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State Superintendent of Schools

To: Members of the State Board of Education
From: Mohammed Choudhury, State Superintendent of Schools
Date: March 28, 2023
Subject: FY 24 Proposed Education Funding: The FY 24 Budget Bill

Purpose

To 1) provide a briefing to the State Board of Education on Fiscal Year 2024 proposed education funding in the Governor’s annual budget bill, which was released in January 2023; and 2) provide a deep dive into the calculation method for Blueprint Concentration of Poverty Grant funding. This portion of the presentation is the first in a new series of deep dives into the calculation method for Blueprint for Maryland’s Future funding formula major State aid.

Background/Historical Perspective

Each year, the Governor sets the table for the State’s annual budget bill via the release of the Governor’s allowance - or the Governor’s budget bill - in January. This year, the proposed budget bill includes more than \$9 billion for the Maryland State Department of Education and the programs and services managed by the Department, including Blueprint for Maryland’s Future formula funding and other State aid programs.

Executive Summary

MSDE staff will review key takeaways from four areas of the Fiscal Year 2024 proposed State budget as released in the Fiscal Year 2024 budget bill. Those are:

- FY 2024 State Aid;
- Formula Deep Dive Series: Concentration of Poverty;
- Blueprint Fund Backfill; and
- FY 2024 Special Fiscal Programs

Action

No action is required; this information is for discussion only.

Attachments

MSDE_StateBoard_BudgetUpdate_3-28.23.pdf

FY 24 Proposed Education Funding: The FY 24 Budget Bill

MARYLAND STATE BOARD OF EDUCATION | March 28, 2023

Presented By | Justin Dayhoff, Assistant State Superintendent, Financial Planning, Operations, and Strategy



PRESENTATION OUTLINE

1. FY 2024 State Aid
2. Formula Deep Dive Series:
Concentration of Poverty
3. Blueprint Fund Backfill
4. FY 2024 Special Fiscal Programs
5. Questions



FY 2024 State Aid

1. FY 2024 State Aid
2. Formula Deep Dive Series: Concentration of Poverty
3. Blueprint Fund Backfill
4. FY 2024 Special Fiscal Programs
5. Questions

The Governor's budget bill includes more than \$7.5 billion in the State share of State aid for the FY 2024 Blueprint for Maryland's Future funding formula.

The Blueprint for Maryland's Future Funding Formula

The formula for the Blueprint is a weighted-student formula. That means, the formula provides resources to local education agencies (LEAs) based on total student enrollment and on the enrollment of certain student subgroups. The formula also provides program funding for Blueprint-mandated programs.

Base Per-Pupil Amount

- The target per-pupil foundation provides for the costs of providing adequate educational services for an average student. All eligible full-time equivalent students receive this formula aid.
- Any formula weights amount refer back to this program. For example, a weight amount of 85% means 85% of the target per-pupil foundation.

Weighted Amounts

- Weighted amounts provide additional resources to a LEA based upon enrollment of specific subgroups.
- This funding reflects the fact that some student groups may require more resources in order ensure the provision of adequate educational services. For example, an English learner (EL), on average, requires more resources than a non-English learner.

Program Amounts

- Program amounts are allocated to LEAs at a flat, non per-pupil amount. For example, the Guaranteed Tax Base Aid program provides additional State aid to LEAs that 1) have less than 80 percent of the statewide average wealth per pupil, and that 2) provide funding above the local share required by the Foundation Program. The program encourages less wealthy jurisdictions to maintain or increase local education tax effort.

Funding Formula Phase-In

The resources associated with the Blueprint for Maryland’s Future are not all provided in year one of the law. The Blueprint formula is phased-in over time. The phase-in occurs in three ways:

- Changes to the target per-pupil foundation amount;
- Changes to formula weights; and
- Changes to formula weight eligibility criteria

The moving parts of the phase-in mean per-pupil formula amounts will differ each year. For example:

- **Foundation Aid:** This amount, the target per-pupil foundation, increases from \$8,310 in FY 2023 to \$12,365 in FY 2033.
- **English Learner (EL) Aid:** The amount of the EL weight is identified in law and, overall, decreases over time – in FY 2023 the weight is 100%; In FY 2033 and beyond, the weight is 85%. That means, the FY 2023 per-pupil amount is \$8,310 ($\$8,310 * 100\%$) and the FY 2033 per-pupil amount is \$10,510 ($\$12,365 * 85\%$).
- **Prekindergarten:** Currently, only students from families at or below 300% of the Federal Poverty Level count toward Prekindergarten Aid eligibility. Beginning in FY 2025, students from families between 300% and 600% will be eligible for formula aid.

