

**RA.01**  
**Headquarters**  
**Maryland State Department of Education**

***Operating Budget Data***

(\$ in Thousands)

	<b>FY 00</b>	<b>FY 01</b>	<b>FY 02</b>		<b>% Change</b>
	<b><u>Actual</u></b>	<b><u>Working</u></b>	<b><u>Allowance</u></b>	<b><u>Change</u></b>	<b><u>Prior Year</u></b>
General Fund	\$62,394	\$73,002	\$83,106	\$10,104	13.8%
Special Fund	2,984	10,125	6,362	(3,763)	(37.2%)
Federal Fund	78,420	86,574	91,918	5,344	6.2%
Nonbudgeted Fund	2,428	712	2,529	1,817	255.0%
Reimbursable Fund	<u>538</u>	<u>322</u>	<u>74</u>	<u>(248)</u>	<u>(77.2%)</u>
<b>Total Funds</b>	<b>\$146,764</b>	<b>\$170,735</b>	<b>\$183,989</b>	<b>\$13,254</b>	<b>7.8%</b>

- The Maryland State Department of Education (MSDE) is requesting a \$515,000 deficiency appropriation to pay for hiring Westat, Inc., to evaluate the New Baltimore City Board of School Commissioners and the City-State Partnership as required by Chapter 105, Acts of 1997.
- MSDE also is requesting a \$20,088 fiscal 2001 deficiency appropriation to hire another architect in the Schools Facilities Branch to review public school construction projects.
- MSDE's fiscal 2002 allowance contains \$6.5 million more than the fiscal 2001 working appropriation for expanding the first phase and beginning the second phase of implementing the high school assessment tests.
- Another \$2.5 million will be used for higher Maryland School Performance Assessment Program (MSPAP) contract costs, including higher pay for scorers of the MSPAP.

***Personnel Data***

	<b>FY 00</b>	<b>FY 01</b>	<b>FY 02</b>	
	<b><u>Actual</u></b>	<b><u>Working</u></b>	<b><u>Allowance</u></b>	<b><u>Change</u></b>
Regular Positions	1,350	1,355	1,358	3.00
Contractual FTEs	<u>105</u>	<u>151</u>	<u>155</u>	<u>4.00</u>
<b>Total Personnel</b>	<b>1,455</b>	<b>1,506</b>	<b>1,513</b>	<b>7.00</b>

***Vacancy Data: Regular***

Budgeted Turnover: FY 02	99.74	7.34%
Positions Vacant as of 12/31/00	67.00	4.95%

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

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## *RA.01 - MSDE - Headquarters*

- MSDE is requesting three new positions in fiscal 2002 including one contractual conversion. Two positions are for education program specialists, and one position is for a capital projects architect. One of the education program specialists will coordinate MSDE's participation in school-based tobacco prevention programs. The other education program specialist, a contractual conversion, will coordinate English as a Second Language services. The capital projects architect will review school construction projects.
- MSDE also is requesting a net gain of four contractual positions. The increase is primarily for new contractual positions in the Division of Instruction and Development.

## *Analysis in Brief*

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### **Issues**

***Effectiveness of the State's Teacher Recruitment Efforts:*** The State has implemented many programs, such as the Teacher Salary Challenge Program, the re-employment of retired teachers and principals, and several stipend programs to recruit teachers to prevent a teacher shortage. A number of factors could be contributing to a future teacher shortage, including student enrollment, class size reduction, retirement, attrition, and fewer new teachers entering the classroom. The State does not have unlimited resources to address these issues. How much each of these factors contributes to a teacher shortage and where limited resources should be targeted is explored. **The Department of Legislative Services (DLS) recommends committee narrative requesting a report on the underlying reasons for the predicted teacher shortage.**

***Maintaining a Correctional Education Waiting List May Be Questionable Under the Law:*** State law requires inmates who do not have a high school diploma or a General Education Diploma (GED) to attend a mandatory education program to earn a high school diploma or a GED. However, MSDE contends that a lack of funding to hire a sufficient number of correctional education teachers is creating a waiting list of inmates who are unable to attend the mandatory program before their release. How MSDE is addressing this problem will be explored. **MSDE should be prepared to explain what alternatives it will implement to reduce these waiting lists other than requesting new positions. MSDE also should be prepared to explain whether a program such as the Learning Anytime Anywhere Partnerships might be available to help those inmates who are in the mandatory education program earn a high school diploma or GED.**

***President Bush Reveals His Education Plan:*** President George W. Bush recently outlined his agenda for educational reform, which focuses on closing the achievement gap, improving literacy, increasing flexibility and reducing bureaucracy, offering rewards for success and sanctions for failure, providing informed parental choice, improving teacher quality, and ensuring safer schools. An outline of his plan is provided. **DLS recommends that MSDE be prepared to comment on how well the State is positioned to meet the requirements of the President's plan.**

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**Recommended Actions**

	<u><b>Funds</b></u>
1. Delete funds for expanding high school assessment program.	\$ 6,500,000
2. Study on reasons teachers are leaving the classroom.	
<b>Total Reductions</b>	<b>\$ 6,500,000</b>

**Updates**

*Libraries Establish Policies for Protecting Children from Obscene Materials:* Chapter 9, Acts of 2000 requires each county or board of trustees of a county library to adopt and implement policies and procedures to prevent children from accessing obscene or pornographic materials. These policies and procedures must be adopted by January 1, 2001. The State Superintendent of Schools regularly monitors the county libraries to determine whether each library is complying with the required policies and procedures. An update on where libraries are in adopting and implementing these policies and procedures is included.

***RA.01 - MSDE - Headquarters***

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**Maryland State Department of Education**

***Operating Budget Analysis***

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**Program Description**

The activities of the Maryland State Department of Education (MSDE) are focused in three program areas: public education, including correctional education; library development and services; and rehabilitation services.

**Public Education**

Public education consists of the Office of the State Superintendent; Division of Business Services; Division of Planning, Results, and Information Management; Division of Instruction; Division of Professional and Strategic Development; Division of Student and School Services; Division of Special Education/Early Intervention Services; Division of Career Technology and Adult Learning; Division of Certification and Accreditation; and Division of Correctional Education. These programs provide:

- policy direction, administrative, and management information systems support;
- technical assistance on research, evaluation, and statistical analysis;
- leadership, administration, and support of systems for implementing the statewide Maryland School Performance Assessment Program (MSPAP);
- leadership and technical assistance to local school systems for school facilities, school food service, and transportation programs;
- regulatory oversight of teacher qualifications, teacher education programs, and accreditation of nonpublic schools;
- guidance and training for effective instruction for public school students in the early, middle, high school, and adult learning programs; special education programs; and career technology education programs;
- regulatory oversight and enforcement for federally funded programs;
- direct education and library services to inmates within the facilities of the Maryland Division of Correction and the Patuxent Institution (academic development up to the provision of a high school diploma, occupational preparation for entry-level employment, and life skills instruction); and
- leadership in the development and dissemination of best practices for pre-kindergarten through twelfth grade professional development initiatives statewide.

## **Library Development and Services**

This program is responsible for developing statewide library services, the library network, and resource centers. Regional resource centers and the Enoch Pratt Free Library, which acts as the State Resource Center, provide specialized services on an area and statewide basis. Library services are provided to over 16,000 blind and physically handicapped residents.

## **Rehabilitation Services**

The Division of Rehabilitation Services program consists of the Division Headquarters, Client Services, and Disability Determination Service. These programs provide vocational rehabilitation services and determine eligibility for federal disability benefits. The primary purpose of client services is to plan and provide vocational rehabilitation services for individuals with disabilities so that they can maintain or achieve economic self-sufficiency through productive employment. The primary purpose of the disability determination unit is to adjudicate claims for Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) based on medical evidence, vocational factors, and federal rules promulgated by the Social Security Administration.

## **Proposed Deficiency**

MSDE is requesting a \$515,000 deficiency appropriation to pay for hiring Westat, Inc., a consultant, to evaluate the New Baltimore City Board of School Commissioners and the City-State Partnership. Chapter 105, Acts of 1997 requires MSDE and the board to jointly select the consultant for, and equally share in the costs of, the evaluation. The deficiency request represents the State's share of the total cost. MSDE expects Westat, Inc., to finish its evaluation by December 1, 2001, as required by Section 6 of Chapter 105.

