

R00A01
Headquarters
Maryland State Department of Education

Operating Budget Data

(\$ in Thousands)

	<u>FY 16</u> <u>Actual</u>	<u>FY 17</u> <u>Working</u>	<u>FY 18</u> <u>Allowance</u>	<u>FY 17-18</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$96,380	\$98,128	\$98,256	\$129	0.1%
Adjustments	0	0	-139	-139	
Adjusted General Fund	\$96,380	\$98,128	\$98,117	-\$10	0.0%
Special Fund	6,269	7,495	9,284	1,789	23.9%
Adjustments	0	0	-11	-11	
Adjusted Special Fund	\$6,269	\$7,495	\$9,274	\$1,778	23.7%
Federal Fund	129,407	139,579	165,578	25,999	18.6%
Adjustments	0	0	-247	-247	
Adjusted Federal Fund	\$129,407	\$139,579	\$165,331	\$25,752	18.4%
Reimbursable Fund	2,596	2,936	2,678	-258	-8.8%
Adjusted Reimbursable Fund	\$2,596	\$2,936	\$2,678	-\$258	-8.8%
Adjusted Grand Total	\$234,652	\$248,138	\$275,400	\$27,262	11.0%

Note: Included targeted reversions, deficiencies, and contingent reductions.

- The adjusted fiscal 2018 allowance reflects an increase of approximately \$27.3 million when compared to the fiscal 2017 working appropriation. The Division of Rehabilitation Services (DORS) receives an increase of \$18.0 million, primarily consisting of federal funds, for case services and relocation of its Disability Determination Services program. The rest of the new funding is primarily for grants and contracts, offset by \$5.1 million in decreased funding for personnel.
- Contingent reductions reduce the fiscal 2018 allowance by \$138,906 in general funds, \$10,539 in special funds, and \$246,684 in federal funds due to the across-the-board reduction for a supplemental pension payment. Annual payments are mandated for fiscal 2017 through 2020 if the Unassigned General Fund balance exceeds a certain amount at the close of the fiscal year. This action is tied to a provision in the Budget Reconciliation and Financing Act of 2017.

Note: Numbers may not sum to total due to rounding.

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Personnel Data

	<u>FY 16 Actual</u>	<u>FY 17 Working</u>	<u>FY 18 Allowance</u>	<u>FY 17-18 Change</u>
Regular Positions	1,245.90	1,243.90	1,243.90	0.00
Contractual FTEs	<u>120.34</u>	<u>127.44</u>	<u>131.94</u>	<u>4.50</u>
Total Personnel	1,366.24	1,371.34	1,375.84	4.50

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	84.34	6.78%
Positions and Percentage Vacant as of 12/31/16	127.10	10.22%

- There are no regular position reductions for the Maryland State Department of Education (MSDE) in fiscal 2018. However, in fiscal 2017, MSDE lost 12.0 positions from its Office of Information Technology and 6.0 positions from DORS as part of the Shared Services program with the Department of Information Technology (DoIT). DoIT will bill MSDE for the work it will be doing through the program as a contractual expense. In addition, 18.0 vacant positions were eliminated across the agency as part of Section 20 of the fiscal 2017 budget bill. (This data does not include vacant positions eliminated in the Division of Early Childhood Development.) Due to new positions added for the Library for the Blind and Physically Handicapped (LBPH) and the Juvenile Services Education System (JSES) in fiscal 2017, staffing remains level between fiscal 2017 and 2018.
- MSDE had 127.1 vacant positions at the end of the calendar year, with particularly large amounts in DORS, with 39.8 vacant positions, and JSES with 31.0 vacant positions, most of which are teachers. More discussion on vacancies for JSES can be found in the Issues section of this analysis. MSDE’s 10.2% vacancy rate at the end of the calendar year is 3.4 percentage points higher than its budgeted turnover rate for fiscal 2018.

Analysis in Brief

Major Trends

Vocational Rehabilitation Results Maintained: DORS provides vocational rehabilitation services and determines eligibility for federal disability benefits. The goal of the client services program is to provide vocational rehabilitation to disabled individuals so that they may achieve economic self-sufficiency through employment. DORS' employment success rate fell in the years leading up to federal fiscal 2011, dropping to 45%, but has held steady at approximately 60% over the past five years. For those who obtain employment, approximately 84% of them retain that employment for at least one year.

Teacher Effectiveness Results Increase Slightly: MSDE has a goal of making sure that all educators have the skills necessary to be highly qualified teachers. Associated with this goal is the objective to increase the percentage of teachers across the State who are rated as highly effective. The percentage of teachers in the State rated as highly effective has risen in the 2016 assessment evaluation to 37% but is still below the 2014 assessment of nearly 41%. The percentage of teachers rated as ineffective has stayed relatively level at approximately 2% over time. **The State Superintendent should comment on the latest evaluation results and what MSDE is doing to increase teacher quality.**

Library for the Blind and Physically Handicapped Increases Outreach Programming: In order to increase access to its materials and services LBPH provides outreach programs. The number of outreach programs provided by LBPH has declined from fiscal 2013 to 2016, including a drop from 114 to 40 programs between fiscal 2014 and 2015. The Department of Budget and Management notes that the Reference/Outreach Librarian position, as well as several other key positions, were vacant during fiscal 2015, contributing to the drop in that year. However, LBPH received increased funding in fiscal 2016 due to a new mandate, leading to an increase in the number of programs offered to 107 and total program attendees to 5,292.

Issues

The Every Student Succeeds Act and Assessments: The Every Student Succeeds Act (ESSA) requires measurement of student success and student growth, with states being expected to implement a Consolidated State Plan (CSP) for the 2017-2018 school year. MSDE has convened an ESSA Stakeholder Committee that will submit its final recommendations for Maryland's CSP. **MSDE should update the committees on the latest timeline for presenting a final draft of the CSP and submitting it to the U.S. Department of Education for approval. MSDE should also comment on the balance between academic and school quality/student success indicators in the draft CSP.** The ESSA requires that students be tested in reading/language arts and mathematics annually in grades 3 through 8; in reading/language arts and mathematics once in high school; and in science, once in each of three specified grade spans. In Maryland, the Partnership for Assessment of Readiness for College and Careers (PARCC) is mostly used for these requirements. Concerns have been raised by parents and teachers about the purpose, scope, and amount of testing students in Maryland are currently

undergoing. In response, the Commission to Review Maryland’s Use of Assessments and Testing in Public Schools was formed to make recommendations on how local school systems and the State can improve the process by which assessments are administered. **MSDE should comment on how it is responding to concerns over testing and how the administration of future assessments may be affected.** PARCC scores from the 2015-2016 school year are the first in which students determined not to be college and career ready by the end of grade 11 are required to receive transition courses or other instructional opportunities in grade 12. Scores from this administration were relatively level for English/language arts, and generally improved for mathematics. Some assessments were optional for this administration. **MSDE should provide an update on the administration of PARCC for the 2016-2017 school year, particularly for any tests that are no longer optional. MSDE should also provide an update on the implementation of transition courses for students who are not determined to be college and career ready.**

Improving Juvenile Services Education: As a means to address concerns regarding education for children at Department of Juvenile Services (DJS) facilities, the fiscal 2017 budget included \$457,000 for DJS to improve educational facilities and \$2 million for MSDE to hire 20 new positions for JSES and provide turnover relief. However, vacancy rates have remained high for JSES. **MSDE should comment on the operation of its recruitment/retention incentive and whether it has been successful in filling the positions that were added for fiscal 2017.** The General Assembly added budget bill language to the fiscal 2017 budget requiring reporting by MSDE and DJS, including how they were addressing concerns regarding DJS education services; information on contracts between DJS and private providers that deliver education services; and additional measures with which to evaluate JSES, with the intent that these measures be included in MSDE’s annual Managing for Results submission, but they were not submitted with the budget.

Longitudinal Data System Ready to Report Results: Increasingly complex and interrelated policy questions have required the State to invest considerable time and resources into building the Maryland Longitudinal Data System (MLDS) Center to collect statewide data on K-12 and higher education students and the workforce (Chapter 190 of 2010). MLDS’s 2016 annual report indicates that it is making significant progress toward vetting its information. **The Director of MLDS should comment on how legislators or other State policymakers should contact MLDS for longitudinal data requests, whether Public Information Act requests are necessary, and the turnaround time for information that is readily available in the system.** Despite this recent increase in productivity, many limitations currently exist within MLDS for reasons of statutory scope and privacy. In August 2016, the P-20 Leadership Council workgroup studying MLDS published the *Data Gap Analysis* report, which identifies the reasons, impacts, and resolutions for certain gaps in the MLDS datasets. MLDS is working on a federally funded synthetic data project. If successful, MLDS would be able to create a fictitious dataset that would, in the aggregate, produce the same population statistics as the real dataset. This would enable MLDS to share more of its data with more researchers without raising data security or privacy concerns. **The Director of MLDS should comment on progress made toward resolving the issues highlighted in the *Data Gap Analysis*, especially ones that may require statutory changes. The director should also comment on the timeline for determining whether the synthetic data project will be successful.**

Recommended Actions

	<u>Funds</u>
1. Reduce funding for the Division of Business Services for the administration of the Aid to Non-Public Schools Program and the Broadening Options and Opportunities for Students Today Program.	\$ 240,812
Total Reductions	\$ 240,812

Updates

Loaned Educators No Longer Being Engaged: In the 2010 legislative session and each year thereafter, the General Assembly has added budget language expressing intent that no individual loaned educator be engaged for more than six years and that certain loaned educators submit annual financial disclosure statements. The budget language also requires that an annual report be submitted on the loaned educator program and that a report be submitted to the committees before hiring a new loaned educator. The number of loaned educators has declined from 79 in fiscal 2006 to 0 in fiscal 2016 through a combination of budget reductions, educators returning to counties, and conversions of educators to regular positions among other actions.

