers	101, 120	00, 62

Expenditure Category and Program

BLUEPRINT PILLAR	STATUTE CITATION	BLUEPRINT PROGRAM	EXPENDITURE CATEGORY	PROGRAM	OBJECT
2, 3, 4, 5	5-201	Foundation Program	ALL	ALL	1-5
2, 3, 4, 5	5-201	Blueprint Transition Grants	ALL	ALL	1-5
2	5-213-CT	Teacher Collaborative Time	203, 205, 206, 212	10	1,2
3, 4	5-213-WB	Career Counseling - Workforce Board	203, 204, 205, 207, 209, 212	10	1,2
2, 3, 4, 5	5-216	Comparable Wage Index	ALL	ALL	1-5
3	5-217	CCR Program	203, 204, 205, 206, 212	01, 03, 08	1-5, 8
3	5-226	Transitional Supplemental Instruction	203, 204, 205, 206, 212	01, 02, 09, 10, 15, 16	1-5
4	5-222	Compensatory Education	202, 203, 204, 205, 206, 207, 208, 209, 210, 212	01, 02, 08, 09, 10, 11	1-5
4	5-223-PERS	Concentration of Poverty - Personnel	203, 204, 205, 207, 208, 209, 210, 212	02, 09, 10, 11	1, 2
4	5-223-PER PUP	Concentration of Poverty - Per Pupil	203, 204, 205, 207, 208, 209, 212	02, 09, 10, 11	1-5
4	5-224	Multilingual Learners	202, 203, 204, 205, 206, 207, 208, 209, 210, 212	01, 02, 04, 09, 10, 11, 15	1-5
4	5-225	Special Education	206, 207, 208, 209, 210, 212	04, 06, 07, 09, 10, 11, 15, 16	1-5
1	5-229	Pre-K Funding	202, 203, 204, 205, 206, 207, 209, 212	01, 02	1-5
1	5-229	Pre-K Funding - Private Providers	203, 204, 205, 206, 212	01, 02	8

Compliance

§5-234 of the Education Article requires that LEAs adhere to the reporting requirements beginning July 1, 2024. The AIB will not expect 100% compliance on July 1, 2024, but rather good faith progress in meeting the targets. 2024 LEA Blueprint implementation plans must also include a plan for meeting the minimum school funding requirements.

§ 5-406 allows LEAs to apply for a waiver of the minimum school funding requirements. AIB in collaboration with MSDE will develop guidance and a waiver/appeal process for meeting the minimum school funding requirements.

LEA FAQs

Budgeting Questions

1. Must LEAs adopt individual school budgets, or can LEAs still adopt a single budget for the district which shows how funds will be distributed?

LEAs may continue to adopt a single budget. Specifically, LEAs shall adopt a district-wide budget by category in compliance with §5–101. To ensure compliance with §5–234, LEA's must additionally reflect the source of funding appropriated to each school in the Blueprint Financial Reporting System. This sets the basis for the spending and reporting thereof, as required in:

- § 5–406 (b)(2)(i) “Subject to subparagraph (ii) of this paragraph, each local school system shall report to the Department, in a manner determined by the Department, on school-level spending to aid the Department in fulfilling its obligations under this subtitle.
- § 5–406(c) “The Board shall monitor the expenditures of local school systems to ensure that minimum school-level funding requirements under § 5–234 of this title are met.”
- § 5–406(d) “The Board shall monitor the expenditures of funding provided to local school systems under § 5–223 of this title to ensure that public schools are providing the necessary services.”

2. Our revenues are based upon the previous year's enrollment, and our expenses are based upon the projected enrollment. In counties experiencing significant growth, how are we to contend with this disconnect?

LEA's may request a waiver under § 5–406 due to a significant shift in total school-level enrollment from one year to the next. School-level demographics may also be a factor for waiver consideration. The [AIB Policy](#) guidance answers this question. Additionally, LEA Blueprint Implementation plans must also include a plan for meeting the minimum school funding requirements.

3. Will any minimum school fund major aid programs be required to be budgeted as restricted funds where the unused funds in one fiscal year must be restricted for subsequent year use? If so, clear guidance is needed on which revenue sources need to be budgeted as restricted.

Except for the Concentration of Poverty program, any unobligated Blueprint program funds as of June 30 are assumed to be local funds and will revert to a fund balance. See question 3 in the Expenditure Questions section for additional information.

4. For reporting purposes, can the Comparable Wage Index (CWI) funds be combined with Foundation funds and be reported together? It would be challenging to split “position costing” between foundation and CWI simply because an LEA received more funding due to geographically higher salaries.

Under current law, the Comparable Wage funds must be accounted for separately from the Foundation program. MSDE and the AIB understand the issue raised by the LEAs and will continue to review the issue to determine a resolution.

5. How is non-Blueprint revenue coded such as interest income, impact aid, County funding above MOE, transportation, etc.? Can these be grouped as one revenue stream for “other expenses” or do specific budgets have to be aligned with each revenue source?