MSDE also is requesting a \$20,088 fiscal 2001 deficiency appropriation to provide funds for an additional architect in the Schools Facilities Branch. This architect will review the higher number of school construction projects submitted due to large increases in school construction funding.

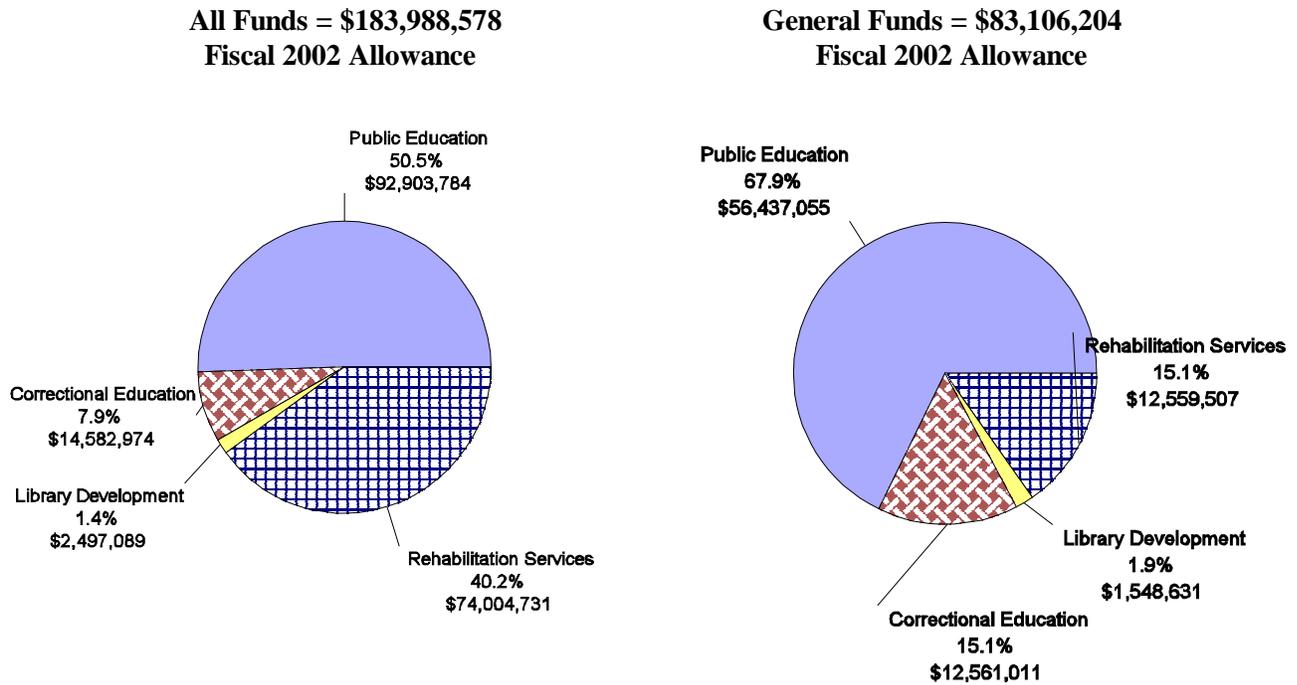
## **Governor's Proposed Budget**

The Governor's fiscal 2002 allowance is \$183,988,578. The pie chart on the left of **Exhibit 1** shows the allowance divided among public education, rehabilitation services, correctional education, and library development. As Exhibit 1 shows, public education accounts for \$92.9 million, or 50.5%, of the allowance. Rehabilitation services account for \$74.0 million, or 40.2%, correctional education accounts for \$14.6 million, or 7.9%, and library development accounts for the remaining \$2.5 million, or 1.4%.

More than \$83.1 million of the allowance is from general funds. The pie chart on the right of Exhibit 1 shows how much of the \$83.1 million in the fiscal 2002 general fund allowance is divided among public education, rehabilitation services, correctional education, and library development. Public

Exhibit 1

MSDE - Headquarters  
Fiscal 2002 Allowance



Source: Maryland State Budget, Fiscal 2002

education accounts for \$56.4 million, or 67.9%, of the general fund allowance. Rehabilitation services and correctional education each account for \$12.6 million, or 15.1%, and library development accounts for the remaining \$1.5 million, or 1.9%.

General fund increases account for \$10.1 of the \$13.3 million increase between the fiscal 2002 allowance and the fiscal 2001 working appropriation. **Exhibit 2** shows how much of the general fund increase is distributed among the four functional areas. Public education accounts for \$8.8 million, or 87.3% of the increase. Correctional education accounts for almost \$631,000, or 6.2%. Rehabilitation services account for \$549,000, or 5.4%. Library development accounts for more than \$107,000.

**Exhibit 2**

**General Fund Increases by Program  
Maryland State Department of Education  
Fiscal 2002 Allowance**

<u>Program</u>	<u>Fiscal 2001 Working Appropriation</u>	<u>Fiscal 2002 Allowance</u>	<u>Increase</u>	<u>% Increase</u>
Office of the State Superintendent	\$6,316,893	\$6,113,233	(\$203,660)	-3.2%
Business Services	3,555,813	3,116,104	(439,709)	-12.4%
Professional Strategic Development	903,595	1,113,814	210,219	23.3%
Planning, Results, and Information Management	21,639,861	30,012,465	8,372,604	38.7%
Instruction and Staff Development	7,787,630	7,892,217	104,587	1.3%
Student and School Services	2,057,171	2,209,774	152,603	7.4%
Special Education	976,820	1,026,489	49,669	5.1%
Career Technology and Adult Learning	2,028,944	2,284,954	256,010	12.6%
Certification and Accreditation	2,353,124	2,668,005	314,881	13.4%
<b>Public Education Subtotal</b>	<b>\$47,619,851</b>	<b>\$56,437,055</b>	<b>\$8,817,204</b>	<b>18.5%</b>
<b>Correctional Education</b>	<b>\$11,930,022</b>	<b>\$12,561,011</b>	<b>\$630,989</b>	<b>5.3%</b>
<b>Library and Development Services</b>	<b>\$1,441,217</b>	<b>\$1,548,631</b>	<b>\$107,414</b>	<b>7.5%</b>
Rehabilitation Services -- HQ	1,659,413	1,855,166	195,753	11.8%
Rehabilitation Services -- Client Services	10,351,229	10,704,341	353,112	3.4%
<b>Rehabilitation Services Subtotal</b>	<b>\$12,010,642</b>	<b>\$12,559,507</b>	<b>\$548,865</b>	<b>4.6%</b>
<b>Total</b>	<b>\$73,001,732</b>	<b>\$83,106,204</b>	<b>\$10,104,472</b>	<b>13.8%</b>

Source: Maryland State Budget, fiscal 2002

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**Personnel Expenses**

**Exhibit 3** shows that personnel expenses include \$1.0 million for the second year of MSDE's salary plan and requests for three new positions. The Division of Student and School Services is requesting an education program specialist to coordinate MSDE's role in school-based tobacco prevention programs. This position also will work with the Department of Health and Mental Hygiene, the Centers for Disease Control, and State school officials in evaluating and disseminating results from the biennial youth tobacco survey. Additionally, the position will provide in-service training and technical assistance to elementary and secondary schools and work on other federal, State, and local school health initiatives.

