
TO: Local Education Agency (LEA) Superintendents, Special Education Directors, and Early Childhood Supervisors; Private Pre-K Providers and Community Partners

FROM: Dr. Tenette Smith, Chief Academic Officer *TJS*

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SUBJECT: Participation and Public Funding in Maryland's Mixed Delivery Pre-K System: Implementation Guidance for SFY 2027

Purpose

The Blueprint for Maryland's Future (the "Blueprint") and the Maryland Momentum strategic plan establish a statewide vision for a publicly funded mixed-delivery system of high-quality, full-day PreK programs for three- and four-year-olds. This vision includes steadily increasing participation over time, with priority access for children from low-income families, children with disabilities, and multi-lingual learners.

This memo provides a detailed overview of the funding allocations and requirements governing Maryland's mixed delivery prekindergarten system for State Fiscal Year (SFY) 2027. It clarifies how State formula funding interacts with the obligation to provide a Free Appropriate Public Education (FAPE) to children with disabilities, as required under the Individuals with Disabilities Education Act (IDEA). In doing so, the memo aims to ensure alignment between Blueprint requirements, special education entitlements, and consistent delivery of services across public-school and community-based settings.

SFY 2027 Tier Framework and Funding Eligibility¹

The Blueprint establishes a tiered system of State funding to expand access to high-quality prekindergarten for three-and-four-year-olds. For the 2026-2027 school year, the following eligibility and funding parameters apply to all participating public-school and private, community-based providers:

- **Tier 1 Eligibility (Full State Funding): A child is eligible for "Tier I" status, which provides the full per-pupil State formula amount of \$19,950, if:**
 - the family's income is at or below 300% of the Federal Poverty Level (FPL) or
 - the child is experiencing homelessness.

¹ Funding levels, tier definitions, and program requirements described in this memo reflect current law. They are subject to change if the Maryland General Assembly enacts new legislation or amends existing statutes, or if the Governor issues executive orders or revises implementation timelines or requirements. Any such changes will supersede and replace the policies described in this memo

- **Changes to Tier I Eligibility for Children with Individualized Education Programs (IEPs) or Multilingual Learners (MLLs).**
 - Beginning July 1, 2026, children with IEPs or MLL will no longer automatically qualify for Tier I solely based on disability or language status if their family income is in the Tier II range. While these children continue to receive priority for enrollment, their Blueprint formula funding is now determined exclusively by documented family income.
- **Tier II and Tier III Eligibility (Family Share Requirements):**
 - Tier II: Children from families with income between 301% and 600% FPL (Tier II) are subject to a sliding-scale family fee (the “family share”)*
 - Tier III: Children from families with income above 600% FPL receive no State formula funding and are responsible for the full cost of enrollment*

*IEP-related services must be provided at no cost as part of FAPE, regardless of family income and Tier status.

- **Enrollment Expectations and Funding Coordination for Local Education Agencies (LEAs)**

LEAs should continue to enroll children in PreK in alignment with the Blueprint’s priorities, including the creation of inclusive early childhood settings that include children with and without disabilities.

While family income determines Blueprint formula funding, LEAs can and should braid or layer other funding sources to support inclusive PreK programming, including Special Education funding (federal, State, and local), Title 1 funds, and/or local operating funds. This approach helps ensure children with disabilities can participate in mixed-delivery PreK while receiving the services and supports required under IDEA.

- **Expectations for Private Providers**

Private providers participating in the publicly funded PreK system are expected to:

- Enroll and serve all eligible children, including those with disabilities and multilingual learners.
- Communicate clearly with families about funding eligibility, including any required family share if the child does not qualify for full Tier I funding.

When developing MOUs for the upcoming year, private providers and LEAs may jointly consider whether the LEA may cover the “family share” for some children with IEPs to secure access to a classroom placement required by the IEP in order to provide FAPE. However:

- This is an optional local decision, not a requirement.
- No guarantees should be communicated to families unless the LEA has made a formal commitment.

Private providers should continue prioritizing the enrollment of children from Tier I to meet their grant expectations and ensure compliance with Blueprint funding requirements.

Children with IEPs, LRE, and FAPE

While Blueprint funding tiers are determined by income, the LEA's obligation to provide a free and appropriate public education (FAPE) to eligible students with disabilities is governed by federal and state special education law. These obligations predate the Blueprint and are unchanged by it. LEAs use a combination of funding sources (including Blueprint Pre-K funds, Special Education Weight funds, federal IDEA 611 and 619 funds, and local funds) to meet their FAPE responsibilities.

- **Decoupling Funding from LRE Decisions**

LEAs and IEP teams are **prohibited** from making Least Restrictive Environment (LRE) or placement decisions based on a child's Blueprint tier, available State formula funding, or seat availability in the LEA's school-based PreK programs. If the IEP team determines that participation in a regular early childhood setting is necessary for the child to receive FAPE, the LEA must ensure that setting **at no cost to the family**, regardless of the family's income or tier status.

Principles of LRE and best practices for children dictate that:

- Children should receive their special education services in the setting they would attend if not disabled; and
- transitions and disruptions should be minimized whenever possible.

- **FAPE and Classroom Enrollment**

The LEA's obligation to provide access to a classroom setting at no cost to the family depends on needs identified in the child's IEP.

Classroom participation as part of FAPE: The IEP team must consider what the child needs to achieve the goals and "access and progress in" age-appropriate activities. This will often entail classroom participation in addition to direct special education and related services. This determination must be based solely on the child's developmental and educational needs--not on the available funding models or space in particular classrooms.

When children are already enrolled in a regular early childhood setting, special education services and supports should be implemented in that setting to the maximum extent possible. If the child's IEP requires a classroom placement, the LEA may choose to pay the family share to the private provider so that the child receives FAPE and there is no cost to the family. These kinds of arrangements are locally determined and can be used to maintain consistency for children and/or address limited availability of inclusive opportunities in school-based programs.

IEPs without classroom participation: In the limited instances where classroom participation is not required for the IEP to be effectively implemented but the child is enrolled in an EC program by the family (whether a school-based PreK for which the child is otherwise eligible or a community program), the LEA should implement the services in the EC setting as much as possible. In those cases, the LEA would be responsible for the cost of the special education services, but not of the placement.

For the relatively small number of children whose IEPs do not require participation in group activities or interaction with peers and whose families have not chosen to enroll them in an EC program, delivery of

individual or small-group services by an educator or related service provider in the school building or another facility but not in a classroom (designated on the IEP by the LRE code “Service Provider Location”) may be appropriate.

For questions or technical assistance, please contact:

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