

# 2026 Minimum School Funding Progress Report

An early look into how Maryland is progressing in equitable resource allocation through the Blueprint for Maryland's Future.

## Key Findings

An analysis of 2025 school-level budgeting and initial expenditure data suggests several emerging patterns as districts move toward full MSF implementation:

- Schools serving higher concentrations of students in poverty appear more likely to remain below the MSF benchmark during the transition period.
- Schools serving larger shares of non-white students also appear more likely to fall below MSF targets in the early phases of implementation.
- Within some districts, comparable schools with similar size and grade levels show very different progress toward meeting the MSF benchmark.
- These patterns do not necessarily reflect final MSF compliance, but they highlight where funding gaps remain during the transition period.

## What is Minimum School Funding?

Minimum School Funding (MSF) is a key policy in the Blueprint for Maryland's Future designed to ensure that funding follows students to the schools that serve them. **MSF helps address long-standing inequities in how resources are distributed across schools.**

The policy does three important things:

- Sets a baseline level of funding that must be allocated to every school by student need;
- Increases transparency in how school systems distribute resources across schools; and
- Helps correct decades of uneven resource allocation within districts.

Implementation is happening gradually:

- School systems are currently in a multi-year transition period toward full MSF compliance.
- Districts first demonstrated a good faith effort to improve school-level transparency.
- They are now required to gradually close the gap between current allocations and the MSF requirement.

As this transition continues, **early data can help identify where funding gaps remain and which schools may be most difficult to bring up to the MSF benchmark.**

## School-Level Budgeting Is the First Step Toward Equitable Resource Allocation

The first step in implementing Minimum School Funding is how districts allocate resources in their budgets. The figure to the left shows the share of schools in each district that were budgeted below the Minimum School Funding (MSF) benchmark during the current transition period.

Budgeting is important because it determines where resources are intended to go.

- If a school is not budgeted at the MSF benchmark, it is unlikely that the school will ultimately receive that level of funding.
- Budget allocations therefore provide an early signal of how districts are prioritizing resources across schools.

This analysis highlights where funding has not yet been budgeted at the MSF benchmark. Understanding these budgeting patterns helps identify where funding gaps remain as districts move toward full MSF implementation.

## Methodology

This analysis examines school-level funding patterns as districts move toward full implementation of Minimum School Funding (MSF).