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Operating Budget Analysis

Program Description

Providing a free, public education is a constitutional obligation of the State. The Maryland State Department of Education (MSDE) strives to provide leadership, support, and accountability for effective public education systems, including juvenile correctional education and career readiness. The agency also oversees rehabilitation services and library services for all Marylanders.

The State plays an important role in public education by setting uniform standards for schools and students. The State Board of Education (State board) adopted the Maryland College- and Career-Ready Standards in English language arts/literacy and mathematics in June 2010, which form the foundation for Maryland's new State curriculum. The new State curriculum was fully implemented in all Maryland schools beginning in the 2013-2014 school year. The agency uses assessments to hold schools and students accountable for achievement of the State standards.

MSDE helps ensure that educators have the skills necessary to improve student achievement. The agency handles certification of teachers, principals, and other professional school personnel. Training programs are offered to principals, and the agency evaluates and approves higher education programs that educate and prepare teachers and other certified school personnel.

MSDE includes the Office of the State Superintendent; the Division of Business Services; the Division of Academic Policy and Innovation; the Division of Accountability and Assessment; the Office of Information Technology; the Office of School and Community Nutrition Programs; the Division of Early Childhood Development; the Division of Curriculum, Assessment, and Accountability; the Division of Student, Family and School Support; the Division of Special Education/Early Intervention Services; the Division of Career and College Readiness; the Juvenile Services Education Program; the Division of Certification and Accreditation; the Division of Library Development and Services; and the Division of Rehabilitation Services (DORS). Note that there is a separate analysis on Early Childhood Development (R00A99).

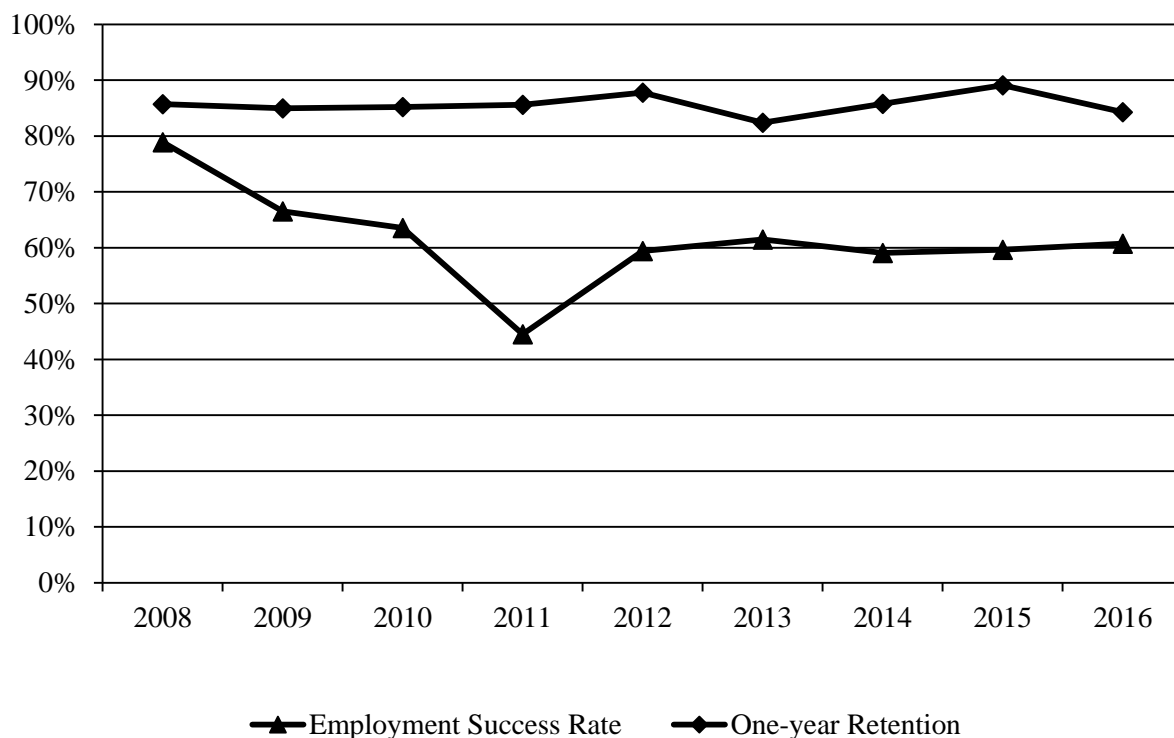
Performance Analysis: Managing for Results

1. Vocational Rehabilitation Results Maintained

DORS provides vocational rehabilitation services and determines eligibility for federal disability benefits. The division includes Headquarters, Client Services, the Workforce and Technology Center, Disability Determination Services, and Blindness and Vision Services.

The goal of the client services program is to provide vocational rehabilitation to disabled individuals so that they may achieve economic self-sufficiency through employment. Clients can access services at over 20 field offices throughout the State or at the Workforce and Technology Center in Baltimore, which offers a wide range of job skills training and academic courses beyond what is offered at the field offices. As shown in **Exhibit 1**, the employment success rate fell in the years leading up to federal fiscal 2011, dropping to 45% but has held steady at approximately 60% over the past five years. For those who obtain employment, Exhibit 1 also reveals that approximately 84% of them retain that employment for at least one year.

Exhibit 1
DORS Employment Success and One-year Retention Rates
Federal Fiscal 2008-2016



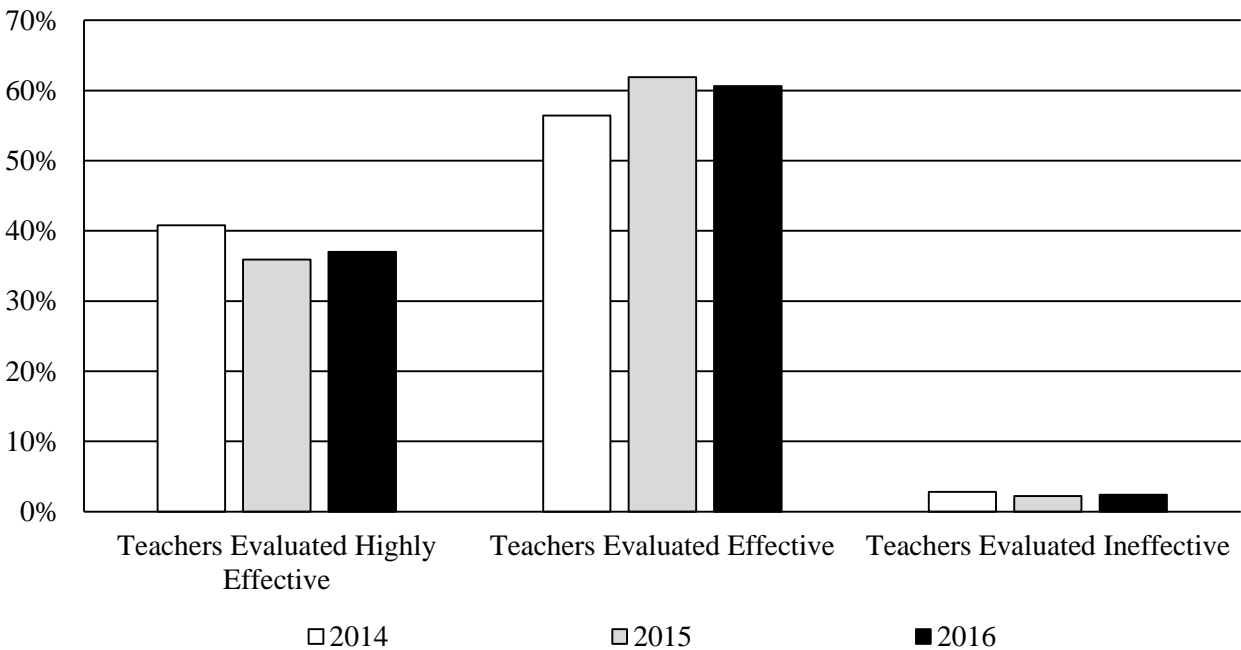
DORS: Department of Rehabilitation Services

Source: Maryland State Department of Education, Governor’s Budget Books, Fiscal 2009-2016, and Department of Budget and Management, Fiscal 2017-2018

2. Teacher Effectiveness Results Increase Slightly

MSDE has a goal of making sure that all educators have the skills necessary to be highly qualified teachers. Associated with this goal is the objective to increase the percentage of teachers across the State who are rated as highly effective. **Exhibit 2** shows the results for those evaluations for assessment years 2014 through 2016. As shown, the percentage of teachers in the State rated as highly effective has risen in the most recent evaluation to 37% but is still below the 2014 assessment of nearly 41%. The percentage of teachers rated as ineffective has stayed relatively level at approximately 2% over the years. **The State Superintendent should comment on the latest evaluation results and what MSDE is doing to increase teacher quality.**

Exhibit 2
Teacher Effectiveness
Assessment Years 2014-2016



Note: Assessment year equates to the second year of the school year. Example: Assessment year 2016 is school year 2015-2016.