**Exhibit 3**

**Governor's Proposed Budget  
Maryland State Department of Education - Headquarters  
(\$ in Thousands)**

<b>How Much It Grows:</b>	<b>General Fund</b>	<b>Special Fund</b>	<b>Federal Fund</b>	<b>Nonbudgeted Fund</b>	<b>Reimb. Fund</b>	<b>Total</b>
2001 Working Appropriation	\$73,002	\$10,125	\$86,574	\$712	\$322	\$170,735
2002 Governor's Allowance	<u>83,106</u>	<u>6,362</u>	<u>91,918</u>	<u>2,529</u>	<u>74</u>	<u>183,989</u>
Amount Change	\$10,104	(\$3,763)	\$5,344	\$1,817	(\$248)	\$13,254
Percent Change	13.8%	(37.2%)	6.2%	255.0%	(77.2%)	7.8%

**Where It Goes:**

**Personnel Expenses**

New positions . . . . .	\$190
Fiscal 2002 general salary increase . . . . .	1,289
Increments, fiscal 2001 increase phase-in, and other changes . . . . .	3,534
Salary plan adjustment . . . . .	1,000
Employee and retiree health insurance rate change . . . . .	1,084
Retirement contribution rate change . . . . .	(563)
Workers' compensation premium assessment . . . . .	(84)
Turnover adjustments . . . . .	(1,079)
Other fringe benefit adjustments . . . . .	253

**Other Expenses**

Expansion of phase I for the high school assessment tests, including additional field testing, and implementation of phase II of the tests . . . . .	6,500
Increase in contract costs for MSPAP, including higher pay for MSPAP scorers . . . . .	2,500
Transfer of Judy Hoyer Centers from Headquarters budget to the Aid to Education budget . . . . .	(4,000)

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**Where It Goes:**

Increase in nonbudgeted funds representing federal funds passed through to a blind manager and commercial vendor . . . . .	1,817
Additional federal funding for disability determinations . . . . .	2,135
Decreased federal funding for Gaining Early Awareness and Readiness for Undergraduate Programs . . . . .	(1,494)
<b>Other</b>	172
<b>Total</b>	<b>\$13,254</b>

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

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The Division of Career Technology and Adult Learning is requesting a contractual conversion for an education program specialist to direct leadership of English as a Second Language services. The position will be funded entirely with federal funds from the Adult Education grant program.

**High School Assessments**

Exhibit 3 also shows that the Governor's allowance provides for a \$6.5 million increase for the high school assessment test. In May 2000, the Maryland State Board of Education delayed its original implementation schedule, requiring the graduating class of 2007 rather than the graduating class of 2005 to be the first class to have to pass the test to receive a diploma.

MSDE is implementing the high school assessments in three phases. The first phase would require students to pass tests in English I, algebra or geometry, government, and biology (if the student's school system offers biology). The second phase would require students to pass tests in English I and II, algebra, geometry, and government, and pass tests in two of the following courses: biology, chemistry, physics, and earth/space science. The third phase would require students to pass all of the tests required in the second phase as well as pass English III, U.S. history, and world history.

With this delay, MSDE will modify the first phase by expanding its inventory of sample tests instead of relying on large-scale development. With \$3.4 million of the additional \$6.5 million in the allowance, MSDE will develop new tests and conduct field testing to increase the test item bank. The Board of Public Works approved the modification of the first phase at its January 2001 meeting. The remaining \$3.1 million of the \$6.5 million is targeted toward beginning the second phase of the high school assessments in fiscal 2002.

**MSPAP Contracts**

Another \$2.5 million of the increase in the Governor's allowance will be devoted to the rebidding of the contracts for administration of the 2001 through 2006 MSPAP tests. MSDE notes that the costs of the new contracts increased by more than 65.0% per year. MSDE attributes much of this increase to its MSPAP scoring contract.

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The existing MSPAP scoring contract provides instruction and funding for teachers to score the MSPAP tests each summer. MSDE believes that the higher pay offered to teachers for summer school opportunities, working on curriculum development, and other projects lures teachers away from the lower-paying MSPAP scoring. These competing projects offer about \$15 per hour. MSPAP scorers were offered \$10.50 per hour this past summer with some counties supplementing that hourly rate with up to \$5.40 per hour. The new contract would pay \$16.00 per hour with increases each year of \$.75 per year until scorers in 2006 will receive \$19.00 per hour.

**Performance Analysis: Managing for Results**

**Public Education**

**Goal 1: All students shall achieve high academic standards and demonstrated knowledge and skills.**

The data for the performance measures provided by MSDE do not indicate that MSDE will be able to meet its Objective 1.1 of guaranteeing that, “by 2002, 100% of Maryland high school graduates will be prepared for employment and to pursue further education.” The first four quality measures and their data listed in **Exhibit 4** show one percent or less of an increase since fiscal 1999. At this rate, MSDE is unlikely to achieve its objective even if its allowance is adopted as proposed.

**Exhibit 4**

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**Program Measurement Data  
Maryland State Department of Education  
Public Education  
Fiscal 1998 through 2002**

	<u>Actual</u> <u>1998</u>	<u>Actual</u> <u>1999</u>	<u>Est.</u> <u>2000</u>	<u>Actual</u> <u>2000</u>	<u>Est.</u> <u>2001</u>	<u>Est.</u> <u>2002</u>	<u>Ann.</u> <u>Chg.</u> <u>98-00</u>	<u>Ann.</u> <u>Chg.</u> <u>00-02</u>
<b>Goal 1: All students shall achieve high academic standards and demonstrated knowledge and skills.</b>								
% of high school graduates enrolling in Maryland colleges with freshman-year grade point averages exceeding 2.5 (on a 4.0 scale)*	48.0%**	51.7%	50.0%	52.0%	52.5%	53.0%	1.0%	1.0%
% of high school graduates entering the job market who meet or exceed entry-level job requirements as reported by employer surveys	n/a	93.9%	n/a	94.4%	94.9%	95.4%	0.5%	0.5%

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	<u>Actual 1998</u>	<u>Actual 1999</u>	<u>Est. 2000</u>	<u>Actual 2000</u>	<u>Est. 2001</u>	<u>Est. 2002</u>	<u>Ann. Chg. 98-00</u>	<u>Ann. Chg. 00-02</u>
% of students required to take developmental courses upon entering a Maryland post-secondary institution in the year after earning a Maryland high school diploma:								
Mathematics	21.0%	23.0%	18.0%	27.0%	25.0%	23.0%		
English	11.0%	14.0%	9.5%	16.0%	12.0%	10.0%		
Reading	12.0%	14.0%	10.5%	16.0%	12.0%	10.0%	13.4%	-7.7%
Adult passing rate for GED	n/a	54.5%	65.0%	53.9%	55.0%	55.0%	n/a	1.0%
Student to computer ratio	n/a	12:1	n/a	8:1	6:1	5:1	n/a	-29.2%
% of teachers with knowledge and skills for intermediate or higher level computer use	n/a	82.0%	n/a	81.0%	90.0%	100.0%	n/a	4.8%
<b>Goal 2: All local school systems and schools shall meet or exceed satisfactory Maryland School Performance Program standards.</b>								
% of schools that have academic intervention plans in place and implementation has begun	n/a	n/a	n/a	n/a	100.0%***	100.0%****	n/a	n/a
% of schools meeting State satisfactory dropout standard of 3.0%	n/a	52.2%	n/a	54.0%	65.0%	100%	n/a	11.6%
% of high school students meeting State satisfactory attendance standard of 94.0% or better	n/a	90.7%	n/a	91.0%	91.3%	91.6%	n/a	0.3%
% of eleventh grade students passing all Maryland Functional Tests	n/a	92.2%	n/a	93.0%	94.0%	95.0%	n/a	1.0%
<b>Goal 3: Ensure that Maryland has a professional workforce capable of delivering effective instruction.</b>								
# of teacher candidates trained in performance-based internship	n/a	560	n/a	760	998	1,284	n/a	33.5%
<b>Goal 4: Increase MSDE's effectiveness in improving public education.</b>								
% of survey respondents stating they had access to the technology needed to fulfill their functions	n/a	n/a	n/a	77.0%	90.0%	90.0%	n/a	n/a

\*As reported by Student Outcomes and Achievement Report (SOAR)

\*\*Estimated

\*\*\*Elementary and middle schools

\*\*\*\*All schools

Source: Governor's fiscal 2001 and fiscal 2002 Budget Books

**MSDE should discuss why the percentage of students required to take developmental courses upon entering a Maryland post-secondary education institution increased precipitously in fiscal 2000 despite estimates that it would drop.**

**Goal 2: All local schools systems and schools shall meet or exceed satisfactory Maryland School Performance Program standards.**

Objective 2.1 -- By 2000, all schools and school systems will develop a pre- K - 12 plan for academic intervention that meets state-established criteria -- does not make sense. First, the year 2000 has passed. Secondly, MSDE should use some of the measurements listed in its fiscal 2002 academic intervention budget request: percentage of students in grades three, five, and eight that meet or exceed MSPAP standards; the percentage of students who graduate from high school; and scores on Maryland Functional Tests and, in the future, High School Assessments. The data from these measurements, as well as the measurement of the dropout rate listed in Exhibit 5, would improve MSDE's ability to target funding in those grade levels that need the most academic intervention. Looking at the number of plans submitted will meet the objective, but satisfying the objective will not meet the goal.