If an LEA has federal, State, county and local revenue in the general fund not subject to the Blueprint requirements, it can be coded as “Other Revenue” for purposes of reporting. Budgets and expenditures associated with this revenue may be categorized this way as well. It is important to note that as Blueprint program revenue increases in future fiscal years, the Local Share of those programs will increase and thus the amount of County revenue categorized as “Other Revenue” will decrease over time.

6. For budgeting purposes, are averages or actuals to be utilized?

LEA's have the flexibility to determine their methodology of averages or actuals for budgeting

salaries and fixed charges. Actuals will be utilized to meet expenditure reporting requirements.

7. Will guidance come out regarding methodology for school-based activities that have traditionally been budgeted centrally (i.e., maintenance, technology, transportation)? For example, maintenance budgets are based on age and square footage of buildings.

The 75% target is generated by PowerSchool. Technology expenses, utility costs, all fixed charges, retirement costs (including annual OPEB contributions), copier costs, etc. can be budgeted and then expenditures tracked at the school level.

There are many programs that are budgeted centrally; however, they are truly school-based programs and activities. LEAs have the flexibility to determine methodology to include these budgets and expenditures at the school level. LEAs should look to the methodologies used in the ESSA report to help determine how to apply these budgets and expenditures at the school level. MSDE and AIB understand that this is a multi-year process and will work with districts to provide technical assistance through the baseline reporting baseline reporting year and beyond.

8. Will MSDE provide a per school/per program target to ensure we are budgeting as expected?

MSDE, AIB, and PowerSchool are currently working on this.

9. Is the October 2022 CCR guidance still valid for FY24?

Yes.

10. For PreK private provider funding, LEAs receive a budget on MSDE State Aid forms; however, that money is paid directly to private providers. Can this amount be subtracted from the revenue allocation forms since it will never be realized at the LEA level?

MSDE will look into removing the State share for private providers and invoicing LEAs for the local share.

11. Requirements defined for carrying over unspent CoP funds. At the live fiscal officers meeting, we discussed the fact that unspent funds go into the fund balance. The only way to use them is through a mid-year appropriation which would likely not be complete until Sept-Oct. To avoid this and have time to better plan the unspent funds, we discussed using the funds in the following year (i. e., unspent FY2023 funds would be planned and used in FY2025). We also discussed only having to carry over the per pupil component and allowing the unspent personnel funds to drop into an unrestricted fund balance. In any case, it is critical that the rules for CoP be defined as soon as possible.

As per §5-223(c)(4), use of unspent personnel funds can only be used on the following:

(i) Provide wraparound services to the students enrolled in the eligible school.

(ii) Complete the needs assessment; and

(iii) In fiscal years 2021 through 2025, provide the requirements under COMAR Title 13A, Subtitle 04, including 13A.04.16.01.

The Concentration of Poverty personnel and per pupil grant funds available at the close of a fiscal year in which the funds were issued may be carried over in an assigned/restricted fund balance or as deferred revenue and utilized by the school for no more than the two following fiscal years. Funds available at the conclusion of the third year after the award will revert to the State's Blueprint fund.

12. **How should LEAs account for the budget and expenditures for programs that do not have a NCES number, and therefore are not “official schools?” This is critical for LEAs that operate a Technology Center or a Virtual School.**

LEAs should identify these programs using a pseudo school id number. MSDE will work with LEAs to ensure these are recorded correctly in the Financial Reporting System. Using the

pseudo school id number, LEAs should report the budget for these programs in the Financial Reporting System on a monthly basis. Additional information is addressed in this section - [Programs that are not Schools](#).

Expenditure Questions

- 1. Could LEAs centralize a contract for school-based services, pay for those services via a single invoice rather than invoicing individual schools, and still track the expenditures at the school level?

LEAs may pay a single invoice and allocate the expenditures to the appropriate schools using a journal entry.

- 2. LEAs with Charter Schools. Charter schools are required to expend funding by the same funding bucket as our traditional schools. If you provide your funding to the charters, how do you ensure the monthly reporting requirements (PowerSchool), because the charters only report quarterly? If Charters don't spend the funds in the required way, what are the ramifications for the charters, or does it fall on the LEA? Charters have a lot of legal autonomy in MD, and are litigious; will there be guidance specific to the charters?

LEAs are responsible for ensuring that charter schools comply with all Blueprint statutory requirements; therefore, charter agreements should be updated to reflect all related legislative requirements.

- 3. Can written guidance be provided for Community Schools Personnel Grant, TSI, Career Counseling etc. fund balance?

Career Counseling funds not obligated by the end of the fiscal year in which the funds were allocated may be carried over in an assigned/restricted fund balance and utilized by the Workforce Development Board for no more than the two following fiscal years.

Concentration of Poverty Personnel and Per Pupil grant funds available at the close of a fiscal year in which the funds were allocated may be carried over in an assigned/restricted fund balance or recorded as deferred revenue and utilized by the school for no more than the two following fiscal years. Funds available at the conclusion of the third year after the award will revert to the State's Blueprint fund.

