Notes and content from the 3/27/2025 meeting with CE staff, HCPSS Superintendent and staff and Jolene Mosley representing the board. The meeting was in response to the letter that the CE wrote to Jolene and the board about the Operational Budget. Staff had complied responses that were discussed in the meeting to all questions except 1. However, all responses to all questions are in this document for your awareness. The meeting lasted just less than an hour. The main interest in the discussion was CE staff wanting to understand each area in more depth.

**1. What new strategies will be used to fill positions within the Department of Special Education?** Note that last year’s budget included $11.5 million in new recurring funding for Special Education with 52 new FTE positions. The proposed FY26 budget includes an additional 50 new FTE positions for Special Education. The most recent BOE report on the FY25 Operating Budget shows 94.4 Special Education vacancies.

*The Howard County Public School System (HCPSS) has collaborated across divisions to establish a conditional teacher cohort. This initiative brings together representatives from the Recruitment and Hiring Team, the Office of Teacher and Paraprofessional Development, and the Department of Special Education.*

*The Recruitment and Hiring Team is currently finalizing details with Towson University to create a cohort to support career changers, specifically recently displaced federal workers. Participants will receive structured cohort-based support as they complete coursework over the next three years, ultimately leading to Maryland State Department of Education (MSDE) licensure while working as special education teachers within HCPSS.*

*Additionally, our recruitment efforts are focused on targeting universities with strong special education programs. We continue to balance the limited human and time resources of our team to actively recruit new graduates to join HCPSS.*

*The Board of Education seeks to implement differentiated compensation for special education educators. This strategy aims to enable the Recruitment and Hiring Team to effectively attract and recruit skilled special education teachers from regional local education agencies, helping to address both current and future staffing needs.*

*To retain and attract staff, The Department of Special Education is also continuing to explore ways to reduce the caseload of special education teachers where vacancies exist. Efforts include:*

* *Reassigning of Program Assistants for Individual Education Program (IEP) Team Support*
* *Continuing of hiring for Itinerant Assessment Team roles*
* *Ensuring rotation of Department of Special Education central support team members into schools for technical assistance and other support (e.g., IEP team meetings)*
* *Developing non-teaching team leader roles at identified elementary schools, pending funding*
* *Considering offering sign-on bonuses for regional classroom vacancies only or all special education positions (subject to negotiation)*
* *Committing to the school location when extending open contracts (these locations are not likely to change as we’ve already done staffing based on next year's student numbers and projected service hours)*
* *Marketing efforts to include programming and professional development opportunities*

**2. What is the projected fund balance that may be applied to the FY26 Operating Budget?** In May 2024, an additional $9 million in fund balance was made available which went towards the negotiated agreements for the labor unions employed within HCPSS. With similar number of vacancies, 204.4 as of Dec 31st, compensated at a higher rate, we would request an estimate of available fund balance be made available as soon as possible.

*The year-end Cost to Complete analysis will be completed in early April and presented to the Board of Education on April 9, 2025.  As of June 30, 2024, HCPSS had an available unassigned fund balance of approximately $7.6 million.  The cost to complete analysis will project the change in this fund balance through June 30, 2025. Monthly budget to actual monitoring indicate that state categories 06 (Special Education) and 09 (Student Transportation) are on track to exceed current budget authority. Savings from other state categories will need to be transferred to cover as much of the overage as possible, if still not sufficient, the available unassigned fund balance may need to be supplementally appropriated . HCPSS has implemented hiring controls to help generate savings and mitigate the need for a supplemental appropriation. The April 9th Board report will be provided to the County as soon as it is submitted to the Board of Education.*

**3. What temporary grant programs are expiring that are being rolled into the proposed operating budget?** The budget lists 251.4 FTEs supported by grant funding. With a number of grants expiring this fiscal year, please provide a breakdown and justification for rolling temporary grant funded positions into recurring operating funding.

*The Requested FY26 budget includes a request for 9.5 positions to shift off of grants into the operating budget.*

*In anticipation of decreased federal funding for the Individuals with Disabilities Education Act (IDEA) and rising salary costs, there is a need to shift 3.5 positions from special education grants to operating funds. These positions are currently filled and provide needed Individualized Education Program (IEP) services. HCPSS, in alignment with the County government, hopes that these are limited decreases to IDEA, as the needs may be greater should HCPSS receive even less funding than anticipated.*

*In collaboration with the County Government, Horizon Foundation, and other partners, in order to support the mental health needs of students in the community a School-Based Mental Health program was designed. The model was developed as a social worker per middle school, where the social worker also services elementary and high school cluster schools in order to reach all schools. In addition to the social worker, there are community partners who provide counseling support. The grants were used to accelerate the access to much needed services with the initial plan to move the positions off grants over time to lessen the impact of adding 20 social workers at one time and instead add 2-3 positions annually. This year two positions are being transferred from grants to operating budget. This is the final year of the transition.*

