



Maryland State Board of Education and the Accountability and Implementation Board Joint Implementation Policy #2 – Blueprint for Maryland’s Future Minimum School Funding Requirement

Background

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, require minimum school funding levels to ensure allocated funds follow children to their school programs. 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) and Maryland State Department of Education (MSDE) beginning 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 Blueprint Financial Reporting System, which was required by §5-234(c) to be developed by MSDE in consultation with AIB, is designed to collect LEA and school-level budget and spending information by Blueprint funding formula monthly beginning in fiscal year 2025 (July 1, 2024). LEAs will upload data each month by the 15th of the following month. (It is currently in beta testing in fiscal year 2024; all LEAs have had access to the system since April 2024.) The first full year of LEA data will be available by October 15, 2025, after the closeout of fiscal year 2025.

Pursuant to Ed. §5-405(c), Blueprint funds are automatically withheld by law until the AIB determines that a local school system or public school has met adequate implementation and performance standards. From fiscal year 2023 through 2025, the AIB is authorized to release funds after 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 (§5-405(c)). Beginning in fiscal year 2026, the AIB is authorized to release or withhold funds based on whether a local school system or public school has made sufficient progress on an implementation plan or taken appropriate steps to improve student performance.

Discussion

As with the implementation of other Blueprint programs and requirements, the first year of data is baseline data. LEAs are expected to make a good faith effort to meet the minimum school funding requirement. The 2024 LEA Blueprint Implementation Plans submitted by May 1, 2024, include a multi-year plan for how each LEA will meet the minimum school funding requirement.

Minimum school funding is an integral part of making progress on implementation plans, improving student performance, and achieving the Blueprint outcomes. Thus, beginning in fiscal year 2026, the AIB will be authorized to evaluate LEA and school-level compliance with the minimum school funding requirements and make Blueprint funding determinations based on the level of compliance.

While the mechanism for equitable funding is to ensure at least the minimum funding at each school, the intent of the law is to ensure each student's school is appropriately resourced. Therefore, key performance measures will focus on the proportion of students who attend schools funded at the minimum school funding level.

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

Finally, while the Blueprint calls for a minimum school funding level of 75% or 100% of funds from the per pupil formulas, this is the *minimum* expectation for *each* school, not an average across schools. The 75% minimum allows for school variation on costs, particularly those related to school personnel; however, the intent is not to require that 25% of funds are spent centrally.

Policy Statements

1. To provide further detail on the expectations for minimum school funding requirement compliance, the AIB and State Board of Education jointly resolve that LEAs are urged to meet the minimum school funding requirement for all students in all schools as soon as practicable and must meet the requirement *no later than* the 2026-2027 school year.
2. Adherence to the minimum school funding requirement will be measured by the percentage of students within an LEA who attend a school that has met the required minimum school funding levels in accordance with Ed. §5-234. The percentages of

schools within a district in compliance with the required minimum school funding levels will also be monitored and reported.

3. Each LEA will submit baseline data for each LEA in aggregate and each school in the LEA by Blueprint funding formula required to comply with Ed. § 5-234. LEAs should make a good faith effort to meet the minimum school funding requirement in the 2024-25 school year. The following timeline is available for LEAs that do not meet the requirement in the 2024-2025 school year:
 - a. Fiscal Year 2025 (2024-2025 School Year): LEAs are expected to make a good faith effort to meet the requirement in the baseline year.
 - b. Fiscal Year 2026 (2025-2026 School Year): Each LEA that is not in compliance with the requirement shall reduce by at least half the percentage of students within a district who attend a school that has not met the minimum school funding level (at least 75%/100% as applicable) of per pupil formula funding.
 - c. Fiscal Year 2027 (2026-2027 School Year): Each LEA shall demonstrate that the minimum school funding level (at least 75%/100% as applicable) of per pupil formula funding is following all students to their school.
4. The AIB and MSDE will use data collected from the LEAs in the Blueprint Financial Reporting System to evaluate compliance with the requirement. The monthly data reporting will satisfy the reporting requirement to MSDE and the AIB that begins July 1, 2024, with data from each month required to be uploaded by the 15th of the following month.

Adopted this 16th day of May 2024



Isiah Leggett, Chair
Accountability and Implementation Board

Adopted this 21st day of May 2024



Clarence C. Crawford, President
State Board of Education