

FY26 Operating Budget

Presentation to the Baltimore City Council

June 2, 2025



City Schools is proud to share a budget for FY26 that refocuses and sustains our key investments to best meet the needs of our students and educators.

The FY26 budget reflects an anticipated **7% increase in Blueprint funding**, primarily dedicated to **sustaining major investments and substantial salary increases** to recruit and retain our valued educators and staff.

At a time of considerable uncertainty about the sustainability of state and federal revenue streams, we must be vigilant in ensuring that we maintain the investments that are most important to our students' success.

IMPACT OF RECENT FEDERAL ACTIONS

The US Department of Education notified states and districts in March that it was immediately ending the availability of remaining pandemic relief funds. For City Schools, this would have meant that ~\$48 million in already-expended or encumbered funds would not be reimbursed by the federal government.

In response to a suit brought by Maryland and other states, US District Court issued a preliminary injunction requiring USED to continue reimbursing these funds pending further consideration of the litigation.

MSDE has resumed reimbursements in anticipation of USDE complying with the court orders. To date, City Schools has received \$38.1 million and has submitted an additional \$3.5 million for reimbursement.

BUDGETING IN AN UNCERTAIN CLIMATE

Even with a seemingly positive outcome to the pandemic funding rescission, significant and serious uncertainty remains about federal funding going forward, underscoring the need for prudence in our approach to FY26.

Further, the State of Maryland has enacted economic hardship triggers that would reopen its FY26 budget if reductions in revenue resulting from federal actions reach certain thresholds. If that were to happen, City Schools would likely need to reopen our budget as well.

Throughout the process of planning for the 2025-26 school year budget, City Schools has remained focused on keeping our core principles at the heart of every decision we make.

The FY26 budget is:



Aligned with the Board's four goals



Guided by the district's Portrait of a Graduate strategic plan



Developed with FY26's key priorities in mind



A reflection of the feedback from the community

Protecting our Foundations



Portrait of a Graduate

The Portrait of a Graduate is City Schools' strategic plan that outlines how the district will support and inspire its students, putting them in position to succeed both now and in the future.

Academics

- Foundational Literacy and Math
- Well-Rounded Education
- Secondary Success and Innovation

Wholeness

- Growth and Enrichment
- Climate and Culture
- Wellness

Leadership

- Youth Voice
- Professional Learning
- Pipeline Development



FY26 Budget Priorities



Accelerating Student Achievement in Literacy and Math



Building College and Career Readiness through Secondary Success and Innovation



Improving Attendance and Dropout Re-engagement



Supporting Mental Health



Community Feedback

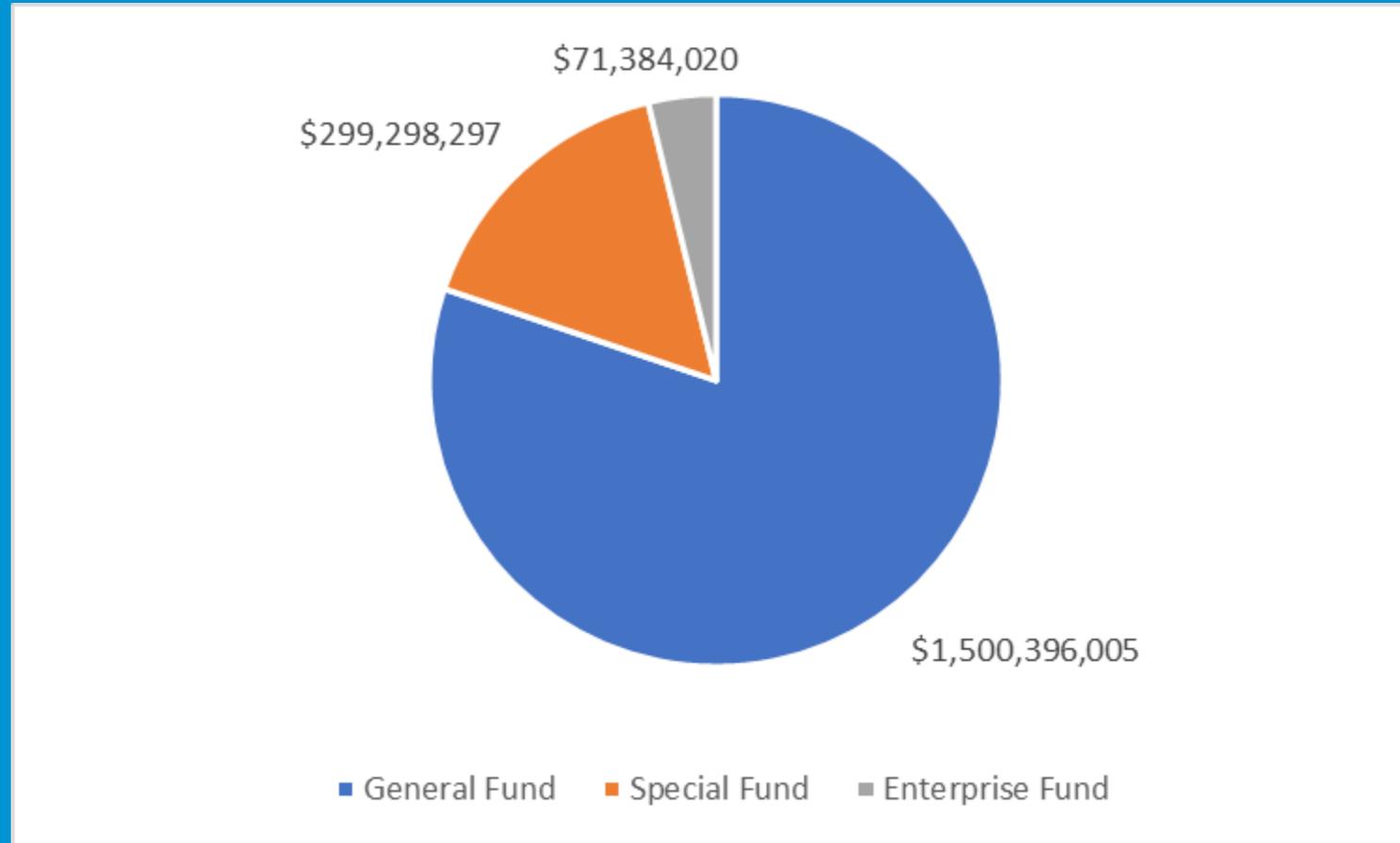
- Meetings at the district and school levels to explore priority areas
- Survey shared via website, social media, newsletters
- Possip poll sent directly to family cell phones
- School-based budget forums to review proposed budgets
- School-based budget review meetings to review final budgets