The measure of having 100% of high schools meeting the State's satisfactory dropout rate of 3% by 2002 is unrealistic. First, actual rates for fiscal 1998, 1999, and 2000 average 53.4%. Even if the percent of schools meeting the 3% rate increased to 65% in fiscal 2001, MSDE's expectation of reaching a 100% satisfactory rate by fiscal 2002 would still be unrealistic.

Objective 2.4 does show the number of elementary schools meeting the satisfactory standard for grade three in reading, language usage, and mathematics but does not show what percent of the total number of elementary schools are meeting a satisfactory standard. The public needs to be able to gauge how well the scores are improving over time and, without context, they cannot do that.

**Goal 3: Maryland has a professional workforce capable of delivering effective instruction.**

The performance measures for Objective 3.2 -- By 2001, MSDE, in partnership with local school systems, will develop a teacher recruitment and retention strategy to assure a sufficient number of qualified teachers in Maryland classrooms -- only show the number of teachers MSDE hopes to provide stipends to, mentor, and, in other ways, attract. None of the performance measures track why teachers having one to five years of service are leaving. Since the departure of new teachers from the classroom may be a significant factor affecting any upcoming teacher shortage, it would be helpful to know why they are leaving the classroom. **DLS recommends MSDE include measures that track why teachers with one to five years of service are leaving the classroom.**

Although Objective 3.3 -- By 2002, the number of Maryland's public school teachers holding provisional certificates will be reduced to no more than 2.0% of all teachers -- is laudable, there is no measure provided that will actually show how that rate is changing, unlike MSDE's fiscal 2001 submission which showed the percent of teachers holding a provisional certificate.

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**Goal 4: Increase MSDE’s effectiveness in improving public education.**

Is this goal redundant? If MSDE’s main goal is improving public education, will not ensuring success in students, schools, and teachers (MSDE’s first three goals) ensure that MSDE is improving education? And will not the public know that by achieving the first three goals, MSDE will have increased its effectiveness in improving public education?

**Library Development and Services**

**Goal 4: Help public libraries develop marketing activities to promote their services.**

Objective 4.1 states that, “by June 30, 2003, all public library systems will institute long-range marketing plans.” MSDE anticipates that 11 more library systems in fiscal 2002 than in fiscal 2001 will have marketing plans. This estimate, along with the increase in the percent of library patrons taking on-line courses as shown in **Exhibit 5**, appears to be too ambitious given that the allowance for the Division of Library Development and Services increases by only \$343,000.

**Exhibit 5**

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**Program Measurement Data  
Maryland State Department of Education  
Library Development and Services  
Fiscal 1999 through 2002**

	<u>Actual 1999</u>	<u>Est. 2000</u>	<u>Actual 2000</u>	<u>Est. 2001</u>	<u>Est. 2002</u>	<u>Ann. Chg. 00-02</u>
<b>Goal 1: Foster equity of access to information, resources, and library services.</b>						
% of libraries participating in direct user borrowing via MARINA	n/a	51.0%	54.0%	68.5%	90.0%	29.1%
<b>Goal 2: Develop new models for delivering learning opportunities within the library.</b>						
% of library population taking on-line courses	2.0%	n/a	5.0%	25.0%	45.0%	200.0%
<b>Goal 3: Help libraries define their role in the digital world.</b>						
<b>Goal 4: Help public libraries develop marketing activities to promote their services.</b>						
# of library systems with marketing plans	n/a	n/a	10	13	24	54.9%
<b>Goal 5: Ensure access to materials in appropriate formats for registered readers and institutions.</b>						

Source: Governor’s Fiscal 2001 and 2002 Budget Books

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**Rehabilitation Services**

As **Exhibit 6** shows, Rehabilitation Services is working toward helping consumers with finding employment. However, the number and type of consumers that the division can serve is limited by funding and a federal policy called the Order of Selection. This policy requires states to serve all individuals with disabilities. If funds are insufficient to serve all individuals with disabilities, then the State must resort to an Order of Selection. Under the Order of Selection, states must first serve the most severely disabled, then the severely disabled, and then the non-severely disabled. Maryland has not been able to serve the non-severely disabled population in eight years and occasionally must limit services to those severely disabled individuals. Although MSDE requested an additional \$1.7 million in general funds in its fiscal 2002 budget to serve more individuals with disabilities, MSDE received only an additional \$353,000.

**DLS recommends that MSDE be prepared to comment on what efforts it is currently undertaking to serve more individuals with all levels of disability.**

**Exhibit 6**

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**Program Measurement Data  
Maryland State Department of Education  
Rehabilitation Services  
Fiscal 1998 through 2002**

	<u>Actual</u> <u>1999</u>	<u>Actual</u> <u>2000</u>	<u>Est.</u> <u>2001</u>	<u>Est.</u> <u>2002</u>	<u>Ann.</u> <u>Chg.</u> <u>99-01</u>
<b>Goal 1: Expand and enhance employment opportunities and independent living for persons with disabilities.</b>					
Success rate in the number of eligible clients who achieved employment	66.0%	69.0%	73.0%	73.0%	5.2%
Success rate in the number of transitioning students who have achieved employment	69.0%	72.0%	73.0%	73.0%	2.9%
<b>Goal 2: Adjudicate Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) claims in an accurate, timely, and cost-efficient manner.</b>					
<b>Goal 3: Expand and enrich the availability and provision of assistive technology services that support outcomes for independent living and employment.</b>					
<b>Goal 4: Assist and promote the continued development of community rehabilitation services responsive to the needs, abilities, and informed choice of our customers.</b>					
Success rate in the number of vocational rehabilitation consumers who will achieve employment outcomes	62.0%	66.0%	64.0%	65.0%	1.6%
<b>Goal 5: Support and encourage consumer/stakeholder input and participation in the independent living and vocational rehabilitation programs.</b>					

Source: Governor's Fiscal 2001 and 2002 Budget Books

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## *Issues*

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### **1. Effectiveness of the State's Teacher Recruitment Efforts**

The State has implemented many programs, such as the Teacher Salary Challenge Program, the re-employment of retired teachers and principals, and several stipend programs to recruit teachers to prevent a teacher shortage. A number of factors could be contributing to a future teacher shortage, including student enrollment, class size reduction, retirement, attrition, and fewer new teachers entering the classroom. While all of these factors may require additional resources to reduce their impact on a teacher shortage, the State does not have unlimited resources to address the issue.

#### **Enrollment Projections Suggest State Should Focus on Hiring Teachers for Middle and High Schools**

Increasing student enrollment in the State is one factor frequently mentioned as creating a need for teachers in future years. If the number of students are projected to increase, the number of teachers needed to teach these students is projected to increase. However, as the following discussion illustrates, enrollment may not be much of a factor in the future need for teachers.

**Exhibit 7** shows the U.S. Department of Education's projected public school enrollment between 2000 and 2009 for kindergarten through twelfth grade in public elementary and secondary schools for Maryland and its surrounding states.