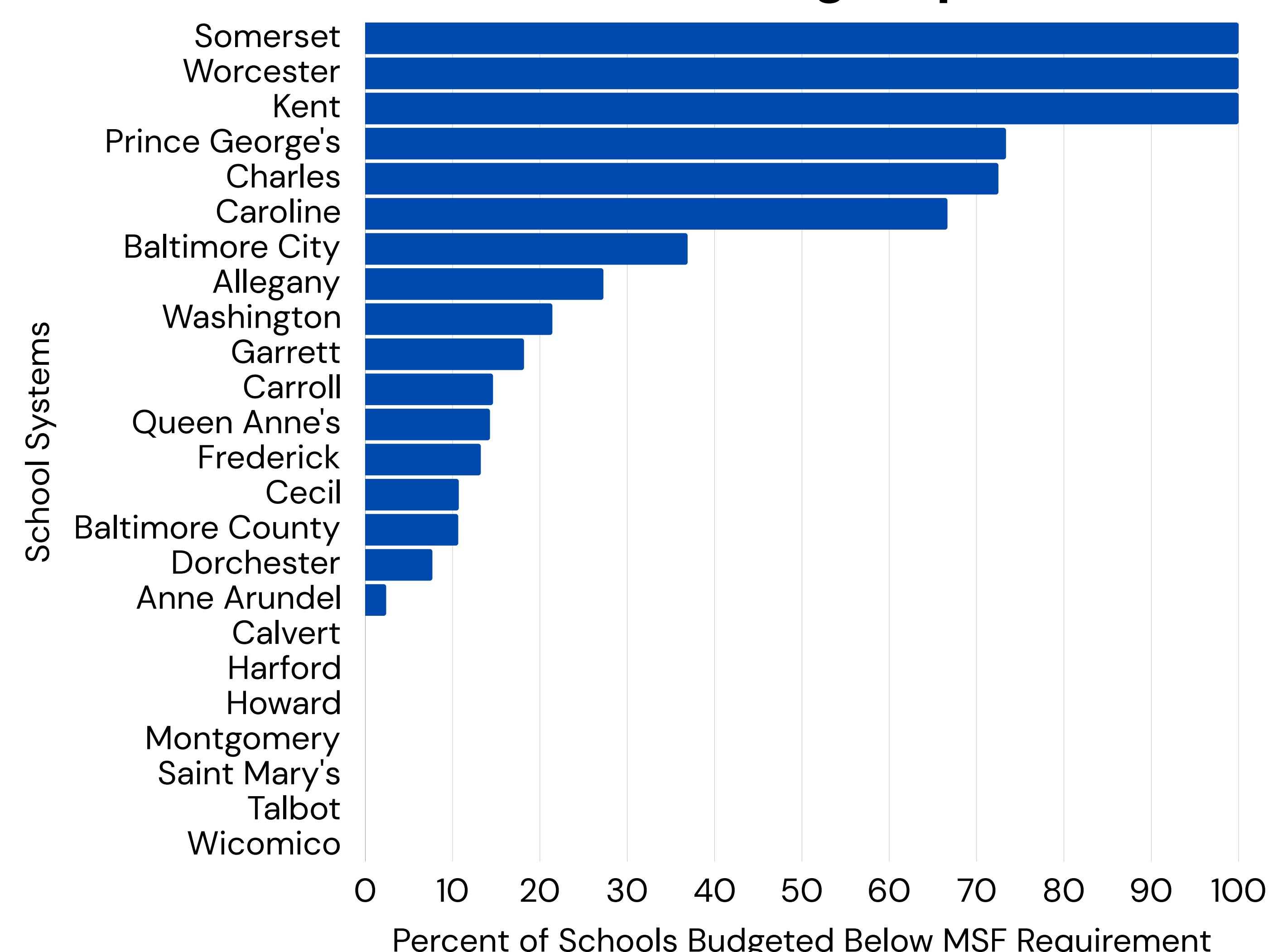
### Data sources

- 2025 Maryland State Department of Education school-level MSF budget reports
- 2025 School enrollment by race
- 2025 State Aid Concentration of Poverty Grant data