*The Concentration of Poverty grant program consists of two programs: the personnel grant, and the per-pupil grant. The personnel grant is a program amount allocated by school to provide for overhead staff costs; the per-pupil grant is a weighted-student formula amount.

**Career Ladder Aid is based on a per-teacher count, not a per-student count.

***The Comparable Wage Index program replaces the Regional Cost of Education Index in FY 2024.

Aid Type	Blueprint Program
Base Amount	Target Per-Pupil Foundation
Weighted Amount	Compensatory Education Aid
Weighted Amount	Concentration of Poverty Aid*
Weighted Amount	Prekindergarten Aid
Weighted Amount	English Learner Aid
Weighted Amount	Special Education Aid
Weighted Amount	Transitional Supplemental Instruction Aid
Weighted Amount	College and Career Readiness Aid
Weighted Amount	Career Ladder Aid**
Weighted Amount	Transportation Aid
Program Amount	Concentration of Poverty Aid*
Program Amount	Guaranteed Tax Base Aid
Program Amount	Comparable Wage Index Aid***

FY 2024 State Aid Budget Highlights

Key Takeaways

- The **total State share of State aid increases** from \$6,912,755,456 in FY 2023 to \$7,521,564,895 in FY 2024, an increase of \$608,809,439 **even though the total FTE enrollment decreases** from 863,346.92 in FY 2023 to 860,796.92 in FY 2024.
- The **State share of State aid Pre-kindergarten funding decreases** from \$144,063,352 in FY 2023 to \$99,575,069 in FY 2024, a decrease of \$44,488,283 **due to a shift from a proxy number** of eligible students in FY 2023 to an actual number of eligible students in FY 2024.
- The State share of State aid Compensatory Education program increases from \$1,295,201,860 in FY 2023 to \$1,686,097,760, an increase of \$390,895,900, largely driven by a **108,783 student increase in eligible students and the State's new Medicaid Direct Certification program.**

Change in State Aid FY 2023 – FY2024

LEA ID	Local Education Agency	FY 2023 State Share of State Aid	FY 2024 State Share of State Aid	FY 2023 Combined Share State Aid*
01	Allegany	\$94,023,883	HOLD HARMLESS	HOLD HARMLESS
02	Anne Arundel	\$456,653,128	\$516,771,797	\$60,118,669
30	Baltimore City	\$1,107,392,797	HOLD HARMLESS	HOLD HARMLESS
03	Baltimore	\$809,755,574	\$874,149,274	\$64,393,700
04	Calvert	\$101,320,239	\$109,544,456	\$8,224,217
05	Caroline	\$67,207,093	\$75,583,314	\$8,376,221
06	Carroll	\$152,451,302	\$173,351,213	\$20,899,911
07	Cecil	\$117,476,536	\$134,824,902	\$17,348,366
08	Charles	\$219,457,789	\$255,134,487	\$35,676,698
09	Dorchester	\$53,762,891	\$55,186,948	\$1,424,057
10	Frederick	\$320,975,830	\$359,017,965	\$38,042,135
11	Garrett	\$23,573,291	\$25,216,043	\$1,642,752
12	Harford	\$255,814,563	\$290,042,976	\$34,228,413
13	Howard	\$322,381,490	\$347,577,317	\$25,195,827
14	Kent	\$10,718,050	\$11,093,799	\$375,749
15	Montgomery	\$843,655,420	\$912,920,624	\$69,265,204
16	Prince George's	\$1,318,758,403	\$1,514,009,418	\$195,251,015
17	Queen Anne's	\$40,465,172	\$41,135,933	\$670,761
18	St. Mary's	\$125,412,323	\$143,795,270	\$18,382,947
19	Somerset	\$39,279,230	\$41,290,693	\$2,011,463
20	Talbot	\$17,667,926	\$19,922,040	\$2,254,114
21	Washington	\$211,172,847	\$235,699,784	\$24,526,937
22	Wicomico	\$179,156,793	\$190,672,941	\$11,516,148
23	Worcester	\$24,222,886	\$27,372,093	\$3,149,207
Total		\$6,912,755,456	\$7,521,564,895	\$608,809,439

*Total does not include hold harmless amounts for Allegany County and Baltimore City

Changes in State Aid FY 2023 to FY 2024

Foundation Aid

- The target per-pupil foundation amount increased from \$8,310 in FY 2023 to \$8,642 in FY 2024, and the State share of Foundation Aid increases from \$3,659,452,582 in FY 2023 to \$3,768,324,327 in FY 2024, an increase of \$108,871,745. **The increase in the target per-pupil foundation amount accounts for all of the increase in foundation State aid** in FY 2024.
- The decrease in FTE enrollment in State aid eligible students masks an overall increase in enrollment in local education agencies between the last two fiscal years.
 - State aid has a **built-in soft-landing provision** that protects local education agencies from sharp enrollment shifts, including the pandemic. Maryland enrollment is still catching up to pre-pandemic levels so **even though the three-year average FTE enrollment is declining, actual LEA enrollment is increasing.**