Funding Considerations



FY26 Revenue – All Funds

The district's FY26 revenue is **\$1.87 billion**, which includes general, special, and enterprise funds.



FY26 Revenue – General Funds

The district's FY26 General Fund of **\$1.5 billion**, comes from three main sources of revenue:

| Revenue Source | FY25 | FY26 |
|-------------------|---|--|
| State of Maryland | \$1.011 billion | \$1.077 billion |
| City of Baltimore | \$386.6 million <u>+ \$2.7 million TSI grant</u> \$389.3 million | \$390.5 million <u>+\$1.8 million TSI grant</u> \$392.3 million |
| Other sources* | \$38.52 million | \$33.16 million |
| TOTAL | \$1.437 billion | \$1.500 billion |

**Includes federal sources such as E-rate and investment earnings.*

Funded Enrollment, per MSDE:

FY25: 70,925

FY26: 71,474

Blueprint For Maryland's Future: Funding that Follows Students

By design, Blueprint funding benefits some schools more than others.

- The Blueprint for Maryland's Future fundamentally changed how schools in Maryland are funded.
- The Blueprint begins to correct historical underfunding of educational resources for students from low-income families, Multilingual learners, and students with disabilities.
- Funding under the Blueprint consists of a dozen separate funding streams, each with its own target population and/or rules for how it is allocated to schools. Under the Blueprint each school's funding allocation is directly tied to the characteristics of the students enrolled in each school.



FY26 Blueprint Funding

- FY26 marks Year 4 of Blueprint funding.
- The governor's budget proposal included significant cuts to Foundation, Compensatory Education, and Multilingual funding.
- Thanks to the advocacy of Council members and others, the cuts were restored. However, school allocations and other aspects of the FY26 budget are based on the state's proposed budget.
- Even still, every school's per-pupil allocation increases in FY26.

Blueprint Sustainability

While the proposed cuts for FY26 did not happen, the Blueprint bill passed in **April includes cuts to Foundation funding for FY27 and FY28.**

This underscores a key reality: **Blueprint dollars are not guaranteed.** We cannot take for granted that funding levels authorized in the legislation will hold.

CONTEXTUAL FACTORS IMPACTING SCHOOL ALLOCATIONS

All schools' budgets – traditional and charter – reflect a year-over-year per-pupil increase for FY26. Yet several contextual factors impacted funds available to schools in their planning for FY26:

- **Blueprint Design:** Under the Blueprint for Maryland's Future, schools with higher-need student populations receive more funding.
- **End of ESSER:** With the final expiration of COVID relief funds, some school-based costs have moved back to school budgets, as expected. Since most Blueprint funds follow students, schools must now absorb these expenses.
- **Increasing Position Costs:** Significant salary increases to attract and retain top talent across our bargaining units result in higher position costs for teachers, administrators, and other staff.

