



WITH LARGE BLUEPRINT INVESTMENTS IN EDUCATION, WHY ARE SOME MARYLAND DISTRICTS STRUGGLING TO FUND THEIR SCHOOLS?

Kayla Bill, David Blazar, & Campbell F. Scribner // University of Maryland

CENTRAL QUESTION

Maryland is investing billions of dollars in education through *The Blueprint for Maryland's Future*. Why are some districts struggling to fund their schools?

In 2021, Maryland passed [The Blueprint for Maryland's Future](#)—legislation that has promised to invest billions of dollars in the state's education system. At the same time, some districts across the state have made headlines for the *cuts* they are making to education budgets.¹ Why, amid huge financial investments in education, are some districts still struggling to fund their schools?

The answer to this question is complicated. In this brief, we provide an overview of Blueprint funding and explore the factors driving districts' budget cuts. Our findings are based on a review of public documents from the Maryland State Department of Education (MSDE) and Maryland's Department of Legislative Services (DLS), which address Blueprint funding requirements, as well as analyses of districts' Blueprint implementation plans conducted as a part of our [Blueprint policy brief series](#). We close by posing questions about Blueprint funding that are critical to the success of this potentially transformative reform.

HOW DOES BLUEPRINT FUNDING WORK?

While the Blueprint is facilitating changes in many areas of education, school finance reform is a key component. At its core, the Blueprint aims to ensure an **adequate** and **equitable** education for all Maryland students. To do so, the Blueprint modifies student funding formulas, which were last revised in 2002.²

The Blueprint funding formula increases base and weighted per-pupil amounts and support for specific programs.

MSDE reports that the new Blueprint formula includes three types of funds: (1) base per-pupil funds, (2) weighted per-pupil funds, and (3) program funds. All dollar amounts reported in this brief are in 2024 real dollars unless specified otherwise.³

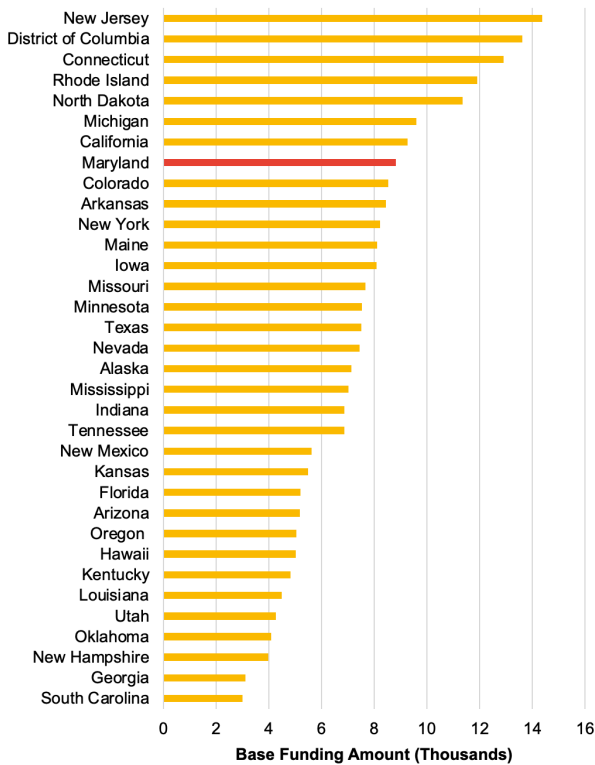
- **Base per-pupil funding** is a combination of state and local funds that provides a minimum level of support for districts. It is the largest component of the Blueprint funding formula. Each school receives the base amount per student per year. The formula is designed to provide an adequate education to all Maryland students.⁴ Prior to the Blueprint (in 2019-20), Maryland's base amount of roughly \$8,800 was in the top quarter of states that provide base funding (Figure 1). The base amount is projected to increase by approximately 25% (net of inflation) by 2032-33.⁵

- **Weighted funding** includes *additional* state and local funds for schools based on the enrollment of certain groups of students, including those who are multilingual learners, require special education services, and are living in poverty. This category also includes support for prekindergarten and a newly implemented teacher career ladder.⁶ Table 1 displays weighted funding categories and amounts.