Fiscal Year	FTE Total Enrollment September 30	FY 2023 FTE Three-Year Moving Average
FY 2024 State Aid	852,792.75 (9/30/22)	858,571.26
FY 2023 State Aid	848,653.00 (9/30/21)	861,997.42

Change in Foundation Aid FY 2023 – FY2024

LEA ID	Local Education Agency	FY 23 Foundation Program Enrollment	FY 23 Foundation Program State Aid	FY 24 Foundation Program Enrollment	FY 24 Foundation Program State Aid	Difference in Foundation Aid FTE Enrollment	Difference in Total Combined Share Foundation Aid FY 23 to FY 24
01	Allegany	7,888	\$65,552,022	7,772	\$67,164,933	-116	\$1,612,911
02	Anne Arundel	81,405	\$676,471,395	81,912	\$707,879,183	507	\$31,407,788
30	Baltimore City	72,824	\$605,163,950	71,510	\$617,990,111	-1,314	\$12,826,161
03	Baltimore	109,146	\$907,003,925	108,188	\$934,962,857	-958	\$27,958,932
04	Calvert	15,333	\$127,419,972	15,179	\$131,179,079	-154	\$3,759,107
05	Caroline	5,427	\$45,097,705	5,374	\$46,443,577	-53	\$1,345,872
06	Carroll	24,800	\$206,085,258	25,323	\$218,843,527	524	\$12,758,269
07	Cecil	14,478	\$120,312,845	14,365	\$124,145,182	-113	\$3,832,337
08	Charles	26,293	\$218,498,320	26,638	\$230,203,436	344	\$11,705,116
09	Dorchester	4,437	\$36,871,470	4,331	\$37,430,663	-106	\$559,193
10	Frederick	43,811	\$364,065,255	45,219	\$390,784,759	1,409	\$26,719,504
11	Garrett	3,546	\$29,463,105	3,423	\$29,583,727	-122	\$120,622
12	Harford	37,052	\$307,902,785	37,068	\$320,338,026	16	\$12,435,241
13	Howard	56,543	\$469,872,330	56,452	\$487,855,332	-91	\$17,983,002
14	Kent	1,767	\$14,683,105	1,719	\$14,854,907	-48	\$171,802
15	Montgomery	157,582	\$1,309,502,930	156,773	\$1,354,831,575	-809	\$45,328,645
16	Prince George's	127,439	\$1,059,021,580	126,534	\$1,093,508,989	-905	\$34,487,409
17	Queen Anne's	7,376	\$61,292,483	7,240	\$62,568,080	-136	\$1,275,597
18	St. Mary's	16,964	\$140,970,175	16,902	\$146,064,924	-62	\$5,094,749
19	Somerset	2,656	\$22,070,695	2,601	\$22,480,003	-55	\$409,308
20	Talbot	4,359	\$36,224,703	4,303	\$41,076,346	-56	\$4,851,643
21	Washington	21,574	\$179,279,940	21,375	\$184,719,120	-199	\$5,439,180
22	Wicomico	14,246	\$118,384,260	14,212	\$122,815,783	-35	\$4,431,523
23	Worcester	6,402	\$53,202,698	6,384	\$65,510,210	-18	\$12,307,512
Total		863,347	\$7,174,412,906	860,797	\$7,453,234,329	2,550	\$278,821,423

Changes in State Aid FY 2023 to FY 2024

Compensatory Education

- The effect of Medicaid Direct Certification is clear in the FY 2024 State aid calculations, which show a 108,783 student increase in Compensatory Education enrollment.
- The FY 2024 Compensatory Education per-pupil amount is \$7,519 compared to the FY 2023 per-pupil of \$7,396.
- The combined State and calculated local share of Compensatory Education aid increases \$819,758,292 over FY 2023.
- 86.06% (or \$705,515,910) of the increase in Compensatory Education aid is associated with increased enrollment; 13.94% (or \$114,242,382) of the increase in Compensatory Education aid is associated with the increased per-pupil rate.

Given pandemic recovery and the current labor market participation rate, current Medicaid Direct Certification numbers may not hold in FY 2025 depending on July 2023 Medicaid recertification rates.

