

**R00A01**  
**Headquarters**  
**Maryland State Department of Education**

***Executive Summary***

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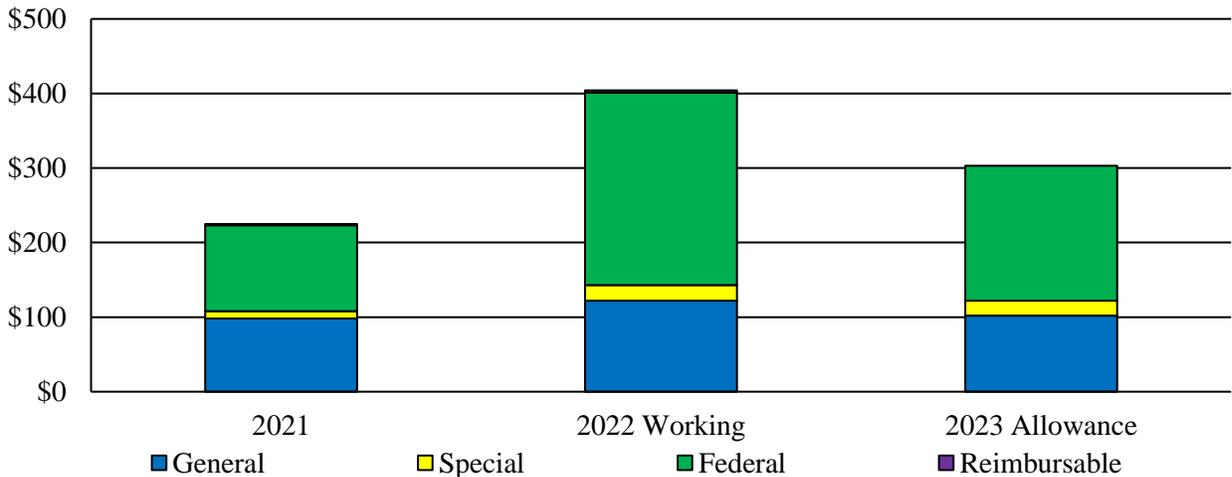
The Maryland State Department of Education (MSDE) develops and implements standards and policy for education programs across the State. The State Board of Education (SBOE) serves as the governing board for MSDE and appoints the State Superintendent of Schools as the head of the agency.

This analysis includes information on several independent units that fall under the umbrella of the State’s public education system, including the Maryland Longitudinal Data System Center (MLDSC) (R00A05), the Maryland Center for School Safety (MCSS) (R00A06), and the Office of the Inspector General (R00A08). The Children’s Cabinet Interagency Fund (R00A04), the Interagency Commission on School Construction (IAC) (R00A07), the Maryland School for the Deaf (MSD) (R99E), and the Accountability and Implementation Board (R00A09), which is an independent State agency that oversees Blueprint for Maryland’s Future program implementation and is not part of MSDE, have separate analyses. MSDE Headquarters Division of Early Childhood Development is included in the analysis for the Division of Early Childhood (R00A99). Information on the Maryland School for the Blind (MSB) is in the Funding for Educational Organizations analysis (R00A03).

***Operating Budget Summary***

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**Fiscal 2023 Budget Decreases \$101.3 Million, or 25.0%, to \$303.2 Million  
(\$ in Millions)**



Note: The fiscal 2022 working appropriation includes deficiency appropriations. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

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- The fiscal 2023 general fund allowance decreases by approximately \$20.0 million primarily due to the transfer of the Juvenile Services Education (JSE) program to the Department of Juvenile Services (DJS) and a \$3.9 million deficiency allocation for the School Resource Officer (SRO) grant due to an improper reversion of those funds in fiscal 2022.
- Federal funds decrease by \$77.1 million primarily due to the allocation of COVID-19 federal stimulus funds in fiscal 2022.

## ***Key Observations***

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- ***MSDE Personnel Vacancies Persist; Personnel Needed for Blueprint for Maryland’s Future Implementation:*** Since fiscal 2020, MSDE has experienced high numbers of personnel vacancies, particularly in the Department of Rehabilitative Services (DORS) and the Office of the State Superintendent. MSDE receives 10 additional positions in the fiscal 2023 budget for implementation of the Blueprint for Maryland’s Future program (Chapter 36 of 2021), which is 31 positions less than the estimated need to fulfill program requirements.
- ***MSDE Reports Virtual Learning Progress; Need for Continued Investment:*** In response to school closures in calendar 2020 and 2021 due to COVID-19, MSDE took steps to assist local education agencies (LEA) in the implementation of virtual learning including the addition of virtual courses for students and teachers. However, MSDE expects costs will increase for new initiatives and programs.
- ***Maryland Comprehensive Assessment Program (MCAP) Resumes but Future Costs Uncertain:*** Federal waivers in calendar 2020 and 2021 allowed MSDE to delay administration of MCAP, which is the primary assessment tool for all Maryland students. Although the fiscal 2023 proposed budget has a slight decrease in the allowance for MCAP, MSDE reports that assessment development will likely result in higher costs heading into fiscal 2024.
- ***MSDE and MSD Address Noncompliance Issues; Memorandum of Understanding (MOU):*** A 2019 audit found that MSD required assistance from MSDE to remediate issues in accordance with federal Individuals with Disabilities Education Act (IDEA) guidelines. Although MSD made progress on these issues, areas of noncompliance remain. Additionally, MSDE and MSD’s MOU was last revised in 1998 and may need to be updated to the current statute.

## **Operating Budget Recommended Actions**

1. Add language regarding the Maryland State Department of Education’s persistent vacancies and personnel needs for Chapter 36 of 2021 implementation.
2. Adopt committee narrative on accounting practices.
3. Adopt committee narrative on State Education Agency federal stimulus funds.
4. Adopt committee narrative on virtual learning.
5. Adopt committee narrative on the Maryland School for the Deaf.
6. Adopt committee narrative on the Maryland Comprehensive Assessment Program.

## **Updates**

- As part of a request by the budget committees in the 2021 *Joint Chairmen’s Report* (JCR), MSDE reported on \$10.0 million in expenditures distributed from the Coronavirus, Aid, Relief, and Economic Security (CARES) Elementary and Secondary School Emergency Relief (ESSER I) fund for school reopening and \$10.0 million in Competitive Innovative Grant allocations from the CARES Governor’s Emergency Education Relief (GEER I) fund for educational institutions to address the COVID-19 pandemic.
- MSDE reported on a \$15.0 million grant to develop and construct a State wireless network for underserved students in Maryland with the Department of Housing and Community Development (DHCD) and their decision to allocate funds directly to LEAs for Internet connectivity.
- Starting this year, MCSS is included this budget analysis. In the fiscal 2023 proposed budget, MCSS receives a total allowance of \$25.4 million, of which \$22.6 million is dedicated to school safety grants.
- The Office of the Inspector General for Education (OIGE) submitted its annual report and updated its website to reflect requests for additional information in response to fiscal 2022 budget language.
- In fiscal 2021 and 2022, Project Bounce Back received \$25.0 million in federal stimulus funds to combat Adverse Childhood Experiences (ACEs). This program is a private-public partnership between MSDE; the Governor’s Office of Crime Prevention, Youth and Victim Services (GOVPYVS); and private partners including Microsoft, KPMG, LinkedIn, Mid-Shore Council on Family Violence, Boys & Girls Clubs of America, and child advocacy organizations.
- MSDE and the Department of Information Technology (DoIT) continue to upgrade data security following a 2019 audit that revealed issues at MSDE with data encryption, outdated software, and disaster recovery.

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**Headquarters**  
**Maryland State Department of Education**

***Operating Budget Analysis***

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**Program Description**

Providing a free public education is a constitutional obligation of the State. Under the leadership of the State Superintendent of Schools and guidance from the Maryland SBOE, MSDE Headquarters develops and implements standards and policy for education programs from prekindergarten through high school. MSDE includes SBOE, the Office of the State Superintendent, the Office of the Deputy Superintendent for School Effectiveness, the Office of the Deputy Superintendent for Teaching and Learning, and the Office of the Deputy for Finance.

The Office of the State Superintendent provides overall direction and coordination of MSDE activities, support staff for SBOE, and administrative services.

The Office of the Deputy Superintendent for Finance includes the Division of Business Services and the Office of School and Community Nutrition Programs. This office also administers the Nonpublic Textbook Program, the Broadening Options and Opportunities for Students Today Program, the Nonpublic Aging Schools Program, and the State’s federally funded child nutrition programs.

The Office of the Deputy Superintendent for Teaching and Learning includes the Division of Early Childhood; the Division of Early Intervention and Special Education Services; the Division of Curriculum, Instructional Improvement, and Professional Learning; the Division of Career and College Readiness; and the Division of Assessment, Accountability, and Information Technology (IT). This office oversees MCAP, the Pathways in Technology Early College High School program, and Title I and school improvement. The Division of Early Childhood is covered in the R00A99 budget analysis.

The Office of the Deputy Superintendent for School Effectiveness includes the Division of Student Support, Academic Enrichment, and Educational Policy; DORS; the Division of Educator Certification and Program Approval; and the Office of Human Resources. DORS Disability Determination Services makes medical decisions about disability claims for Social Security Disability Insurance and Supplemental Security Income.

IAC, MLDSC, MCSS, and OIGE are independent units within MSDE. MLDSC houses State datasets and coordinates State research on prekindergarten through grade 20 educational outcomes. MCSS is responsible for State school safety programs. OIGE provides accountability and transparency in the expenditure of public funds for education. These agencies are covered in this analysis. IAC oversees State school construction and is covered in the R00A07 budget analysis.

## ***Performance Analysis: Managing for Results***

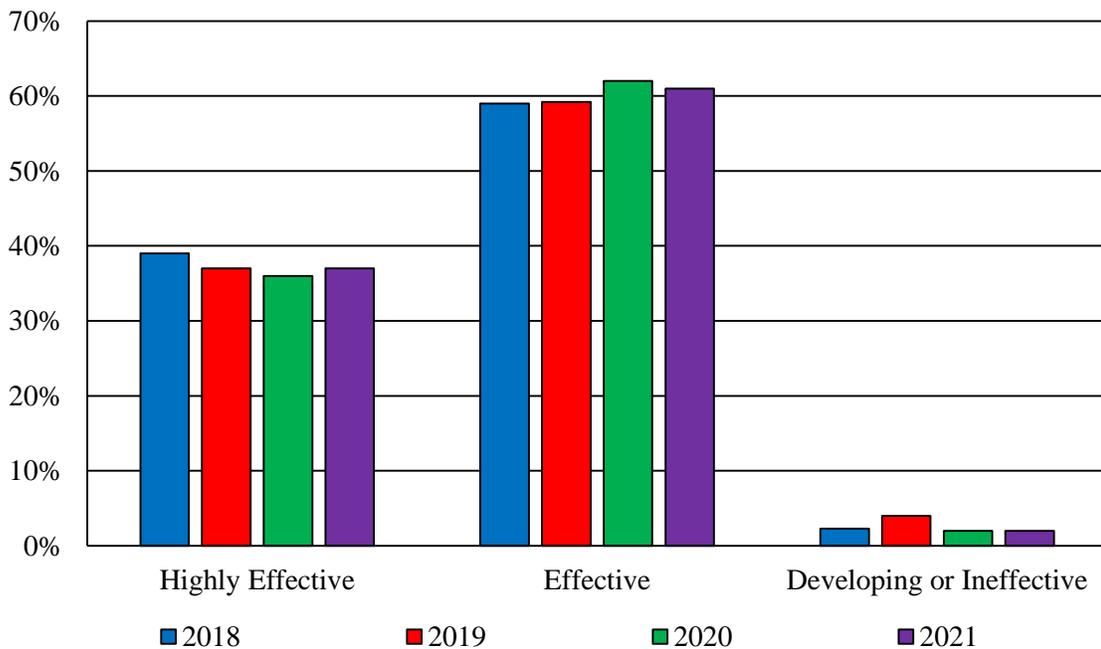
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### **1. Teacher Effectiveness Remains Steady**

One of MSDE’s Managing for Results (MFR) goals is to increase the percentage of teachers evaluated by LEAs as highly effective or effective. From fiscal 2020 to 2021, teachers evaluated as highly effective increased by 1%, from 36% to 37%; teachers evaluated as effective decreased by 1%, from 62% to 61%; and teachers evaluated as developing or ineffective remained level at 2%. Since fiscal 2018, teachers rated highly effective decreased by 2%, while teachers rated effective increased by 2%. Despite this shift in percentage of teachers rated highly effective to effective, the percentage of Maryland teachers in these categories across all years remains consistent at 98%. **Exhibit 1** displays teacher effectiveness results from fiscal 2018 to 2021.