Blueprint Funding Categories for FY26

Blueprint funding categories include both State and City funds. These funds are a combination of general and grant fund types. All funding amounts are based on the governor's proposed budget released in January 2025.

| Blueprint Funding Categories | FY25 | FY26 |
|--|------------------------|------------------------|
| Foundation Program | \$623,364,220 | \$647,773,394 |
| Compensatory Education | \$468,416,112 | \$487,832,688 |
| <i>Concentration of Poverty</i> | <i>\$135,320,187</i> | <i>\$166,215,181</i> |
| Special Education | \$100,783,683 | \$111,365,657 |
| Multilingual Learners | \$86,978,430 | \$95,588,084 |
| Prekindergarten | \$46,362,894 | \$51,637,719 |
| Transportation | \$25,051,230 | \$26,192,008 |
| Comparable Wage Index | \$20,159,599 | \$20,093,931 |
| Blueprint Transition Grant Program | \$15,868,821 | \$12,134,981 |
| <i>Transitional Supplemental Instruction</i> | <i>\$8,621,352</i> | <i>\$5,885,392</i> |
| Guaranteed Tax Base Program | \$10,000,000 | \$10,000,000 |
| CCR Program | \$558,189 | \$3,117,192 |
| Career Ladder (NBC Teacher Salary) | \$518,000 | \$1,395,000 |
| Total | \$1,542,002,717 | \$1,639,231,227 |

Concentrations of Poverty

Concentrations of Poverty grant (CPG) funding supports core academic programming, wraparound services, and enrichment for our students, including (but not limited to)

- a community schools coordinator at each school
- school health services
- attendance positions
- school-based wholeness positions
- mentoring supports
- fine arts programs
- athletics
- extracurricular activities

Total CPG for FY26: \$166 million

**Note that the governor's budget proposed freezing CPG for FY27 and FY28. While this did not pass, continued CPG funding is not assured.*

BALTIMORE CITY
PUBLIC SCHOOLS



End of ESSER

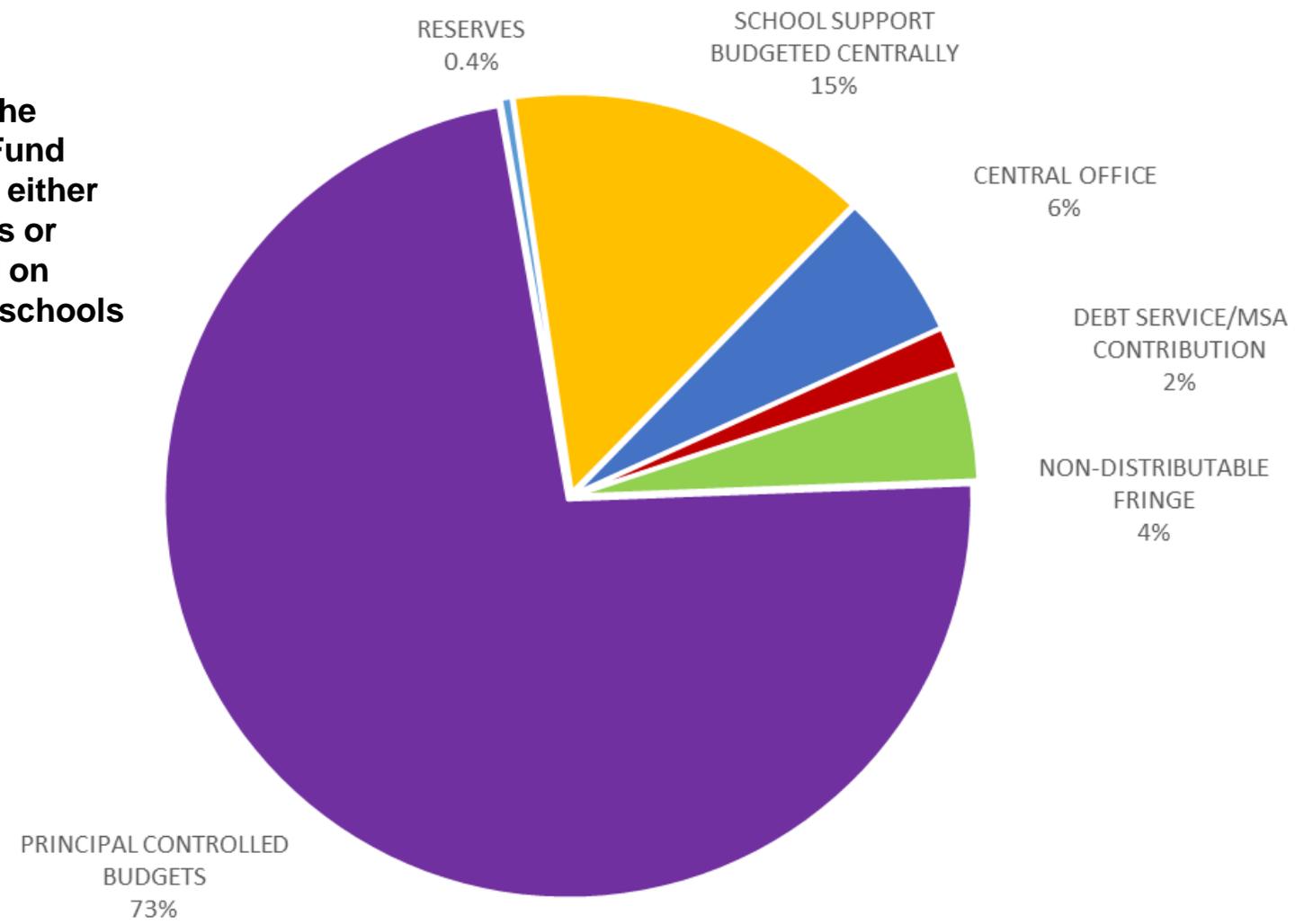
- FY26 marks the first year without ESSER funds.
- We planned for this transition, knowing ESSER funding was temporary.
- Funds were spent strategically to maximize impact while they lasted.
- Initiatives previously funded by ESSER have sunsetted or downsized, been left to the discretion of school leaders to fund, or have transitioned to other funding sources, such as Concentration of Poverty Grants (CPG).