Change in Compensatory Education Aid FY 2023 – FY2024

LEA ID	Local Education Agency	FARM-Eligible Students + SEED October 31, 2021	FY 23 Compensatory Education	FARM-Eligible Students + SEED October 31, 2022	FY 24 Compensatory Education	Difference in FARM-Eligible Students + SEED	Difference in Total Combined Share Compensatory Education FY 23 to FY 24
01	Allegany	3,818	\$28,237,928	4,729	\$35,557,351	911	\$7,319,423
02	Anne Arundel	22,193	\$180,879,040	34,325	\$265,871,736	12,132	\$84,992,696
30	Baltimore City	63,056	\$466,360,763	61,761	\$464,380,959	-1,295	-\$1,979,804
03	Baltimore	42,308	\$315,757,625	57,006	\$428,628,114	14,698	\$112,870,489
04	Calvert	2,776	\$20,531,296	3,852	\$28,963,188	1,076	\$8,431,892
05	Caroline	2,859	\$21,145,164	3,515	\$26,429,285	656	\$5,284,121
06	Carroll	3,449	\$25,692,554	6,427	\$48,324,613	2,978	\$22,632,059
07	Cecil	5,036	\$37,932,734	7,516	\$56,512,804	2,480	\$18,580,070
08	Charles	9,321	\$70,504,656	12,124	\$91,160,356	2,803	\$20,655,700
09	Dorchester	2,883	\$21,717,854	3,370	\$25,339,030	487	\$3,621,176
10	Frederick	10,665	\$78,878,340	14,912	\$112,123,328	4,247	\$33,244,988
11	Garrett	1,459	\$11,381,409	1,807	\$14,042,819	348	\$2,661,410
12	Harford	9,783	\$73,915,115	13,895	\$104,476,505	4,112	\$30,561,390
13	Howard	12,230	\$91,403,174	16,629	\$125,748,135	4,399	\$34,344,961
14	Kent	763	\$6,642,194	1,050	\$8,967,795	287	\$2,325,601
15	Montgomery	39,056	\$332,938,405	66,704	\$543,763,326	27,648	\$210,824,921
16	Prince George's	62,116	\$478,164,415	85,156	\$640,287,964	23,040	\$162,123,549
17	Queen Anne's	1,409	\$11,504,682	2,550	\$20,091,991	1,141	\$8,587,309
18	St. Mary's	3,856	\$30,533,332	6,459	\$48,565,221	2,603	\$18,031,889
19	Somerset	1,857	\$14,083,420	1,959	\$14,729,721	102	\$646,301
20	Talbot	1,930	\$16,667,166	2,457	\$21,668,816	527	\$5,001,650
21	Washington	9,651	\$71,375,373	12,310	\$92,558,890	2,659	\$21,183,517
22	Wicomico	8,287	\$61,290,652	8,410	\$63,234,790	123	\$1,944,138
23	Worcester	2,702	\$23,823,423	3,321	\$29,692,269	619	\$5,868,846
Total		323,461	\$2,491,360,714	432,244	\$3,311,119,006	108,783	\$819,758,292

Changes in State Aid FY 2023 to FY 2024

Pre-Kindergarten Education

- The Blueprint for Maryland's Future **formula provides Pre-Kindergarten State aid students to Tier I-eligible pre-kindergarten students.** Tier I refers to students who are enrolled in **full-day pre-kindergarten** and whose family is **at or below 300% of the Federal Poverty Level.**
- MSDE could not, for Fiscal Year 2023, distinguish between students enrolled in public pre-kindergarten programs whose family's income was 300% to 600% of the Federal Poverty Line, compared to families whose income was 185% to 300% of the Federal Poverty Line (FPL).
- In order to avoid undercounting students, **the FY 2023 budget bill reflected the count of all Pre-K enrolled children, even those whose family income was above 300% FPL.**
- **MSDE updated its enrollment reporting** files to allow for LEAs to provide Pre-K enrollment, by Tier and federal poverty level percentage so that the Department would not have to use a proxy. As a result, **State aid Pre-Kindergarten funding for FY 2024 is lower than FY 2023 but is more accurate** because it no longer relies on a proxy.