- **Program funding** is based on factors other than student enrollment, including regional differences in transportation needs, cost of living, and wealth. For example, Concentration of Poverty personnel grants provide funds for high-poverty schools to hire community school coordinators and professional healthcare practitioners.⁷

About this Brief. The University of Maryland College of Education's **Maryland Equity Project (MEP)** seeks to improve public education through research that supports an informed public policy debate about the quality and distribution of educational opportunities in Maryland and nationally. This brief is one in a series on **The Blueprint for Maryland's Future**—a significant statewide investment to transform Maryland's public schools in service of educational equity. The purpose of this brief series is to support districts in their efforts to plan and implement Blueprint initiatives through information-sharing and research-based recommendations.

Figure 1. Base Per-pupil Funding by State



Note: States not included in this analysis do not have a base per-pupil funding amount. Base funding amounts range from Fiscal Years 2020 to 2024 (Maryland is from 2020) but are represented in 2024 real dollars. While some states have updated base funding levels since these data were reported, this was the most comprehensive source of state base funding amounts we could find.
 Source: EdBuild (n.d.)⁸

Per-pupil funding comes from a combination of federal, state, and local sources.

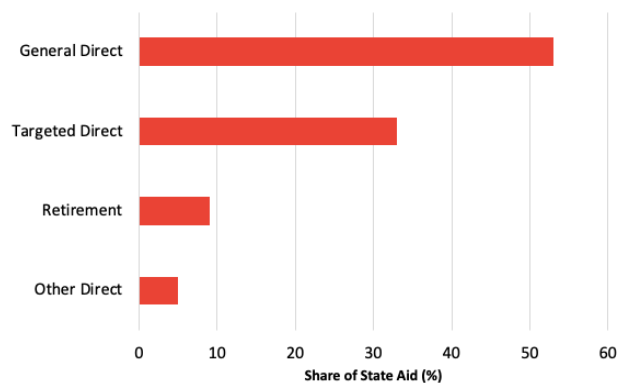
Federal sources comprise the smallest share and have historically accounted for 5% of funding for Maryland schools and students. Sources of federal aid include Title I of the Elementary and Secondary Education Act, which aims to support students living in poverty; the Individuals with Disabilities Education Act, which aims to support students with disabilities; Title II, which aims to support effective classroom instruction; and the Carl D. Perkins Career and Technical Education Act, which aims to support Career and Technical Education programs. Districts generally have discretion over how these funds are used, as long as they fall within the purpose of the funding source and its specific requirements.⁹ Additionally, Maryland received more than \$3.2 billion in federal aid through Elementary and Secondary School Emergency Relief (ESSER) funds. Districts spent ESSER funds in various ways, including

to purchase supplies (e.g., Personal Protective Equipment) and support staff salaries.¹⁰

State and local sources comprise the largest shares of funding for Maryland schools, and under the Blueprint, both are set to increase. For example, in its comprehensive plan released in 2023, the Accountability and Implementation Board (AIB)—which oversees Blueprint implementation—reported that the State of Maryland will invest an additional estimated \$3.9 billion in education by 2033-34—an increase of 45% over pre-Blueprint education spending. The plan also specified that local funding will increase by 8% compared to pre-Blueprint levels, amounting to an approximately \$700 million.¹¹

In Maryland, state education aid takes several forms. DLS describes four types of state aid, which overlap with but are separate from the three categories of Blueprint funding described in the previous section: (1) general direct aid, which provides basic resources like personnel and supports base per-pupil funding and some program funding categories; (2) targeted direct aid, which provides additional funding for certain groups of students (e.g., multilingual learners) and supports most weighted per-pupil funding categories; (3) retirement aid, which supports pensions for public school employees; and (4) other direct aid, which provides funding for resources not related to instruction and supports other program funding categories¹² (Figure 2).