**Exhibit 7**

**Enrollment in Grades K-12 in Public Elementary and Secondary Schools  
Fiscal 2000 through 2009  
(in 000's)**

<u>State</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Avg. Annual Change</u>
Delaware	115	116	116	116	116	117	116	116	116	115	0.00%
District of Columbia	68	67	66	65	64	63	63	62	62	63	(0.84%)
<b>Maryland</b>	<b>861</b>	<b>866</b>	<b>870</b>	<b>872</b>	<b>874</b>	<b>873</b>	<b>871</b>	<b>867</b>	<b>862</b>	<b>859</b>	<b>(0.03%)</b>
Virginia	1,143	1,149	1,154	1,157	1,159	1,160	1,161	1,159	1,154	1,151	0.08%
West Virginia	289	287	285	283	281	280	278	276	274	272	(0.67%)
<b>Total</b>	<b>2,476</b>	<b>2,485</b>	<b>2,491</b>	<b>2,493</b>	<b>2,494</b>	<b>2,493</b>	<b>2,489</b>	<b>2,480</b>	<b>2,468</b>	<b>2,460</b>	

Source: U.S. Department of Education, National Center for Education Statistics, Common Core of Data Surveys and State Public Elementary and Secondary Enrollment Model, June 2000

As Exhibit 7 highlights, Maryland's public school enrollment between 2000 and 2009 is projected to peak in 2004. Maryland's enrollment is projected to return in 2009 to an enrollment similar to that in 2000. The U.S. Department of Education projects that Maryland's enrollment will remain level through 2009 while West Virginia and the District of Columbia are projected to lose enrollment. However, the department is projecting that Virginia's enrollment will increase slightly by 2009, with 2006 projected to be Virginia's peak year of enrollment in this period.

This increase may be of concern to Maryland. As will be discussed below, graduates of some of Maryland's teacher education programs go on to teach in classrooms in neighboring states. How much of a concern this potential drain may be to Maryland depends on what incentives Maryland may have in place to lure Maryland-educated teachers into Maryland's classrooms in the State's peak enrollment years.

Although the U.S. Department of Education projects that Maryland's overall enrollment will peak in 2004, Maryland's elementary, middle, and high schools will be impacted by the enrollment increase at different times. As **Exhibit 8** reveals, the Maryland State Department of Planning projects that overall public school enrollment will peak in 2003. For elementary schools, enrollment was projected at its peak in 2000 and is expected to steadily decline through 2009. For middle schools, enrollment is projected to reach its peak in 2003 and steadily decline through 2009. For high schools, enrollment is projected to reach its peak in 2006 and steadily decline as well through 2009.

## Exhibit 8

### Projected Enrollment 2000 through 2009

Year	Projected (2000 - 2009) Public School Enrollment (Grades K-12)	Annual % Change in Public School Enrollment (Grades K-12)	Projected (2000 - 2009) Public School Enrollment (Grades K-5)	Annual % Change in Public School Enrollment (Grades K-5)	Projected (2000 - 2009) Public School Enrollment (Grades 6-8)	Annual % Change in Public School Enrollment (Grades 6-8)	Projected (2000 - 2009) Public School Enrollment (Grades 9-12)	Annual % Change in Public School Enrollment (Grades 9-12)
2000	832,530		<b>390,780</b>		197,910		240,610	1.76%
2001	836,630	0.49%	384,180	-1.69%	204,680	3.42%	244,430	1.59%
2002	838,560	0.23%	378,360	-1.51%	208,390	1.81%	248,370	1.61%
2003	<b>840,750</b>	0.26%	374,030	-1.14%	<b>208,470</b>	0.04%	254,710	2.55%
2004	839,920	-0.10%	370,540	-0.93%	204,100	-2.10%	261,680	2.74%
2005	835,810	-0.49%	368,040	-0.67%	198,470	-2.76%	265,650	1.52%
2006	828,260	-0.90%	363,470	-1.24%	194,540	-1.98%	<b>266,610</b>	0.36%
2007	818,480	-1.18%	359,000	-1.23%	191,760	-1.43%	264,140	-0.93%
2008	807,090	-1.39%	355,180	-1.06%	190,920	-0.44%	257,470	-2.53%
2009	797,960	-1.13%	350,790	-1.24%	190,520	-0.21%	253,200	-1.66%

Bold denotes peak term of enrollment.

Source: Maryland Department of Planning, *Public School Enrollment Projections 2000-2009*

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What Exhibit 8 would suggest is that one of the State's first priorities in seeking new teachers is not just to hire as many as will be needed through 2003, but to ensure that those teachers will have the skills to teach middle school students. The State also should be focused on hiring teachers who have the skills to teach high school students.

#### **Class Size Reduction Has a Negligible Impact on Teacher Shortage**

The fiscal 2002 allowance contains almost \$5.7 million more in general funds and \$50,000 more in federal funds than the fiscal 2001 working appropriation for class size reduction, reflecting a 48.5% general fund increase and a 0.3% federal fund increase. The State's goal in reducing class size is to improve first and second grade reading levels. Funding for the program is primarily devoted to putting certificated teachers into reading classes at a ratio of no more than 20 students per teacher. The remainder of the funding is devoted to professional teacher development, instructional supplies and materials, and alterations to facilities to promote better reading achievement.

**Exhibit 9** uses the actual number of first and second grade students as of September 30, 1999, to project how many teachers would be needed to meet the goal of one teacher for every 20 students in first and second grade reading classes. The projections assume that the rate of first and second grade enrollment change between 1999 and 2009 is equivalent to the rate of enrollment change for all elementary grades. Again, since enrollment for elementary schools is projected to decrease, the number of teachers needed to meet the goal is also projected to decrease. This decrease suggests that instead of devoting resources to hiring more first and second grade reading teachers, the State should focus the majority of its class size reduction resources on improving professional development, purchasing improved reading materials, and redesigning facilities for optimal reading achievement.

**Exhibit 9**

**Projected Need for First and Second Grade Teachers to Meet Class Size Goal**

<u>Year</u>	<u>Projected Number of First and Second Grade Students</u>	<u>Projected Increase in Elementary School Enrollment</u>	<u>Projected Number of Teachers Needed to Meet Class Size Reduction Goal of One Teacher for Every First Grade and Second Grade Class of 20 Students</u>
1999	131,752*		6,588
2000	130,540	-0.92%	6,527
2001	128,334	-1.69%	6,417
2002	126,396	-1.51%	6,320
2003	124,955	-1.14%	6,248
2004	123,793	-0.93%	6,190
2005	122,964	-0.67%	6,148
2006	121,439	-1.24%	6,072
2007	119,945	-1.23%	5,997
2008	118,674	-1.06%	5,934
2009	117,202	-1.24%	5,860

\* Actual

Source: Maryland State Department of Education, *Maryland Public School Enrollment by Race/Ethnicity and Gender and Number of Schools*, Table 2, September 30, 1999, and Maryland Department of Planning, *Public School Enrollment Projections 2000-2009*

**Retirements, Attrition, and New Teachers**

Another factor commonly cited as a reason for the predicted future teacher shortage is the number of teachers who are either retiring or leaving teaching who are not replaced by a sufficient number of new or transferring teachers. **Exhibit 10** shows the estimated number of teachers who are eligible to retire between fiscal 2001 and 2026. Assuming that all teachers eligible to retire after 30 years of service did retire, then the State would need to replace approximately 2,500 teachers in fiscal 2001. However, after fiscal 2001, the number of retired teachers the State would need to replace in each of the next ten years would average about 1,100 teachers.

**Exhibit 10**

**Estimated Number of Teachers Eligible to Retire  
Fiscal 2001 through 2026**

<u>Fiscal Year</u>	<u>Current Length of Service</u>	<u>Teachers' Retirement System*</u>	<u>Teachers' Pension System</u>	<u>Sum of Both Systems</u>	<u># of Teachers Eligible to Retire in Fiscal Year Assuming 65.0% of System Members are Teachers**</u>	<u>Cumulative # of Teachers Eligible to Retire in Fiscal Year assuming 65.0% of System Members are Teachers**</u>
2026 (at earliest)	5 years or less	16	31,274	31,290	20,339	51,652
2025	6 years	0	3,035	3,035	1,973	31,314
2024	7 years	0	2,563	2,563	1,666	29,341
2023	8 years	0	2,355	2,355	1,531	27,675
2022	9 years	0	2,293	2,293	1,490	26,145
2021	10 years	0	2,401	2,401	1,561	24,654
2020	11 years	0	2,128	2,128	1,383	23,094
2019	12 years	0	2,094	2,094	1,361	21,711
2018	13 years	0	1,985	1,985	1,290	20,350
2017	14 years	3	2,061	2,064	1,342	19,059
2016	15 years	5	1,764	1,769	1,150	17,718
2015	16 years	7	1,420	1,427	928	16,568
2014	17 years	19	962	981	638	15,640
2013	18 years	39	847	886	576	15,003
2012	19 years	59	1,137	1,196	777	14,427
2011	20 years	142	1,241	1,383	899	13,649
2010	21 years	587	1,080	1,667	1,084	12,750
2009	22 years	591	1,084	1,675	1,089	11,667
2008	23 years	562	1,152	1,714	1,114	10,578
2007	24 years	729	1,216	1,945	1,264	9,464
2006	25 years	660	1,207	1,867	1,214	8,200
2005	26 years	818	1,257	2,075	1,349	6,986
2004	27 years	870	1,129	1,999	1,299	5,637
2003	28 years	756	692	1,448	941	4,338
2002	29 years	720	636	1,356	881	3,397
2001	30 years or more	1,754	2,116	3,870	2,516	2,516
<b>Total</b>		<b>8,337</b>	<b>71,129</b>	<b>79,466</b>		

\*The Teachers' Retirement System closed to new membership in 1980.