Change in Pre-Kindergarten Aid FY 2023 – FY2024

LEA ID	Local Education Agency	FY 23 Pre-kindergarten Enrollment	FY 23 Pre-kindergarten State Aid	FY 24 Pre-kindergarten Enrollment	FY 24 Pre-kindergarten State Aid	Difference in Pre-kindergarten Enrollment	Difference in Total Combined Share Pre-Kindergarten Aid FY 23 to FY 24
01	Allegany	439	\$3,611,274	168	\$1,947,792	-271	-\$1,663,482
02	Anne Arundel	2,115	\$13,164,009	1,664	\$19,292,416	-451	\$6,128,407
30	Baltimore City	3,884	\$26,822,692	2,844	\$32,973,336	-1,040	\$6,150,644
03	Baltimore	3,634	\$29,908,855	234	\$2,712,996	-3,400	-\$27,195,859
04	Calvert	394	\$2,158,788	79	\$915,926	-315	-\$1,242,862
05	Caroline	284	\$2,576,849	227	\$2,631,838	-57	\$54,989
06	Carroll	439	\$2,882,518	298	\$3,455,012	-141	\$572,494
07	Cecil	618	\$4,216,547	440	\$5,101,360	-178	\$884,813
08	Charles	886	\$6,165,681	711	\$8,243,334	-175	\$2,077,653
09	Dorchester	222	\$2,240,868	248	\$2,875,312	26	\$634,444
10	Frederick	1,302	\$8,659,810	795	\$9,217,230	-507	\$557,420
11	Garrett	151	\$986,884	160	\$1,855,040	9	\$868,156
12	Harford	991	\$6,705,650	471	\$5,460,774	-520	-\$1,244,876
13	Howard	1,320	\$6,173,534	421	\$4,881,074	-899	-\$1,292,460
14	Kent	79	\$292,747	82	\$950,708	3	\$657,961
15	Montgomery	3,877	\$21,046,124	1,624	\$18,828,656	-2,253	-\$2,217,468
16	Prince George's	4,241	\$30,448,858	3,810	\$44,173,140	-431	\$13,724,282
17	Queen Anne's	315	\$1,389,557	80	\$927,520	-235	-\$462,037
18	St. Mary's	704	\$4,110,746	551	\$6,388,294	-153	\$2,277,548
19	Somerset	176	\$1,576,141	188	\$2,179,672	12	\$603,531
20	Talbot	293	\$1,692,516	178	\$2,063,732	-115	\$371,216
21	Washington	1,057	\$8,355,198	742	\$8,602,748	-315	\$247,550
22	Wicomico	685	\$6,217,243	777	\$9,008,538	92	\$2,791,295
23	Worcester	432	\$2,125,909	385	\$4,463,690	-47	\$2,337,781
Total		28,538	\$193,528,998	17,177	\$199,150,138	-11,361	\$5,621,140

Calculation Checks and Balances

State Aid Calculation and Verification

- State aid calculations are **completed independently by three different State Agencies**: MSDE, the Department of Budget and Management, and the Department of Legislative Services.
- MSDE and the Department of Budget and Management **review, verify, and ensure calculations tie out, exactly.**
- In prior years, MSDE publicly released only PDF files of State aid calculations. MSDE now releases excel files of State aid calculations **inclusive of all data and formulas to assist in local education agency and public understanding of the formulas.** These files also assist LEAs with **independently modeling State aid calculations.**

MSDE cannot and does not release State aid calculations without concurrence from the Department of Budget and Management and consultation with the Department of Legislative Services.

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1. FY 2024 State Aid
 2. **Formula Deep Dive Series: Concentration of Poverty**
 3. Blueprint Fund Backfill
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Blueprint Formula Deep Dive Series: Concentration of Poverty

Blueprint formula deep dive series items takes a new major aid category of the Blueprint and walks through the formula calculations in depth to provide a better understanding of how exactly State aid is determined according to the law.

Formula Aid Program Information and Intent: Why

Concentration of Poverty Formula Funding (5-223, Maryland Education Article)

- The Blueprint for Maryland’s Future formula provides funding to local education agencies to support the **establishment and maintenance of community schools for schools whose concentrated poverty exceeds thresholds** defined in law.
- The Concentration of Poverty Grant (CPG) Blueprint aid funding accomplishes this through (and consists of) **two grant programs: the CPG Personnel Grant program; and the CPG Per-Pupil Grant Program.**
- In the formula, **a school receives a CPG personnel grant first**, allowing the school to recruit/hire staff, complete a needs assessment, and develop and finalize a Blueprint Community School Implementation Plan.
- **The next year, if the school remains eligible, the school begins to receive the year one CPG per-pupil grant in addition to the personnel grant** to fund the wraparound services in the respective school’s plans
- If a school’s **poverty concentration meets or exceeds 80%, the school becomes eligible for CPG per-pupil funding immediately**, even if the school has not yet received the personnel grant in a prior year.

Formula Aid Program Data

The CPG formula for the Blueprint utilizes three types of data: Compensatory Education program enrollment, the personnel grant weight amount, and the per-pupil grant weight amount.

Compensatory Education Enrollment

- Compensatory Education-eligible enrollment counts are the data used for student count information in the CPG formula.
- MSDE collected the school-level data required for the Blueprint CPG program for the first time in Fall 2021.
- CPG Personnel = **three-year average of annual percent** of students as Compensatory Education-eligible, by school.
- CPG Per-Pupil = **second prior year count** of Compensatory Education-eligible students, by school.