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**Exhibit 1**  
**Teacher Effectiveness by Year**  
**Fiscal 2018-2021**



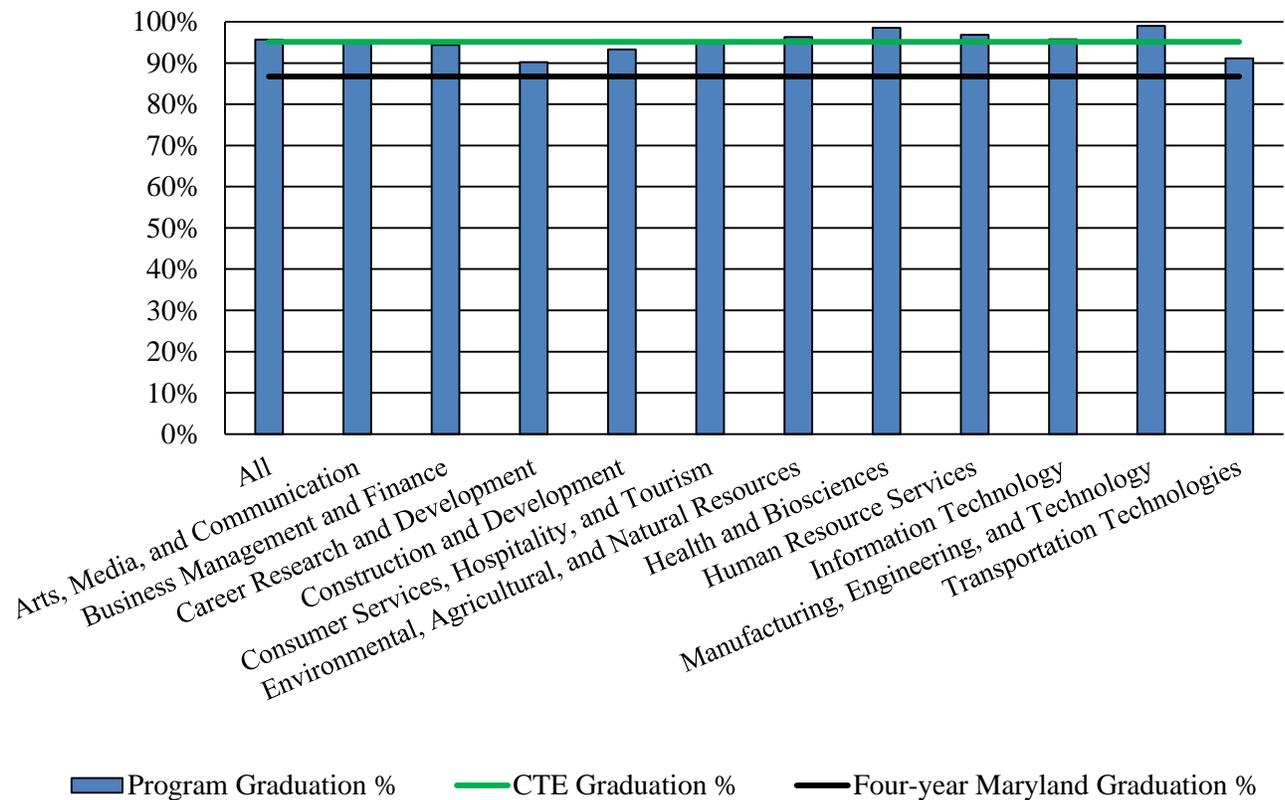
Source: Maryland State Department of Education, Fiscal 2023 Managing for Results

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## 2. Career and Technology Education Students Meet Graduation Target

MSDE initiated a new data dashboard for Career and Technology Education (CTE) student performance. This dashboard displays data on students in grades 9 through 12 including four-year graduation rates, postsecondary placement, technical skill attainment, and dual completion programs. In fiscal 2020, which covers school year (SY) 2019 to 2020, students graduating from all CTE programs met or exceeded the four-year CTE graduation target of 88.5%, with graduation rates ranging from 90.2% for Career Research and Development to 99.0% for Manufacturing, Engineering, and Technology. The graduation rate for CTE students was 95.1% compared to 86.8% for all Maryland students, which is 8.3 percentage points greater than students who did not participate in a CTE program. **Exhibit 2** displays this information for SY 2019 to 2020, which is the most current data available; MSDE expects an update to these data in early 2022.

**Exhibit 2**  
**CTE Graduation Rates**  
**Fiscal 2020**



CTE: Career and Technology Education

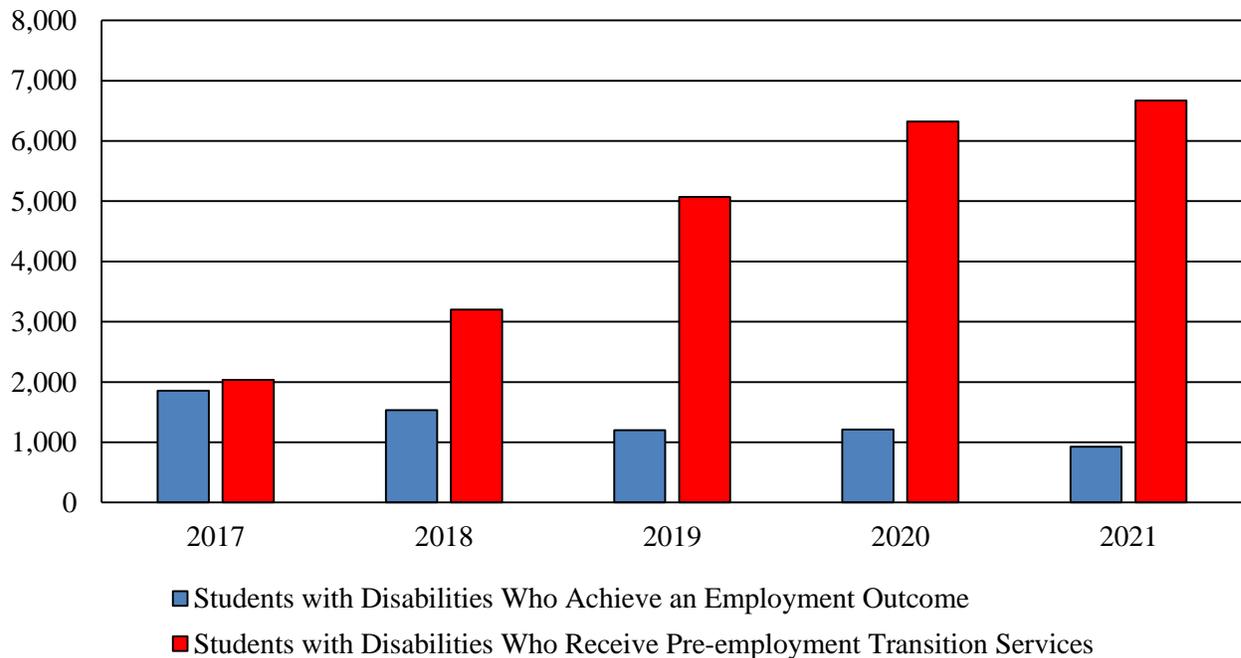
Source: Maryland State Department of Education

### 3. DORS Pre-employment Transitioning Services Increase

In response to changes to the federal Workforce Innovation and Opportunity Act (WIOA) of 2014, DORS created a new MFR measure in fiscal 2021 that reflects a requirement to provide pre-employment transitioning services. This measure examines DORS’ effort to offer these services to as many individuals as possible, as well as assist individuals to acquire and maintain an employment status for at least 90 days, which is a more rigorous measure required in the new law. WIOA’s definition of gainful employment has also changed to reflect that an individual must not only acquire a position but maintain that employment status for at least 90 days.

The current MFR states that by June 30, 2025, DORS will assist 1,391 people with disabilities to obtain competitive, integrated employment and provide pre-employment transitioning services to 7,000 students with disabilities. In fiscal 2021, DORS assisted 925 individuals in achieving an employment outcome, which is 289 individuals, or 24%, less than the fiscal 2020 total of 1,214. However, the number of individuals that DORS assisted with pre-employment transition services increased by 6%, to 6,672 individuals. **Exhibit 3** displays these measures from fiscal 2017 to 2021.

**Exhibit 3**  
**DORS Pre-employment Transitions**  
**Fiscal 2017-2021**



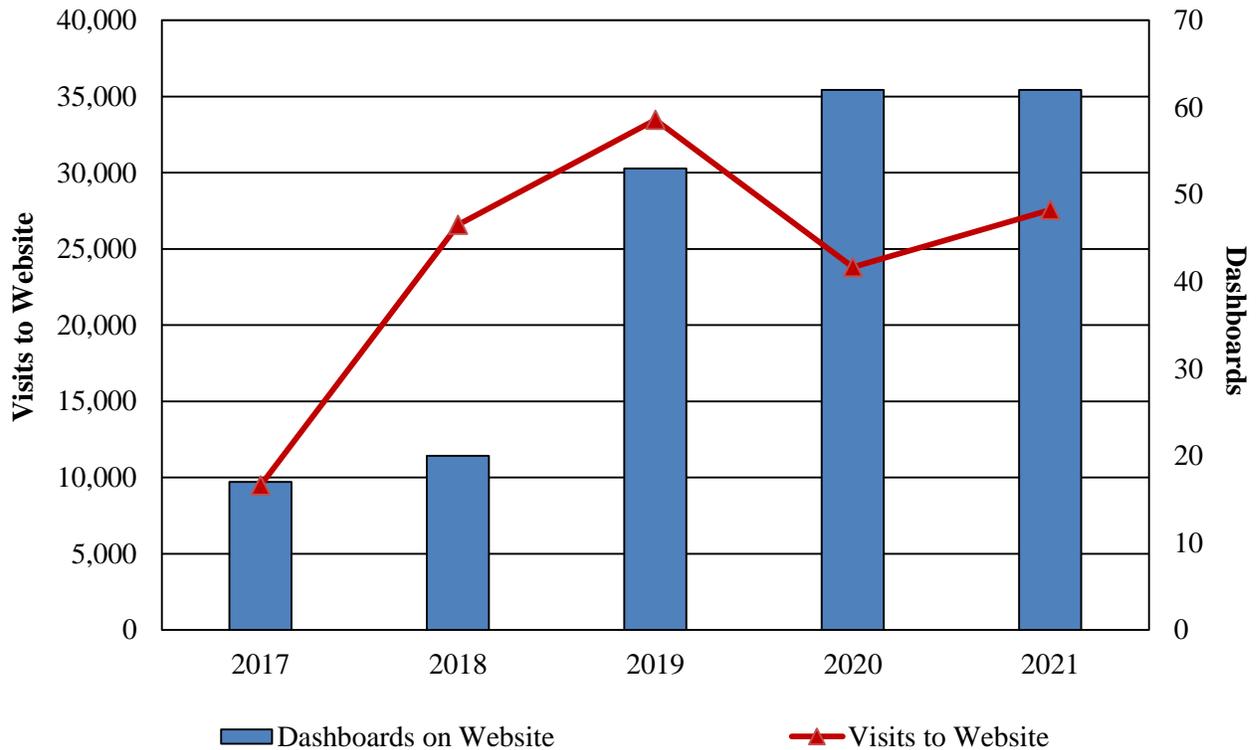
DORS: Division of Rehabilitative Services

Source: Maryland State Department of Education, Fiscal 2023 Managing for Results

#### 4. MLDSC Maintains Data Dashboards; Visits to Website Increase

One of MLDSC’s MFR goals is to maintain and update a website that provides timely and relevant information about the agency’s work, along with relevant data dashboards. To meet this goal, the agency maintains a website for the public, policymakers, and stakeholders. Over the past five years, the number of visits to the website has varied per year, but MLDSC has continued to maintain the number of data dashboards available to the public. In fiscal 2021, the number of data dashboards available on the website were the same as fiscal 2020 at 61, but visits to the website increased by 3,756, or 16%, from 23,805 to 27,561. **Exhibit 4** displays these measures from fiscal 2017 to 2021.