We had been planning for a smooth ESSER off-ramp, with our proactive and strategic approach to managing ESSER funds avoiding the financial strain that other districts have experienced.

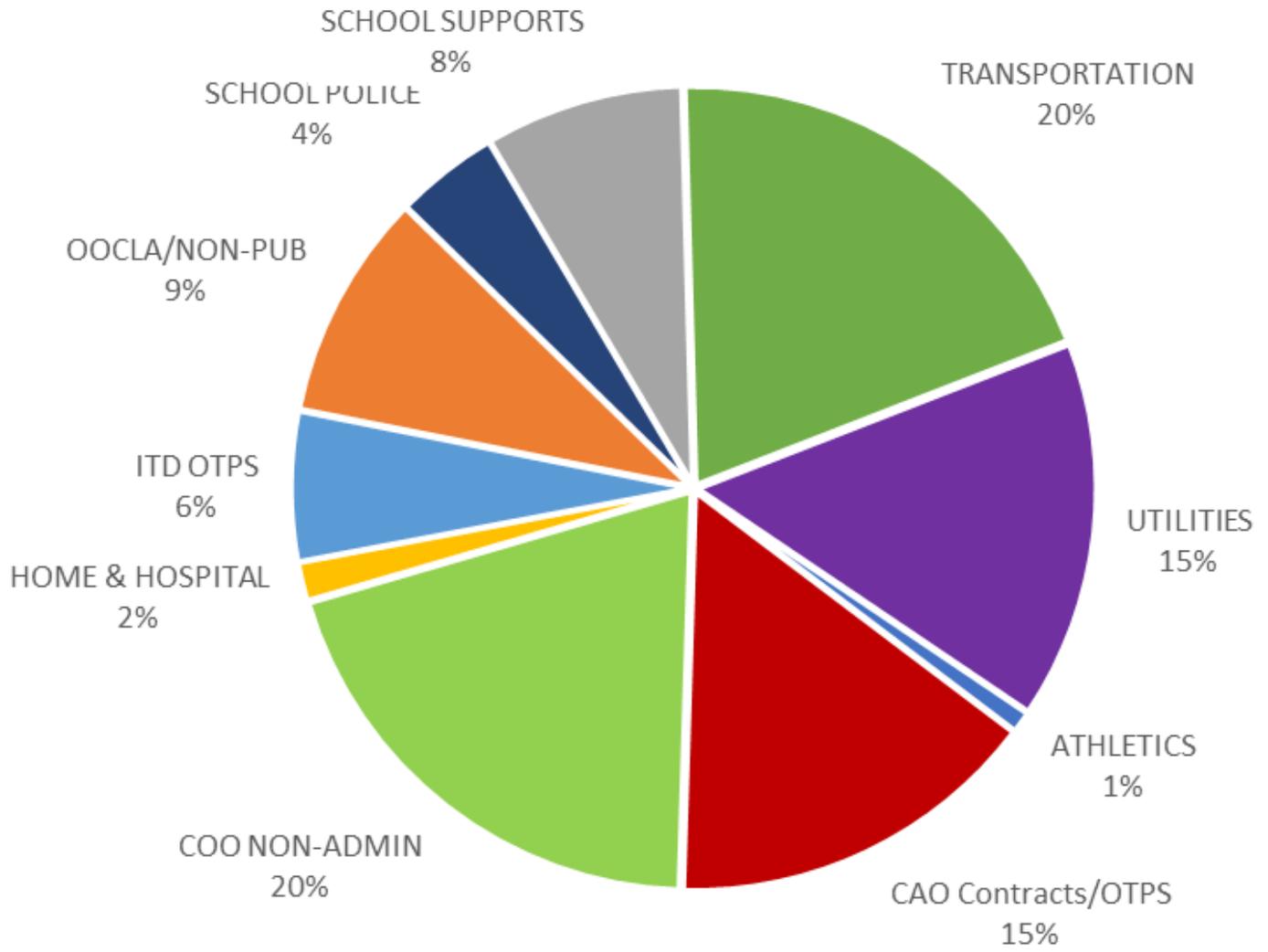


FY26 General Fund Distribution

**~88% of the
General Fund
budget is either
in schools or
budgeted on
behalf of schools**



School Support Budgeted Centrally



Recognizing Recent City Schools Progress

- City Schools students have the second largest growth in reading nationally since 2022 among large urban school districts.
- City Schools is one of five large urban school districts that are performing better in reading than before the pandemic.
- City Schools' kindergarten readiness is its highest in nine years.
- Blueprint passage has resulted in significant increases in the number of fine art teachers, growing from 174 in 2017-18 to 309 in 2024-25.
- The number of Black/African American students enrolled in an AP class that sat for the AP exam increased from 62% in 2021 to 90% in SY2023. The number for Hispanic/Latinx students increased from 57% in 2021 to 91% in SY2023
- In 2024, 3,379 students of color enrolled in an AP course -- more than have ever been enrolled in the past.
- City Schools experienced an enrollment increase of more than 1,000 students, an extremely positive indicator at a time when many districts across the state and country are losing enrollment.

Making History: Commodore John Rodgers Robotics Team Wins World Championship



Competing against 400+ teams from 109 countries, this is the first time a Baltimore City Public Schools team has won a judged award at the World Championship.

Investment Highlights



Academics: Foundational Math and Literacy

High Quality Instructional Materials (HQIM)

- Math: More than \$750,000 to expand the high-quality math curriculum to all schools
- Pre-K: More than \$350,000 for access to curriculum, materials, and administration

Personalized Learning & Tutoring

- Early Literacy Tutoring: \$10.5 million, expanding the program to 10 additional schools, with at least 120 paraeducators

Instructional Coaching

- \$24.5 million towards literacy coaching
- \$7.8 million towards math coaching



Academics: Well-rounded Education

Student Learning Plans: \$150,000

Health Education: \$260,000 to create a health education team to support high-quality Health Education