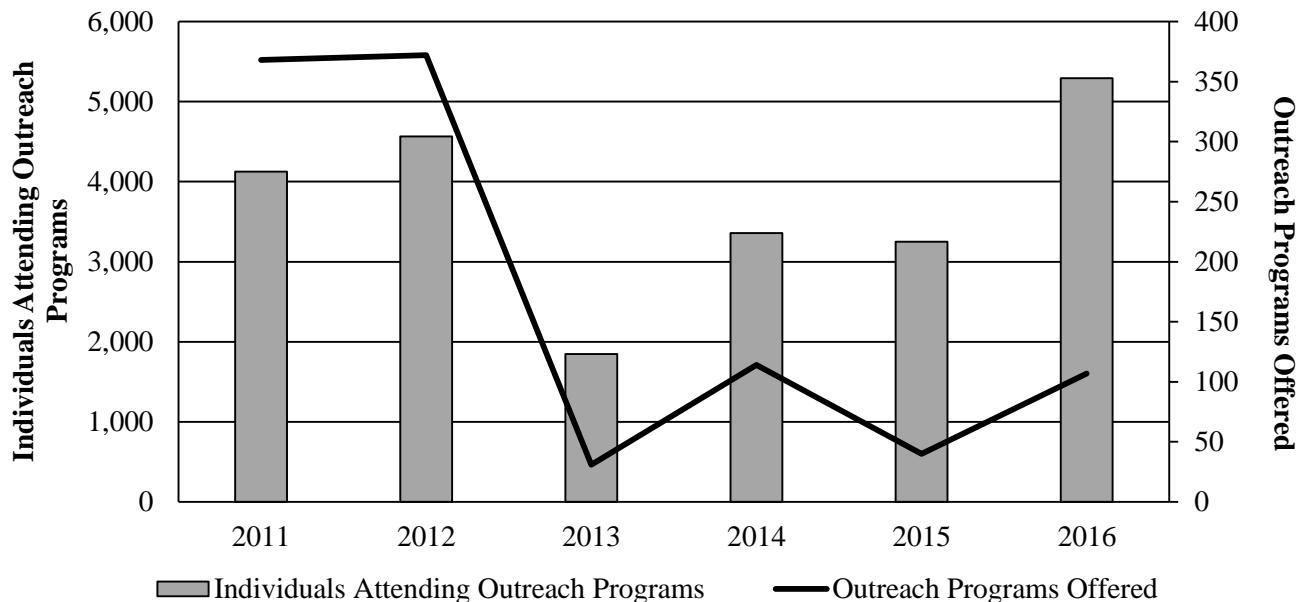
Source: Department of Budget and Management, Fiscal 2018

3. Library for the Blind and Physically Handicapped Increases Outreach Programming

The Library for the Blind and Physically Handicapped (LBPH) is a statewide library program serving blind, visually impaired, physically disabled, and reading disabled Maryland residents. LBPH is operated by MSDE, located in Baltimore City, and is a component of the National Library Service for the Blind and Physically Handicapped at the Library of Congress. The library is the primary source of books, periodicals, and other information in formats such as Braille, large print, and recorded books.

In order to increase access to its materials and services, LBPH provides outreach programs. The number of outreach programs provided by LBPH between fiscal 2011 and 2016 is illustrated in **Exhibit 3**, as well as the number of participants for those programs. There has been a decline in the number of outreach programs from fiscal 2011 to 2016, including a drop from 114 to 40 programs from fiscal 2014 to 2015. The Department of Budget and Management (DBM) notes that the Reference/Outreach Librarian position, as well as several other key positions, were vacant during fiscal 2015, contributing to the drop in that year. LBPH received increased funding in fiscal 2016 due to a new mandate, leading to an increase in the number of programs offered to 107 and total program attendees to 5,292.

Exhibit 3
Library for the Blind and Physically Handicapped Outreach Results
Fiscal 2011-2016



Source: Department of Budget and Management

Proposed Budget

As shown in **Exhibit 4**, the fiscal 2018 allowance reflects a \$27.3 million increase over the fiscal 2017 working appropriation. This takes into account the across-the-board reduction for the pension sweeper.

Exhibit 4
Proposed Budget
MSDE – Headquarters
(\$ in Thousands)

How Much It Grows:	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2016 Actual	\$96,380	\$6,269	\$129,407	\$2,596	\$234,652
Fiscal 2017 Working Appropriation	98,128	7,495	139,579	2,936	248,138
Fiscal 2018 Allowance	<u>98,117</u>	<u>9,274</u>	<u>165,331</u>	<u>2,678</u>	<u>275,400</u>
Fiscal 2017-2018 Amount Change	-\$10	\$1,778	\$25,752	-\$258	\$27,262
Fiscal 2017-2018 Percent Change		23.7%	18.4%	-8.8%	11.0%

Where It Goes:

Personnel Expenses

Other fringe benefit adjustments	\$439
Workers' compensation premium assessment	73
Turnover adjustments.....	-56
Employee retirement system	-797
Employee and retiree health insurance	-1,829
Salaries and other compensation.....	-2,992

Division of Rehabilitation Services

Case services	12,138
Disability Determination Services new location	4,045
Maryland Business Enterprise Program for the Blind	732
Grants, contracts, and other expenses	689
Facilities upkeep	419

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Where It Goes:

Other Changes

Statewide Cost Allocation Plan cost pool	3,600
Free and reduced-priced meals matching software	2,295
Statewide Longitudinal Data Systems	2,258
Information technology contracts	1,485
Special education and early intervention services management and consulting.....	1,114
School Improvement Grants to nongovernment entities.....	1,041
Special education and early intervention services grants.....	901
Career and technical education contracts and grants	635
Accountability and assessment contracts	457
Public Education Partnership Fund initiatives	475
Travel, equipment, and other expenses	451
Division of Library Development and Services grants	285
Library for the Blind and Physically Handicapped program and operating expenses	-596
Total	\$27,262

MSDE: Maryland State Department of Education

Note: Numbers may not sum to total due to rounding.

Across-the-board Reductions

The fiscal 2018 budget bill includes a \$54.5 million (all funds) across-the-board contingent reduction for a supplemental pension payment. Annual payments are mandated for fiscal 2017 through 2020 if the Unassigned General Fund balance exceeds a certain amount at the close of the fiscal year. MSDE’s share of these reductions is \$138,906 general funds, \$10,539 special funds, and \$246,684 federal funds. This action is tied to a provision in the Budget Reconciliation and Financing Act of 2017.

Personnel Changes

Personnel expenses decrease for MSDE in fiscal 2018 compared to the fiscal 2017 working appropriation by nearly \$5.2 million, though the agency is not reducing any regular positions. However, in fiscal 2017, MSDE lost 12 positions from its Office of Information Technology and 6 positions from DORS as part of the Shared Services program with the Department of Information Technology (DoIT). DoIT will bill MSDE for the work it will be doing through the program as a contractual expense. In addition, 18 vacant positions were eliminated across Headquarters as part of Section 20 of the fiscal 2017 budget bill. (This decrease in number of positions was offset by 34 new positions provided for MSDE in fiscal 2017, netting to a level number of positions.) Therefore, less funding for salaries and fringe benefits is required. There is no funding for increments in the fiscal 2018 allowance.

DORS

The fiscal 2018 allowance for DORS is \$15.9 million (all funds) above the fiscal 2017 working appropriation. This includes \$18.0 million in new funding, offset by \$2.1 million in decreased personnel expenses (shown under Personnel Expenses in Exhibit 4). Personnel spending decreases for DORS in fiscal 2018 particularly due to the decline of 6 positions for the Shared Services program and 8 vacant positions abolished as part of Section 20 of the fiscal 2017 budget bill.

Of the \$18.0 million increase, approximately \$12.1 million is for case services being provided to DORS clients. Of this increase, \$11.1 is federal funding from a vocational rehabilitation grant and Social Security reimbursements, while \$1.0 million is in general funds as enhancement funding to reduce the wait list for services by 600 individuals. MSDE reports that the wait list for case services averaged 3,629 individuals from March through September 2016. DORS receives approximately \$4.0 million in federal funds to move its Disability Determination Services program from its current location in Timonium to a new location that is yet to be determined, per decisions at the federal Social Security Administration. DORS Blindness and Vision Services receives \$732,000 in special funding due to anticipated profits from the Maryland Business Enterprise Program for the Blind. The remainder of the increase is primarily for DORS grants, contracts, and facilities upkeep and primarily consists of federal funds.