**Exhibit 4**  
**MLDSC Dashboard and Website Visits**  
**Fiscal 2017-2021**

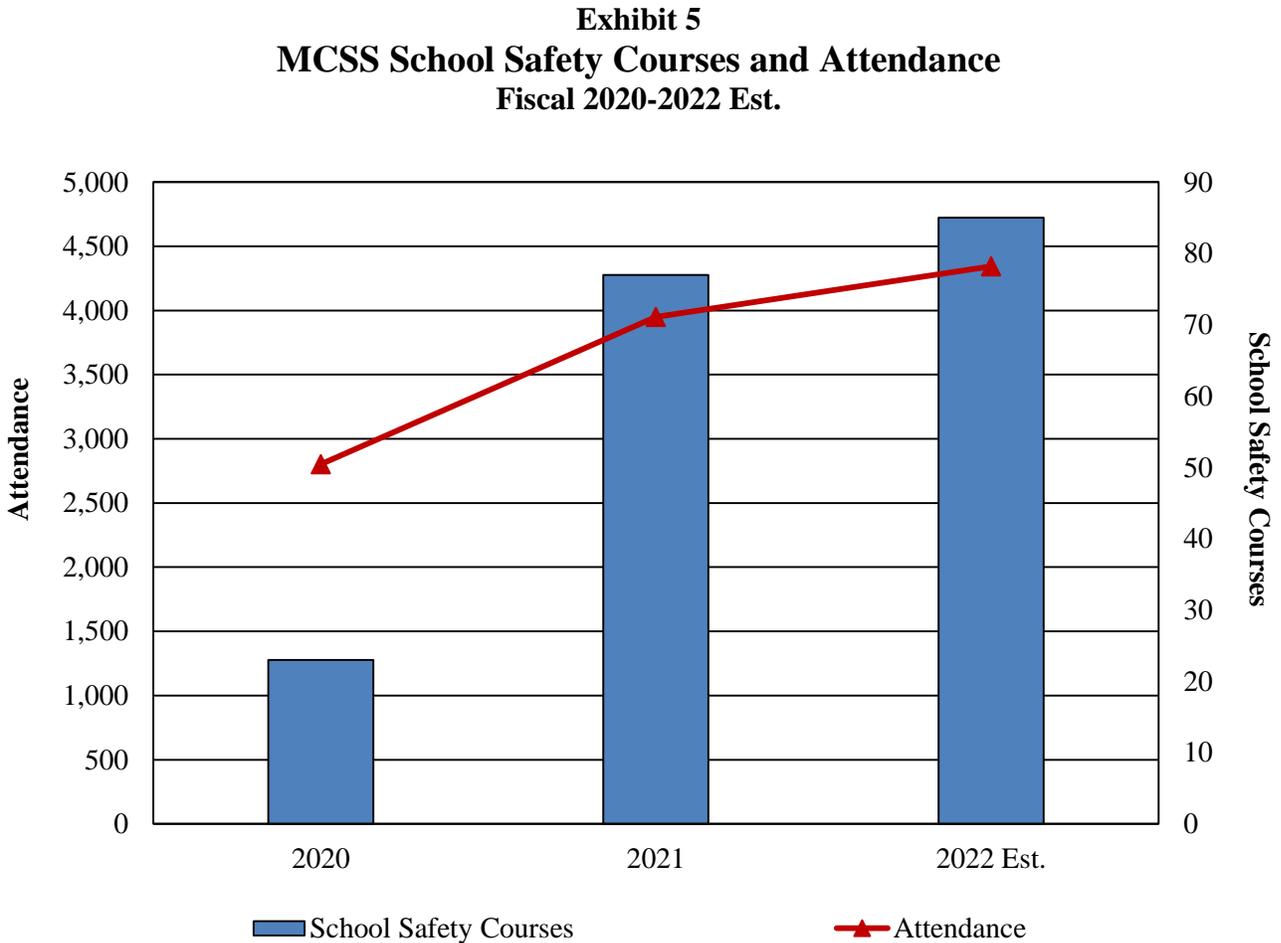


MLDSC: Maryland Longitudinal Data System Center

Source: Maryland State Department of Education, Fiscal 2023 Managing for Results

## 5. MCSS Increases Trainings and Attendance

One of MCSS’s MFR goals is to provide school safety courses for LEAs. From fiscal 2020 to 2021, school safety courses increased from 23 to 77, which is an increase of 54 courses, or 235%; course attendance increased from 2,802 to 3,950, which is an increase of 1,148 attendees, or 41%. MCSS anticipates further increases in number of courses and attendance in fiscal 2022. **Exhibit 5** displays these measures from fiscal 2020 to 2022 estimated.



MCSS: Maryland Center for School Safety

Source: Maryland State Department of Education, Fiscal 2023 Managing for Results

## **Fiscal 2021**

### **MSDE Reversions and Cancellations**

At fiscal 2021 closeout, MSDE’s final spending totaled \$224.9 million, or 22.4%, less than the legislative appropriation of \$290.0 million. MSDE reverted or canceled approximately \$119.2 million in funds, including \$3.2 million in general funds primarily in the Office of the State Superintendent due to underspending in travel, contracts, vehicles, and supplies. The agency also canceled \$4.6 million in special funds and reallocated or canceled \$111.4 million in federal funds. Of the \$111.4 million in federal funds, approximately \$59.4 million were canceled, including \$11.0 million for standardized assessments, and \$52.0 million were reallocated to fiscal 2022, including \$35.9 million in DORS for a higher-than-normal number of vacant positions and pandemic-related limits on virtual rehabilitation services. MSDE reports that funds remaining for DORS will be spent by the close of the grant period in September 2022.

### **Fiscal 2021 Closeout Audit Findings**

The Office of Legislative Audits (OLA) statewide audit for fiscal 2021 revealed two issues with accounting practices at MSDE. First, in fiscal 2020, MSDE improperly encumbered \$3.7 million in general funds for the MCSS SRO grant. Grants are available to all LEAs with eligible expenses, but grant rules require LEAs to submit any final reimbursement requests within 45 days of the end of the grant period. OLA found that MSDE did not have additional requests or documentation to support a continued encumbrance of \$3.7 million in unused general funds, and so the encumbrance was not valid. In the department’s second finding, OLA determined that MSDE had an unidentified fiscal 2021 federal fund deficit balance totaling approximately \$3.0 million within DORS at the time of closeout. This finding means that if MSDE does not have federal funds to cover this balance, the agency may need a deficiency appropriation in general funds to eliminate this deficit.

## **Fiscal 2022**

### **Proposed Deficiency**

In fiscal 2022, MSDE Headquarters deficiency allocations total \$5.2 million and include:

- \$3.9 million for MCSS to fund SRO grants due to a mistaken reversion of these funds by MSDE in fiscal 2021, which is unrelated to the improper encumbrance of SRO grant funds in fiscal 2020;
- \$1.1 million for the Office of the State Superintendent for legal fees;
- \$184,000 for MLDSC to update its data system hardware, increase system storage capacity, and improve data security; and

- \$48,000 for OIGE for personnel costs.

Since an agency audit in calendar 2019, MSDE continues to have issues with proper accounting procedures, particularly with regard to handling reversions and cancellations. **Given the recent closeout audit findings, deficiency allocations, and concerns about MSDE’s accounting practices, the Department of Legislative Services (DLS) recommends the continued adoption of committee narrative directing MSDE to provide a detailed report on the department’s fiscal 2022 closeout.**

### **Federal Stimulus Funds**

In fiscal 2020 and 2021, LEAs and MSDE received a combined total of \$3.2 billion in federal stimulus funds. Of this amount, \$2.9 billion, or 90%, was allocated directly to LEAs according to a set formula, and \$302.9 million, or 10%, was designated as State Education Agency (SEA) funds.<sup>1</sup> MSDE SEA funds were distributed as follows:

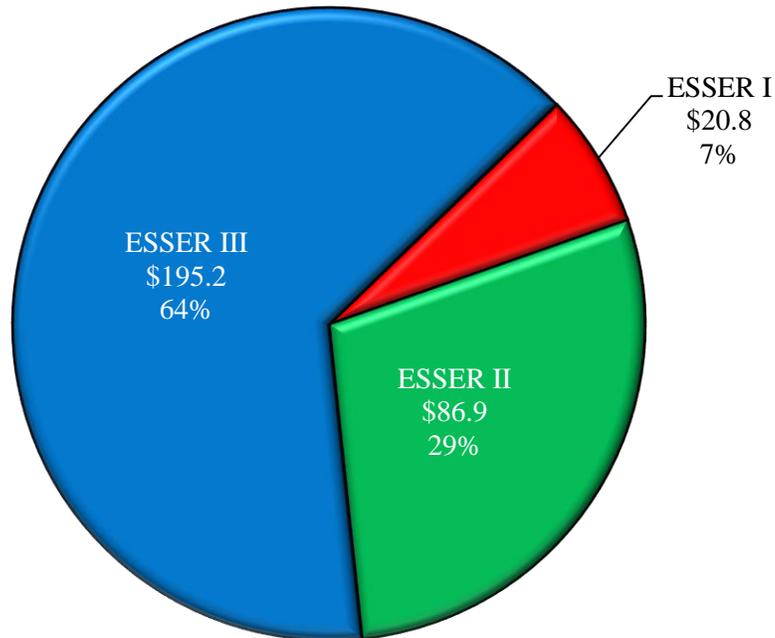
- \$20.8 million (7% of total) in fiscal 2020 from the CARES ESSER I fund;
- \$86.9 million (29% of total) in fiscal 2021 from the Coronavirus Response and Relief Supplemental Appropriation (CRRSA) ESSER II fund; and
- \$195.2 million (64% of total) in fiscal 2021 from the American Rescue Plan Act (ARPA) ESSER III fund.

**Exhibit 6** shows this distribution of federal stimulus funds by fund source.

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<sup>1</sup> For a discussion of federal funds distributed directly to LEAs and the SEED School, see the Aid to Education budget analysis, R00A02. For a discussion of federal funds awarded by MSDE to nonpublic schools and MSB, see the Funding for Educational Organizations budget analysis, R00A03. For a discussion of federal funds allocated to MSD, see the budget analysis for R99E.

