

TO: Members of the State Board of Education’s Education Transformation and Finance Committee

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

DATE: October 22, 2024

SUBJECT: Financial Reporting System Update

Purpose

The purpose of this item is to provide an update on the Financial Reporting System (FRS) implemented by the Maryland State Department of Education (MSDE) in coordination with the Accountability and Implementation Board (AIB) to monitor the Local Education Agency (LEA) compliance with the minimum school funding (MSF) requirements established under the Blueprint for Maryland’s Future.

Executive Summary

The presentation attached to this memorandum provides background, development timelines, current status and next steps in the implementation of FRS. Additional information requested by the State Board will be provided in a forthcoming presentation and/or report.

Action

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

Attachments

MSDE-Finance-Transformation Committee-Financial Reporting System Update_10-08-2024.pptx

MSDE-Finance-Transformation Committee-Financial Reporting System Update_10-08-2024.pdf

OFFICE OF FINANCE

Financial Reporting System

October 22, 2024

Presented By | Krishna Tallur, Deputy State Superintendent

A photograph of a classroom scene. A female teacher with curly blonde hair, wearing a green shirt, is smiling and giving a high-five to a young student with curly dark hair wearing a yellow and black striped shirt. The student is sitting at a desk and holding a blue pencil. In the background, other students are seated at desks, some working on papers. The room has large windows and educational posters on the wall.

Presentation Outline

1. Introduction and Background
2. Reporting and System Development Timelines
3. Current Status
4. Next Steps
5. Feedback & Questions

Introduction and Background

Under § 5-234 of the Education Article, the Maryland State Department of Education (MSDE), in coordination with the Accountability and Implementation Board, must implement a financial reporting and student data system capable of tracking and analyzing Local Education Agency (LEA) data provided to the State Board of Education and update the Financial Reporting Manual for Maryland Public Schools.

The Financial Reporting System is used to collect data regarding the LEA compliance with the minimum school funding (MSF) requirements as established under the Blueprint for Maryland's Future to ensure that a percentage of the per-pupil amount for certain statutory PreK-12 education formula programs are to be allocated to and spent at schools based on their enrollment counts for those programs.

Minimum School Funding

75% of the per pupil amount for the following formula programs:

- The foundation program under § 5-213;
- The compensatory education program under § 5-222;
- The multilingual learner education program under § 5-224;
- The special education program under § 5-225;
- Public providers of prekindergarten under § 5-229;
- Transitional supplemental instruction under § 5-226;
- The comparable wage index grant under § 5-216 ; and
- The college and career readiness program under § 5-217.

100% of the per pupil amount for the following programs:

- Private providers of prekindergarten under § 5-229; and
- The per pupil grant under the concentration of poverty program under § 5-223.

Reporting Timelines

- LEAs begin reporting the budget data starting FY2025
- Data is expected to be reported by 15th of each month for the previous month
- First data file was due on August 15, 2024
- Expenditure data to be reported beginning January 2025

System Development Timelines

- LEA engagement and requirement gathering - December 2021 to March 2022
- Selection of PowerSchool Platform and BPW approval - June 2022
- System design, development, and testing – Fall 2022 to Spring 2023
- Beta system deployment – July 2023
- System pilot testing – July 2023 to June 2024
- Financial Reporting Guidance (Baby Blue Book) – April 2024, updated in June 2024
- Data collection – July 2024

Current Status

- Continued system maintenance
- Working with several LEAs on data load challenges and issues including:
 - LEA financial system upgrades to be able to report data
 - Integration of data from the LEA PowerSchool systems to the Financial Reporting System

Next Steps

- LEA expenditure data reporting starting January 2025
- Public access to the data portal – in FY 2026 once all the FY 2025 data is reported, reviewed, and reconciled

Feedback & Questions