Other Significant Changes

MSDE receives \$3.6 million in new federal funds for its Statewide Cost Allocation Plan (SWCAP) cost pool. With SWCAP, MSDE is required to revert a portion of its federal fund indirect cost recovery to the State to support certain statewide cost areas. This allocation is to accommodate those funds.

MSDE receives nearly \$2.3 million in new federal funds for its Nutrition Program for anticipated grants from the U.S. Department of Agriculture for developing computer matching software. This software will improve matching Supplemental Nutrition Assistance Program (SNAP) recipients with student enrollment data to determine free and reduced-priced meal (FRPM) eligibility.

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The goal is to move toward a 100% match rate and increase the number of students who automatically qualify for FRPM based on family participation in SNAP, *i.e.*, direct certification.

Federal funds for the development and implementation of longitudinal data systems totals nearly \$2.8 million in fiscal 2018. This includes \$2.0 million for MSDE and \$787,000 for the Maryland Longitudinal Data System (MLDS). This is a \$2.3 million increase over the fiscal 2017 working appropriation. The federal grant for these funds stipulated that only State educational agencies were eligible to apply. Hence, MSDE was the only possible applicant. MSDE brought together a series of projects that were responsive to the solicitation, including a Maryland Higher Education Commission (MHEC) project, several MSDE projects, and an MLDS project.

For the first time in many years, the fiscal 2018 budget bill does not include a large deficiency appropriation for assessment contracts. Assessment and accountability costs increase by \$457,000 over fiscal 2017. The State is in the third year of a four-year contract with the Partnership for Assessment of College and Career Readiness (PARCC) Consortium for most of its State assessments. MSDE expects to administer 92% of its PARCC exams as computer-based tests (CBT) in fiscal 2017, a higher rate than what was predicted, with 8% being administered as paper based tests. Fiscal 2018 will be the last year of its contract with Educational Testing Service for the High School Assessments and the first year funding for a middle school social studies assessment. **MSDE should update the committees on the costs of PARCC assessments for fiscal 2016 through 2018, including high school end of course tests, and how these costs compare with previous estimates. MSDE should also comment on how the percentage of students taking assessments as CBTs affects these costs. Finally, MSDE should comment on the potential for increased costs for assessments in fiscal 2018 and beyond, and whether it anticipates needing a deficiency to pay for assessments in fiscal 2018.**

Issues

1. The Every Student Succeeds Act and Assessments

On December 10, 2015, President Barack H. Obama signed into law the Every Student Succeeds Act (ESSA), a re-authorization of the Elementary and Secondary Education Act. The ESSA requires each state to have its own accountability plan based on multiple measures, including at least one measure of school quality or student success and, at the state’s discretion, a measure of student growth. The expectation is that a state’s Consolidated State Plan (CSP) will be effective for the 2017-2018 school year.

Maryland’s CSP

In developing Maryland’s CSP, MSDE has convened an external ESSA Stakeholder Committee, which includes teachers, principals, local superintendents, members of the State Board of Education (SBE), policy analysts from the legislature and the Governor’s Office, representatives of teachers’ unions, representatives of charter schools, representatives of the business community, and representatives of the disabled community. The committee will submit its final recommendations to SBE in the form of a draft. This draft will again be posted and shared with stakeholders for final input. SBE must submit the CSP to the U.S. Department of Education (ED) for approval.

Components of the CSP include (1) consultation and coordination; (2) challenging academic standards and assessments; (3) accountability, support, and improvement for schools; (4) supporting excellent educators; and (5) supporting all students. The ESSA requires the CSP to include an Accountability System with at least four indicators, as follows: (1) achievement and gap narrowing goals; (2) progress/growth (at the elementary/middle school level) or graduation (at the high school level); (3) English learner proficiency; and (4) school quality/student success. **MSDE should update the committees on the latest timeline for presenting a final draft CSP and submission of the CSP to ED. MSDE should also comment on the balance between academic and school quality/student success indicators in the draft CSP.**

Assessment Requirements under the ESSA

The ESSA requires that students be tested in reading/language arts and mathematics annually in grades 3 through 8; in reading/language arts and mathematics once in high school; and in science, once in each of three specified grade spans. In Maryland, PARCC is mostly used for these requirements. However, the ESSA allows a state to approve a local school system’s use of a nationally recognized high school test such as the SAT or the ACT instead of PARCC. The approved assessments must meet all federal and state assessment and accountability requirements.

Concerns have been raised by parents and teachers about the purpose, scope, and amount of testing students in Maryland are currently undergoing. Chapter 421 of 2015 established the Commission to Review Maryland’s Use of Assessments and Testing in Public Schools to make recommendations on how local school systems and the State can improve the process by which

assessments are administered. The commission issued a report in July 2016, which acknowledged that assessing students is an integral part of the teaching and learning process. The commission's 22 recommendations center around three themes: (1) assessments should be limited in number, purpose, and time; (2) the administration of assessments is a joint responsibility of MSDE and local school systems; and (3) in order to administer assessments in the most efficient way, technology must be used and technological disparities in local school systems must be addressed.

SBE agreed with the majority of the commission's recommendations; however, it departed from the recommendations of the commission in the following: (1) recommending that a middle school social studies assessment should go forward (the commission had recommended repealing the requirement); (2) the administration window for the high school government assessment should not be changed until the 2018-2019 school year (the commission had recommended the high school government assessment should be administered within class periods without needing to alter the normal school day schedule); and (3) the current practice of only allowing certificated staff to administer, proctor, and accommodate certain assessments should be maintained (the commission had recommended that restrictions on who can administer, proctor, and accommodate State and locally mandated assessments should be relaxed in order to limit the impact of subject matter testing on certified teachers and staff in other subject areas). **MSDE should comment on how it is responding to concerns over testing and how the administration of future assessments may be affected.**

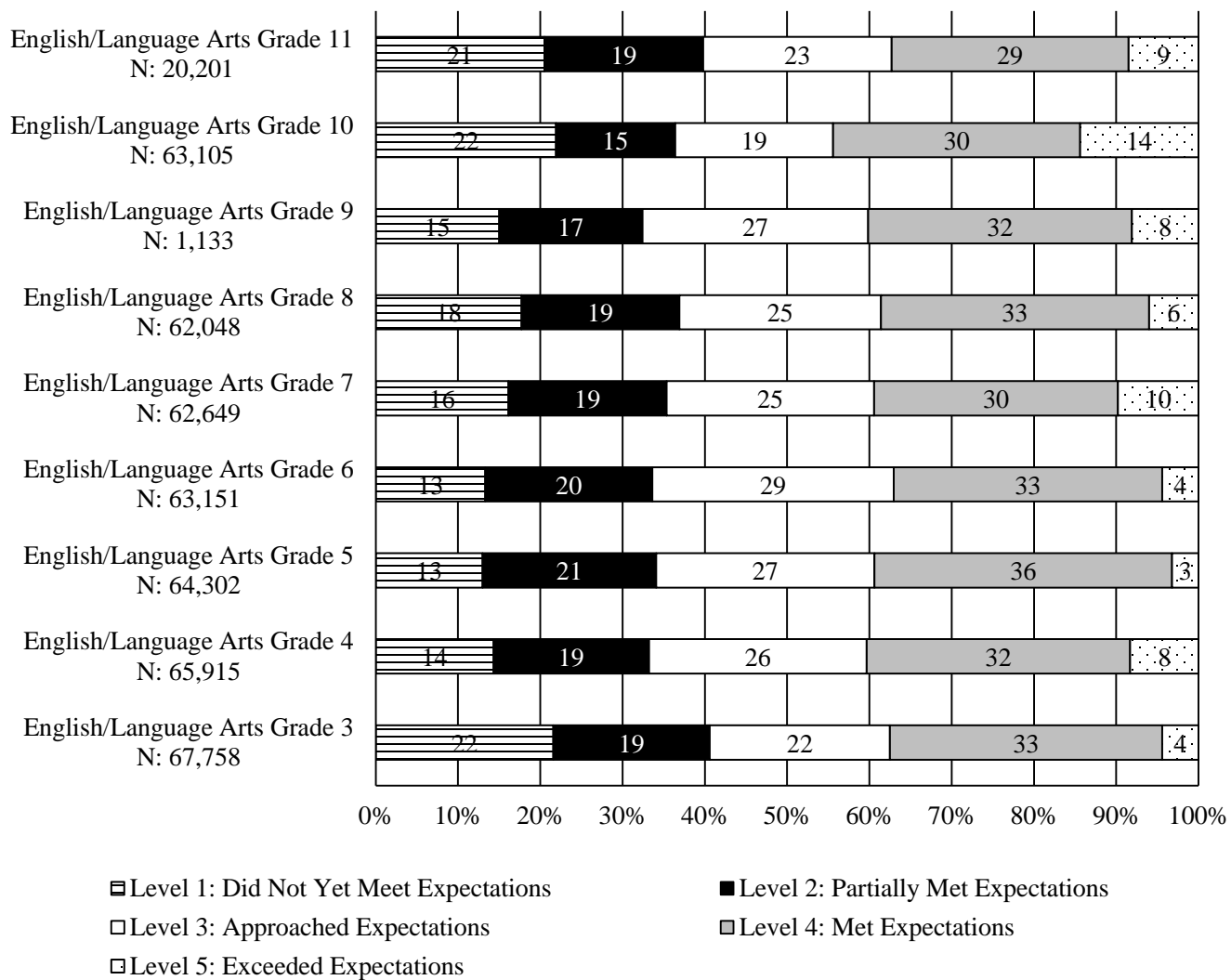
PARCC Results

PARCC assessments were administered for the second time during the 2015-2016 school year. These scores represent the first administration of PARCC in which students are required to be assessed using college placement cut scores no later than grade 11 to determine whether they are ready for college-level credit-bearing coursework in English/language arts and mathematics. Scores for English/language arts are shown in **Exhibit 5**, while the change from the previous year's administration by percentage point change is shown in **Exhibit 6**. The scores and change of scores for mathematics are shown in **Exhibit 7** and **Exhibit 8**. A score in Level 3 is currently required to pass the assessment. A score in Level 4 or 5 denotes college and career readiness. Students determined not to be college and career ready by the end of grade 11 are required to receive transition courses or other instructional opportunities in grade 12, as developed by MSDE in collaboration with local education agencies (LEA) and community colleges.