**Exhibit 6**  
**SEA ESSER Federal Stimulus Funds**  
**Fiscal 2020-2021**  
**(\$ in Millions)**



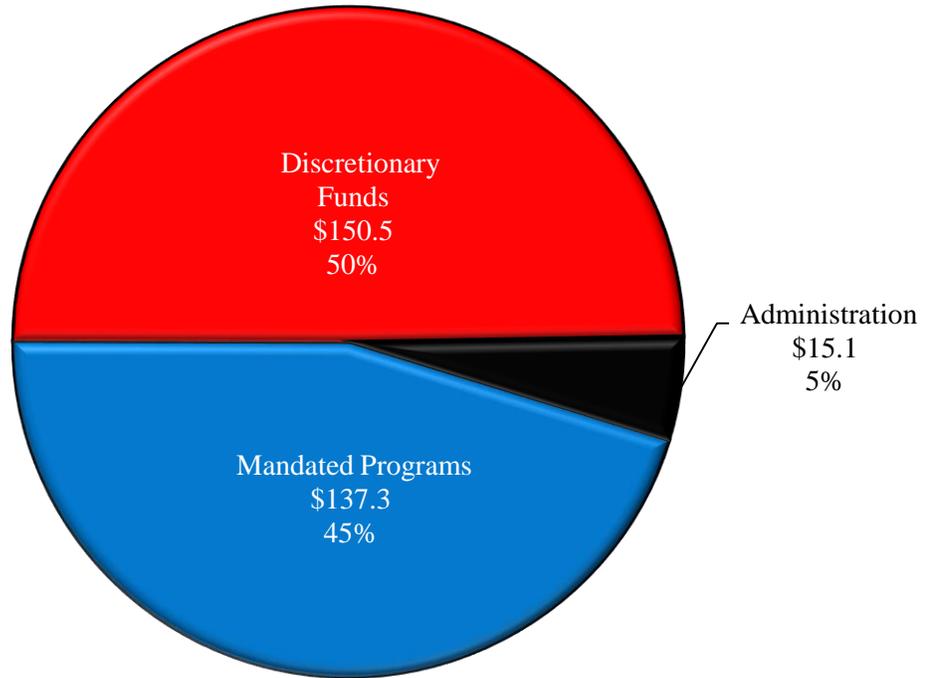
ESSER: Elementary and Secondary School Emergency Relief  
SEA: State Education Agency

Source: Maryland State Department of Education; Department of Legislative Services

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Of the \$302.9 million in SEA ESSER grants, \$137.3 million, or 45%, are mandates for federal or State programs; \$150.5 million, or 50%, is available for discretionary programs and purposes; and \$15.1 million, or 5%, is allocated to allowable administrative expenses. **Exhibit 7** displays these federal stimulus funds by type.

**Exhibit 7**  
**SEA ESSER Federal Stimulus Funds by Type**  
**Fiscal 2020-2022**  
**(\$ in Millions)**



ESSER: Elementary and Secondary School Emergency Relief  
SEA: State Education Agency

Source: Maryland State Department of Education; Department of Legislative Services

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Across all three grants, the federal government gave States decreasing flexibility in each subsequent disbursement regarding the amount that SEAs could use for discretionary programs and purposes. According to federal stimulus fund rules, MSDE must award SEA funds within one year of receipt. The deadline for CARES awards was June 30, 2021; the deadline for CRRSA awards is January 2022; and the deadline for ARPA awards is March 2022. The period of obligation for grantees also varies according to the date of the initial grant: CARES funds must have been obligated by September 30, 2022; CRRSA funds must be obligated by September 30, 2023; and ARPA funds must be obligated by September 30, 2024. With these conditions in mind, **Exhibit 8** shows MSDE federal stimulus fund distribution to date by program for all three SEA ESSER funds.

**Exhibit 8**  
**SEA ESSER Federal Stimulus Fund Distribution by Program**  
**Fiscal 2020-2022**  
**(\$ in Millions)**

<u>Source</u>	<u>Program</u>	<u>Fiscal Year</u>	<u>Amount</u>	<u>% of Total</u>
<b>Mandated Distributions</b>				
ESSER III	Learning Loss	2021	\$97.6	32%
ESSER III	Summer Enrichment	2021	19.5	6%
ESSER III	Afterschool Programs	2021	19.5	6%
ESSER II	MSB, MSD and SEED	2021	0.7	0%
<b>Subtotal</b>			<b>\$137.3</b>	<b>45%</b>
<b>Discretionary Programs and Purposes</b>				
ESSER II	Mental Health Teams	2022	\$30.0	9.9%
ESSER II	Grant Monitoring Teams	2022	16.5	5.4%
ESSER III	Homeless Youth Wraparound Services	2022	12.8	4.2%
ESSER II, III	GOCPYVS ACE*	2022	10.0	3.3%
ESSER II	Maryland Regional Crisis Response Teams*	2022	10.0	3.3%
ESSER I	Reopening Grants	2020	10.0	3.3%
ESSER I	MVLO Expansion	2020	9.5	3.1%
ESSER I	School Nutrition Grants	2020	3.7	1.2%
ESSER II, III	Equity Task Force for Black Boys Initiatives	2022	3.0	1.0%
ESSER II	Academic Acceleration for At-Risk Students	2021	2.5	0.8%
ESSER II	Low-Income Advanced Placement	2022	2.1	0.7%
ESSER I	Eastern Shore Virtual School	2020	1.0	0.3%
ESSER I	COVID-19-related Expenses	2020	0.9	0.3%
ESSER II, III	Unallocated Funds	2021-2022	38.5	13.0%
<b>Subtotal</b>			<b>\$150.5</b>	<b>50.0%</b>
<b>Administration</b>		2020-2022	\$15.1	5%
<b>Total</b>			<b>\$302.9</b>	<b>100%</b>

ACEs: Adverse Childhood Experience

ESSER: Elementary and Secondary School Emergency Relief

GOVPYVS: Governor's Office of Crime Prevention, Youth, and Victim Services

MSB: Maryland School for the Blind

MSD: Maryland School for the Deaf

MVLO: Maryland Virtual Learning Opportunities

SEA: State Education Agency

\* Programs are part of Project Bounce Back

Note: Numbers and percentages may not sum due to rounding.

Source: Maryland State Department of Education; Department of Legislative Services

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Out of \$302.9 million total, \$38.5 million, or 13%, of funds remain unallocated; MSDE is currently working to allocate remaining funds by grant deadlines. Due to the timing of these awards in calendar 2021, to date, MSDE has only reported on expenditures for SEA ESSER I reopening grants as part of a request in the 2021 JCR. This information is presented in the Updates section. **Therefore, due to the large amount of SEA ESSER funds and the number of programs receiving these funds, DLS recommends to the budget committees that MSDE submit a status update on all expenditures for these grants. This update should include reasons for remaining unallocated funds, expenditures by program, and MSDE administrative expenditures by object.**

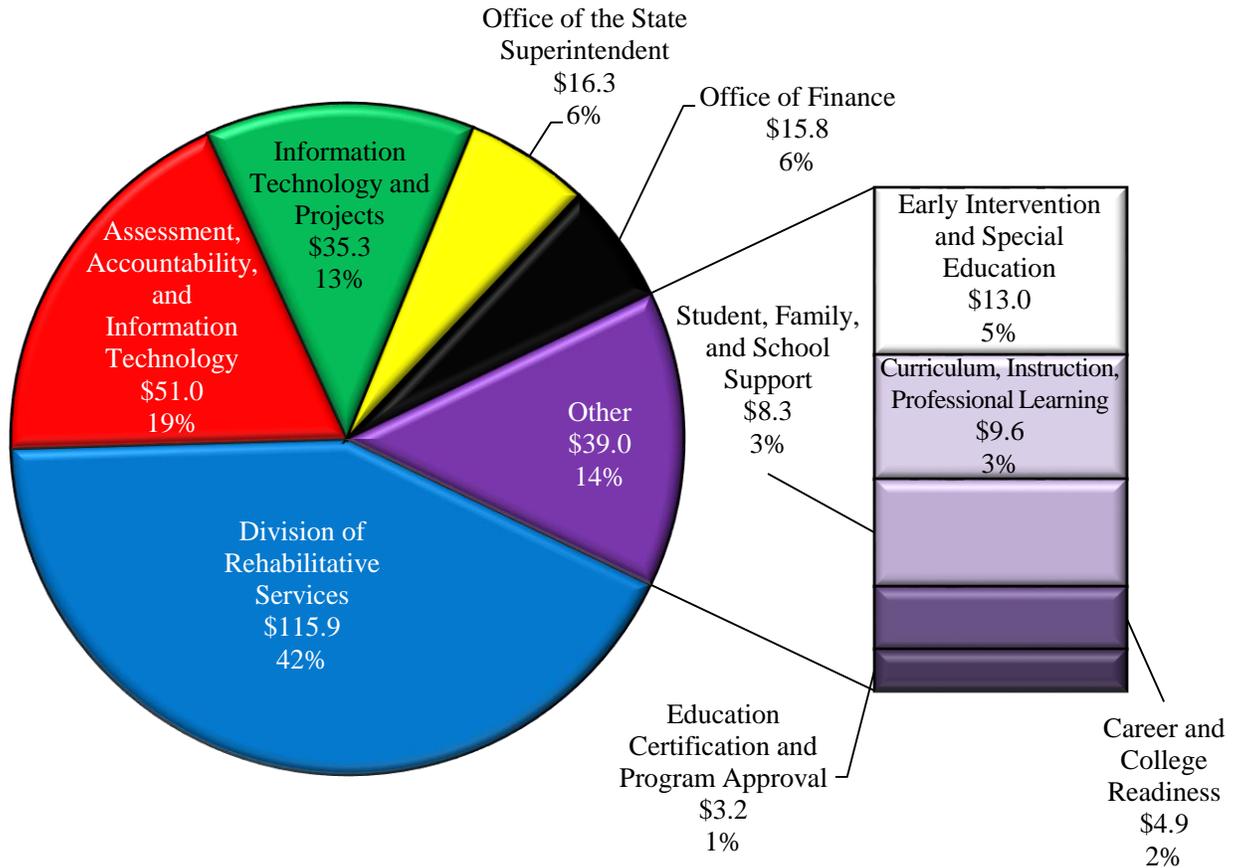
## **Fiscal 2023 Overview of Agency Spending**

This budget analysis includes the operating budgets for MSDE Headquarters and three independent units related to K-12 education: MLDCS; MCSS; and OIGE. In the fiscal 2023 proposed budget, allowances do not include funding for statewide personnel actions budgeted in the Department of Budget and Management (DBM), which include cost-of-living adjustments, increments, bonuses, and annual salary review adjustments.

### **MSDE Headquarters**

In fiscal 2023, MSDE Headquarters receives a total allowance of \$273.3 million. **Exhibit 9** displays an overview of agency spending by office and/or program.

**Exhibit 9**  
**MSDE Headquarters**  
**Fiscal 2023 Allowance**  
**(\$ in Millions)**



MSDE: Maryland State Department of Education

Source: Governor’s Fiscal 2023 Budget Books

**MSDE Headquarters Spending by Program**

In the fiscal 2023 proposed budget, the division with the largest allowance is DORS, which receives \$115.9 million, or 42%, of the budget. This allowance includes \$44.6 million for Client Services, \$36.3 million for Disability Determination Services, \$16.0 million for DORS Headquarters, \$10.0 million for the Workforce and Technology Center, and \$9.0 million for Blindness and Vision Services. The Office of Assessment, Accountability, and Information Technology receives \$51.0 million, or 19%, of this allowance, of which \$45.7 million, or 90%, is direct funding for State standardized assessments. IT and Major Information Technology Development Projects receives

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\$35.3 million, or 13%, of which \$23.1 million, or 65%, are federal funds for the Child Care Automatic Tracking System (CCATS) IT system. The Office of the State Superintendent receives \$16.3 million, or 6%, of the allowance, of which \$7.7 million, or 47%, is allocated to personnel. The Office of Finance receives \$15.8 million, or 6%, of the allowance. This office includes the School and Community Nutrition Programs, which receives \$9.2 million, and the Office of Finance, which receives \$6.6 million.