Arts: At least \$43 million towards arts teachers in addition to a minimum of \$100 per student for a total of at least \$7.2 million

Judy Center Expansion: \$5.5 million, including expanding to 3 additional sites

Summer Programming: \$7.6 million focused on literacy, mathematics, and a range of enrichment opportunities

Expanded School Year (ESY): \$3.7 million to ensure students with disabilities receive support and services during the summer

Gifted & Advanced Learning and Advanced Placement Opportunities: More than \$1 million for students to access GAL/AP programs

Specially-designed instruction and digital accessibility for students with disabilities:

- \$1M specially designed instruction
- \$263k for Accessibility

**BALTIMORE CITY
PUBLIC SCHOOLS**

These highlights do not represent an exhaustive list of investments in this area.



Academics: Secondary Success and Innovation

Credit Recovery: \$1.8 million

Dual Enrollment: More than \$660,000

Career Coaching with MOED: Approximately \$4.5 million

Work-based learning and CTE Expansion: \$1.1 million

On Track to Graduate: \$4.2 million for school-based positions

Post-Secondary Planning & Success

- Central support: \$150,000
- School-based post-secondary advisors: \$3.4 million
- School Counseling: \$22.4 million

PSAT & SAT: \$400,000



Wholeness - Growth and Enrichment

Re-engagement Center: more than \$3.4 million

Evening School: \$300,000

Athletics:

- \$3 million for high schools
- \$1.2 million for middle schools, in addition to a minimum of \$50 per student
- \$2.2 million for athletic trainers
- \$500,000 from Mayor's Children and Youth Fund for middle school athletics

Community School Strategy and Implementation:
\$16.2 million

**BALTIMORE CITY
PUBLIC SCHOOLS**

These highlights do not represent an exhaustive list of investments in this area.



Wholeness - Climate and Culture

Wholeness specialists:

- 58 school-based positions for a total of \$5.3 million
- \$372,158 in centrally-provided supports

Contracts with local organizations for mentoring, hall monitoring, home visits, and similar services: Budget is principal controlled; for comparison, schools have spent approximately \$7.3 million in FY25 to date

School police: 105 police officers and administrative support, for a total of \$10.8 million