As shown in the exhibits, just under 40% of students on average demonstrated readiness in English/language arts. These scores were fairly level with the school year 2014-2015 administration, with the largest gains occurring for students in Grade 10 assessments. Scores for mathematics were lower, with just under 30% of students on average demonstrating readiness. However, these scores do represent improvement over the previous year's exams, with large increases for all assessments except Grade 8. This administration was the first for the English/language arts grades 9 and 11 assessments, as well as the geometry assessment. These assessments, as well as the algebra II assessment, were optional for LEAs for this administration, leading to a lower number of test takers for these assessments. **MSDE should provide an update on the administration of PARCC for the 2016-2017 school year, particularly for any tests that are no longer optional. MSDE should also provide an update on**

the implementation of transition courses for students who are not determined to be college and career ready.

**Exhibit 5
English/Language Arts PARCC Results
School Year 2015-2016**



PARCC: Partnership for Assessment of Readiness for College and Careers
 N: Students Tested

Source: Maryland State Department of Education

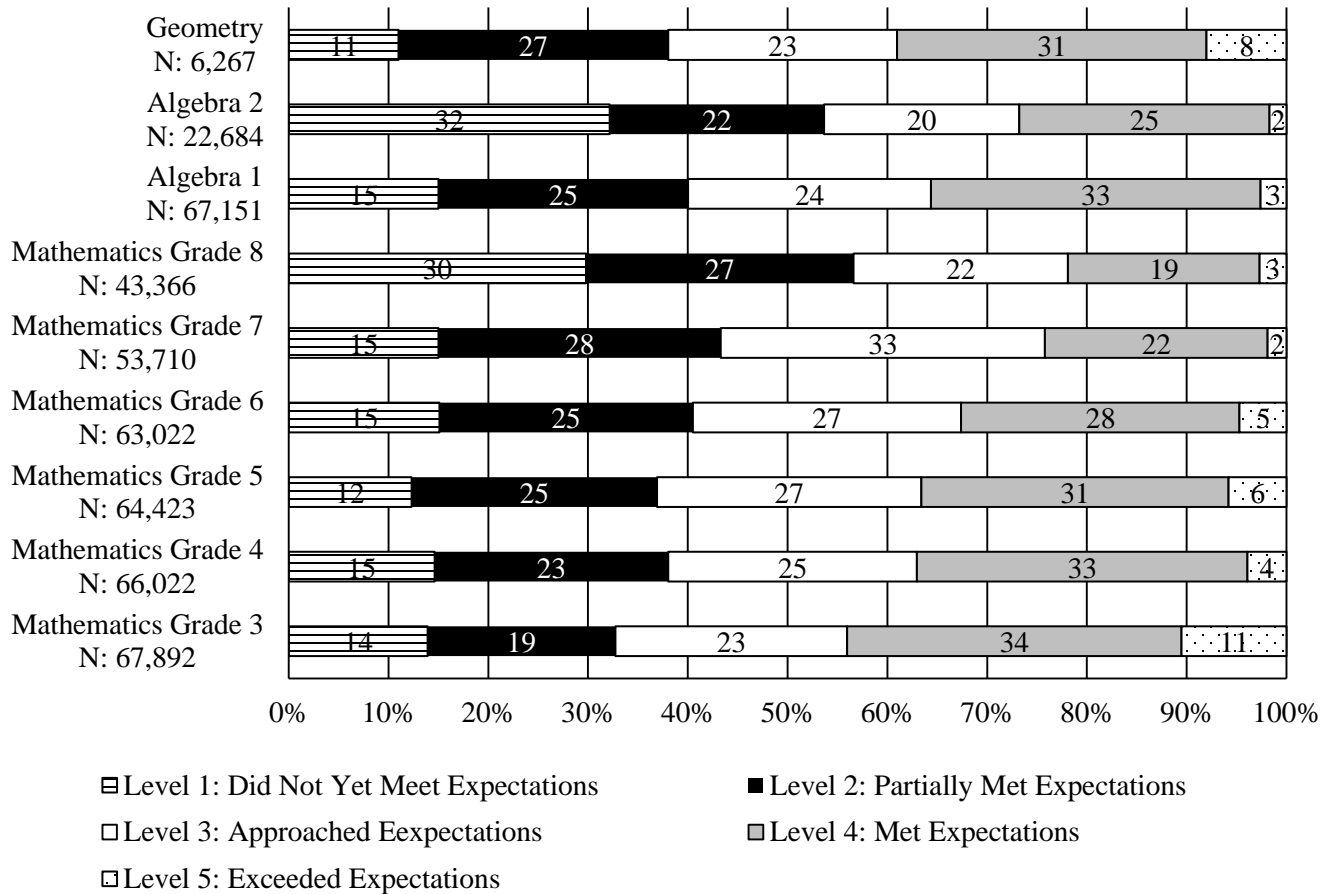
Exhibit 6
PARCC Percentage Point Change
English/Language Arts
School Year 2014-2015 to 2015-2016

<u>Assessment</u>	<u>Levels 1 and 2</u>	<u>Level 3</u>	<u>Level 4 and 5</u>
Grade 3	0.8	-0.1	-0.6
Grade 4	0.4	-0.8	0.2
Grade 5	1.4	-0.7	-0.7
Grade 6	0.2	-1.1	0.8
Grade 7	-1.0	0.2	0.7
Grade 8	1.4	0.5	-1.8
Grade 9	–	–	–
Grade 10	-3.0	-1.7	4.7
Grade 11	–	–	–

PARCC: Partnership for Assessment of Readiness for College and Careers

Source: Maryland State Department of Education

**Exhibit 7
Mathematics PARCC Results
School Year 2015-2016**



PARCC: Partnership for Assessment of Readiness for College and Careers
 N: Students Tested

Source: Maryland State Department of Education

Exhibit 8
PARCC Percentage Point Change
Mathematics
School Year 2014-2015 to 2015-2016

<u>Assessment</u>	<u>Levels 1 and 2</u>	<u>Level 3</u>	<u>Level 4 and 5</u>
Grade 3	-4.7	-3.1	7.6
Grade 4	-4.0	-2.4	6.4
Grade 5	-5.2	-1.6	6.6
Grade 6	-1.8	-1.3	3.1
Grade 7	-1.8	-1.2	2.9
Grade 8	0.5	0.8	-1.3
Algebra I	-1.6	-2.8	4.4
Algebra II	-5.4	-1.2	6.6
Geometry	–	–	–

PARCC: Partnership for Assessment of Readiness for College and Careers

Source: Maryland State Department of Education

2. Improving Juvenile Services Education

As a result of legislation enacted by the General Assembly in 2003, MSDE began the process of assuming responsibility for the provision of education services to all State-operated Department of Juvenile Services (DJS) detention and committed-care facilities in fiscal 2005. The last of 14 facilities was transferred in fiscal 2013. The assumption at the time that the legislation was enacted was that MSDE, being the overseer of education services for the State, was better positioned to ensure the provision of adequate education services to the population of youth under the care of DJS. With the takeover of each facility under its Juvenile Services Education System (JSES), MSDE repeatedly indicated that additional resources were needed to improve the delivery of education services to DJS youth. As a means to address this, the fiscal 2017 budget included \$457,000 for DJS to improve educational facilities, and \$2 million for MSDE to hire 20 new positions and provide turnover relief.

The General Assembly added budget bill language to the fiscal 2017 budget requiring reporting by MSDE and DJS, including how they were addressing concerns regarding DJS education services; information on contracts between DJS and private providers that deliver education services; and additional measures with which to evaluate JSES, with the intent that these measures be included in MSDE's annual Managing for Results (MFR) submission.

Addressing Concerns

MSDE and DJS provided the following information in response to the reporting requirements.