*Four health services staff positions were removed from the budget in FY 2024, after the temporary grant program ended. The costs incurred in FY 25 in contracted services to provide similar supports exceed the cost of the positions. This move to create positions is actually cost saving in nature.*

**4. What steps are being taken to ensure HCPSS will be in compliance with the Accountability and Implementation Board and the Maryland State Department of Education?** It is our understanding that full compliance for the Minimum School Fund as defined by the Blueprint for Maryland’s Future is required by the 2026-2027 school year. **This question was not raised in the meeting**.

***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, required minimum school funding. In Md. Code Ann., Ed. §5-234, the Blueprint law establishes minimum school funding at 75 percent of the per pupil amount applicable to the foundation program and seven targeted funding programs, as well as 100 percent of the concentration of poverty per pupil grant and 100 percent 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) 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 financial reporting system required by §5-234(c) to be developed by the Maryland State Department of Education (MSDE) in consultation with AIB is designed to collect LEA and school-level budget and spending information by Blueprint funding formula each year beginning July 1, 2024. The first full year of data reporting is FY 2025.*

***Minimum School Fund Defined.*** *The MSF is a subset of nine (9) of the major aid programs that make up required state and local funding.*

* + *Foundation*
	+ *Comparable Wage Index*
	+ *Compensatory Education*
	+ *Students with Disabilities*
	+ *Multilingual Learners*
	+ *College and Career Readiness*
	+ *Transitional Supplemental Instruction*
	+ *Public Prekindergarten*
	+ *Private Prekindergarten*
	+ *Concentration of Poverty*

*MSDE and the AIB acknowledge the complexity of the task of implementing MSF reporting and are taking a flexible compliance approach. This flexibility allows time for statewide guidance to be refined and for each LEA to configure its budget and financial systems for reporting. The approach balances the implementation of a new system with the practical considerations and complexities involved in transitioning statewide financial reporting. The beta year (FY24) and baseline year (FY25) serve as crucial periods for testing and refinement before compliance can be consistently and accurately measured. Accordingly, full compliance is not expected until the 2026–2027 school year. The AIB and State Board of Education have adopted the following joint policy statements to provide LEAs assurances and clearer understanding of how and when compliance will begin to be measured.*

***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 in aggregate for the district and for 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 2024–2025 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.*

1. *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.*

*For FY 2026, the MSF funding projected to be received by HCPSS totals $791.8 million. The required 75 percent minimum allocation to schools is $595.4 million. These revenues are not in addition to the state and county revenues explained previously, which make up most of the $1.26 billion in the General Fund— they are a sub-grouping of the major aid programs funded through statutory state and local share funding formulas. The table below presents the projected MSF for FY26. This data has been adjusted for the Governor’s proposed $163 per pupil decrease deferring the implementation of Collaborative Time Per Pupil funding until FY30.*

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***Status of Reporting****- HCPSS is currently compliant with all the preliminary reporting requirements. By the 15th of each month, data is uploaded to the MSDE financial reporting system which tracks the budget to actual spending for each MSF program.*

***Achieving Full Compliance by FY27-*** *Achieving full compliance means that HCPSS has budgeted and spent at least 75% of the above MSF revenues at the schools with the students that generated the per pupil funding, except for Concentration of Poverty and Private Provider Prekindergarten which have to be 100% allocated to the schools of funding origin. Achieving and maintaining compliance will dynamically change from year to year based on student enrollment counts, “at promise” student population counts, and available funding. Maintaining compliance requires these factors be aligned with instructional delivery, funding, and most importantly the Blueprint Pillars.*

*The Howard County Public School System is responsible for aligning staffing, funding, and programming with the five Blueprint pillars and requirements for spending by school. However, creating this alignment is complex and challenging. Most specifically, it will be challenging in the funding domain. About 70 percent of HCPSS funding comes from the county. County funding is currently based on the MOE funding formula which does not align with MSF funding requirements nor the Pillars. As a result, HCPSS, through the budget process has to delicately balance achieving the amount of funding the county can provide with the amount of funding needed to satisfy MSF funding needs at the per pupil level. This requires proposing and implementing the reallocation of  funds from existing instructional and operational areas of the budget. In some cases, these proposals face stiff constituent winds to maintain the current instructional programming. As a result, the County and HCPSS are faced with a dilemma that requires strong collaboration to maximize funding to meeting the needs of students such as multilingual learners, concentration of poverty, special education with available funding levels that county can provide and sustainable budget reallocations.*