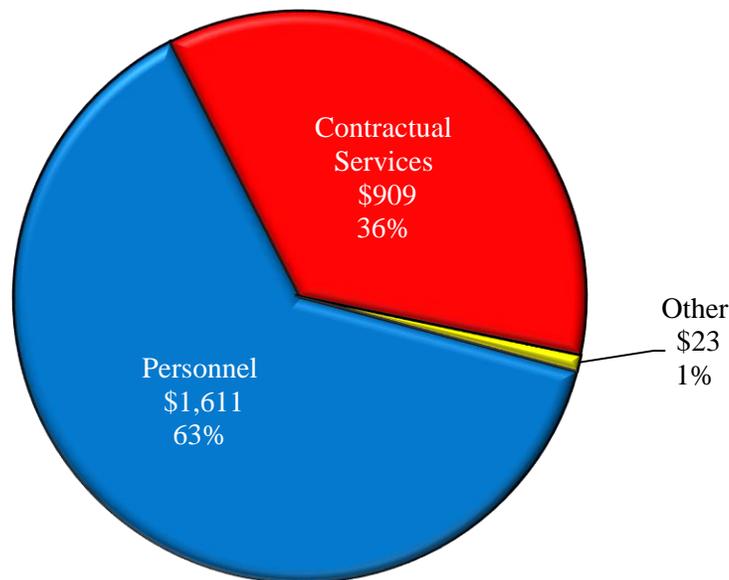
Other offices receive the following allowances and percentages from the total MSDE Headquarters budget: Early Intervention and Special Education, \$13.0 million, or 5%; Curriculum, Instruction and Professional Learning, \$9.6 million, or 3%; Student, Family, and School Support, \$8.3 million, or 3%; College and Career Readiness, \$4.9 million, or 2%; and Education Certification and Program Approval, \$3.2 million, or 1%.

**Maryland Longitudinal Data System Center**

In the fiscal 2023 proposed budget, MLDS Center receives a total allowance of \$2.5 million. **Exhibit 10** displays an overview of agency spending by object.

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**Exhibit 10**  
**Maryland Longitudinal Data System Center**  
**Fiscal 2023 Allowance**  
**(\$ in Thousands)**



Source: Fiscal 2023 Governor’s Budget Books

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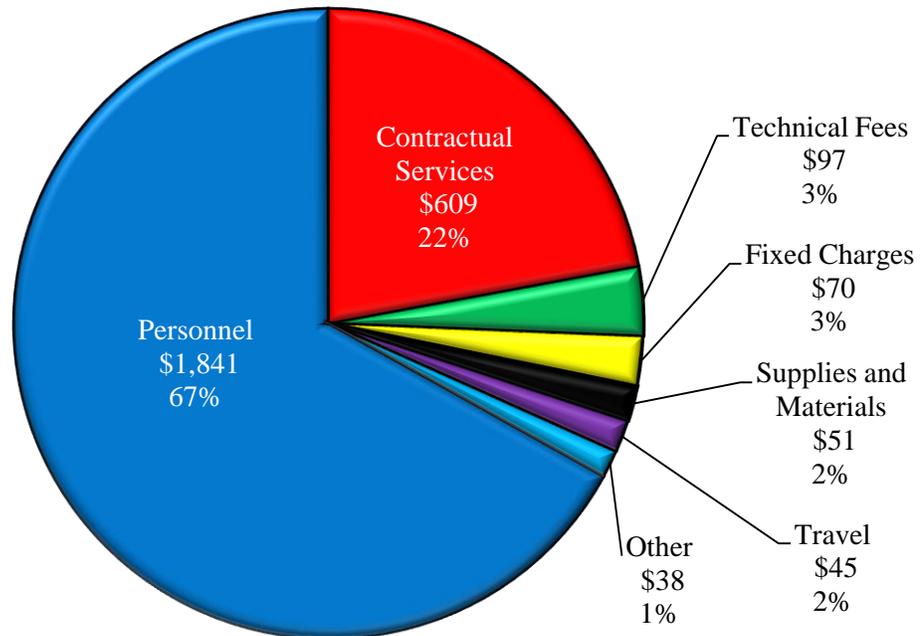
MLDSC’s allowance for personnel is \$1.6 million, or 63%, of the agency’s total budget. Of this amount, \$1.1 million, or 69%, is allocated to regular salaries and wages, and the remaining \$500,000, or 31%, is allocated for other personnel expenses, benefits, and turnover. Contractual services receive \$909,000, or 36%, of this allowance, which includes \$452,000 for MLDSC’s academic research contract with the University of Maryland School of Social Work and \$360,000 for an outside contractor to manage the agency’s Oracle database. Other allowances total \$23,000, or 1%, of this budget and include \$5,000 each for data processing, equipment, and rent; \$4,000 for supplies; \$2,000 for operational costs; and \$1,000 each for technical fees and licenses.

**MCSS Administrative and Grant Spending**

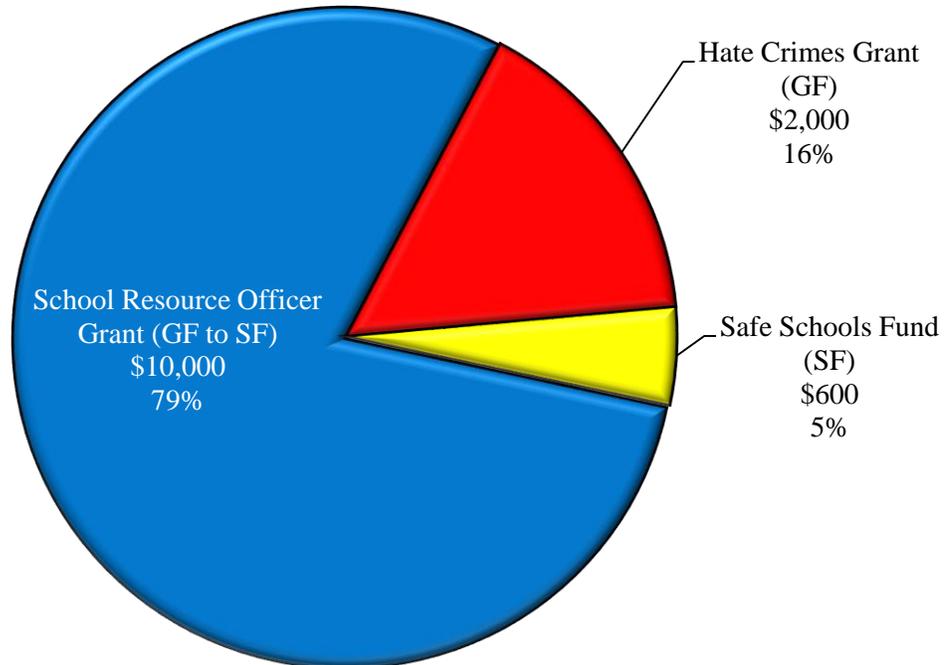
In the fiscal 2023 proposed budget, MCSS receives a total allowance of \$25.4 million. Of this amount, \$2.8 million is allocated for administrative purposes, and \$22.6 million is for school safety grants. **Exhibit 11** displays both administrative spending by object and grant allowances.

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**Exhibit 11**  
**Maryland Center for School Safety – Administrative**  
**Fiscal 2023 Allowance**  
**(\$ in Thousands)**



**Maryland Center for School Safety – Grants**  
**Fiscal 2023 Allowance**  
**(\$ in Thousands)**



GF: general funds  
SF: special funds

Source: Fiscal 2023 Governor’s Budget Books

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### **MCSS Administrative Spending**

MCSS’s allowance for personnel is \$1.8 million, or 67%, of its total budget. Of this amount, \$1.3 million, or 72%, is allocated for regular salaries and wages, and the remaining \$500,000, or 28%, is allocated for other personnel expenses, benefits, and turnover. Contractual services receive \$609,000, or 22%, of this allowance, which includes \$346,000 for contracts to manage the school safety tip line; rent for MCSS’s satellite office at Bowie State University (BSU) and contractual staff associated with these functions; and \$117,000 for software. Other allowances include \$97,000, or 3%, for technical fees and services; \$70,000, or 3%, for fixed charges, of which \$69,500 is allocated to rent; \$51,000, or 3%, for supplies and materials; and \$45,000, or 2%, for travel, which includes staff travel to conferences. The remaining \$38,000, or 1%, of this allowance includes \$19,000 for motor vehicles; \$10,000 for communication; and \$9,000 for equipment.

## **MCSS Grants and Funds**

In the fiscal 2023 proposed budget, MCSS administers three grant programs: the SRO grant; the Hate Crimes grant; and the Safe Schools Fund. The SRO grant was established in Chapter 30 of 2018 and is designated for LEAs to offset costs for hiring SROs. This fund is a mandated general fund to special fund transfer, so the allowance in the operating budget totals \$20.0 million, with \$10.0 million in general funds seeding the equivalent special fund appropriations out of the Safe Schools Fund. The \$10.0 million SRO grant accounts for 79% of MCSS’s grant allowance and is considered State Aid. Additional information on SRO grant expenditures in fiscal 2021 and 2022 can be found in the Updates section.

The Early Childhood School Safety Grant for Schools at Risk of Hate Crimes (Hate Crimes Grant) was established in Chapter 732 of 2017 to provide funding for security-related technology grants to schools and child care centers determined to be at risk for hate crimes. By statute, the annual amount for this grant is determined by the Governor. In the fiscal 2023 proposed budget, this grant receives \$2.0 million, or 16%, of MCSS’s grant allowance.

The Safe Schools Fund was initially established by Chapter 87 of 2008 as the School Bus Safety Enforcement Fund and was administered by the Department of State Police. This is a special fund supported by revenues from fines on motorists driving without proper insurance and is designated for performing risk assessments, safety training, and outreach. In the fiscal 2023 proposed budget, this fund receives its originally mandated amount of \$600,000 in special funds, which is 5% of MCSS’s grant allowance.

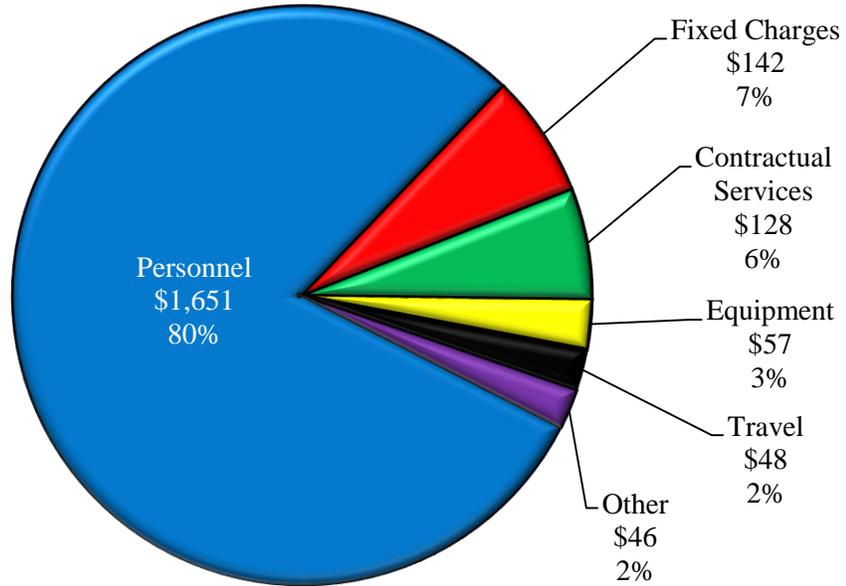
In fiscal 2022, MCSS also administers capital appropriations for the School Safety Grant Program (SSGP) and the Nonpublic School Security Improvements (NSSI) program. In fiscal 2023, SSGP is administered by IAC, and funding for this program receives general funds in the operating budget. For more information on fiscal 2021 and 2022 expenditures for SSGP and NSSI, see the Public School Construction capital budget analysis, RA0702. For more information on the fiscal 2023 SSGP allowance, see the IAC budget analysis, R00A07.