Grant Program Weight - Personnel

- The FY 2022 personnel grant amount was defined in law as \$248,833.
- This amount increases each year based on the economic indicators (inflation) in the formula.
- In FY 2023, the personnel grant is \$259,831 per eligible school.
- In FY 2024, the personnel grant will be \$272,823 per eligible school.

Formula Aid Program Data

The CPG per-pupil amount differs by school according to: the number of years a school has been eligible for CPG per-pupil funding; and a per-pupil sliding scale amount defined in the law. These data, together, generate the specific CPG per-pupil amount for a given, eligible school.

Grant Program Weight – Per-Pupil – Eligibility Year

- Maryland Education Article 5-223 defines the total portion of the CPG per-pupil grant a school is eligible for based on the year of a school’s eligibility.
- The amounts are defined explicitly in law as:
 1. First Year of Eligibility: 16%
 2. Second Year of Eligibility: 32%
 3. Third Year of Eligibility: 37%
 4. Fourth Year of Eligibility: 55%
 5. Fifth Year of Eligibility: 66%
 6. Sixth Year of Eligibility: 75%
 7. Seventh Year of Eligibility Onward: 100%

X
multiplied
by

Grant Program Weight – Per-Pupil – Sliding Scale

- The law defines per-pupil sliding scale amount using three per-pupil amounts identified for FY 2022, which are adjusted for inflation each year:
 1. Sliding scale adjustment factor: \$7,422.33 (FY 2022)/\$8,137.92 (FY 2024).
 2. Sliding scale upper limit: \$13,495.15 (FY 2022)/ \$14,796.22 (FY 2024).
 3. Per-pupil maximum amount: \$3,374.48 (FY 2022)/\$3,699.81 (FY 2024).

Formula Aid Program Data

The per-pupil sliding scale amount defined in the law depends upon an individual school's three-year average of its annual poverty percentage.

- **If a school's three-year average CPG poverty percentage is greater than or equal to 80%**, the sliding scale per-pupil for this amount equals the per-pupil maximum amount.
 - For example, a school with a three-year average CPG poverty percentage of 83% has a sliding scale per-pupil in FY 2024 of \$3,699.81, per-pupil.
- **If a school's three-year average CPG poverty percentage is greater than or equal to 55% but less than 80%**, the sliding scale per-pupil for this amount equals the (CPG poverty percentage multiplied by the sliding scale upper limit) minus the sliding scale adjustment factor.
 - For example, a school with a three-year average CPG poverty percentage of 72% has a sliding scale per-pupil in FY 2024 of $(.72 * \$14,796.22) = \$10,653.28$; and $\$10,653.28 - \$8,137.92 = \$2,525.36$ per-pupil.

Formula Aid Program Eligibility

Concentration of Poverty Formula Eligibility

- To meet eligibility, **a school’s three-year average poverty concentration must meet or exceed the eligibility threshold.*** For example, a school with 65% poverty in 2019-2020, 60% poverty in 2021-2022, and 70% poverty in 2022-2023 has a three-year average of 65%.
- Each CPG program (Personnel and Per-Pupil) has **different eligibility criteria until the CPG program is fully phased in Fiscal Year 2027 at an eligibility threshold of 55%** of students enrolled being Compensatory Education-aid eligible.
- Alternative schools that are not the primary school of record for a student are ineligible for CPG aid.
- Under CPG, **eligibility information is not the same information used to determine actual/per-pupil funding amounts.** The three-year averages are only for eligibility determination.

CPG Program Eligibility Phase-In Amounts		
Fiscal Year	CPG Personnel	
	Eligibility Threshold	CPG Per-Pupil Eligibility Threshold
Fiscal Year 2022	70%	80%
Fiscal Year 2023	65%	75%
Fiscal Year 2024	60%	70%
Fiscal Year 2025	55%	65%
Fiscal Year 2026	55%	60%
Fiscal Year 2027	55%	55%

*Three-year averages exclude Fall 2020 of the 2020-2021 School Year/Fiscal Year.