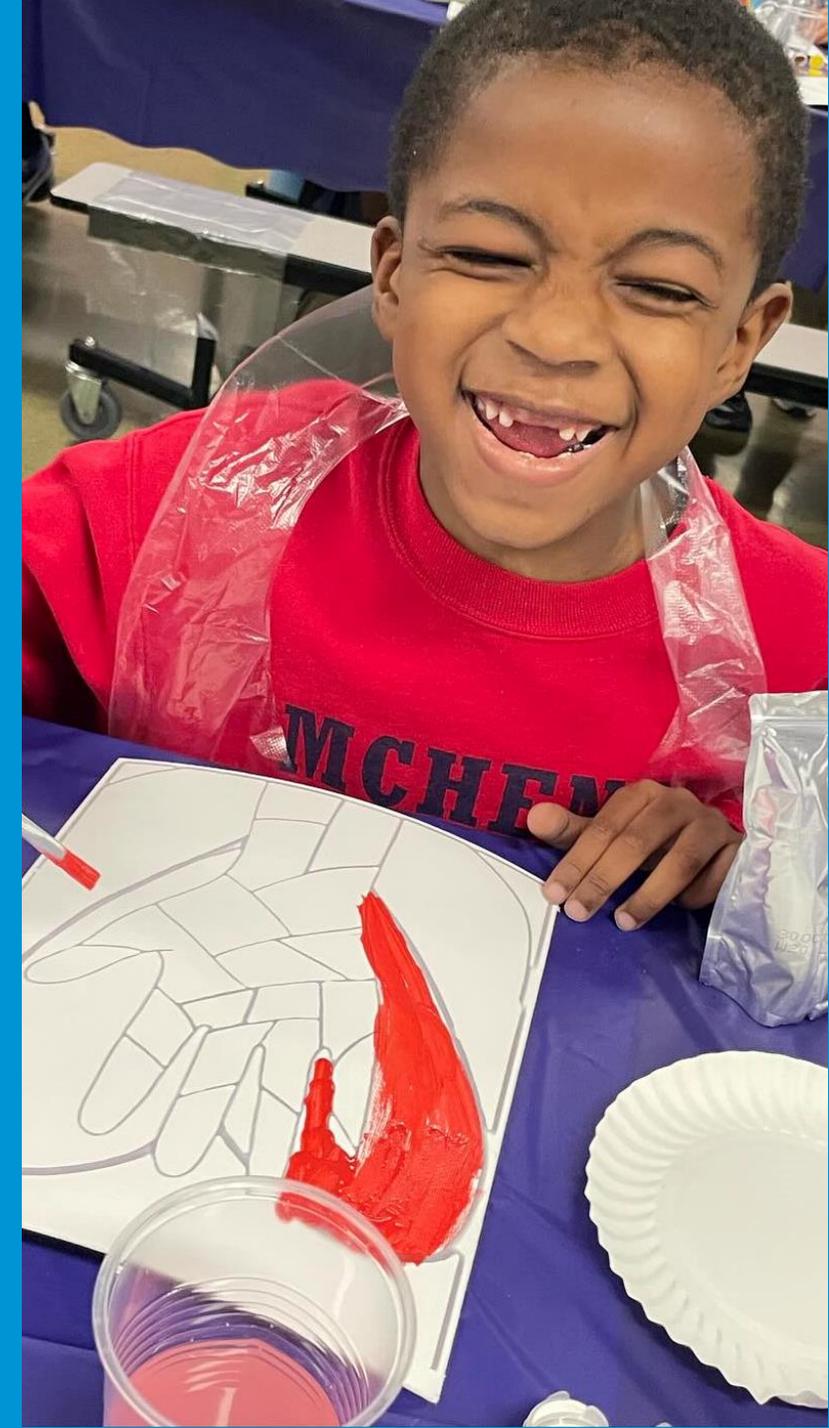
District-level community events, including Choice Fair: \$500,000

Attendance:

- 49 attendance positions, including 38 school-based positions, for a total of about \$5.9 million
- \$200,000 towards district-level attendance initiatives and home visits

Information Technology:

- **Infrastructure:** \$4 million
- **Cybersecurity:** \$1.8 million
- **Technical Support:** \$3.7 million
- **Student Information System:** \$2.5 million



Wholeness - Wellness

Mental Health: \$49.6 Million in social workers and psychologists

Expanded Behavioral Health Services: \$3.1 million

Homeless services: \$1.4 million

Meals for all students: \$71 million in food and nutrition services

Violence Prevention: More than \$100,000

**BALTIMORE CITY
PUBLIC SCHOOLS**

These highlights do not represent an exhaustive list of investments in this area.



Supports for Multilingual Learners (MLLs)

Focused investments to ensure our MLLs receive strategic English Language Development support

Centrally-provided Multilingual Learner supports: \$1.8 million

School-based Multilingual Learner supports: \$40.1 million for teachers, teaching assistants, and Educational Associates providing direct support to ML students

Multilingual Learner School Success Liaisons: \$2 million

Multilingual Enrollment Service Center (MESCC): \$700,000 to provide a multi-faceted welcome center for MLL students and families

**BALTIMORE CITY
PUBLIC SCHOOLS**

These highlights do not represent an exhaustive list of investments in this area.



Leadership: Professional Learning

Systemic Professional Learning:
\$770,000

Summer Learning Institutes: \$1.5 million

New Educator Induction & Mentoring:
\$2.62 million

School Leader Development: \$400,000

BALTIMORE CITY PUBLIC SCHOOLS *These highlights do not represent an exhaustive list of investments in this area.*



Leadership: Youth Voice

Expansion of student government (SGA) and Associated Student Congress of Baltimore City (ASCBC) to 100 school sites: \$457,000

CEO's Student Cabinet: \$20,000

Youth Ambassador Program: More than \$800,000

Bmore Me Conferences: \$100,000

These highlights do not represent an exhaustive list of investments in this area.