*HCPSS anticipates that going forward, the challenge of achieving and maintaining compliance will increase because the “at promise” student populations are growing while enrollment as a whole stagnates. This will require the County and HCPSS to look through a new collaborative lens of how to assess the county’s public education funding to meet the Blueprint. The risks are material.  HCPSS is required to submit annual reports demonstrating progress. Missed milestones may trigger state intervention, additional oversight, or withheld funds.*

*Blueprint compliance is most easily described by pillar*

***Pillar 1*** *- Early Childhood Education: expanding access to full-day prekindergarten (preK) for 3- and 4-year-olds based on family income*

* *For FY 2026, HCPSS will ensure all eligible 4-year-olds from families below 300 percent of the federal poverty level can access free preK. In the future, HCPSS will need to begin adding 3-year-old programming.*

***Pillar 2*** *- High-Quality and Diverse Teachers and Leaders: enhancing teacher salaries, professional pathways, and collaboration time*

* *Thus far, HCPSS ensured an initial 10 percent salary increase to close gaps with peer states. HCPSS has expanded programs to support its teachers who are pursuing NBC and looks forward to increasing the number of NBC teachers in all of its schools. HCPSS launched a career ladder for teachers, providing salary increases for roles and responsibilities.HCPSS achieved $60,000 per year minimum starting salary in advance of the budget.*
* *For FY 2026, HCPSS will begin mandatory professional development tied to the career ladder.*

***Pillar 3*** *-  College and Career Readiness Pathways: fully funding post-CCR pathways for students, including dual enrollment and career technical education*

* *To date, students who reach CCR in HCPSS can take advantage of no-cost educational pathways, such as earning up to 60 credits at Howard Community College, enrolling in AP courses, or obtaining industry-recognized credentials for in-demand careers. HCPSS supports CCR students with free access to the JumpStart dual enrollment program, expanded Career Academy options, and increased assistance for AP exams, along with additional interventions at all school levels to ensure students develop the literacy and math skills needed for postgraduation success.*

***Pillar 4*** *- More Resources for Students to Be Successful: increasing per pupil funding for students requiring compensatory education, Multilingual Learners, and students with disabilities*

* *FY 2024: Begin allocating Concentration of Poverty grants for wraparound services. In 2026, HCPSS will have 12 community schools.*
* *FY 2025: Provide comprehensive mental health services. HCPSS has put in place a School-Based Mental Health model with school social workers and community partners.*
* *FY 2027: Ensure compliance with minimum funding levels for targeted populations.*

***Pillar 5 -*** *Governance and Accountability: ensuring transparency and adherence to minimum funding levels by program and school*

* *The 2025 Blueprint implementation plans must include a plan for meeting the minimum school funding requirement. Each school system is expected to make a good faith effort to meet the requirement in the baseline year.*
* *In FY 2026, each school system that is not in compliance with the requirement shall reduce by at least half the percentage of students within the district who attend a school that has not met the minimum school funding level (at least 75%/100% as applicable of per pupil funding formula).*
* *And in FY 2027, each school system shall demonstrate that the minimum school funding level (at least 75%/100% as applicable of per pupil funding formula) is following all students to their school.*

*HCPSS has established work groups dedicated to the major initiatives of the Blueprint legislation, focusing on clarifying the law, setting implementation timelines, and assessing the financial implications of both the funding and new mandates. These work groups are in collaboration with the Maryland State Department of Education and other local school systems to resolve legislative ambiguities and exchange best practices for moving forward.*

**5. Please provide a breakdown of transportation-related increases relating to contracted specialized bus transportation increases for students with special needs, as well as bus transportation increases related to the implementation of Policy 5200.** Policy 5200 was altered again by the Board of Education after walk-zones increased for the 2023-2024 and the 2024-2025 school year.

***Contracted Specialized Bus Transportation Increases:***

* $6.4 million for special education students
* $2.2 million for nonpublic school students
* $322,504 for Homewood Center
* $206,767 for parent reimbursement for homeless and special education students

***Bus Transportation Increases Related to Policy 5200 Changes:***

* $1.2 million

**Assumptions:**

*“The specialized transportation costs increases were based on prior year and current year enrollment and expenditure experience and trends, projected enrollment increases in non-public placements and specialized programs. Note that current year expenditures for specialized transportation far exceed the budgeted amount and are being offset by a decrease in General Education transportation expenditures. This General Education expenditure decrease is incorporated into the FY26 budget, a decrease of $4.2 million is included in the budget and explained on Page 528 of the Superintendent’s Proposed budget.”*