CPG Personnel Grant Calculation

The precise calculation as outlines in the law's formula mandate (5-223, Maryland Education Article) is:

- For a local education agency's (LEA) CPG Personnel Grant –
 - **Determine eligibility** for the CPG personnel grant, by school, using the eligible criteria defined in the previous slides.
 - Calculate the **sum of the CPG personnel grant amount for each eligible school** in a LEA.
 - For example, in FY 2024, Allegany County Public Schools has six (6) schools eligible for the CPG personnel grant of \$272,823, each) for a total of \$1,636,938 in CPG personnel grant funding (combined State and local share).
 - **Determine final State and local share** of the CPG personnel grant

CPG Per-Pupil Grant Calculation

The precise calculation as outlines in the law's formula mandate (5-223, Maryland Education Article) is:

- For a local education agency's CPG Per-Pupil Grant –
 - **Determine program eligibility**, by school.
 - **Identify the eligibility year**, to calculate the per-pupil phase in amount (16% - 100%).
 - **Identify the sliding-scale, per-pupil amount**, by school.
 - **Multiply the sliding scale amount by the eligibility year** amount to calculate the final, school-level CPG per-pupil amount, by school.
 - **Multiply the per-pupil amount by the given school's second prior year Compensatory Education-eligible enrollment** count.
 - **Sum the CPG per-pupil grant amount for each eligible school** in a LEA.
 - **Determine final State and local share** of the CPG per-pupil grant.

CPG Calculation Example One (1 of 3)

- The first step MSDE completes to calculate CPG funding is to collect data from each local education agency. See below, for example, the data form MSDE receives from the LEA with the original data.
- MSDE uses the data collected to make the school-level comparison required to determine the greater of school-level Free and Reduced Price Meal-eligibility, Community Eligibility Provision (CEP) eligibility, or direct certification eligibility.

Maryland State Department of Education														
Free and Reduced-Price Meal Eligibility for Fiscal Year 2024 State Aid Calculations														
The number of students eligible for free or reduced-price meals based on the October 31, 2022 count.														
Submit this form electronically to MSDE via justin.dayhoff@maryland.gov on or by November 30th, 2022.														
MSDE School Number	School Name	Total Enro	Pre	FREI	REDUCE	PAI	Total Direct Certification	K-12 Students Eligible for Free and Reduced Prices Meals *			USDA Applications	Alternative Form	CEP School	CEP %
								Free	Medicaid	Reduced				
130	Booker T. Washington Middle School	157	-	157	-	-	136	18	3	-	-	Booker T. W	84.91%	
School System Total		77,003	3,849	73,154	-	-	52,856	11,488	2,271	-	-		84.91	
* Do not include Prekindergarten students, other non-K-12 counts, or students disallowed as a result of the verification process														
I certify that the number of enrolled students presented above, determined eligible for free or reduced-price meals as of October 31, 2022, is accurate. These data will be used in the calculations of the Compensatory Education formula.														

CPG Calculation Example One (2 of 3)

- MSDE then moves (and confirms) LEA data into the State aid calculation file.

SY	Agency#	Agency Name	Site Type	Site No.	Site Name	Free
2022	30	BALTIMORE CITY PUB SCH	PUBS	0130	BOOKER T WASHINGTON MIDDLE	150
2023	30	BALTIMORE CITY PUB SCH	PUBS	0130	BOOKER T WASHINGTON MIDDLE	13
2020	30	BALTIMORE CITY PUB SCH	PUBS	0130	BOOKER T WASHINGTON MIDDLE	231

- MSDE then confirms the calculations in the MSDE-designed State aid calculation file. MSDE releases this file with all calculations and formulas still in the file for additional public transparency and accountability.

LEA ID	Fiscal Year	FY24 Elig Levels	Personnel	PPG	FY24 Personnel Grant \$	Eligible Year Free	Eligible Year Reduce
30	2024		60%	70%			
	School Name	LEA-SITE	Site No Ad	CPG Le			
30	BOOKER T WASHINGTON MIDDLE	30-00000130	00000130	0.9465	0.95	150.00	0.00


ty Grant Calculations: Detail														
Fiscal Year 2024														
LEA ID and School Name	Prior Years' Eligibility - Personnel and Per Pupil Grant					FY 24 STATUS			FY 24 Personnel Grant	FY 24 Per-Pupil Grant				
	FY 2	FY 2	FY 2	FY 2	FY 2	FY 2	FY 2	FY 2	FY 2	PERS*	CPG EL YR	CPG P	Phased Amou	Total Program Amou
30-BOOKER T WASHINGTON MIDDLE	Y	Y	Y	Y	n/a	n/a	Y	Y	Y	ELIGIBLE	3RD YR	37%	\$ 272,823.00	\$ 1,368.93 \$ 205,340.00

CPG Calculation Example One (3 of 3)

The precise calculation as outlines in the law's formula mandate (5-223, Maryland Education Article) for Booker T Washington are:

- **Determine program eligibility**, by school.
 - Booker T Washington has a three-year average CPG level of 95%.
- **Identify the eligibility year**, to calculate the per-pupil phase in amount (16% - 100%).
 - Booker T Washington is in its third year, resulting in a 37% per-pupil proportion.
- **Identify the sliding-scale, per-pupil amount**, by school.
 - With a CPG level greater than 80% (95%), Booker T Washington has a sliding scale per-pupil in FY 2024 of \$3,699.81, per-pupil (the per-pupil maximum amount).
- **Multiply the sliding scale amount by the eligibility year** amount to calculate the final, school-level CPG per-pupil amount, by school.
 - \$3,699.81 multiplied by 37% equals \$1,368.93, per-pupil.
- **Multiply the per-pupil amount by the given school's second prior year Compensatory Education-eligible enrollment** count.
 - \$1,368.93 multiplied by the Fall 2021 count of eligible students, which is 150 and equals, in total, \$205,340.