**BALTIMORE CITY
PUBLIC SCHOOLS**



Leadership: Investing in Our Educators

Much of our new revenue for FY26 is dedicated to investing in our educators. We know that paying teachers what they deserve is essential to retaining the teachers we have today and attracting the teachers we need tomorrow.

All teachers will receive higher salaries for FY26, with increases averaging approximately 6.5%.

By continuing to offer competitive salaries and benefits, we attract and retain talented educators who are crucial for the success of our students.



Leadership: Pipeline Development

Resident Principals: \$1.2 million

Emerging Leaders: \$138,000

Baltimore City Teacher Residency: \$800,000

Johns Hopkins Teaching Well: \$340,000

Opportunity Culture: \$200,000

Teach for America: \$1,000,000

City Teaching Alliance (formerly Urban Teacher Center): \$1.5 million



APPENDIX

Restorative Practices (RP)

Professional Learning Arcs: Year-long cohorts focused on RP, SEL, attendance, and school climate

Leadership & Staff Development

- RP Fundamentals Training for Principals, APs, and Central Office Staff
- Specialized RP training for paras and long-term subs

Family Engagement: Four Parenting Workshops & Circles at Collington Square

Sustainability Through “Train-the-Trainer” Model: Building internal facilitators for future scalability for central office staff to have the ability to train additional restorative practitioners

Partnerships & Campaigns

- Restorative Practices Consortium (citywide collaboration)
- "Nobody Asked Me" campaign to understand RP gaps

Grant-Funded Support

- Project AWARE – professional development for schools and departments
- CCEIS – intensive RP support in selected schools

Widespread Impact

- Over 100 schools implementing Restorative Approaches over 5 years
- 24 active RP schools this year
- 9 schools receiving direct coaching support

Pre-K Expansion

The Blueprint for Maryland's Future provides access to free, full day pre-kindergarten for low-income three- and four-year old children.

Tier I (Family income \leq 300% FPL)

- Free, full day pre-k must be provided to all 4-year olds in Tier I by FY26.
- Free, full day pre-k must be provided to increasing numbers of 3-year olds in Tier I until all are served.

Tier II (Family income between 300-600% FPL)

- 4-year olds in Tier II must be enrolled to the extent space is available.
- Funding was delayed from FY25 to FY26 for up to 360% FPL only and FY27 the rest of Tier II. MSDE has developed a sliding scale to calculate the state/family share for Tier II.

Tier III (Family income \geq 600% FPL)

- 4-year olds in Tier III may be enrolled if space is available.
- There is no Blueprint Pre-K funding for Tier III.

City Schools Pre-K

City Schools has a robust free public pre-k that serves nearly 4,000 students. The vast majority of pre-k students are from low-income families, but we also already serve Tier 2 and Tier 3 families as space allows.

There is no waiting list, and we are serving all Tier 1 4-year olds who wish to enroll.

Funding Challenges

- Per pupil Blueprint Pre-K funding remains below estimated full cost of service. (Legislature has moved up timeline for full funding to FY27 but will depend on appropriations.)
- City Schools does not intend to charge tuition to Tier 2 or Tier 3 families that we have been serving for over a decade; AIB has indicated district and/or city may be responsible for private provider family share.
- City Schools has experienced a 30% increase in children under five in need of pre-k special education programming. Opening new special ed pre-k classes is especially resource intensive.
- Blueprint does not differentiate cost of service for three- and four-year olds, nor is additional funding provided for pre-k students with disabilities or multilingual learners.
- No funding is provided for capital/facility improvements necessary to ensure appropriate learning spaces for young children.

Universal Pre-K

Providing free, full-day pre-k to all 3- and 4-year olds in Baltimore City would require considerable additional resources, even if/when the Blueprint fully funds pre-k at the level intended. *These estimates do not include the capital investments that would be necessary to serve so many additional young learners.*

| | FY26 Pre-K Current Enrollment | FY26 Universal Pre-K (Estimated) |
|---------------------------------|--|---|
| Tier I Students | 3,504 | 6,972 |
| Tier II Students | 137 | 2,114 |
| Tier III Students | 146 | 2,114 |
| Total Students (3's and 4's) | 3,787 | 11,200 |
| Full Cost | \$75,550,650 | \$223,440,000 |
| Per Pupil Funding | \$51,637,719 | \$107,235,906 |
| Difference | \$28,479,822 | \$116,204,094 |

Reducing Chronic Absenteeism & Improving Attendance

Goal: We are implementing a robust attendance strategy at City Schools designed to reduce chronic absenteeism and significantly boost attendance rates across all grade levels. By leveraging data analytics, we will identify trends in absenteeism and establish targeted action steps for effective intervention.