Figure 2. Types and Shares of Maryland State Education Aid in 2022-23



Source: DLS (2022a)¹³

The amount of state aid districts receive—and thus the amount of funding local governments must contribute to education—generally depends on **county wealth**, which varies substantially. According to DLS, the state contributes

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Table 1. Weighted Funding Categories and Amounts (2024-25)

Category	Amount	Description
Base per-pupil funding	-\$8,789 -By 2032-33, scaled up to approx. \$11,200 net of inflation	-Provides minimum funding for districts based on student enrollment
Compensatory Education	-86% of base per-pupil amount -Phased down to 73% through 2032-33 and each year thereafter	-Aims to expand resources for students living in poverty, defined as eligibility for Free and Reduced Price Meals (FRPM)
Concentration of Poverty*	-\$3,778 per-pupil maximum, adjusted for inflation each subsequent year -\$278,614 personnel grant per eligible school and adjusted for inflation each subsequent year	-Aims to support schools with high concentrations of students living in poverty to become community schools** -Provides weighted per-pupil funding for students living in poverty and personnel grants for eligible schools to hire community school coordinators and professional healthcare practitioners
Prekindergarten	-\$13,003 per-pupil -Scaled up to \$19,526 through 2029-30 and adjusted for inflation each subsequent year	-Aims to provide no-cost Pre-K for families with incomes at or below 300% of the Federal Poverty Level (FPL) and low-cost Pre-K for families with incomes up to 600% of the FPL
Multilingual Learner	-102% of base per-pupil amount -Phased down to 85% through 2032-22 and each year thereafter	-Aims to provide additional support for students who are developing English language proficiency
Special Education	-99% of base per-pupil amount -Scaled up to 148% through 2032-33 and each year thereafter	-Aims to provide additional support for students with special needs
Transitional Supplemental Instruction	-\$522 per-pupil -Phased down to \$0 in 2026-27 and each year thereafter	-Aims to provide additional support for students in Kindergarten through 3rd grade (e.g., tutoring) who are not meeting English language arts or reading proficiency standards
College and Career Readiness	-\$579 per-pupil amount and adjusted for inflation each subsequent year	-Aims to support districts' efforts to expand College and Career Readiness (CCR) pathways (e.g., Career and Technical Education opportunities)
Career Ladder	-\$5,000-\$15,000 salary increases for teachers/administrators moving up the career ladder (e.g., lead teachers) -\$6,000-\$8,000 increases for earning or maintaining National Board Certification -10% salary increase over July 1, 2019 salary -\$60,000 minimum teacher starting salary (not in effect until July 1, 2026)	-Aims to support teacher development and career ladder opportunities -Establishes state and local shares of teacher salary increases associated with career ladder (e.g., \$10,000 salary increase for earning National Board Certification)

Note: Weighted amounts are additional funds on top of the base per-pupil amount. In some cases, dollar amounts for 2024-25 were reported in statutes; in other cases, we converted current dollars from other years to 2024 dollars.

*Included in the program funding category on [one MSDE website](#) but included in the weighted funding category on [another](#).

**Grant eligibility is determined by schools' poverty rates, which are essentially rates of students receiving FRPM. In 2021-22, schools with at least 80% of students living in poverty were eligible; in 2024-25, schools with at least 65% of students living in poverty will be eligible.

Source: MSDE (2024a)¹⁴

more money to districts with less wealth. In 2022-23, state aid ranged from \$12.3 million in Kent County, which had a per-pupil wealth of approximately \$1 million, to \$1.43 billion in Prince George's County, which had a per-pupil wealth of \$525,069.¹⁵

Several other factors also affect how much the state and local governments contribute to education. First, the state mandates that counties contribute at least as much per-pupil funding as provided in the prior year, known as **maintenance of effort (MOE)**.¹⁶ DLS projected that the

number of counties set to exceed the MOE requirement would grow from six in 2022-23 to as many as 15 by 2029-30.¹⁷ Before the Blueprint, MOE only applied to base per-pupil funding, meaning that counties had to provide their share of the *base* amount per student but were not required to provide their share of *weighted* amounts. As of 2022-23, MOE holds for weighted per-pupil funding as well.¹⁸