## **Office of the Inspector General for Education**

In the fiscal 2023 proposed budget, OIGE receives a total allowance of \$2.1 million. **Exhibit 12** displays this budget by object.

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**Exhibit 12**  
**Office of the Inspector General for Education**  
**Fiscal 2023 Allowance**  
**(\$ in Thousands)**



Source: Fiscal 2023 Governor’s Budget Books

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### **Proposed Budget Change**

In the fiscal 2023 proposed budget, the MSDE Headquarters allowance decreases by \$101.3 million compared to the fiscal 2022 working appropriation, after accounting for fiscal 2022 deficiency appropriations. Employee compensation enhancements budgeted in DBM for cost-of-living adjustments, increments, bonuses, and annual salary review adjustments are not reflected. **Exhibit 13** shows the fiscal 2023 proposed budget and changes from fiscal 2022.

**Exhibit 13**  
**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>Reimb. Fund</b>	<b>Total</b>
Fiscal 2021 Actual	\$97,722	\$10,349	\$114,635	\$2,187	\$224,892
Fiscal 2022 Working Appropriation	21,845	21,147	257,953	3,552	404,497
Fiscal 2023 Allowance	<u>101,849</u>	<u>20,319</u>	<u>180,893</u>	<u>170</u>	<u>303,230</u>
Fiscal 2022-2023 Amount Change	-\$19,996	-\$828	-\$77,060	-\$3,382	-\$101,266
Fiscal 2022-2023 Percent Change	-16.4%	-3.9%	-29.9%	-95.2%	-25.0%
<b>Where It Goes</b>					<b><u>Change</u></b>
<b>Personnel Expenses</b>					
Turnover adjustments.....					\$6,271
New positions to support Chapter 36 of 2021 implementation.....					1,432
Workers' compensation premium assessment .....					262
Social Security .....					15
Unemployment compensation.....					-40
Other adjustments .....					-65
Reclassifications.....					-206
Retirement.....					-568
Other regular earnings adjustments.....					-650
Employee and retiree health insurance .....					-3,040
Abolished positions primarily reflecting the transfer of Juvenile Services Education (JSE) to the Department of Juvenile Services (DJS) .....					-19,485
<b>Other Changes</b>					
<b>Operating Expenses</b>					
Department of Information Technology services .....					518
Rent paid to the Department of General Services.....					250
Operating expenses for the Office of the Inspector General for Education.....					107
Reimbursable funds for statewide assessment contracts .....					-227
Reduction in contractual services .....					-263
Savings for hearings in the Office of the State Superintendent .....					-639
Transfer of JSE to DJS.....					-5,642
<b>One-time Deficiency Allocations</b>					
Conclusion of data migration and upgrades for MLDSC .....					-184
Legal expenses for the Office of the State Superintendent.....					-1,100

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<b>Where It Goes</b>	<b><u>Change</u></b>
School Resource Officer grants for the Center for School Safety .....	-3,866
<b>Federal Funds</b>	
Grant for technical assistance to charter schools .....	-302
Indirect costs for Child Care Development Block Grant.....	-377
Grant for University of Maryland analysis for Comprehensive Support and Improvement Schools.....	-683
Alignment of Child and Adult Care Food grant program with current needs .....	-1,000
Appropriation of Title IA grants to local education agencies.....	-1,200
Conclusion of MLDSC grant for synthetic data research.....	-2,500
Child Care Automated Tracking System Major Information Technology Project .....	-7,740
DORS Disability Determination Services reduction to prior spending levels.....	-8,300
<b>Federal Stimulus Funds</b>	
Maryland Virtual Learning Opportunities program.....	-4,532
Monitoring teams for federal grant expenditures.....	-16,500
Mental health teams for local education agency support.....	-30,000
<b>Miscellaneous Expenses</b>	-1,012
<b>Total</b>	<b>-\$101,266</b>

DORS: Department of Rehabilitative Services  
MLDSC: Maryland Longitudinal Data System Center

Note: Numbers may not sum to total due to rounding. The fiscal 2022 working appropriation includes deficiencies. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

In the fiscal 2023 allowance, federal fund decreases account for \$73.1 million of the total reduction in funds. Of this amount, \$51.0 million is one-time federal stimulus funds applied to the fiscal 2022 budget. Additional federal fund decreases over \$1.0 million include an \$8.3 million reduction for DORS Disability Determination Services to align with spending prior to the COVID-19 pandemic; \$7.7 million for CCATS Major IT Project; \$2.5 million for a MLDSC synthetic data research grant with the U.S. Department of Education, Institute for Education Sciences that recently concluded; \$1.2 million for appropriations of Title 1A grants to LEA; and \$1.0 million for a realignment of the Child and Adult Care Food program for meals and snacks for child care centers.

Personnel expenditures decline overall by \$16.1 million. Significant impacts to personnel expenses include the reduction of \$19.5 million associated with abolished positions, primarily reflecting the transfer of the entire JSE program to DJS at the start of fiscal 2023 (per Chapter 147 of 2021), offset by a \$4.9 million increase to lower budgeted turnover expectancy and the addition of \$1.4 million for new positions to support the Blueprint implementation (per Chapters 36 and 55 of 2021).

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Operating expenses decrease overall by \$5.9 million, with the largest decrease related to the transfer of JSE to DJS, which accounts for \$5.6 million of this amount. One-time deficiency allocations from fiscal 2022 account for a total decrease of \$5.1 million in the allowance, as the expenses are not expected to be ongoing.

***Personnel Data***

	<b><u>FY 21</u></b>	<b><u>FY 22</u></b>	<b><u>FY 23</u></b>	<b><u>FY 22-23</u></b>
	<b><u>Actual</u></b>	<b><u>Working</u></b>	<b><u>Allowance</u></b>	<b><u>Change</u></b>
Regular Positions	1,211.90	1,216.90	1,043.90	-173.00
Contractual FTEs	<u>61.28</u>	<u>126.19</u>	<u>121.55</u>	<u>-4.64</u>
<b>Total Personnel</b>	<b>1,273.18</b>	<b>1,343.09</b>	<b>1,165.45</b>	<b>-177.64</b>

***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	53.25	5.17%
Positions and Percentage Vacant as of 12/31/21	246.00	20.22%
Vacancies Above Turnover	192.75	

- MSDE Headquarters has 246 vacant positions as of January 2022, with vacancies above turnover at 192.75 positions. MSDE’s vacancy rate is slightly above 20%, which exceeds the projected turnover rate by 15%.
- In fiscal 2023, 176 positions are abolished from JSE due to the transfer of that program to DJS.
- Vacancy data includes 95 vacant positions in DORS, 64 vacant positions in the Office of the State Superintendent, and 43 vacant positions in JSE that will be transferred to DJS or abolished at the start of fiscal 2023. Without the 43 JSE positions, the number of vacant positions is 203, and the vacancy rate is 19.4%.
- The Office of the State Superintendent has a net gain of 10 positions due to personnel needed for implementation of Blueprint for Chapter 36.
- MCSS has 3 vacant positions and OIGE has 1 vacant position.

For additional discussion of MSDE personnel concerns, see the Key Observations section.

## Issues

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### 1. MSDE Personnel Vacancies Persist; Personnel Needed for Blueprint for Maryland’s Future Implementation

MSDE’s Office of Human Resources is part of the Office of the Deputy for School Effectiveness, which is responsible for hiring personnel for five agencies – MSDE, MLDSC, MCSS, IAC, and OIGE. Since fiscal 2020, MSDE has had persistently high numbers of vacancies, particularly in JSE, the Office of the State Superintendent, DORS, and IAC. This problem appears to have been exacerbated with the COVID-19 hiring freeze during calendar 2020 but has continued after the freeze was lifted in 2021. Persistent hiring issues for IAC were addressed by the legislature through fiscal 2022 budget language (for additional details see the IAC analysis, R00A07). As of January 2022, MSDE and independent units, including IAC, reported 256 vacancies. **Exhibit 14** displays these data for calendar 2020, 2021, and 2022.

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#### Exhibit 14 MSDE Personnel Vacancies Calendar 2020-2022

	<b>December <u>2020</u></b>	<b>December <u>2021</u></b>	<b>December <u>2022</u></b>
<b>MSDE Headquarters</b>			
Department of Rehabilitative Services	63	89	98
Juvenile Education Services	34	31	43
Office of State Superintendent	16	11	64
Division of Business Services	13	17	13
Other MSDE Divisions and Offices	28	24	26
<b>Subtotal</b>	<b>154</b>	<b>172</b>	<b>244</b>
<b>Independent Units</b>			
Interagency Commission on School Construction	10	6	6
Maryland Longitudinal Data System Center	0	2	0
Maryland Center for School Safety	1	1	3
Office of the Inspector General for Education	0	2	1
<b>Subtotal</b>	<b>11</b>	<b>11</b>	<b>10</b>
<b>Total</b>	<b>165</b>	<b>183</b>	<b>254</b>

MSDE: Maryland State Department of Education

Note: Vacancy data is rounded and includes part-time positions.

Source: Department of Budget and Management; Maryland State Department of Education; Department of Legislative Services

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## **Blueprint for Maryland’s Future Program**

According to DBM, the fiscal 2023 allowance provides MSDE’s Office of the State Superintendent with 10 new positions to implement Chapter 36. Based on the fiscal note for the enrolled bill, this falls short of DLS estimates of personnel needs by 31 positions, not including an estimated 15 positions needed for the Accountability and Implementation Board. Estimated positions needed include 15 positions for State Model Curriculum development, 12 positions for Expert Review Teams, 8 positions for the CTE Committee, 3 positions each for Blueprint training for teachers and leaders, and an Early Childhood Primary Contact. Funded positions in the fiscal 2023 proposed budget include approximately \$1.3 million for new personnel in the Office of the State Superintendent and \$126,000 for the Director of Community Schools. Additional positions for School-based Health Center Coordinators in the Maryland Department of Health also did not receive funding in fiscal 2023.

**With these concerns in mind, DLS recommends the addition of restrictive language directing MSDE to report on personnel vacancies and efforts to meet Chapter 36 requirements.**

## **2. MSDE Reports Progress on Virtual Learning and Need for Continued Investment**

Following March 2020 school closures due to COVID-19, MSDE issued *Maryland Together: Maryland’s Recovery Plan for Education*, which contained suggestions on how LEAs might best facilitate remote learning, reopen schools safely, and facilitate hybrid (a mix of remote and in-person) learning. In calendar 2020 and 2021, MSDE and the agency’s Digital Learning Advisory Committee worked on plans to address remote learning challenges, develop virtual professional development courses, procure and implement a State Learning Management System (LMS), assist LEAs in the development and implementation of virtual schools, and develop plans to support LEAs and statewide virtual learning in the future.

### **Professional Development, Teacher Resources, and a New State LMS**

Due to the need for teachers to access information online about virtual teaching during the pandemic, MSDE offered two three-credit courses: Transforming Teaching in a Virtual Environment; and Online Teaching in Maryland. The State also posted hundreds of links to resources for teachers to use for curriculum and instruction and moved to acquire a State LMS, which, when fully implemented, will provide student and educator courses. Actions taken related to State virtual learning include:

- procurement and implementation of a State LMS with Instructure (Canvas), funded by \$223,680 in SEA ESSER I funds;
- creation of 25 e-Communities with training materials and sessions for course facilitators; and
- migration of courses to the State LMS with the assistance of the vendor and marketing.

## State and LEAs Implement Virtual Schools and Courses

Prior to the pandemic, MSDE administrated online courses as part of the Maryland Virtual Learning Opportunities (MVLO) program. These courses were primarily for students who could not access advance coursework in their LEA, JSE, and career and technical education. During calendar 2020 and 2021, MSDE worked with multiple vendors to offer over 300 online credit-bearing student courses; these courses are accessed through the State LMS and have been approved by MSDE per the Maryland content standards. Each LEA can decide what courses they offer, and students must be approved to earn credit for a class by their respective LEAs prior to enrollment. As part of MSDE’s SEA ESSER I and II, MVLO received a total \$9.5 million for this program in fiscal 2020 and 2021.