\*\*The 65.0% assumption is based on dividing the number of employees in the Teachers' Retirement and Teachers' Pension System in fiscal 2001 (79,466) by the number of teachers employed in the school system in the 1999-2000 school year (52,018).

Source: State Retirement Agency



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In addition to replacing the number of retiring teachers each year, the State would need to replace the number of teachers who have left the classroom for reasons other than retirement. Reasons often cited for leaving the classroom include low pay and poor working conditions. According to **Exhibit 11**, 9.9% of teachers in Maryland left teaching in the 1999-2000 school year. Unfortunately, MSDE cannot separate out how many of these teachers left because of retirement or termination. However, if approximately 2,500 teachers were eligible to retire in fiscal 2001, and a total of 5,165 left in the 1999-2000 school year, then it is reasonable to assume that approximately 2,600 teachers left for reasons other than retirement.

**Exhibit 11**

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**Teachers Leaving Teaching -- School Year 1999 through 2000**

	<u>Teachers Employed</u>	<u>Teachers Who Left Teaching</u>	<u>Percent</u>
State	52,018	5,165	9.9%
Allegany	666	42	6.3%
Anne Arundel	4,319	411	9.5%
Baltimore City	5,948	892	15.0%
Baltimore County	6,786	745	11.0%
Calvert	860	0	0.0%
Caroline	339	31	9.1%
Carroll	1,552	91	5.9%
Cecil	1,028	2	0.2%
Charles	1,254	159	12.7%
Dorchester	336	29	8.6%
Frederick	2,225	189	8.5%
Garrett	362	19	5.2%
Harford	2,415	206	8.5%
Howard	2,906	250	8.6%
Kent	184	17	9.2%
Montgomery	8,532	679	8.0%
Prince George's	7,682	1,338	17.4%
Queen Anne's	422	37	8.8%
St. Mary's	914	92	10.1%
Somerset	215	26	12.1%
Talbot	293	27	9.2%
Washington	1,333	49	3.7%
Wicomico	974	49	5.0%
Worcester	473	26	5.5%

Note: These figures show teachers who left between October 31, 1998, and October 31, 1999. State totals do not include teachers who left one public school system to work in another public school system.

Source: Maryland State Department of Education, Division of Planning, Results, and Information Management

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If more than half of the number of teachers leaving each year are leaving for reasons other than

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retirement, the State may want to focus its efforts and resources toward determining why these teachers are leaving the classroom.

As **Exhibit 12** shows, the State hired 7,329 teachers for the 1999-2000 school year. Exhibit 12 also shows that, in the past ten years, fewer and fewer of the beginning teachers are coming from Maryland education programs. Among the experienced new hires, more are transferring from other jurisdictions rather than coming from other states. These trends suggest that the Maryland higher education system is not producing enough teachers.

**Exhibit 12**

**New Hires by Maryland Public Schools  
1990-1991 to 1999-2000**

<u>Year</u>	<u>Total</u>	<u>Beginning Teachers</u>				<u>Experienced Teachers</u>			
		<u>Maryland Prepared</u>	<u>% of Total</u>	<u>Non-Maryland Prepared</u>	<u>% of Total</u>	<u>Taught in Maryland</u>	<u>% of Total</u>	<u>Taught Outside Maryland</u>	<u>% of Total</u>
1 9 9 0 - 1991	2,692	822	30.5%	735	27.3%	492	18.3%	643	23.9%
1 9 9 1 - 1992	2,806	852	30.4%	832	29.7%	543	19.4%	579	20.6%
1 9 9 2 - 1993	3,120	1,005	32.2%	1,016	32.6%	444	14.2%	655	21.0%
1 9 9 3 - 1994	2,955	1,014	34.3%	829	28.1%	525	17.8%	587	19.9%
1 9 9 4 - 1995	3,774	1,187	31.5%	1,234	32.7%	752	19.9%	601	15.9%
1 9 9 5 - 1996	3,623	1,123	31.0%	1,127	31.1%	533	14.7%	840	23.2%
1 9 9 6 - 1997	4,588	1,455	31.7%	1,363	29.7%	1,112	24.2%	658	14.3%
1 9 9 7 - 1998	5,595	1,780	31.8%	1,537	27.5%	1,362	24.3%	916	16.4%
1 9 9 8 - 1999	6,033	1,543	25.6%	1,871	31.0%	1,426	23.6%	1,193	19.8%
1 9 9 9 - 2000	7,329	1,665	22.7%	2,233	30.5%	2,072	28.3%	1,359	18.5%

Source: Maryland State Department of Education, *Maryland Teacher Staffing Report 2000-2002*

### **A Closer Look at Why Teachers Are Leaving is Needed**

MSDE has captured data on how many teachers are leaving the classroom. In predicting an upcoming teacher shortage, MSDE has cited numerous causes, particularly increasing enrollment, increasing retirement, and increasing attrition.

Based on national and State projections, enrollment will decrease. However, retirement and attrition are factors affecting the number of teachers in the classroom. Yet MSDE does not have accurate data on why and the extent to which each factor is affecting the number of teachers in the classroom.

#### **DLS therefore recommends the following committee narrative:**

**Study on Reasons Teachers are Leaving the Classroom:** The committees are concerned that, while a teacher shortage may indeed be here or be coming, the State does not know which factors that contribute to the teacher shortage have the greatest impact on the supply of teachers. The committees, therefore, request that MSDE prepare a study on the reasons teachers are leaving the classroom. The study should address the following questions:

- How many of the teachers leaving the classroom in this and in future school years are leaving for retirement, how many are terminated, and how many are leaving for other reasons?
- What reasons do teachers cite for leaving other than retirement or termination, as ascertained through exit interviews?
- What incentives can MSDE propose that will stem retirements and attrition in the projected peak enrollment years of 2003-2006?
- Why do some new teachers graduating from Maryland's education programs leave the State to teach elsewhere, as ascertained through graduation interviews?
- Why do some experienced teachers leave one jurisdiction to teach in another jurisdiction, as ascertained through exit interviews?

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Ongoing study on the reasons teachers are leaving the classroom	MSDE	December 1, 2001, and each December 1 thereafter

**DLS recommends that MSDE be prepared to comment on its predictions for an upcoming teacher shortage.**

## **2. Maintaining a Correctional Education Waiting List May Be Questionable Under the Law**

Section 22-102 of the Maryland Annotated Code requires inmates who do not have a high school diploma or a GED to attend a mandatory education program to earn a high school diploma or a GED. However, MSDE contends that a lack of funding to hire a sufficient number of correctional education teachers is creating a waiting list of inmates who are unable to attend the mandatory program before their release.

MSDE notes that approximately 19,800 inmates were eligible in fiscal 2000 for State and federally mandated education programs. MSDE notes that it was only able to serve 9,300 of these 19,800 inmates. A total of 2,144 inmates were on waiting lists at the 13 correctional education schools as of September 15, 2000. MSDE believes that the waiting list underestimates the demand for the program. MSDE said that case managers will not put inmates on a waiting list if the case managers believe that the inmates will not be able to enter the program before their release date.

MSDE requested 42.5 positions in its fiscal 2002 request for the correctional education program, including 18.5 academic positions, 13 occupational teachers, 5 substitute teachers, and 4 full-time secretarial positions. The Governor's allowance does not provide for these positions. MSDE believes if it had received the positions, it would have been able to reduce the waiting list by at least 1,360 inmates.