STRATEGY #1:

- Prioritizing schools with the highest attendance challenges and giving them focused support and resources to act early and often.
- **96 attendance-intensive schools** receive direct support through coaching, case management, and regular attendance reviews.
- **District-led attendance initiatives and home visits: \$200,000** to identify and remove attendance barriers.

STRATEGY #2:

- Building intentional, flexible pathways for students who've missed large amounts of school or disengaged entirely.
- **Re-engagement Center: \$3.4M** investment to re-engage disconnected youth through personalized outreach and support.
- **Evening School: \$300K** investment to provide credit-bearing alternatives for students needing flexible schedules.
- **Credit Recovery** (funded under secondary success): **\$1.8M** ensures students can stay on track and recover from prior absences.

STRATEGY #3:

- Recognizing that families are key to consistent attendance. Our approach includes outreach, resources, and community-building efforts to bring them in.
- **Home visits** and proactive family outreach supported through the **\$200K attendance investment**.
- **Mentoring programs** (part of a \$200K investment) connect students with adults who encourage attendance and belonging.
- **District-level community events**, including the Choice Fair: **\$500,000** that build connection and promote school pride.

FY26 School Budget Planning and Development

Schools received support throughout the budget development planning process, including support from a dedicated budget analyst.

- **Enrollment Projections** – Data analysis and school leader input were used to identify an estimated FY26 enrollment for each school.
- **School Allocations** – Our Fair Student Funding (FSF) model generated per pupil school allocations. For FY 26, schools were held harmless to their prior year amounts and each school received a minimum 2% year over year increase.
- **Budget Guidance** – Schools received a package of resources identifying required and recommended spending.
- **Pre-Collaboratives** – Each school met with their ILED and cross-office teams to discuss their preliminary planning and any emerging issues.
- **Budget Collaboratives** – A formal meeting was held with each school and representation from across the central office to finalize each school's budget in alignment with requirements and priorities; schools in need of additional funding were able to make requests to meet their specific needs.

School-Level Engagement

All schools must host the following meetings as part of the FY26 Budget Engagement Process:

- **The Priority Engagement Session** is an opportunity for stakeholders to provide input on the school budget
- **The Community Budget Forum** allows school leaders to receive input from stakeholder on the draft budget
- **The Community Budget Review Meeting** is a final presentation to school stakeholders on the budget with an explanation of why priorities were or were not funded.

Family Engagement Specialists Support to Schools

- FCE Specialists provide capacity-building support and conduct SANE documentation reviews throughout each phase of the process.
- The goal of this support is to ensure fidelity of implementation and enable proactive compliance support.
- Specialists conduct follow-up communication with schools through a Pre-Submission Review & Follow-Up and a Post-Submission Review & Follow-Up.

District Budget Sessions

- **Family/Staff Session (Virtual):** January 16, 2025/ 6:30pm - 7:30pm - 81 participants
- **Multilingual Families Session (In-Person):** January 18, 2025/ 10am - 12pm - 52 participants
- **Community Partners Session (Virtual):** January 21, 2025/ 4:30pm 6:00pm - 34 participants
- **Youth Session (In-Person):** January 22, 2025/ 4:30pm - 6:00pm - 67 Youth participated
- **Presented at PCAB (Virtual):** January 16th/ 6:30 p.m. - 19 participants
- **Presented at BTU Building:** November 18th/5:00 p.m. - 75 participants

BOARD OF SCHOOL COMMISSIONERS

Robert Salley, *Chair*
Ashiah Parker, *Vice Chair*
Emily Ames-Messinger
Andrew Coy
Ashley Esposito
Kwame' Jamal Kenyatta-Bey
Mujahid Muhammad
Dr. Stefan Redding-Lallinger
Larry Simmons
Khalilah Slater Harrington
Dylan Rooks, *Student Commissioner*
Dr. Jennifer Judkins, *Board Executive Officer*

SENIOR MANAGEMENT TEAM

Dr. Sonja Brookins Santelises, *Chief Executive Officer*
Angela D. Alvarez, *Senior Executive Director - Office of New Initiatives*
Joshua I. Civin, *Chief Legal Officer*
Dr. Joan Dabrowski, *Chief Academic Officer*
Dr. Stacy Place Tosé, *Chief of Schools*
Christopher Doherty, *Chief Financial Officer*
Dr. Tracey L. Durant, *Senior Executive Director - Equity*
Tina Hike-Hubbard, *Chief of Communications, Engagement, and Enrollment*
Theresa D. Jones, *Chief Achievement and Accountability Officer*
Thomas T. Jones, *Chief Information Technology Officer*
Emily Nielson, *Chief Human Capital Officer*
Alison Perkins-Cohen, *Chief of Staff*
Dr. Lynette Washington, *Chief Operating Officer*
Dr. Jennie Wu, *Executive Director - Strategy and Continuous Improvement*