- **Postsecondary, Vocational, and Work Opportunities:** Currently, students residing at Backbone Mountain Youth Center, Green Ridge Youth Center, Savage Mountain Youth Center, and Meadow Mountain Youth Center who have obtained a high school diploma are able to participate in postsecondary courses provided through Garrett College. JSES has recently developed a new partnership with Frederick Community College to offer online college courses scheduled to begin in spring 2017 for students residing at Victor Cullen and is in discussion with Chesapeake College to finalize a similar partnership for students at the J. DeWeese Carter Center. All JSES schools provide coursework in career research and development, six offer an office systems management series, and three offer construction trades professions. The certificates that students are able to earn at the various JSES schools are available in the report.
- **Grouping Classes:** MSDE and DJS have jointly determined that most youth in DJS detention facilities will be grouped in classes by living units due to their short-term length of stay. Currently, youth are grouped by skill level at the Green Ridge Youth Camp and Carter Center.
- **High Vacancy Rates:** High vacancy rates and a lack of substitute teachers to fill long-term vacancies have been persistent problems for JSES. MSDE has implemented a plan for \$3,000 recruitment/retention incentives for all JSES teachers and principals. This plan estimated to spend \$60,000 to recruit 20 staff members and provide \$327,000 to the 109 filled teaching and principal positions on staff at the time of the announcement. However, vacancy rates have remained high for JSES teachers, with a vacancy rate of 16%, or 18 positions, as of January 2017. **MSDE should comment on the operation of its recruitment/retention incentive and whether it has been successful in filling the positions that were added for fiscal 2017.** In regard to substitute teaching, MSDE reports that it is in the procurement process with a vendor to provide services to fill long-term vacancies, with implementation for these services scheduled for spring 2017.
- **Space Limitations:** MSDE reports that of the 13 DJS facilities, 7 provided adequate space with no space limitations, 4 reported being in the process of providing new facilities, and 2 (Lower Eastern Shore Children’s Center and Western Maryland Children’s Center) reported having no available space to expand.
- **Adherence to Individualized Education Programs:** JSES has instituted comprehensive monitoring, staff supports, and effectiveness reviews in order to ensure that professional learning practices are consistent with the Individuals with Disabilities Education Act. MSDE reports that all special education complaints from calendar 2014 through 2016 have been closed.

- ***Tuition Assistance:*** MSDE has been in conversations with the University of Maryland and MHEC about assistance programs for students who commit to teach in JSES facilities and about possibilities for research about such programs.
- ***Recordkeeping:*** The report states that JSES, DJS, and LEAs maintain regular contact in order to assist youth while they are detained in the DJS facility, as well as upon their release, and provides a description of training undertaken by JSES and DJS staff, meetings in which they engage, and their communication processes.

MSDE also provided an overview of programs contracted by DJS to provide educational services to its committed youth. All in all, 43 programs were contracted to serve an average daily population of 335 youth (though within this count, some youth likely attended more than one program, meaning the headcount for youth served would be lower), at an average daily rate of \$73 a day for regular education and \$133 a day for special education.

Performance Measures

MSDE and DJS were also required to report on the following performance measures.

- ***The Average Length of Time to Transition Student Records between a JSES School and a Local School System.*** MSDE and DJS report the average length of time to transfer records is three business days.
- ***Teacher Vacancy Rates and Length of Tenure.*** MSDE and DJS reported an average 18% vacancy rate for fiscal 2017 and an average length of tenure for JSES teachers of 3.4 years at the time of its report's submission.
- ***Contacts with Local School System Liaisons to Support Student Transition into the Community.*** JSES had 944 career and technology education (CTE) enrollments between July and August 2016 and issued 1,510 certificates during school year 2015-2016. There are currently eight students enrolled at the Backbone College Program at Garrett College.
- ***The Number of Classroom Hours Canceled due to the Unavailability of a Teacher or Substitute.*** JSES had a total of 304 hours canceled due to the unavailability of a teacher or substitute during the first two months of fiscal 2017, or 3% of potential hours.

The General Assembly requested that these measures be included in MSDE's annual MFR measures beginning with the fiscal 2018 allowance submission. However, as these measures were not included in the fiscal 2018 submission, the Department of Legislative Services has recommended that language be added to DBM's fiscal 2018 budget to require these measures be included in future submissions.

3. Longitudinal Data System Ready to Report Results

Increasingly complex and interrelated policy questions have required the State to invest considerable time and resources into building the Maryland Longitudinal Data System Center to collect statewide data on K-12 and higher education students and the workforce (Chapter 190 of 2010). Starting with \$15.7 million in federal funds beginning in fiscal 2006, it now annually receives operating funding budgeted within MSDE. In fiscal 2018, MLDS has a general fund budget of \$2.1 million and an additional \$0.8 million in federal funds. This funding covers 12.5 positions, of which 11.0 are filled. Several MLDS positions are split with its three data-sharing partner agencies: MSDE; MHEC; and the Department of Labor, Licensing, and Regulation (DLLR).

By statute, MLDS must produce an annual report on the status of MLDS and a report on the dual enrollment of high school students at institutions of higher education in Maryland, which is discussed in the Higher Education Overview operating budget analysis. The 2016 annual report indicates that MLDS is making significant progress toward vetting its information. For example, while the data loading and matching process took longer than anticipated, assistance from the Motor Vehicle Administration enabled MLDS to improve its cross-sector matching rate by up to 8 percentage points. Now MLDS can match 92% of Maryland public high school grade 12 students to a higher education record, workforce record, or both. Across all eight cohorts of grade 12 students currently in MLDS, 60% have matching records across all three sectors.

This finally puts MLDS in a position where it can begin making serious progress on its research agenda. Although MLDS technically met its statutory deadline of December 31, 2014, to become fully developed and operational, its website content was not robust. However, in 2016, MLDS created 23 new dashboards for its website, issued four new policy reports, gave six policy presentations, and fulfilled eight longitudinal data requests. In total there were 11 Public Information Act (PIA) requests to MLDS, eight of which were from higher education institutions in Maryland.

The Director of MLDS should comment on how legislators or other State policymakers should contact MLDS for longitudinal data requests, whether PIA requests are necessary, and the turnaround time for information that is readily available in the system.

In the 2016 interim, one of the P-20 Leadership Council's seven workgroups focused on ways the P-20 Leadership Council could support MLDS. Ultimately, the group did not make substantial changes to the MLDS research agenda. **Exhibit 9** shows a table from one of the new 2016 MLDS reports, *Remedial Coursework in Maryland: Examining Trends, High School Predictors, and College Outcomes*. In it, MLDS examined students enrolling directly from high school into a community college and found that only 33% of remedial students earned any type of degree compared to 61% of nonremedial students. The results show, as expected, that students needing remedial coursework also take longer to graduate. However, whereas 54% of nonremedial students graduate in three to four years with an associate's degree, 52% of remedial students do as well. The time to degree gap widens at the bachelor's degree level where only 24% of remedial students graduate on time compared to 57% of nonremedial students.

Exhibit 9
Time to Final Degree Earned by Remedial Status

Time to Completion	Needed Remedial Coursework?		Difference	
	<u>No</u>	<u>Yes</u>		
Associate	1 to 2 Years	9%	4%	-5 percentage points
	3 to 4 Years	54%	52%	-2 percentage points
	5 to 6 Years	37%	44%	7 percentage points
Bachelor	1 to 4 Years	57%	24%	-33 percentage points
	5 to 6 Years	43%	76%	33 percentage points

Note: Includes only students enrolled in higher education in academic year 2008-2009 who completed a degree by academic year 2014-2015.

Source: *Remedial Coursework in Maryland: Examining Trends, High School Predictors, and College Outcomes*, Maryland Longitudinal Data System Center

The same MLDS report includes information on grades received, predictors for the need for remedial coursework, and policy implications stemming from this research. Previously, a cross-sector data report like this would have been extremely labor intensive to produce. Future research on this topic will look at the impact of high school course taking patterns and what the workforce outcomes are for remedial students. This may help identify students at risk of needing remedial coursework so that prevention and intervention services can be introduced. MLDS reports it has four planned research projects in the 2017 interim that will look at:

- the rate at which students who leave Maryland for postsecondary education return for employment opportunities and what factors influence that rate;
- the outcomes for students in CTE programs, especially whether students end up employed in an industry consistent with their CTE coursework;
- the outcomes of students receiving Maryland need-based financial aid awards (Educational Assistance grants and Guaranteed Access grants) in both postsecondary education and the workforce; and
- the creation of a statewide bachelor and associate degree earner employment status report.

Despite this recent increase in productivity, many limitations currently exist within MLDS for reasons of statutory scope and privacy. In August 2016, the P-20 Leadership Council workgroup studying MLDS published the *Data Gap Analysis* report, which identifies the reasons, impacts, and resolutions for certain gaps in the MLDS datasets. Closing these 18 gaps would improve the capacity of MLDS to research and report on P-20 Leadership Council policy questions. For example, MLDS does not contain information on apprenticeships, but this can be resolved by updating the data-sharing agreement with DLLR to add that information to the MLDS data inventory. A bigger gap, considered the second most important to fix by the agency, is that there is no information on federal employees, military employees, and independent contractors. MLDS will explore working with the Federal Employment Data Exchange System and whether it can work with the Comptroller to receive income tax information to verify where people work. The workgroup identified the data gap of most importance as the statutory limit on linking student information to workforce data. In the 2017 session MLDS will pursue legislation to increase, from 5 years to 20 years, the amount of time a student record may remain linked to workforce data. MLDS believes 5 years is not a long enough period to adequately assess workforce outcomes given a particular education pathway.