Second, the state incentivizes counties to increase funding for education through the **guaranteed tax base program**, which grants additional state aid to counties that have lower-than-average per-pupil wealth but provide education funding that surpasses the minimum local share.¹⁹ The ratio of local funding relative to per-pupil wealth is called local effort. In 2020-21, prior to the Blueprint, local effort ranged from 0.89 in Talbot County, which had \$1.1 million in per-pupil wealth and allocated \$9,806 per-pupil, to 1.69 in Howard County, which had \$639,914 in per-pupil wealth and allocated \$10,809 per-pupil.²⁰ DLS has projected that the Blueprint will lead to substantial increases in local effort—for example, 12 districts are expected to increase effort between 2022-23 and 2033-34.²¹

Finally, state aid is dependent on the **comparable wage index**. Under this program, the state provides additional funding to districts with comparatively high costs of education services (e.g., labor rates).²²

The Blueprint increases accountability for districts.

In Maryland, funds from federal, state, and local governments are allocated to districts, who are responsible for distributing them to schools. To ensure that districts distribute base, weighted, and program funds to schools as intended, the state implemented a **minimum school funding requirement** through the Blueprint. This policy, which went into effect on July 1, 2024, requires that districts allocate at least 75% of the per-pupil funds a student receives to the school that student attends.²³ For example, if a student receives \$20,000 in per-pupil funds, the district must allocate at least \$15,000 to that student's school.

Questions remain about how Blueprint funding works.

While our review of publicly available documents from MSDE and DLS offered many insights about how Blueprint funding works, it also raised questions. For example, while the Concentration of Poverty grant is included in the program funding category on [one MSDE website](#), it is in the

weighted funding category on [another](#). Why are there discrepancies between sources in how Concentration of Poverty personnel grants are categorized, and what are the implications of those discrepancies? Furthermore, the documents that provided the most detail about Blueprint funding were at least two years old; thus, it is unclear how accurately they reflected the ever-changing Blueprint policy landscape. Consequently, we recommend that state agencies continue to update the information available so that district leaders, researchers, and the broader public can stay informed.

LOOMING CHALLENGES

Despite increased state and local investments in education under the Blueprint, evidence suggests that funding challenges lay ahead. In April 2024, Maryland legislators approved a \$63 billion budget for 2024-25.²⁴ Education aid—including many Blueprint initiatives—accounted for almost \$10.7 billion of that budget.²⁵ But Governor Wes Moore recently proposed \$150 million in budget cuts and called for “adjustments” to the Blueprint given funding challenges.²⁶ Furthermore, Maryland does not have a long-term plan to fund the Blueprint.²⁷ The state established a Blueprint fund, but it is only expected to cover expenditures through 2026-27. DLS estimated a \$2.93 billion state deficit by 2028-29.²⁸

Local funds are also in question. MSDE verified that, as of October 2023, 20 counties had at least met the 2023-24 MOE requirements.²⁹ But districts have raised concerns about whether MOE funding is sufficient to support the continued rollout of Blueprint initiatives.³⁰ For example, in [another analysis](#) we found that several districts are struggling to raise teacher salaries because their county governments only provided the minimum per-pupil funding required.

WHAT FACTORS ARE DRIVING DISTRICTS' FUNDING CHALLENGES?

Shrinking state and federal funds.

Our analyses of districts' 2023 and 2024 Blueprint implementation plans suggest that some districts are struggling to fund Blueprint initiatives because they are receiving fewer state and federal funds than in prior years, which may be particularly significant because local funding

sources (beyond MOE) have grown increasingly unstable. Districts most frequently discussed the difficulty of raising teacher compensation—an important and highly publicized component of the Blueprint.³¹ For example, several districts noted that declining student enrollment meant they would receive less per-pupil funding from the state. Others described how the sunset of federal ESSER funds would make it difficult to implement Blueprint initiatives while maintaining other important programs. As we describe in [another brief](#), these funding challenges have led some districts to cut personnel and raise class sizes.

Restrictions on how Blueprint money can be spent.

