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**TO:** Members of the State Board of Education

**FROM:** Carey M. Wright, Ed.D., State Superintendent of Schools 

**DATE:** May 21, 2024

**SUBJECT:** FY 2025 Budget

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### **Purpose**

The State Board will receive information about the Department's FY 2025 budget as enacted by the Maryland General Assembly.

### **Background**

The Department submitted its fiscal year 2025 budget to the Department of Budget and Management and the Governor in fall 2023. The State Board received an update on the Governor's fiscal year 2025 allowance in February 2024. Today, the State Board will receive an update on the fiscal year 2025 enacted budget otherwise known as the legislative appropriation including specific actions by the Maryland General Assembly.

### **Executive Summary**

The presentation will include information on the following components of the Department's fiscal year 2025 budget:

- Headquarters budget request, allowance, appropriation
- Department positions
- Aid to Education budget
- Funding for Education Organizations budget
- Major State Aid for Education (Blueprint Programs)

### **Action**

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

### **Attachments**

MSDE-State-Budget-FY 2025 State Budget\_Enacted.pptx

MSDE-State-Budget-FY 2025 State Budget\_Enacted.pdf



# FY 2025 Budget

May 21, 2024

Presented By | Donna Gunning, Assistant State Superintendent



A photograph of four diverse children (two girls and two boys) smiling and posing together outdoors. The sun is shining brightly behind them, creating a warm, golden glow. The children are wearing casual clothing: a patterned grey shirt, a teal t-shirt, a blue t-shirt, and a blue and white striped shirt.

# FY 2025 State Budget

Enacted Budget; Budget Reconciliation and Financing Act  
(BRFA)

1. Department Budget
2. Legislative Impacts
3. Major Education Aid

## FY 2025 Headquarters Budget - Enacted

- Total budget increases by 1.6%, from \$405 million to \$411 million
  - General Funds increase by 3.6%, to \$106.6 million
  - Federal Funds increase by .8% to 285 million
  - Special Funds increase by 2.85% to \$19.5 million
- Department requested to convert contractual positions to permanent positions
  - 147 positions converted
    - 66 in DORS
    - 81 in other MSDE Divisions
- Requested additional Childcare Scholarship funds to support policy changes
  - FY 2024 increased by \$217.9 million
  - FY 2025 increased by \$250 million

## FY 2025 Budget – Legislative Impact

- Legislative Actions – Headquarters Budget
  - \$1 million for Access to Attorneys, Advocates, and Consultants for families and guardians of students with disabilities
  - \$700,000 for Division of Rehabilitation Services for State matching funds
  - \$3.75 million in Early Childhood
    - Childcare Career and Professional Development Fund
    - Prince George’s Child Resource Center
    - Cradle Rock Children’s Center
  - \$100,000 – study on Driving Career CTE program and apprenticeships for high school students in coordination with MDL and MVA.

## FY 2025 Budget – Legislative Impact

- Aid to Education
  - Blueprint Coordinators - \$2 million; codifies the program
  - \$450,000 for the Growing Family Child Care Opportunities Program; codifies the program
  - \$600,000 in funds for engineering programs and for economically disadvantaged students.
- Prekindergarten
  - Added student count for private provider Tier I students
  - Delayed phase-in of Tier II students to FY 2026; slowed to include families with incomes between 301% and 360% of the federal poverty level
  - Expedites phase-in of full cost of care to FY 2027, \$19,950 per student

## FY 2025 Budget – Legislative Impact

- Educational Organizations
  - \$5.3 million for the following organizations: Living Classrooms, Ripken Foundation, NorthBay, and several smaller organizations
- Maryland School for the Blind
  - \$1 million for staff compensation

# Blueprint Major State Education Aid – Increase in FY 2025 over FY 2024

- Foundation Per Pupil Amount increases in FY 2025 by \$147
  - Between FY 2026 and FY 2033, the Foundation Per Pupil increases by an average \$400 per year
- The weights for special populations change in FY 2025
  - Multilingual Learners increases to 1.02
  - Students with Disabilities increases to .99
  - Compensatory Education decreases to .98
- Concentration of Poverty Program Continues Phase-in
  - The Personnel threshold decreases to 55%
  - The Per Pupil threshold decreases to 65%



# Blueprint Major State Education Aid – Increase in FY 2025 over FY 2024

- Concentration of Poverty Program Continues Phase-in
  - Additional 167 schools receive Personnel Grants
  - Additional 161 schools receive Per Pupil Grants
- Special Education Program increases \$65.2 million or 14%
- Multilingual Learners Program increases by \$46 million or 10%
- Local Wealth Per Pupil increases 3% in FY 2025
- Statewide Enrollment in FY 2025 changed very slightly
  - 1<sup>st</sup> Year Enrollment Count excludes pre-COVID FTE
  - Full-time equivalent students increased by .13%.
  - “*Enrollment count*” or the average of the three prior years FTE declined by .66%

## Blueprint Major State Education Aid – Increase in FY 2025 over FY 2024

- Statewide Enrollment in FY 2025 changed very slightly
  - Anne Arundel and Frederick Counties have the largest increases in FTE at 1.85% and 1.65% respectively
  - Kent and Garrett Counties had the largest decreases in FTE at -1.83% and -1.33% respectively
- State Share of Education Aid increases \$321.5 million over FY 2024
  - Increase shared by 23 of 24 LEAs
    - Calvert County wealth increased by 37% over fiscal year 2024 due to expiring local Payment in Lieu of Taxes (PILOT) agreement
    - State Share increases ranged from 17.7% in Allegany County to .01% in Garrett County

## Blueprint Major State Education Aid – Increase in FY 2025 over FY 2024

- The required Local Share increases \$202 million
  - Local Appropriation is the greater of Required Local Share or calculated Maintenance of Effort (per pupil amount in prior year multiplied by current year per pupil)
  - 16 LEAs receive the Maintenance of Effort calculated amount
    - Increases over FY 2024 range from 16% in Frederick County to .07% in Somerset County
    - Worcester County's calculated MOE decreases by -.5% from FY 2024
  - 8 LEAs receive the required Local Share
    - 2 LEAs, Allegany and Dorchester Counties, have a lower required local share in FY 2025
    - 6 LEAs have increased required local shares that range from 19.8% in Caroline County to 2.1% in Talbot County