Maryland
STATE DEPARTMENT OF EDUCATION

Carey M. Wright, Ed.D.
State Superintendent of Schools

TO: Members of the Strategy and Operations Committee

FROM: Carey M. Wright, Ed.D., State Superintendent of Schools

DATE: October 14, 2026

SUBJECT: COMAR 13A.02.10.13 *Maryland Public Charter School Program* / Commensurate Funding: Update

Purpose

The Maryland State Board of Education (MSBE) requested an update on implementation of the Commensurate Funding provisions of the Code of Maryland Regulations (COMAR) 13A.02.10 *Maryland Public Charter School Program.* The Maryland State Department of Education (MSDE) required local education agencies (LEAs) with operating charter schools to submit the charter school allocations for the 2026-2027 school year using the template provided by MSDE.

Background

In 2003, the Maryland General Assembly enacted the Public Charter School Act. Education Article § 9-109 *Maryland Public Charter School Program* established, "an alternative means within the existing public school system in order to provide innovative learning opportunities and creative educational approaches to improve the education of students." The Education Article was amended in 2006 and in 2015. In April 2026, the State Board adopted COMAR 13A.02.10 *Maryland Public Charter School Program.* The regulation includes a section on commensurate funding.

COMAR 13A.02.10 *Maryland Public Charter School Program* was designed to ensure increased transparency in the process of calculating commensurate funding for charter schools to create a fair and clear calculation that can be applied consistently across the state, and to provide predictability for the development of budgets for LEAs and charter schools. On May 21, 2026, MSDE shared a guidance document and an Excel workbook as a template for the calculation.

Request for Charter School Allocations

The regulation includes a provision addressing compliance monitoring, stating:

> *COMAR 13A.02.10.13(A) (9) (b) The Department may periodically review the tables provided by the local board to the public charter schools under §A(7) of this regulation to provide technical assistance and monitor compliance.*

In August 2026, the State Superintendent required that LEAs submit a copy of the allocation for the 2026-2027 school year in the format provided for each operating charter school. The summary page required sign-off by the LEA Superintendent/CEO, the Finance Officer, and a representative of the charter school. Submissions were due to MSDE by September 30, 2026.

Technical Assistance was provided to the Chief Finance Officers (CFOs) of the LEAs in two meetings for all CFOs. Given that LEAs had completed their allocation for the 2026-2027 school year, MSDE agreed that four LEAs, Baltimore City, Charles County, Frederick County, and St. Mary's County would either submit the completed template or submit the summary tab of the template workbook, as well as the allocation in the LEA's format, for each charter school.

MSDE staff reviewed the charter allocations against the regulation requirements related to compliance, including revenue, application of the administrative fee, and calculation of the special education adjustment.

Recommendations

Update the template and guidance documents for the 2027-2028 school year as, including:

- Use prior year budget actuals when calculating the special education adjustment.
- Add all levels of PreK funding to revenues and enrollment.
- Add space for listing services provided under administrative fee to summary tab.
- Provide a revised template to LEAs early in spring 2027, prior to any negotiations. Include the requirement to use the template in the guidance document.



Public Charter School Commensurate Funding

Implementation Review for COMAR 13A.02.10.13

Division of Student Support and Federal Programs

Presented By | Mary Gable, Assistant State Superintendent
Donna Gunning, Chief Financial Officer
Amalie Brandenberg, Office of Finance
Carol Beck, Division of Student Support and Federal Programs

October 14, 2026

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Presentation Outline

1. Purpose of the Review
2. LEAs with Operating Charter Schools
3. Timeline
4. Review Process
5. Observations
6. Recommendations

Purpose

- The purpose of the presentation is to provide the Board:
  - a progress report on the implementation of COMAR 13A.02.10.13;
  - an overview of the monitoring steps MSDE has taken; and
  - recommendations based on the review.
- MSDE staff requested that LEAs with operating charter schools submit the commensurate funding calculations for the 2026-2027 school year.

Purpose

Two provisions in the regulation address compliance monitoring

COMAR 13A.02.10.13(A)

(9) Compliance Monitoring

(a) A local board with public charter schools in its jurisdiction shall include a review of compliance with this regulation in the annual audit required by Education Article, §5-109, Annotated Code of Maryland.

