

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1421
Ways and Means

(Delegate Miller)

Accountability and Implementation Board - Scope of Authority

This bill repeals the status of the Accountability and Implementation Board (AIB) as an independent unit of State government, making it instead subject to the bylaws, rules, and regulations of the State Board of Education (SBE), and accordingly making SBE the head of AIB. The bill repeals AIB's plenary authority over all matters within its jurisdiction, including the intended outcomes of the Blueprint for Maryland's Future (Blueprint), and specifies that AIB has authority over the monitoring and evaluation of the Blueprint through approval of implementation plans and other required reports measuring progress toward achieving the benchmarks set in AIB's comprehensive implementation plan (CIP). Further, AIB may not otherwise usurp the operational authority of SBE. **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: Beginning in FY 2026, specified contractual costs are transferred from AIB to MSDE and/or SBE, as discussed below. The net effect on State expenditures is assumed to be minimal but may result in operational delays, as discussed below. Revenues are not affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Bill Summary: The bill repeals AIB's independent authority to (1) adopt regulations and bylaws; (2) determine its place of operations; (3) accept loans, grants, or

assistance; (4) enter into contracts or other legal instruments; (5) sue or be sued; and (6) subpoena data needed to complete its functions or duties. AIB's broad control over policy and decisions in the event of conflict with the decision or policy of another entity is narrowed to pertain specifically to decisions and policies required to implement the Blueprint and to submit CIPs and specified reports.

Under current law, annually, 25% of the increase for the next fiscal year in the State's share of major education aid over the amount provided in the current fiscal year is automatically withheld from a school system or public school. For fiscal 2023 through 2025, AIB must release these funds if a local school system has submitted and then adopted an approved implementation plan. Beginning in fiscal 2026, AIB must consider releasing withheld funds if the board receives a recommendation to release the funds from MSDE, the Career and Technology Education Committee, an expert review team, or in AIB's judgment. *Under the bill*, SBE approves AIB's withholding of funds and SBE considers the release of funds, upon recommendation of the other entities named above, as well as AIB.

Under current law, AIB may also withhold additional funds if it finds appropriate steps to improve student progress or implement the Blueprint have not been taken. AIB must issue warnings to public schools or local school systems on or before December 1 that funds may not be released in the coming year and must make a final decision by February 1 on whether to release funds. A public school or local school system may appeal this decision in an appeals process developed by AIB. *Under the bill*, SBE may withhold additional funds if AIB makes the determination that appropriate steps have not been taken. *Under current law*, AIB must notify the Governor, President of the Senate, and the Speaker of the House of a decision not to release funds or to withhold funds. *Under the bill*, SBE provides such notice.

Under the bill, SBE, instead of AIB:

- must notify the State Superintendent and the Comptroller by June 1 of each year, of the board's final decision to release, not release, or withhold additional funds in the next fiscal year;
- may determine it is necessary to release or withhold funds for the current fiscal year;
- must notify the State Superintendent and the Comptroller as soon as practicable if it decides to release or withhold additional funds during the current fiscal year; and
- must develop an appeals process through which a public school or local school system may contest the withholding of funds.

Under the bill, SBE, not AIB, may determine to withhold funds from MSDE, the Maryland Higher Education Commission (MHEC), the Career and Technical Education (CTE) Committee, or any other entity of State or local government responsible for developing an

implementation plan, for specified reasons regarding the plans, and must notify the Comptroller, the Governor, President of the Senate, and the Speaker of the House regarding the intent to withhold funds.

Under current law, AIB must approve plans for deployment of expert review teams submitted by MSDE and the CTE Committee; *under the bill*, the plans are submitted to SBE for approval and AIB may comment on the plans.

The bill requires SBE to (1) by September 1 of each year, review requested or required reports related to the Blueprint to identify duplication and opportunities to clarify and consolidate reporting requests or requirements and (2) by October 1 of each year, report to the General Assembly on recommendations stemming from the review.

Under current law AIB may do all of the following (under the bill it may do so unless otherwise directed by SBE):

- recommend that MSDE and MHEC review the accreditation of certain programs found to be ineffective;
- determine that the career ladder system has been well established throughout the State for the purposes of implementing the Blueprint;
- make grants to innovative programs that help further the AIB's purpose; and
- perform any other duties necessary to carry out AIB's granted powers.

The bill requires SBE, not AIB, to contract with an entity to conduct an independent evaluation of the State's progress in implementing the Blueprint and achieving the expected outcomes during the implementation period. The entity, under current law and the bill, must report its results to AIB by December 1, 2026, and October 1, 2030. *Under current law*, using the initial independent evaluation and using its own judgement, AIB must report to the Governor and General Assembly on whether the Blueprint is being implemented as intended and achieving expected outcomes, and also report on findings of the final report. *Under the bill*, SBE does so. Under the bill, it is on the recommendation of AIB that SBE must determine:

- whether the Blueprint is working as intended;
- what steps are necessary to continue providing a globally competitive education to the children of the State;
- if any changes to the structure, functioning, and authority of State and local agencies responsible for education are necessary; and
- whether AIB should continue to monitor implementation of the Blueprint after June 30, 2032.

Under current law, AIB independently makes these determinations.

Under current law, AIB must by December 31, 2026, submit a report to the Governor and the General Assembly on the results of an evaluation measuring the effectiveness of efforts to increase teacher diversity in the State. *Under the bill*, AIB reports to SBE by November 30, 2026, on the results of the evaluation and recommendations for alterations to State programs and policies, and SBE reports to the Governor and General Assembly by December 31, 2026.

State Fiscal Effect: While the bill shifts the base of authority over numerous activities and decisions, the scope of work relevant to the bill across AIB, MSDE, and SBE is not substantially altered, and the range of AIB responsibilities is not substantially diminished. Thus, it is assumed that the bill does not affect staffing levels or related costs statewide, or by any agency.

However, it is assumed that the cost associated with the independent evaluation of the State's progress in implementing the Blueprint, with reports due December 1, 2026, and October 1, 2030, is shifted from AIB to SBE and/or MSDE, given that the bill shifts responsibility for contracting with an entity to perform the evaluation from AIB to SBE. AIB advises that it has entered into a contract with NORC (at the University of Chicago) to conduct the evaluation for a total of \$766,800, which commenced February 25, 2025. AIB assumes that, if necessary, the cost to terminate the contract for convenience would be minimal but having SBE resolicit the contract may delay its completion. This analysis assumes that regardless of the particular decisions made, the magnitude of costs for this and any other contracts currently under AIB's authority are shifted to SBE/MSDE, with no meaningful statewide effect on finances.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Baltimore City Public Schools; Baltimore County Public Schools; Comptroller's Office; University System of Maryland; Morgan State University; Maryland Independent College and University Association; Department of Budget and Management; Maryland Department of Labor; Maryland State Department of Education; Accountability and Implementation Board; Department of Legislative Services

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