Finally, MLDS continues to work on a federally funded synthetic data project. If successful, MLDS would be able to create a fictitious dataset that would, in the aggregate, produce the same population statistics as the real dataset. This would enable MLDS to share more of its data with more researchers without raising data security or privacy concerns. This is a new field of big data science and to date no other state longitudinal data system has accomplished this.

The Director of MLDS should comment on progress made toward resolving the issues highlighted in the *Data Gap Analysis*, especially ones that may require statutory changes. The director should also comment on the timeline for determining whether the synthetic data project will be successful.

Recommended Actions

	<u>Amount Reduction</u>
1. Reduce special funds for the Division of Business Services for the administration of the Aid to Non-Public Schools Program and the Broadening Options and Opportunities for Students Today (BOOST) Program. The agency is authorized to process a reimbursable fund budget amendment in conjunction with authorization to utilize a portion of both the Aid to Non-Public Schools Program and BOOST Program funds for administration.	\$ 240,812 SF
Total Special Fund Reductions	\$ 240,812

Updates

1. Loaned Educators No Longer Being Engaged

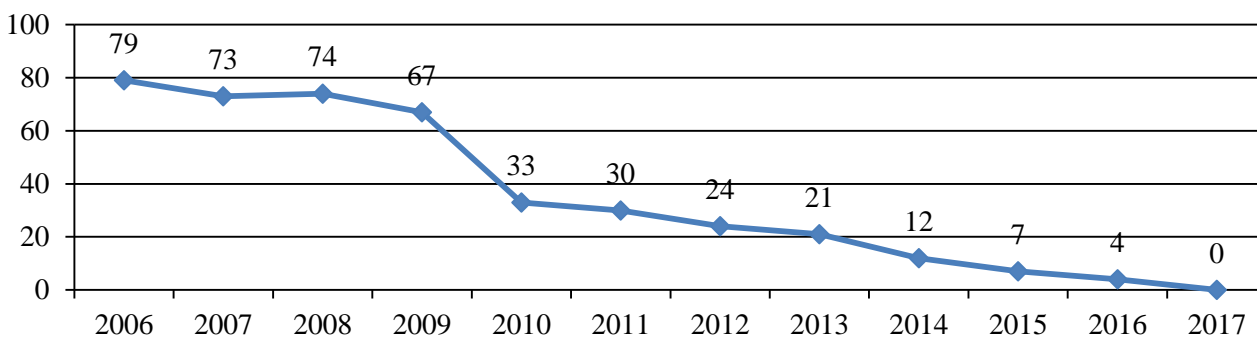
The loaned educator program at MSDE allows a local school system (LSS) to enter into a contract with the State so that a LSS employee may work for MSDE for a finite period of time. The benefit to the State is that these employees bring local knowledge to special projects, and school systems benefit when their employees return with in-depth knowledge of State-level policies and processes.

To use loaned educators, MSDE executes annual contracts with LSS, and the department reimburses the system for the educators' salaries and certain fringe benefits. MSDE has long used loaned educators, but an August 2009 report by legislative auditors articulated a number of concerns about the program, including the practice of contracting with educators for many years rather than using them for short-term projects, paying them more than State employees in similar positions, and not requiring certain educators to complete annual financial disclosure statements.

In the 2010 legislative session and each year thereafter, the General Assembly has added budget language expressing intent that no individual loaned educator be engaged for more than six years and that certain loaned educators submit annual financial disclosure statements. The budget language also requires that an annual report be submitted on the loaned educator program and that a report be submitted to the committees before hiring a new loaned educator.

Exhibit 10 shows the number of loaned educators since fiscal 2006. The number has declined from 79 in fiscal 2006 to 0 in fiscal 2017 through a combination of budget reductions, educators returning to counties, and conversions of educators to regular positions, among other actions.

Exhibit 10
Loaned Educators
Fiscal 2006-2017



Source: Maryland State Department of Education; Governor's Budget Book, Fiscal 2015; Department of Budget and Management

Appendix 1
Current and Prior Year Budgets
Maryland State Department of Education – Headquarters
(\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2016					
Legislative Appropriation	\$85,318	\$7,165	\$143,083	\$2,865	\$238,431
Deficiency Appropriation	11,933	0	-3,600	0	8,333
Budget Amendments	1,794	-644	1,993	100	3,243
Reversions and Cancellations	-2,664	-252	-12,069	-369	-15,354
Actual Expenditures	\$96,381	\$6,269	\$129,407	\$2,596	\$234,653
Fiscal 2017					
Legislative Appropriation	\$97,463	\$7,449	\$138,442	\$2,936	\$246,290
Cost Containment	0	0	0	0	0
Budget Amendments	665	46	1,137	0	1,848
Working Appropriation	\$98,128	\$7,495	\$139,579	\$2,936	\$248,138

Note: Does not include targeted reversions, deficiencies, and contingent reductions. Numbers may not sum to total due to rounding.

Fiscal 2016

General fund expenditures totaled approximately \$96.4 million in fiscal 2016, reflecting an increase of approximately \$11.1 million when compared to the legislative appropriation.

- Deficiency appropriations increased the legislative appropriation by approximately \$11.9 million. This included \$8.1 million to support the development and scoring of State assessments, \$3.6 million to enable the Maryland State Department of Education (MSDE) to revert federal indirect costs to the General Fund per Statewide Cost Allocation Plan (SWCAP) requirements, and \$218,000 to provide funds for the Charter School Study.
- Budget amendments increased the legislative appropriation by nearly \$1.8 million. Of this increase, \$1.2 million is from the 2% State salary adjustment, which restored the funding reduced in Section 20 of the fiscal 2016 budget bill. An additional \$544,000 of the increase is due to realignment from the 2% cost containment reductions in Section 19 of the budget bill, and \$250,000 in support of a charter school funding study in accord with Section 48 of the budget bill. This was offset by a decrease of \$155,000 that transferred funds to the Early Childhood Education budget to cover costs in the Division of Early Childhood Development.
- General fund reversions at the close of fiscal 2016 totaled approximately \$2.7 million. Unexpended funding due to vacancies, and less than anticipated spending per SWCAP requirements and assessment contract expenditures accounted for a majority of the reversion.

Special fund expenditures totaled approximately \$6.3 million in fiscal 2016, a decrease of nearly \$896,000 when compared to the legislative appropriation. The department received a net decrease of approximately \$644,000 via budget amendment. This consisted of a \$700,000 decrease for the Division of Rehabilitation Services (DORS) – Blindness and Vision Services, due to the division not expecting to expend its full special fund appropriation. This is offset by an increase of approximately \$18,000 received by the Division of Accountability and Assessment for indirect cost recovery associated with a new Kellogg Foundation grant in the Early Childhood Education budget and \$38,000 for the 2% salary adjustment. At the close of fiscal 2016, approximately \$252,000 in special funds were canceled by the department due to expenditures below the budgeted level, primarily for public-private partnerships (\$73,000), indirect cost recovery (\$54,000), and teacher certification fees (\$51,000).

Federal fund expenditures totaled approximately \$129.4 million in fiscal 2016, a decrease of nearly \$13.7 million when compared to the legislative appropriation.

- A deficiency reduction reduced the legislative appropriation by \$3.6 million, which accompanies the general fund deficiency appropriation that allowed MSDE to revert federal indirect costs per SWCAP requirements.
- Budget amendments increased the legislative appropriation by nearly \$2.0 million in federal funding. MSDE receives approximately \$4.5 million for DORS to pay for medical services and

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services to those with vision loss, approximately \$1.8 million in support of Race to the Top reforms, approximately \$1.3 million for assessment contract payments, approximately \$1.2 million for the support of statewide data systems, approximately \$1.2 million for the 2% statewide salary adjustment, \$521,000 for State Program Improvement Grants under the Individuals with Disabilities Education Act, approximately \$92,000 in support of technical education, and approximately \$34,000 for the Department of Business Services for indirect cost recovery in support of prekindergarten expansion. These increases are offset by budget amendment decreases of approximately \$6.6 million due to unexpended federal funds for DORS and the Juvenile Services Educations System that were reduced to offset increases in other programs, \$1.3 million in funds transferred to the Early Childhood Development budget, and approximately \$797,000 in funds transferred from the Division of Library Development and Services to Public Libraries in the Aid to Education Budget.

- Nearly \$12.1 million in federal funds was canceled for fiscal 2016. Approximately \$4.1 million was canceled due to excessive funds for DORS – Disability Determination Services claims procession. Approximately \$2.9 million was canceled due to regular position vacancies, and approximately \$2.6 million for contractual full-time equivalent vacancies. Funds for leave payouts, contract expenditures, and less than anticipated operating expenses account for the remainder of the canceled funds.