MSDE may find some relief for at least retaining its current 176 correctional education teachers. The Department of Budget and Management (DBM) has proposed increasing by 1.0% the salaries of the following five correctional education positions: Director of Correctional Education, Field Coordinator of Correctional Education, Coordinator of Correctional Education Programs, Supervisor of Correctional Education -- Psychology Services, and the Correctional Education Specialist positions. This 1.0% increase corresponds with the 1.0% increase other teachers may receive under the Governor's Teacher Salary Challenge Program. Additionally, DBM is proposing a \$1,425 salary add-on for lead teachers and a \$2,850 salary add-on for supervisory teachers.

MSDE has noted that the salaries and wages of the correctional teachers have exceeded MSDE's appropriation in the past several years. MSDE had a deficit in fiscal 2000 for covering the salaries and wages and expects another deficit in fiscal 2001. MSDE transferred funds in fiscal 2000 to cover fiscal 2000's deficit. MSDE also requested a deficiency appropriation for fiscal 2001 and an increase in correctional education salaries for fiscal 2002.

### **Possible Alternatives to Reducing the Waiting List**

The second largest increase in the Correctional Education Division's budget -- other than personnel expenses -- is \$271,979 in federal funds for the Learning Anytime Anywhere Partnerships Program. This pilot program is attempting to use the Internet to offer post-secondary education courses online to inmates. MSDE anticipates funding for the program for the next three years. The Maryland Community College Consortium, MSDE's Maryland Correctional Program, and the Maryland Department of Public Safety and Correctional Services are collaborating on this program.

**MSDE should be prepared to explain what alternatives it will implement to reduce these waiting lists other than requesting new positions and explain whether a program such as the Learning Anytime Anywhere Partnerships might be available to assist those inmates who are in the mandatory education program.**

**MSDE also should be prepared to comment on how it will contend with the correctional education salary deficit if MSDE does not receive sufficient funding.**

### **3. President Bush Reveals His Education Plan**

President George W. Bush recently outlined his agenda for educational reform. President Bush's education plan focuses on the following seven priorities:

- **Closing the Achievement Gap:** The President would hold states, school districts, and schools accountable for student performance. Students also would be subject to annual reading and math assessments. If schools fail to make sufficient annual progress for their disadvantaged students the schools will receive help and then corrective action. If, after three years, the schools are not making sufficient progress, then the disadvantaged students may use Title I monies to transfer to a better-performing public or private school, or obtain additional educational assistance from a provider of their choice
- **Emphasizing Reading to Improve Literacy:** New Reading First grants will be available to states that develop comprehensive reading programs for kindergarten through second grade students. Additionally, states that participate in Reading First can receive funding under a new Early Reading First Program to develop pre-reading methods in pre-school programs.
- **Granting Flexibility and Reducing Bureaucracy:** The plan would allow more schools to use Title I funds to operate schoolwide programs. The schools also would be allowed to mix federal funds with local and state funds to improve school quality. By consolidating funds for Internet connectivity and technology and distributing them based on need, the President hopes that the administrative burden of obtaining this funding will be reduced. States and districts also could select a charter option in which charter states and districts would not be limited by categorical programs as long as they submitted a performance agreement and were willing to follow high standards of accountability.
- **Rewarding Success and Punishing Failure:** This priority includes providing one-time bonuses to states that meet accountability requirements within two years of the beginning of this plan. Additional "No Child Left Behind" bonuses will be offered to those schools that most improve the achievement of disadvantaged students. If schools fail to meet performance standards, the Secretary of Education can reduce federal funds to the state for administrative expenses.
- **Involving Parents in School Choice Decisions:** Schools will be given school-by-school report cards. Funds will be available for charter school start-up costs, facilities, and other costs. Grants will also be available for innovative efforts to expand parental choice and to research school choice effects.

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- **Improving Teacher Quality:** The federal government will provide flexible funding for improving teacher quality and set high standards for professional development. Additionally, the federal government believes K-12 math and science education will be strengthened if states partner with higher education institutions for improving instruction and curriculum.

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- **Promoting Safety in Schools:** The President's plan would allow teachers to remove violent or disruptive students from class, increase funding for promoting safety and drug prevention, consider religious organizations equally as other nongovernmental organizations when giving after-school program grants, provide students in unsafe schools with alternatives, and promote character education.

**DLS recommends that MSDE be prepared to comment on how well the State is positioned to meet the requirements of the President's plan.**

## Recommended Actions

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- |   | <b><u>Amount<br/>Reduction</u></b> |
|---|------------------------------------|
| 1. Delete funds for expanding the high school assessment program. The State School Board believes that it is unconscionable to require students to pass a high school assessment test for graduation if they have not been taught the skills needed to pass the test. Academic intervention would provide these skills. However, the allowance does not provide sufficient academic intervention funding. Funding to expand the high school assessment program should be denied until sufficient academic intervention funding is provided. | \$ 6,500,000 GF                    |

2. Adopt the following narrative:

**Study on Reasons Teachers are Leaving the Classroom:** The committees are concerned that, while a teacher shortage may indeed be here or be coming, the State does not know which factors that contribute to the teacher shortage have the greatest impact on the supply of teachers. The committees therefore request the Maryland State Department of Education (MSDE) prepare a study on the reasons teachers are leaving the classroom. The study should address the following questions:

- How many of the teachers leaving the classroom in this and in future school years are leaving for retirement, how many are terminated, and how many are leaving for other reasons?
- What reasons do teachers cite for leaving the classroom other than retirement or termination, as ascertained through exit interviews?
- What incentives can MSDE propose that will stem retirements and attrition in the projected peak enrollment years of 2003-2006?
- Why do some new teachers graduating from Maryland's education programs leave the State to teach elsewhere, as ascertained through graduation interviews?
- Why do some experienced teachers leave one jurisdiction to teach in another jurisdiction, as ascertained through exit interviews?

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<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Ongoing study on the reasons teachers are leaving the classroom	MSDE	December 1, 2001, and each December 1 thereafter
<b>Total General Fund Reductions</b>		<b>\$ 6,500,000</b>

*RA.01 - MSDE - Headquarters*

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Ongoing study on the reasons teachers are leaving the classroom	MSDE	December 1, 2001, and each December 1 thereafter
<b>Total General Fund Reductions</b>		<b>\$ 6,500,000</b>

## *Updates*

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### **1. Libraries Establish Policies for Protecting Children from Obscene Materials**

Chapter 9, Acts of 2000 requires each county or board of trustees of a county library to adopt and implement policies and procedures to prevent children from accessing obscene or pornographic materials. These policies and procedures must be adopted by January 1, 2001. The State Superintendent of Schools regularly monitors the county libraries to determine whether each library is complying with the required policies and procedures.

MSDE has noted that it has reviewed and approved the policies of all 24 public library system boards of trustees to prevent minors from accessing obscene materials and child pornography.

***Current and Prior Year Budgets***

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**Current and Prior Year Budgets  
Maryland State Department of Education  
(\$ in Thousands)**

	<b><u>General Fund</u></b>	<b><u>Special Fund</u></b>	<b><u>Federal Fund</u></b>	<b><u>Reimb. Fund</u></b>	<b><u>Nonbudgeted Fund</u></b>	<b><u>Total</u></b>
<b>Fiscal 2000</b>						
Legislative Appropriation	\$62,148	\$3,367	\$77,097	\$827	\$651	\$144,090
Deficiency Appropriation	325	0	0	0	0	325
Budget Amendments	354	730	12,641	318	1,777	15,820
Reversions and Cancellations	(434)	(1,113)	(11,318)	(607)	0	(13,472)
<b>Actual Expenditures</b>	<b>\$62,394</b>	<b>\$2,984</b>	<b>\$78,420</b>	<b>\$538</b>	<b>\$2,428</b>	<b>\$146,763</b>
<b>Fiscal 2001</b>						
Legislative Appropriation	\$72,795	\$10,125	\$86,574	\$322	\$708	\$170,523
Budget Amendments	207	0	0	0	5	211
<b>Working Appropriation</b>	<b>\$73,002</b>	<b>\$10,125</b>	<b>\$86,574</b>	<b>\$322</b>	<b>\$712</b>	<b>\$170,735</b>

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

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***RA.01 - MSDE - Headquarters***

The fiscal 2000 general fund legislative appropriation increased by \$679,314, including \$354,314 to cover the costs of the new State pay plan and to match employees' deferred compensation; a \$200,000 deficiency appropriation to pay for a performance audit of the Allegany County Public School System, and a \$125,000 deficiency appropriation for the Commission on Education Finance, Equity and Excellence.