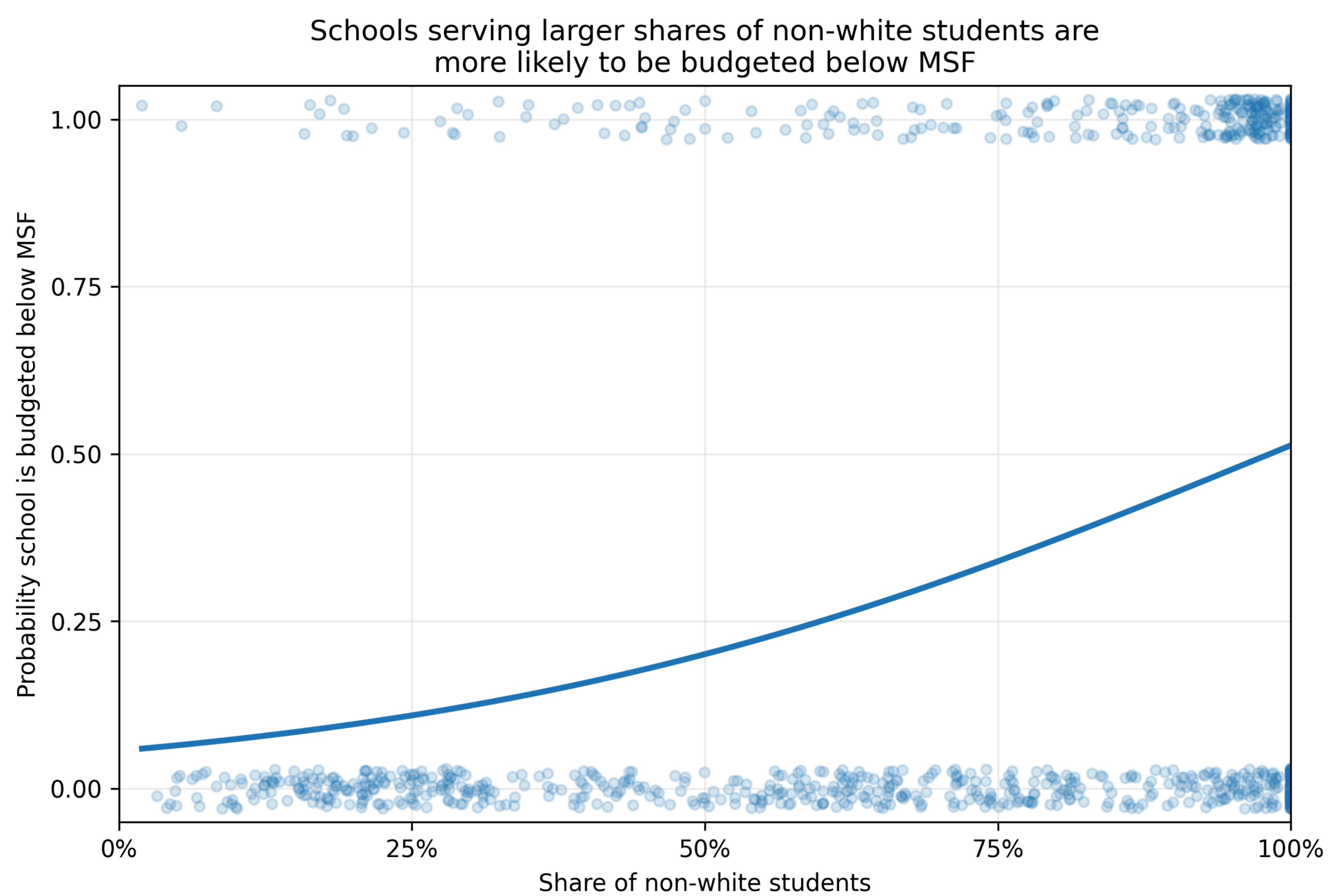
### Approach

- Compared funding relative to the MSF requirement across schools statewide
- Examined whether patterns differ by poverty concentration and racial composition
- Identified comparable schools within the same district (similar size and school type) to illustrate differences in progress toward the MSF benchmark

### Share of Schools Budgeted Below the Minimum School Funding Requirements



## Within Districts, Schools Serving More Non-White Students Are More Likely to Be Budgeted Below MSF



This analysis examines schools within counties that have at least one school budgeted below the MSF benchmark. Schools serving larger shares of non-white students are more likely to be budgeted below MSF.

**The results show a clear relationship between the concentration of non-white students served and the likelihood that a school is budgeted below MSF.**