Reimbursable fund expenditures totaled nearly \$2.6 million at the close of fiscal 2016, a decrease of approximately \$269,000 when compared to the legislative appropriation. MSDE’s Division of Special Education/Early Intervention Services received \$100,000 via a reimbursable fund budget amendment to recognize funds from the Department of Health and Mental Hygiene as part of the System Development for Children with Special Health Care Needs initiative. MSDE also experienced a decrease of approximately \$369,000 in reimbursable funds due to cancellations. These cancellations occurred due to lower than budgeted spending attainment for indirect cost recovery (\$134,000), billing for detained youth in Juvenile Services facilities (\$179,000) and lower than expected costs for contractual positions and supplies for the Division of Curriculum, Assessment, and Accountability (\$57,000).

Fiscal 2017

The fiscal 2017 general fund working appropriation is approximately \$98.1 million, reflecting an increase of nearly \$665,000 over the working appropriation due to budget amendments for salary increments (\$664,000) and the annual salary review for DORS – Client Services (\$1,000).

The fiscal 2017 special fund working appropriation is nearly \$7.5 million, reflecting an increase of nearly \$46,000 for salary increments.

The fiscal 2017 federal fund working appropriation is approximately \$139.6 million, reflecting an increase of approximately \$1.1 million due to salary increments (\$1,129,000) and the annual salary review for DORS – Client Services (\$8,000).

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The fiscal 2017 reimbursable fund working appropriation is approximately \$2.9 million, which is unchanged from the legislative appropriation.

**Appendix 2
Audit Findings**

Audit Period for Last Audit:	July 1, 2011 – June 30, 2014
Issue Date:	June 2016
Number of Findings:	11
Number of Repeat Findings:	3
% of Repeat Findings:	27%
Rating: (if applicable)	n/a

- Finding 1:** The Maryland State Department of Education (MSDE) did not revert statewide indirect cost recoveries totaling \$12.3 million to the State’s General Fund as required.
- Finding 2:** MSDE did not recover expenditures associated with a federal grant in a timely manner, resulting in lost interest income of \$140,000.
- Finding 3:** MSDE improperly used interagency agreements with a State university to staff its Chief Information Officer position. The related agreements lacked details to facilitate effective monitoring by MSDE.
- Finding 4:** State regulations for procuring services were not always adhered to and the procedures for monitoring contractor performance were not always sufficient.
- Finding 5:** **MSDE did not adequately control funds received in its business office. Certain checks were not promptly endorsed and recorded, and prenumbered receipt forms were not accounted for.**
- Finding 6:** **MSDE did not have an adequate process to ensure that criminal background checks were obtained for all child care employees and that the results of background checks and any subsequent alerts were adequately pursued.**
- Finding 7:** MSDE did not restrict user access to the Child Care Subsidy Program features on the Child Care Administration Tracking System to those individuals requiring access to perform their jobs and to prevent the recording of improper transactions.
- Finding 8:** Contractors had unnecessary network level access to numerous critical MSDE servers and workstations unrelated to the projects they were assigned.
- Finding 9:** MSDE did not properly safeguard sensitive personal identifiable information and malware protection over MSDE workstations could be inappropriately disabled.
- Finding 10:** **Disaster recovery plans for two locations were not comprehensive and backups of certain critical databases were not stored offsite.**

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Finding 11: MSDE did not make timely disclosure to the appropriate legal authorities of certain questionable payroll and personnel activity related to five employees.

*Bold denotes item repeated in full or part from preceding audit report.

**Appendix 3
Object/Fund Difference Report
MSDE – Headquarters**

<u>Object/Fund</u>	<u>FY 16 Actual</u>	<u>FY 17 Working Appropriation</u>	<u>FY 18 Allowance</u>	<u>FY 17 - FY 18 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	1,245.90	1,243.90	1,243.90	0.00	0%
02 Contractual	120.34	127.44	131.94	4.50	3.5%
Total Positions	1,366.24	1,371.34	1,375.84	4.50	0.3%
Objects					
01 Salaries and Wages	\$ 108,873,179	\$ 118,211,325	\$ 113,445,526	-\$ 4,765,799	-4.0%
02 Technical and Spec. Fees	36,001,678	41,683,752	54,340,404	12,656,652	30.4%
03 Communication	1,668,999	1,826,537	2,505,989	679,452	37.2%
04 Travel	1,053,005	1,254,193	1,334,888	80,695	6.4%
06 Fuel and Utilities	627,075	1,101,119	1,261,968	160,849	14.6%
07 Motor Vehicles	607,218	645,373	740,199	94,826	14.7%
08 Contractual Services	64,309,628	67,042,609	73,118,854	6,076,245	9.1%
09 Supplies and Materials	1,366,088	1,911,522	2,591,411	679,889	35.6%
10 Equipment – Replacement	630,448	687,852	988,198	300,346	43.7%
11 Equipment – Additional	2,207,779	500,816	3,697,821	3,197,005	638.4%
12 Grants, Subsidies, and Contributions	12,502,396	7,493,546	14,796,794	7,303,248	97.5%
13 Fixed Charges	4,759,382	5,513,382	6,139,034	625,652	11.3%
14 Land and Structures	45,507	266,000	835,000	569,000	213.9%
Total Objects	\$ 234,652,382	\$ 248,138,026	\$ 275,796,086	\$ 27,658,060	11.1%
Funds					
01 General Fund	\$ 96,380,108	\$ 98,127,858	\$ 98,256,360	\$ 128,502	0.1%
03 Special Fund	6,269,084	7,495,299	9,284,305	1,789,006	23.9%
05 Federal Fund	129,406,976	139,578,886	165,577,809	25,998,923	18.6%
09 Reimbursable Fund	2,596,214	2,935,983	2,677,612	-258,371	-8.8%
Total Funds	\$ 234,652,382	\$ 248,138,026	\$ 275,796,086	\$ 27,658,060	11.1%

MSDE: Maryland State Department of Education

Note: Does not include targeted reversions, deficiencies, and contingent reductions.

**Appendix 4
Fiscal Summary
MSDE – Headquarters**

<u>Program/Unit</u>	<u>FY 16 Actual</u>	<u>FY 17 Wrk Approp</u>	<u>FY 18 Allowance</u>	<u>Change</u>	<u>FY 17 - FY 18 % Change</u>
01 Office of the State Superintendent	\$ 13,010,909	\$ 12,084,803	\$ 11,915,391	-\$ 169,412	-1.4%
02 Division of Business Services	6,944,350	7,893,870	11,289,514	3,395,644	43.0%
03 Division of Academic Reform and Innovation	961,851	1,124,945	1,081,000	-43,945	-3.9%
04 Division of Accountability, Assessment and Data Systems	49,396,571	46,859,605	49,089,077	2,229,472	4.8%
05 Office of Information Technology	5,743,408	6,694,225	7,213,362	519,137	7.8%
06 Major Information Technology Development Projects	349,483	0	0	0	0%
07 Office of School and Community Nutrition Programs	7,275,673	9,935,949	12,120,026	2,184,077	22.0%
11 Division of Instruction	5,558,131	6,743,918	6,608,127	-135,791	-2.0%
12 Division of Student, Family and School Support	5,688,387	5,352,928	6,400,135	1,047,207	19.6%
13 Div. of Special Educ./Early Intervention Services	13,283,280	11,849,709	14,019,825	2,170,116	18.3%
14 Division of Career and College Readiness	2,973,469	3,119,414	3,791,566	672,152	21.5%
15 Juvenile Services Education Program	16,320,912	20,300,489	20,035,312	-265,177	-1.3%
17 Division of Library Development and Services	3,932,953	4,715,430	4,629,683	-85,747	-1.8%
18 Division of Certification and Accreditation	2,447,575	2,722,949	2,858,521	135,572	5.0%
20 Div. of Rehab Services – Headquarters	10,529,158	11,497,860	11,461,021	-36,839	-0.3%
21 Div. of Rehab Services – Client Services	36,606,481	34,084,939	44,774,305	10,689,366	31.4%
22 Div. of Rehab Services – Workforce and Tech. Center	9,472,858	9,534,516	9,709,979	175,463	1.8%
23 Div. of Rehab Services – Disability Determination Services	33,182,743	42,540,890	46,396,360	3,855,470	9.1%
24 Div. of Rehab. Services – Blindness and Vision Services	8,299,792	8,310,179	9,533,659	1,223,480	14.7%
01 Maryland Longitudinal Data Systems Center	2,674,398	2,771,408	2,869,223	97,815	3.5%
Total Expenditures	\$ 234,652,382	\$ 248,138,026	\$ 275,796,086	\$ 27,658,060	11.1%
General Fund	\$ 96,380,108	\$ 98,127,858	\$ 98,256,360	\$ 128,502	0.1%
Special Fund	6,269,084	7,495,299	9,284,305	1,789,006	23.9%
Federal Fund	129,406,976	139,578,886	165,577,809	25,998,923	18.6%
Total Appropriations	\$ 232,056,168	\$ 245,202,043	\$ 273,118,474	\$ 27,916,431	11.4%
Reimbursable Fund	\$ 2,596,214	\$ 2,935,983	\$ 2,677,612	-\$ 258,371	-8.8%
Total Funds	\$ 234,652,382	\$ 248,138,026	\$ 275,796,086	\$ 27,658,060	11.1%

MSDE: Maryland State Department of Education

Note: Does not include targeted reversions, deficiencies, and contingent reductions.