For the first time in FY 2024, second prior year enrollment uses actual, school-level post pandemic data rather than a pre-pandemic proxy. The result is a reduction in CPG per-pupil grant eligible students, overall, in FY 2024.

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1. FY 2024 State Aid
 2. Formula Deep Dive Series: Concentration of Poverty
 3. **Blueprint Fund Backfill**
 4. FY 2024 Special Fiscal Programs
 5. Questions

FY 2024 Blueprint Fund Backfill


The Governor's FY 2024 budget bill includes a \$500 million fund transfer to the Blueprint fund to backfill projected shortfalls beginning in Fiscal Year 2028.

FY 2024 Blueprint Fund Backfill

The FY 2024 Budget Bill transfers \$500 million into the Blueprint fund to extend fund solvency.

- The Spending Affordability Committee’s fall 2022 report indicates that **the Blueprint fund will no longer be solvent as of Fiscal Year 2028**, earlier than the intended lifespan of the fund when created in law.
- The Committee notes **that the structural surplus of the fund will begin to decrease after Fiscal Year 2025** due to the impacts of the investment loss on pension contributions in the out-years and the need for general funds to support costs related to the Blueprint for Maryland’s Future beginning in fiscal 2028.
- The Fiscal Year 2024 budget transfers \$500 million into the Blueprint fund **to shore up the fund and extend the fund’s solvency**. The increase in Compensatory Education State aid in FY 2024 alone absorbs most of the \$500 million Blueprint fund backfill. **The final House budget adds an additional \$400 million in backfill.**

Revenue identification of pathways to ensure a structural balance of the fund is necessary for long term Blueprint fund sustainability.

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1. FY 2024 State Aid
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FY 2024 Special Fiscal Programs

The Governor's FY 2024 budget bill and, if adopted, recommended committee language funds 60 State-aided Institutions, maintains level-funding for existing State-aided Institutions, reduces BOOST funding by \$2 million and introduces a sunset provision to the BOOST program.

FY 2024 State-Aided Institutions (SAIs)

The FY 2024 budget bill includes funding for 60 SAIs

- Each year, the Maryland State Department of Education reviews SAI applicants and forwards recommendations to the Governor.
- **The Governor then decides which SAIs will receive grants in any given fiscal year.**
- The FY 2024 budget bill funds 60 SAIs.

The FY 2024 budget bill level-funds existing SAIs

- The final 2021 budget bill required the Governor to include in the Fiscal Year 2023 budget for each SAI an amount that was **equal to or greater than the highest allocation that a recipient received in fiscal 2020, 2021, or 2022.**
- The Governor's fiscal 2024 budget **maintains the Fiscal Year 2023 level of funding for SAIs** with a total allowance of approximately \$6.7 million awarded to the 60 SAIs.

Broadening Opportunities and Options for Students Today (BOOST)

The FY 2024 Budget Bill reduces the annual appropriation to \$8M and sunsets the program.

- **For the first time in FY 2023, MSDE had a waitlist of eligible BOOST applicants.** Including carryover, MSDE had \$10,520,481 available in FY 23 and expects to spend \$10,088,345, leaving only \$432,136 in estimated FY 2024 carryover. **MSDE would need to reduce scholarship value or eliminate scholarships for FY 2024 at the appropriation level in the allowance, which we be up to the BOOST Board.**
- If the FY 2024 budget bill is adopted as currently written and with current Committee-recommended language, **the budget bill also initiates a sunset provision to the BOOST program** wherein, beginning in FY 2024, students can only be eligible if they:
 - **have received a BOOST program scholarship for the 2022-2023 school year** and will be entering any of grades 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, or 12 if they attended, during the 2022-2023 school year, a nonpublic school that serves kindergarten through grade 12; or
 - **have a sibling who received a BOOST Program scholarship award** for the 2022-2023 school year.



Questions

1. FY 2024 State Aid
2. Formula Deep Dive Series: Concentration of Poverty
3. Blueprint Fund Backfill
4. FY 2024 Special Fiscal Programs
5. FY 2024 Headquarters
- 6. Questions**