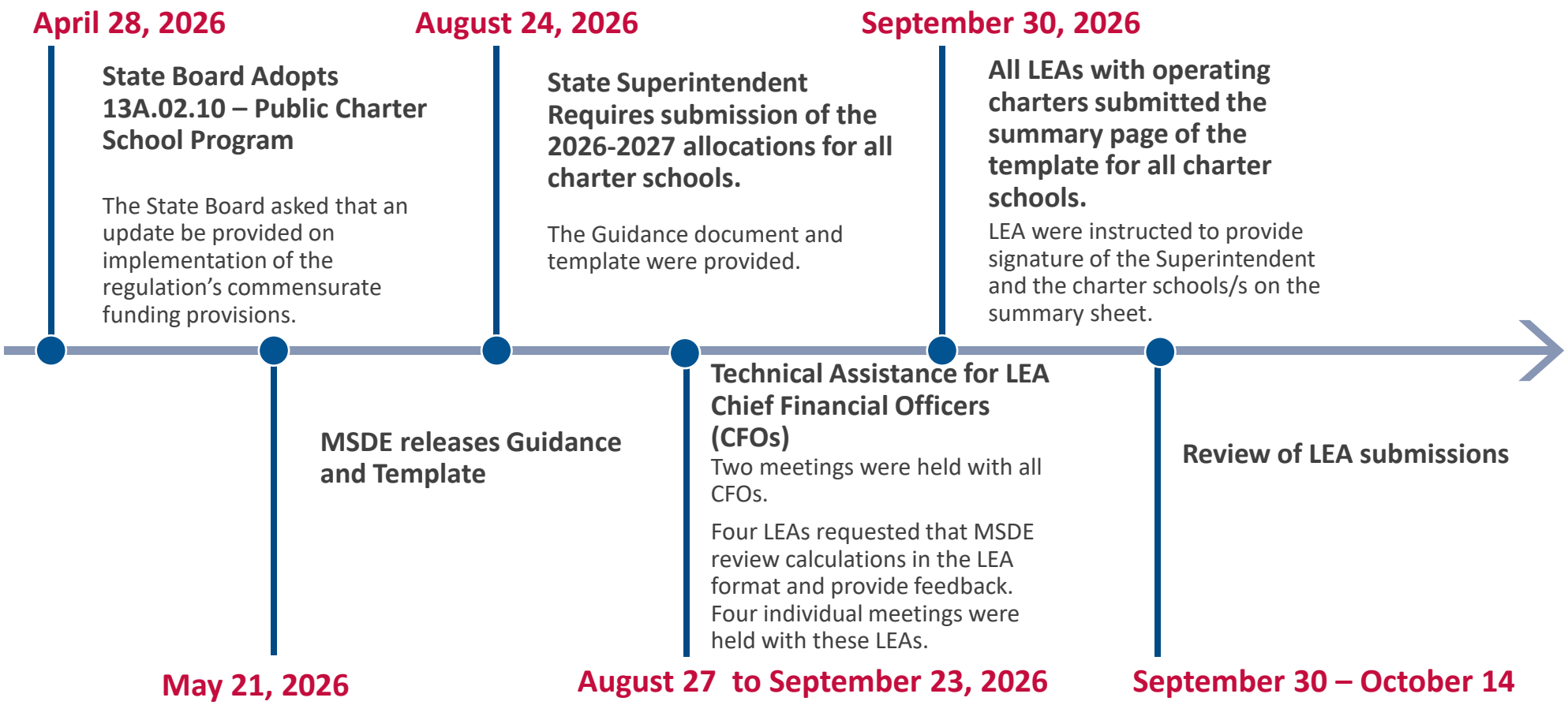
(b) The Department may periodically review the tables provided by the local board to the public charter schools under §A(7) of this regulation to provide technical assistance and monitor compliance.

Maryland LEAs with Operating Charter Schools in 2026-2027

In the 2026-2027 school year, there are 47 public charter schools in Maryland.

- Anne Arundel County 3 schools
- Baltimore City 29 schools
- Baltimore County 1 school
- Charles County 1 school
- Frederick County 4 schools
- Prince George's County 8 schools
- St. Mary's County 1 school

Timeline


April 28, 2026
State Board Adopts 13A.02.10 – Public Charter School Program
The State Board asked that an update be provided on implementation of the regulation's commensurate funding provisions.
May 21, 2026
MSDE releases Guidance and Template
August 24, 2026
State Superintendent Requires submission of the 2026-2027 allocations for all charter schools.
The Guidance document and template were provided.
August 27 to September 23, 2026
Technical Assistance for LEA Chief Financial Officers (CFOs)
Two meetings were held with all CFOs.
Four LEAs requested that MSDE review calculations in the LEA format and provide feedback. Four individual meetings were held with these LEAs.
September 30, 2026
All LEAs with operating charters submitted the summary page of the template for all charter schools.
LEA were instructed to provide signature of the Superintendent and the charter schools/s on the summary sheet.
September 30 – October 14
Review of LEA submissions

Review

1. Is there evidence that the LEA followed the steps outlined in the regulation?
   a. If the LEA sent its own format, MSDE reviewed it against the regulation.

      Four LEAs requested to submit complete calculations in the LEA's format: Baltimore City, Charles, Frederick, and St. Mary's.
   b. MSDE reviewed questions and the need for clarification with the CFO.
   c. These LEAs submitted the summary table from the template.

2. Are there areas where additional technical assistance is needed?

3. Are there recommendations for revisions in the guidance document or template?

Observations

1. Three LEAs reported that the allocation the LEA determined before the MSDE request may have resulted in a larger allocation than would be the case if the MSDE template was used. The template is intended to ensure compliance with the minimum commensurate funding requirements (considered the floor).
2. Three LEAs reported that the LEA and charter came to an agreement regarding funding that extends to FY 2029 or FY 2030. One of these includes administrative fees of 6% and 7% for future years.
3. For calculation of the Special Education Adjustment, the guidance suggests using the amount submitted in the Special Education Maintenance of Effort report. A CFO suggests using the prior year's budget actuals.
4. In most cases, all special education services are managed by the LEA. A special education allocation is not provided; special education funding is not included in the calculation.

Observations (continued)

5. MSDE requested the Summary tab of the template which does not include space to list administrative services, as called for in the regulation.
6. The Shared Cost Deduction rate (allowed deductions as a percentage of all LEA revenue) ranged from 0-13%. In one case revenue for special education exceeded expenditures.
7. In two LEAs, an amount for the workforce board is deducted from the Foundation amount.

Recommendations and Guidance

1. Revise template and guidance documents:
    a. Use prior year budget actuals when calculating the special education adjustment.
    b. Add all levels of PreK funding to revenues and enrollment.
    c. Add space for listing services provided under administrative fee to summary tab.
    d. Provide the template “unlocked” so that information can be added by the LEA.
2. Provide a revised template to the LEAs early in the spring 2027, prior to any negotiations. Include the requirement to use the template in the guidance document.