The fiscal 2000 special fund legislative appropriation increased by \$729,855, including \$414,000 from the Blind Enterprise Program vending facility revenue; \$121,239 from adult education course fees, the Montgomery County Technology Program for implementing technology programs, and the East Coast Migrant Head Start Project; and \$92,486 in grants from the Center on Crime, Community, and Culture to support post-secondary education programs in correctional institutions.

The fiscal 2000 federal fund legislative appropriation increased by \$12,641,186 for advanced placement incentives, school-to-work initiatives, college awareness programs, child nutrition, special education, adult education, teacher quality enhancements, technology literacy, family literacy, vocational education, and other initiatives.

The fiscal 2000 reimbursable fund legislative appropriation increased by \$317,847, including \$232,319 from the Department of Health and Mental Hygiene for sexual assault prevention and awareness education for middle and high school students. The remaining \$85,528 includes funds for employment, job training, and the redesign of teacher education.

The fiscal 2001 legislative appropriation increased by \$206,624 reflecting annual salary review, partial cost of living adjustment, and Office of Administrative Hearing costs.

**RA.01 - MSDE - Headquarters**

Object/Fund	Object/Fund Difference Report					
	MSDE - Headquarters					
	FY00 Actual	FY01 Working Appropriation	FY02 Allowance	FY01 - FY02 Amount Change	Percent Change	
<b>Positions</b>						
01 Regular	1350.90	1355.90	1358.90	3.00	0.2%	
02 Contractual	105.02	150.76	154.76	4.00	2.7%	
<b>Total Positions</b>	<b>1455.92</b>	<b>1506.66</b>	<b>1513.66</b>	<b>7.00</b>	<b>0.5%</b>	
<b>Objects</b>						
01 Salaries and Wages	\$ 70,317,600	\$ 72,363,483	\$ 77,987,681	\$ 5,624,198	7.8%	
02 Technical & Spec Fees	25,527,128	29,689,369	30,560,561	871,192	2.9%	
03 Communication	2,072,381	1,624,339	1,698,446	74,107	4.6%	
04 Travel	1,451,523	1,052,151	1,088,455	36,304	3.5%	
06 Fuel & Utilities	679,545	839,683	884,219	44,536	5.3%	
07 Motor Vehicles	494,035	507,548	654,769	147,221	29.0%	
08 Contractual Services	26,179,444	40,749,108	49,544,895	8,795,787	21.6%	
09 Supplies & Materials	2,341,345	2,272,141	2,219,088	(53,053)	(2.3%)	
10 Equip - Replacement	785,071	671,376	985,864	314,488	46.8%	
11 Equip - Additional	1,587,123	1,054,485	991,291	(63,194)	(6.0%)	
12 Grants, Subsidies, Contributions	13,423,833	16,826,347	14,279,274	(2,547,073)	(15.1%)	
13 Fixed Charges	1,871,142	3,027,701	3,043,976	16,275	0.5%	
14 Land & Structures	33,812	56,825	50,059	(6,766)	(11.9%)	
<b>Total Objects</b>	<b>\$ 146,763,982</b>	<b>\$ 170,734,556</b>	<b>\$ 183,988,578</b>	<b>\$ 13,254,022</b>	<b>7.8%</b>	
<b>Funds</b>						
01 General Fund	\$ 62,394,444	\$ 73,001,732	\$ 83,106,204	\$ 10,104,472	13.8%	
03 Special Fund	2,983,753	10,124,747	6,361,602	(3,763,145)	(37.2%)	
05 Federal Fund	78,420,147	86,573,823	91,918,149	5,344,326	6.2%	
07 Non-budgeted Fund	2,427,987	712,330	2,529,122	1,816,792	255.0%	
09 Reimbursable Fund	537,651	321,924	73,501	(248,423)	(77.2%)	
<b>Total Funds</b>	<b>\$ 146,763,982</b>	<b>\$ 170,734,556</b>	<b>\$ 183,988,578</b>	<b>\$ 13,254,022</b>	<b>7.8%</b>	

Note: Full-time and contractual positions and salaries are reflected for operating budget programs only.

**Fiscal Summary  
MSDE - Headquarters**

<u>Unit/Program</u>	<u>FY00</u>	<u>FY01</u>	<u>FY01</u>	<u>FY00 - FY01</u>	<u>FY02</u>	<u>FY01 - FY02</u>
	<u>Actual</u>	<u>Legislative Appropriation</u>	<u>Working Appropriation</u>	<u>% Change</u>	<u>Allowance</u>	<u>% Change</u>
01 Office of the State Superintendent	\$ 6,995,638	\$ 12,119,837	\$ 10,577,846	51.2%	\$ 9,514,897	(10.0%)
02 Division of Business Services	9,015,045	9,040,324	9,246,948	2.6%	9,645,896	4.3%
03 Professional Strategic Development	1,149,083	0	1,959,297	70.5%	2,268,371	15.8%
04 Division of Planning, Results, and Information Man	19,675,756	26,357,309	26,357,309	34.0%	35,155,165	33.4%
11 Division of Instruction and Staff Development	8,943,585	14,780,656	14,363,350	60.6%	10,382,008	(27.7%)
12 Division of Student and School Services	3,946,177	4,400,053	4,400,053	11.5%	4,803,803	9.2%
13 Division of Special Education	5,194,338	5,996,327	5,996,327	15.4%	7,617,848	27.0%
14 Division of Career Technology and Adult Learning	4,513,767	5,429,401	5,429,401	20.3%	5,597,379	3.1%
15 Division of Correctional Education	13,913,461	13,922,178	13,922,178	0.1%	14,582,974	4.7%
17 Division of Library Development and Services	1,849,914	2,154,126	2,154,126	16.4%	2,497,089	15.9%
18 Division of Certification and Accreditation	4,131,025	5,157,681	5,157,681	24.9%	5,389,295	4.5%
20 Division of Rehabilitation Services	9,496,355	10,248,606	10,248,606	7.9%	11,217,598	9.5%
21 Division of Rehabilitation Services - Client Services	38,077,362	41,728,364	41,728,364	9.6%	42,171,449	1.1%
23 Division of Rehabilitation Services - Disability D	17,434,489	18,480,740	18,480,740	6.0%	20,615,684	11.6%
25 Ordinary Clearing Account-Nonbudgeted Funds- Hqr	2,427,987	707,794	712,330	(70.7%)	2,529,122	255.0%
<b>Total Expenditures</b>	<b>\$ 146,763,982</b>	<b>\$ 170,523,396</b>	<b>\$ 170,734,556</b>	<b>16.3%</b>	<b>\$ 183,988,578</b>	<b>7.8%</b>
General Fund	\$ 62,394,444	\$ 72,795,108	\$ 73,001,732	17.0%	\$ 83,106,204	13.8%
Special Fund	2,983,753	10,124,747	10,124,747	239.3%	6,361,602	(37.2%)
Federal Fund	78,420,147	86,573,823	86,573,823	10.4%	91,918,149	6.2%
Nonbudgeted Fund	2,427,987	707,794	712,330	(70.7%)	2,529,122	255.0%
<b>Total Appropriations</b>	<b>\$ 146,226,331</b>	<b>\$ 170,201,472</b>	<b>\$ 170,412,632</b>	<b>16.5%</b>	<b>\$ 183,915,077</b>	<b>7.9%</b>
Reimbursable Fund	\$ 537,651	\$ 321,924	\$ 321,924	(40.1%)	\$ 73,501	(77.2%)
<b>Total Funds</b>	<b>\$ 146,763,982</b>	<b>\$ 170,523,396</b>	<b>\$ 170,734,556</b>	<b>16.3%</b>	<b>\$ 183,988,578</b>	<b>7.8%</b>