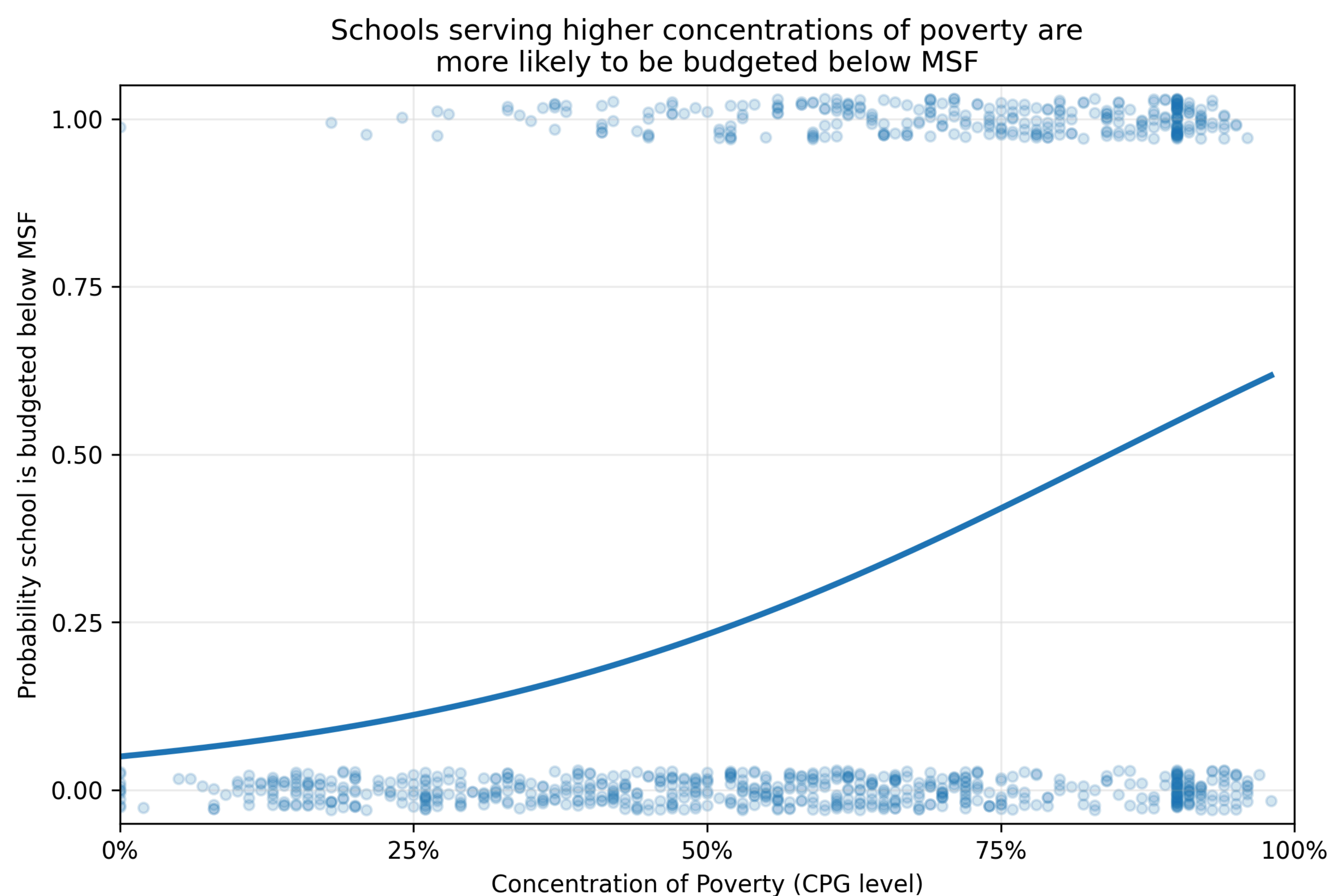
Schools serving higher shares of non-white students are significantly more likely to be budgeted below the MSF benchmark during the current transition period.

*Specifically, schools in the highest non-white quartile had 10.21 times the odds of being below MSF compared with schools in the lowest quartile, with 95% CI 2.38 to 43.76,  $p = 0.00175$ .*

This pattern suggests that disparities in school-level resource allocation may occur within districts, not only across districts.

**Within counties that have schools below the MSF benchmark, schools serving more non-white students are significantly more likely to be budgeted below MSF.**

## Within Districts, Schools Serving Higher Concentrations of Poverty Are More Likely to Be Budgeted Below Minimum School Funding



This figure shows the relationship between a school's poverty concentration (CPG level) and the likelihood that it is budgeted below the MSF requirement. The analysis includes schools in counties where at least one school was budgeted below MSF.

This analysis examines school-level budgeting patterns within counties that have schools budgeted to receive less than their MSF requirement.

**The results show a clear relationship between the concentration of non-white students served and the likelihood that a school is budgeted below MSF.**

Schools serving higher shares of non-white students are significantly more likely to be budgeted below the MSF benchmark during the current transition period.

This pattern suggests that disparities in school-level resource allocation may occur within districts, not only across districts.

**Within counties that have schools below the MSF benchmark, schools serving more non-white students are significantly more likely to be budgeted below MSF.**