Another factor driving districts' funding challenges is stipulations on how Blueprint money can be spent. For example, one of the biggest challenges districts say they face with expanding Career and Technical Education programs is facilities. Many stated in their 2023 implementation plans that they need to build new facilities or renovate existing ones to accommodate new CTE programs that align with high-need, high-wage jobs—for example, computer labs with advanced technology. Yet, several districts stated that they could not use Blueprint funds to make those facilities updates, likely because those funds come from the state's Carl D. Perkins Grant allocation—a federal operating grant that cannot be used for capital projects.³²

Unpredictable expenditures.

A third challenge districts are facing with regard to Blueprint funding is the unpredictability of some expenditures. For example, as of July 2022, districts are required to provide National Board Certified Teachers (NBCTs) with a \$10,000 salary increase. NBCTs who teach in low-performing schools receive an additional \$7,000 raise. As detailed in [another brief](#), the number of NBCTs in the state and across districts is growing, but there is no state requirement for how many teachers must earn National Board Certification. Thus, it is unclear how much districts will have to spend on this policy. This uncertainty poses challenges, given that many districts already are struggling to fund other teacher raises, and may be particularly impactful for districts with higher rates of NBCTs.

As we discuss in [another brief](#), there are also unpredictable expenditures associated with expanding prekindergarten. For example, it is unclear how many seats and teachers

districts will need to provide as more families gain access to free Pre-K. Furthermore, the state's decision to offer a mixed delivery system with public and private providers may lead some families to shift from public Pre-K offerings to private ones.³³

REMAINING QUESTIONS

Is Blueprint funding sustainable?

One of the most important outstanding questions about Blueprint implementation is whether the large influx of state and local funds for education is sustainable—particularly given looming state and local funding challenges.³⁴ With uncertainty at both state and local levels, there is risk that districts may not have the funding they need to meet Blueprint requirements in various policy areas. State and local responses to Governor Moore's recent calls for "adjustments" to the Blueprint³⁵ could dictate the reform's future. Will legislators vote to cut back on funding or delay the implementation of some policy areas? Will districts be required to achieve the same outcomes under a different (and less supportive) funding structure? These questions cast a shadow of doubt over the transformative potential of Blueprint.

How are districts and schools actually spending Blueprint money?

Critical to addressing districts' funding challenges is understanding how districts are spending Blueprint funds. Our [Blueprint brief series](#) has provided some insights about how districts are spending funds allocated for specific policy areas—for example, using Concentration of Poverty Grant funds to hire personnel for community schools. But given that implementation is ongoing, questions remain about how districts are spending Blueprint money more generally. Transparency around these expenditures is an important precursor to understanding the source and scope of funding challenges.

The state has taken several steps to improve transparency and accountability with Blueprint spending. In addition to the minimum school funding requirement, which ensures that schools receive the funding districts are allocated by state and local governments, districts must report how they are spending Blueprint money in a new system developed by MSDE and the AIB. The system requires districts to submit monthly school-level budgets and expenditures.³⁶

The first year of data, which is set to be available in September 2025,³⁷ could provide important insights about districts' Blueprint expenditures that would support implementation moving forward. The improved transparency in district and school spending reflects requirements stemming from the Every Student Succeeds Act (ESSA) for states to report total per-pupil expenditures and per-pupil expenditures of federal, state, and local funds.³⁸

Which Blueprint investments have the largest returns?

Getting a clearer picture of how districts are spending Blueprint money could also help us understand which investments are having the largest returns on desired outcomes. Rigorous evidence on school finance reforms indicates that money matters for improving student outcomes, particularly when it is spent on instructional resources like teacher salaries.³⁹ But policymakers and the general public should know *how much* money matters and, in light of looming funding challenges, which Blueprint investments matter most. For example, how are increased base per-pupil expenditures affecting student achievement relative to weighted per-pupil expenditures? Are teacher salary raises having a positive impact on student learning? To what degree are Concentration of Poverty grant funds improving the access students and their families have to important health services?

Undertaking rigorous evaluation studies that answer these and other questions will indicate whether and to what degree the Blueprint—both overall and in specific policy areas—is fulfilling its goals of transforming Maryland's education system.

Endnotes

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- ¹⁶ DLS (2022a).
- ¹⁷ DLS (2022a).
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