Under current law, LEAs with more than 40 schools eligible for Concentration of Poverty grant funds may develop a plan in conjunction with the schools and utilize up to 50% of the grant funds at the central office level, on behalf of the schools. However, administrative costs are not an allowable use of COP funds. And LEAs with more than 40 schools are required to report the funds spent on behalf of the schools at the school level.

- 4. **How should LEAs account for the budget and expenditures for programs that do not have a NCES number, and therefore are not "official schools?" This is critical for LEAs that operate a Technology Center or a Virtual School.**

At the end of the year, LEAs should report the expenditures for these programs to the home schools for the students that participated in the program. This can be done in the 13th fiscal period with an adjusting entry. The answer to the budget portion of this question is in the Budget Questions section, question number 12. Additional information is addressed in this section - [Programs that are not Schools](#).

Reporting Questions

- 1. Will a template be provided for the annual minimum funding and budgeting report that is due beginning July 1, 2024?

The PowerSchool app will be the template.

- 2. We provide direct services to students and schools on an itinerant basis. For example, our school psychologists are assigned to multiple schools because we cannot afford to have a school

psychologist at every school. How do we account for the itinerant services? Do we need to split up one position over 10 schools?

Whenever possible, LEAs should budget and expense school-based programs at the school level. If that is not possible, then a methodology needs to be developed to allocate and expense those programs at the school level through a journal entry. LEAs should use the ESSA methodology to help meet this requirement.

3. Will LEAs be required to report at minimum 75% how local maintenance of effort funding is distributed to each school by minimum school funding source?

Only Blueprint funding is required to be reported at the 75% level.

4. Minimum school funds must be distributed at the school level. School-level expenditures are budgeted at the program level. Will guidance be issued that associates which expenditure activities can be associated with each major aid program of the minimum school fund?

This is addressed in the [Blueprint Funding Programs](#) section.

5. Will LEAs be required to report location and revenue type as a sub categorical organization of expenditures? GL string (Fund-Division/ Department-State Category- Program- Location- Minimum School Fund Rev Type- GL spend account)

This is addressed in the reporting template created by Power School.

6. Will standard allocation methods be established for central cost expenditures that support multiple locations?

See response in [Blueprint Financial Reporting Section](#), Reporting Issues.

7. Will standard allocation methods be established for how to allocate instructional program activity that takes place across multiple locations? For instance, how will summer programs be allocated to a location-by-location delivery or location of a student's registered school?

See response in [Blueprint Financial Reporting Section](#), Reporting Issues.

8. Beginning July 1, 2023, will all of the monthly financial reporting be via MOVEit/Powerschool or will it continue to be required to be entered into the AFR?

Both PowerSchool (for Blueprint reporting) and the AFR (for grant reporting) will be used.

9. PowerSchool Data Files – Is it the expectation that all Comparable Wage Index (CWI) expenditures will be used for teacher Salaries? The current 'default' mapping after meeting with PowerSchool implies it will be 'hard-coded' on the MSDE side to Object/Subobject 102 (Teachers)

See response to #4 in the budgeting section.

10. If the annual unrestricted Blueprint funds are not fully spent in a given fiscal year, how should the LEAs treat those leftover funds?

Except for the Concentration of Poverty program, any unobligated Blueprint program funds as of June 30 are assumed to be local funds and will revert to a fund balance. See question 3 in the Expenditure Questions section for additional information.

11. Will guidance be provided that states what the eligible expenses are for each Blueprint program?

This is addressed in the [Blueprint Funding Programs](#) section.

12. Is it correct that expenses for a Blueprint funding source (i.e., Special Ed) cannot exceed the revenue?

Expenses district wide or at a school level can exceed revenue allocated for a Blueprint program. LEAs should provide an explanation as to why expenditures exceeded 100% of a Blueprint allocation. The law contemplates this by only requiring 75% allocations and spending

for most Blueprint programs. This gives LEAs flexibility when a school or district exceeds 100% of a Blueprint program (i.e., Special Education).

- 13.** Please create a prototype of what this report will look like showing how minimum school fund major aid program revenues will be associated to state category and program expenditure activities and then further allocated to location.

The PowerSchool app will be the template.

- 14.** For purposes of calculating the 75% spent at schools, can we count the money we are spending at nonpublic schools? It is a significant number. Each school has an MSDE site number. If you don't know, can we add this to the 75% guidance document?

No. Those students are not enrolled in a home school.

General Questions

- 1.** Will LEAs receive an official list by school for the number of students by TSI, CCR, etc.?

MSDE will provide a list each January.

- 2.** How are "At Promise" students defined?

Per ED 5-221, "At Promise" students are students eligible for free and reduced-price meals, English Learners, and special education students, struggling learners receiving TSI services, and students attending concentration of poverty schools.

- 3.** When will the Department of Planning and the IAC include PreK in their enrollment projections given the Blueprint mandates?

IAC is currently reviewing this, and further guidance is expected.

- 4.** Will the IAC allow capital dollars to be spent on leased facilities?

Under certain circumstances, IAC will allow capital dollars to be spent on leased facilities. A guidance document from IAC is forthcoming.

Appendix

UNDER CONSTRUCTION