In addition to course offerings available through the State, at the start of SY 2021 to 2022, 22 of 24 LEAs offered a virtual learning option, with a total enrollment of 25,628, or 3.0%, of K-12 students across the State. These programs were approved by SBOE and require synchronous instruction as part of the coursework. Nine LEAs on the Eastern Shore formed a collaborative virtual program for secondary students, grades 6 through 12, through the Eastern Shore of Maryland Education Consortium (ESMEC), which is offered through a private educational vendor. Participating LEAs manage their own virtual program and offerings, enrollment, attendance, and special education and/or alternative education services. **Exhibit 15** shows virtual student enrollment by LEA.

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### Exhibit 15 Virtual Student Enrollment 2021-2022 School Year

<u>LEA</u>	<u>Grade Level</u>	<u>Full-time Enrollment</u>	<u>Virtual Student Enrollment</u>	<u>% of Total</u>
Allegany	K-8	7,662	128	1.7%
Anne Arundel	K-12	80,868	574	0.7%
Baltimore City	K-12	71,358	1,449	2.0%
Baltimore	K-12	107,115	3,646	3.4%
Calvert	K-12	14,949	244	1.6%
Caroline	6-12	5,259	33	0.6%
Carroll	Not offered	24,608	0	0.0%
Cecil	K-12	14,160	353	2.5%
Charles	K-12	25,987	648	2.5%
Dorchester	6-12	4,315	32	0.7%
Frederick	K-12	43,811	1,290	2.9%
Garrett	Not offered	3,348	0	0.0%
Harford	K-12	36,880	963	2.6%
Howard	K-8	55,838	617	1.1%
Kent	6-12	1,707	15	0.9%
Montgomery	K-12	154,410	3,142	2.0%
Prince George's	K-12	124,362	11,197	9.0%

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<u>LEA</u>	<u>Grade Level</u>	<u>Full-time Enrollment</u>	<u>Virtual Student Enrollment</u>	<u>% of Total</u>
Queen Anne's	6-12	7,124	42	0.6%
St. Mary's	K-12	16,714	339	2.0%
Somerset	9-12	2,558	9	0.4%
Talbot	K-12	4,233	30	0.7%
Washington	K-12	21,100	514	2.4%
Wicomico	K-12	13,888	281	2.0%
Worcester	K-12	6,402	82	1.3%
<b>Total</b>		<b>848,653</b>	<b>25,628</b>	<b>3.0%</b>

LEA: local education agency

Source: Maryland State Department of Education

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### **Plans for Virtual Learning in the Future**

MSDE also noted that they continue to develop plans for virtual learning across the State. These plans include:

- 14 student and 6 educator online courses by September 2023;
- use of the State LMS for cross-LEA and virtual opportunities;
- purchasing of additional licenses for LEAs that require access to the State LMS; and
- options for a State virtual school.

**Noting that MSDE has made significant investments in the past two years on virtual learning for teachers and students, DLS recommends to the budget committees that MSDE submit an update on continued progress toward the implementation of virtual learning and the costs associated with these plans.**

### **3. MCAP Resumes but Future Costs Uncertain**

The federal Every Student Succeeds Act of 2015 requires that every State administer annual, summative assessments to all students in (1) English language arts/literacy and mathematics in grades 3 through 8 and high school; (2) science in each grade span (grades 3 to 5, grades 6 to 8, and high school); and (3) English language proficiency assessments in grades K-12 for all English Language Learners. In 2018, MSDE announced the transition from the Partnership for Assessment of Readiness for College and Careers (PARCC) to MCAP. According to MSDE, this change was necessary so that State

assessments were more reflective of the Maryland content standards and instruction. Development of MCAP began in January 2019 with pilot testing initially slated for December 2019 and initial administration planned for spring 2020.

However, due to COVID-19 school closures starting in March 2020, administration of pilot MCAP assessments was delayed. The federal Department of Education issued waivers to Maryland for administration of these assessments in spring 2020 and 2021, which allowed MSDE flexibility to stagger assessments across testing windows in fall 2020, spring 2021, fall 2022, and spring 2022. Spring 2022 assessments will provide MSDE and LEAs critical information about student progress and learning loss during the pandemic, and it will be the first time that students attending Maryland virtual schools will engage in a full complement of tests. **Exhibit 16** shows the timetable for MCAP assessments in SY 2020 to 2021 and SY 2021 to 2022.

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**Exhibit 16**  
**MCAP Assessments**  
**2020-2022 School Year**

**Assessment Window**

**MCAP Assessments Administered**

Fall 2020	<ul style="list-style-type: none"><li>• Mathematics, High School</li><li>• ELA, High School</li></ul>
January 2021	<ul style="list-style-type: none"><li>• Government, High School</li><li>• Science, High School</li></ul>
Spring 2021	Some districts complete testing; others choose to defer to Fall 2021 with Department of Education waiver
Fall 2021 (Shortened Assessments)	<ul style="list-style-type: none"><li>• Mathematics, Grades 3 through 8 and High School</li><li>• ELA, Grades 3 through 8 and High School</li><li>• Science, Grade 5 and 8</li><li>• Kindergarten Readiness Assessment</li></ul>
January 2022	Alternate assessments for Mathematics, ELA and Science <ul style="list-style-type: none"><li>• Government, High School</li><li>• Science, High School</li><li>• Mathematics, Grades 3 through 8 and High School</li><li>• ELA, Grades 3 through 8 and High School</li><li>• Science, Grade 5 and 8</li></ul>
Spring 2022	<ul style="list-style-type: none"><li>• Social Studies, Grade 8 (new)</li></ul>

ELA: English and Language Arts

MCAP: Maryland Comprehensive Assessment Program

Source: Maryland State Department of Education

In MSDE’s most recent closeout report, the agency reported a reversion of approximately \$11.0 million in fiscal 2021 for statewide assessments in the Division of Assessment, Accountability, and IT budget. In fiscal 2022, the working allowance for this division is \$53.7 million, of which \$49.2 million is allocated to assessments. In the fiscal 2023 proposed budget, this division receives \$51.0 million, which is \$2.7 million less than the fiscal 2022 working appropriation, but a \$13.8 million increase from fiscal 2021. Of this amount, \$46.6 million is allocated to assessments. In a 2021 JCR response, MSDE notes that the agency expects undetermined but increased costs for MCAP assessments heading into fiscal 2024. **Exhibit 17** displays information on MCAP and related expenditures in the Division of Assessment, Accountability, and IT budget from fiscal 2021 to 2023.

**Exhibit 17**  
**MCAP and Related Expenditures**  
**Fiscal 2021-2023**  
**(\$ in Thousands)**

<u>Expenditure</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Reporting, Support, and Accountability Systems	\$21,935	\$30,548	\$25,386
Assessments	11,416	15,980	14,832
Assessment Development	0	2,636	6,430
<b>Subtotal for Assessments</b>	<b>\$33,351</b>	<b>\$49,164</b>	<b>\$46,649</b>
Administration	\$3,845	\$4,549	\$4,365
<b>Total</b>	<b>\$37,196</b>	<b>\$53,712</b>	<b>\$51,014</b>

MCAP: Maryland Comprehensive Assessment Program

Source: Maryland State Department of Education; Department of Legislative Services

**Due to unavoidable delays in MCAP administration, measuring learning loss, assessments in virtual schools, past reversions, and anticipated increases in assessment development costs in fiscal 2024, DLS recommends to the budget committees that MSDE submit a status update on MCAP assessments and expenditures.**

**4. MSDE and MSD Work to Resolve Issues from 2019 Audit and Update MOU**

Chapter 357 of 2021 restricted \$100,000 pending submission of a report by MSDE regarding its responsibilities for monitoring MSD as required by Section 8-3A-08 of the Education Article. This report was to contain three parts: (1) a review of MSDE’s statutory responsibilities for MSD; (2) an update on MSDE’s progress to support MSD in its current review of documentation and facilities as outlined in the December 2020 letter to the Maryland General Assembly’s Education, Health, and

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Environmental Affairs Committee and the Education and Business Administration Subcommittee; and (3) information on fiscal resources dedicated to meet statutory requirements and support the current review process.

In its submission, MSDE reported that MSD has made significant progress on issues identified in the 2019 audit. MSDE continues to work with MSD to close the Corrective Action Plan and recode students in accordance with federal IDEA guidance. Noncompliance remains with the school's development of measurable academic and functional Individual Educational Plan (IEP) goals, documentation of parent concerns, and other IEP meeting protocols. MSDE and MSD also reported that they had not updated their MOU since 1998.

**Due to continued work on issues identified in the 2019 audit, as well as an outdated MOU, DLS recommends to the budget committees that MSDE and MSD submit an update on progress to resolve these remaining issues, including an update to the outdated MOU.**

## Operating Budget Recommended Actions

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1. Add the following language to the general fund appropriation:

, provided that \$100,000 of this appropriation may not be expended until the Maryland State Department of Education submits to the budget committees a report on personnel vacancies throughout the department and its independent units, along with efforts to hire personnel specifically for the fulfillment of Chapter 36 of 2021 requirements. This report should include:

- (1) an assessment of the primary factors contributing to the over 200 vacant positions throughout the department;
- (2) strategies for the recruitment, reclassification, or abolishment of positions to bring fiscal 2023 vacancies in line with budgeted turnover;
- (3) detail on personnel for Chapter 36 implementation by classification, salary, and program, along with information on how requirements are successfully being met with less staff than the estimated need identified at the time of legislative enactment; and
- (4) costs associated with these actions for fiscal 2022, 2023, and 2024.

This report shall be submitted by October 1, 2022, and the budget committees shall have 45 days from the receipt of the report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

**Explanation:** The Maryland State Department of Education (MSDE) is responsible for hiring personnel for MSDE Headquarters and independent units of the agency. In the past three years, MSDE has experienced a persistently high vacancy rate. In addition, MSDE is responsible for hiring personnel to facilitate Chapter 36 of 2021 implementation; however, only 10 of the 42 positions estimated to be required for successful implementation are funded in the fiscal 2023 allowance. The report will inform the legislature on MSDE’s efforts to lower vacancy rates and fulfill Chapter 36 requirements.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Report and personnel and vacancies	MSDE	October 1, 2022

2. Adopt the following narrative:

**Report on Accounting Practices:** Due to recent audit findings, deficiency allocations, and other concerns about accounting practices, the budget committees request that by October 1, 2022, the Maryland State Department of Education (MSDE) submit a closeout report for fiscal 2022. This report should include:

- an explanation for encumbrances and reversions for all general, special, federal, and reimbursable funds for any amount that does not equal zero;
- allocations and expenditures by program, local education agency, and/or school for all grants administered by the Maryland Center for School Safety (MCSS);
- a detailed explanation of how MSDE, which serves as the fiscal agent for MCSS, assists MCSS to properly administrate grant funds; and
- an update on the Department of Rehabilitative Services fiscal 2021 closeout audit finding and steps taken by MSDE to remediate this issue.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Report on accounting practices	MSDE	October 1, 2022

3. Adopt the following narrative:

**Report on State Education Agency Federal Stimulus Funds:** Due to school closures prompted by the COVID-19 pandemic, the Maryland State Department of Education (MSDE) received \$302.9 million in State Education Agency (SEA) federal stimulus funds. To ensure proper monitoring of the use of these funds, the budget committees request that MSDE report by November 1, 2022, on all SEA program expenditures distributed in fiscal 2021, 2022 and 2023 as part of the Coronavirus Response and Relief Supplemental Appropriation, Elementary and Secondary School Emergency Relief (ESSER II) fund and the American Rescue Plan, ESSER III fund. This report should include:

- grant procedures for federal mandatory allocations to local education agencies (LEA) for learning loss, summer enrichment, and afterschool programs and grant expenditures by LEA, amount, and program;
- grant expenditures by school and program for State mandated funds allocated to the Maryland School for the Blind, Maryland School for the Deaf, and SEED School;

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- grant procedures, allocations, and expenditures by program for all discretionary allocations;
- expenditures by MSDE department and object for administrative costs; and
- unexpended funds by program, reasons that funds were not allocated or expended, anticipated expenditures of those funds by program for future years, and funds that may have been cancelled.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Report on SEA federal stimulus funds	MSDE	November 1, 2022

4. Adopt the following narrative:

**Report on Virtual Learning:** Due to COVID-19 school closures in March 2020, the Maryland State Department of Education (MSDE) allowed local education agencies to implement virtual learning in place of in-person learning. To understand the impact and monitor the continued expansion of virtual learning across the State, the budget committees request that MSDE provide an updated report by December 1, 2022, on actions taken in calendar 2022 to facilitate virtual learning for teachers and students across the State. This report should have:

- updated information on virtual learning and the activity of the Digital Learning Stakeholder Committee;
- costs for State virtual learning in fiscal 2021 and 2022, and anticipated expenditures in fiscal 2023 and 2024, by fund source and program; and
- detailed information on the status of virtual learning programs and activities, including but not limited to:
  - State Learning Management System implementation, including additional licenses, migration of courses, training, and information technology services;
  - Maryland Virtual Learning Opportunities courses and vendors;
  - professional development courses, training, and vendors;
  - development and implementation of e-communities and their anticipated impact on virtual learning; and
  - development and implementation of a State virtual school.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Report on virtual learning	MSDE	December 1, 2022

5. Adopt the following narrative:

**Status Report on Maryland School for the Deaf (MSD):** Despite significant progress on issues identified in a 2019 audit, the committees remain concerned that noncompliance remains with MSD’s development of measurable academic and functional Individual Educational Plan (IEP) goals, documentation of parent concerns, and other IEP meeting protocols. The committees are also concerned about the outdated memorandum of understanding (MOU) between the Maryland State Department of Education (MSDE) and MSD. The committees request that MSDE and MSD submit an update by August 1, 2022, on progress by both agencies to resolve these remaining issues and update their MOU.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Status report on MSD	MSDE MSD	August 1, 2022

6. Adopt the following narrative:

**Status Report on the Maryland Comprehensive Assessment Program (MCAP):** The committees are concerned by the disruptions in administering MCAP resulting from the COVID-19 pandemic and are interested in better understanding impacts of these disruptions on learning loss, virtual learning, new assessment development, and increased costs for MCAP assessments in the next few years. The committees request that by November 1, 2022, the Maryland State Department of Education (MSDE) submit a status update on MCAP assessments and expenditures including, but not limited to:

- a timetable for MCAP administration for all assessments for school years (SY) 2022 to 2023 and SY 2023 to 2024, including field testing and pilots for new assessments;
- details on MCAP measurement of student learning loss in SY 2021 to 2022 by local education agencies (LEA), subject area, grade level, and assessment, as well as additional steps taken, if any, by MSDE at the State level to measure student learning loss;
- details on MCAP administration in SY 2021 to 2022 for virtual school students by LEA, program, grade level, and assessment, including alternative assessments and Kindergarten Readiness; and anticipated changes, if any, to assessments for virtual school students in SY 2022 to 2023 and 2023 to 2024;

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- expenditures in fiscal 2022 and 2023, and anticipated allowances for fiscal 2024, for each MCAP assessment and assessments under development; and
- contractual expenditures by vendor for fiscal 2022 and 2023, and anticipated contractual expenditures in fiscal 2024, for costs associated with assessment development and administration.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Status report on MCAP	MSDE	November 1, 2022

## *Updates*

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### **1. MSDE Reports on Expenditures for School Reopening, Competitive Innovation Grants**

In the 2021 JCR on CARES ESSER I funds, MSDE was asked to report on expenditures for the following programs:

- \$20.8 million in discretionary funds from the SEA ESSER I fund including \$10.0 million distributed to LEAs, the SEED School, and MSB for costs related to school reopening; and
- \$10.0 million in Competitive Innovative Grants from the GEER I Fund for educational institutions to address the COVID-19 pandemic.

#### **School Reopening Grants**

As part of \$20.8 million in SEA ESSER I funds, LEAs, SEED, and MSB received \$10.0 million in school reopening grants, which were intended to assist schools with costs associated with opening schools after COVID-19 closures. In the 2021 JCR, LEAs reported spending these funds on the following:

- **COVID-19 expenses** including HEPA filters, social distancing for classrooms, and cleaning supplies and services;
- **Instructional support** including instructional materials, tutoring, and extracurricular support;
- **Technology** including hotspots, data security, laptops, smart displays, and document cameras;
- **Personnel** including custodians, tutors, bus drivers, and substitutes; and
- **Other** including charter schools, food services, and miscellaneous expenditures.

Although the report does not provide exact costs in each category by LEA, **Exhibit 18** shows an approximate distribution for all LEAs expenditures across these categories.

**Exhibit 18**  
**LEA Reopening Grant Expenditures by Category**  
**Fiscal 2021**

<u>LEA</u>	<u>Amount</u>	<u>COVID-19 Expenses</u>	<u>Instructional Support</u>	<u>Technology</u>	<u>Personnel</u>	<u>Other</u>
Allegany	\$261,372	X	X		X	
Anne Arundel	856,403	X				X
Baltimore City	387,860		X	X		
Calvert	323,669	X	X			
Caroline	349,764			X		X
Carroll	818,065			X	X	
Cecil	585,103		X		X	
Dorchester	296,608	X				
Frederick	1,075,150	X	X			X
Garrett	264,150	X	X		X	
Harford	549,987	X				
Howard	351,818		X			
Kent	241,277	X	X	X		
Queen Anne's	404,814			X		
St. Mary's	681,832			X		
Somerset	257,143	X				
Talbot	321,213				X	
Washington	757,378	X				
Wicomico	408,116	X				
Worcester	405,015			X		
SEED School	201,651	X				X
MSB	201,611	X		X		
<b>Total</b>	<b>\$10,000,000</b>					

LEA: local education agency

MSB: Maryland School for the Blind

Note: Total may not sum due to rounding error. Not all LEAs applied for these grants; Baltimore, Charles, Montgomery, and Prince George's counties did not apply and therefore did not participate in this program.

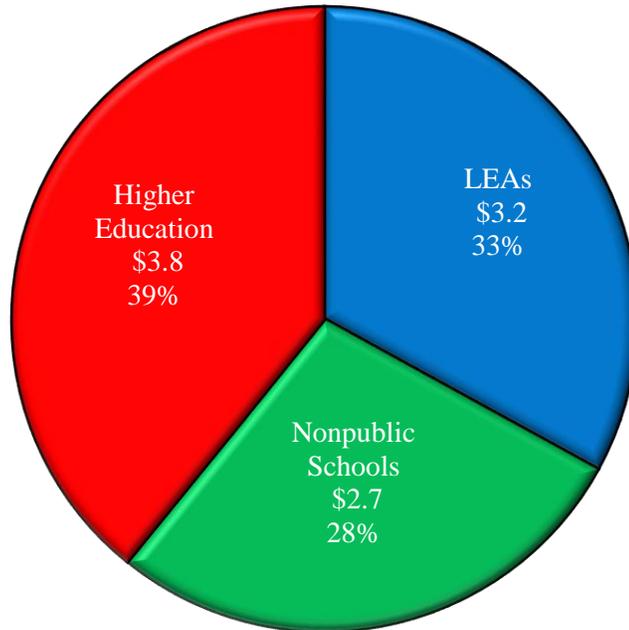
Source: Maryland State Department of Education; Department of Legislative Services

## Competitive Innovation Grants

As part of the first round of funding available from CARES, MSDE received \$10.0 million in GEER I funds designated as a Competitive Innovation Grant. This grant was designed to encourage LEAs, nonpublic schools, and universities to develop innovative programs that would assist students and teachers to overcome the challenges faced in the COVID-19 pandemic. Of this amount, MSDE distributed a total of \$9.7 million to 28 institutions and LEAs: \$3.8 million, or 39%, to higher education institutions; \$3.2 million, or 33%, to LEAs; and \$2.7 million, or 28%, to nonpublic schools. **Exhibit 19** displays this distribution.

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**Exhibit 19**  
**Competitive Innovation Grants**  
**Fiscal 2020**  
**(\$ in Millions)**



LEA: local education agency

Source: Maryland State Department of Education

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Out of 28 awards, LEAs received 7 awards, nonpublic schools received 10 awards, and community colleges and universities received 11 awards. Innovative approaches or programs funded with this grant included:

- Micro-schools for small groups of students (Anne Arundel County Public Schools);
- Parent training initiative (BSU);
- “Gamification” teaching methods at six Baltimore City schools (Johns Hopkins University);
- School buses deployed as Internet hotspots (Somerset County Public Schools); and
- A virtual teaching network for 500 teachers across the State (University of Maryland).

For more information on grants to nonpublic schools, see the Funding for Educational Organizations budget analysis, R00A03.

## **2. DHCD Submits Report on Broadband**

As part of federal stimulus funds distributed in fiscal 2021, a total of \$25.0 million was designated for expenditures on rural and urban broadband for educational purposes. These grants were administrated through DHCD, which received \$15.0 million in GEER I funds for the development and procurement of State wireless network to provide Internet access to unserved schools and districts, and \$10.0 million in Coronavirus Relief Funds for LEAs grants for rural and urban broadband. (For information on federal stimulus grants for K-12 technology, see the Aid to Education budget analysis, R00A02).

### **State Wireless Network**

In fiscal 2021, DHCD received a \$15.0 million grant for the development and procurement of a State wireless network. In the 2021 JCR on this program, DHCD reported that the agency used a University System of Maryland corporation created by the Collaborative Solutions Maryland (CSM). CSM undertook a feasibility study to determine construction and ongoing maintenance costs for the proposed network in its analysis; however, the agency decided that these options are not feasible, partially due to other State broadband projects that also cover these areas and broadband needs. DHCD plans to distribute these funds to LEAs as needed to cover additional Internet connectivity costs.

### **Rural and Urban Broadband**

LEAs could apply to DHCD for funding for Internet access for students, either through existing providers (mainly in urban areas) or by providing wireless access devices to students where broadband infrastructure is not available (mainly rural areas). Governor Lawrence J. Hogan Jr. originally provided \$10.0 million for this purpose, but \$8.7 million funded all requests, and funds were canceled during fiscal 2021 closeout.

DHCD has not provided an update regarding LEA expenditures of this grant at this time. For more information about State broadband initiatives, see the DHCD budget analysis, S00A.

### 3. MCSS Tip Line Use Sees 10% Increase; SRO Grants Expenditures Decrease

Under an interagency agreement with MCSS, the Maryland Department of Emergency Management (MDEM), formerly the Maryland Emergency Management Agency, maintains the Maryland School Safety Tip Line, which is operated out of the Maryland Joint Operations Center 24 hours a day, 7 days a week, 365 days a year. MCSS is responsible for the tracking and disposition of each tip at the State and local level. Tip line activity is discussed on a weekly basis with MDEM, local schools, and local authorities. During the 2020 session, the budget committees requested data regarding the volume of tips received by the tip line, and this information has been added to MCSS’s MFR. In fiscal 2020, the tip line received 432 calls; in fiscal 2021, the tip line received 475 calls, which is a 10% increase in calls from the previous fiscal year. MCSS and MDEM estimate that tip line use will continue to increase in future years. **Exhibit 20** displays all categories that received over 10 complaints in fiscal 2021.

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**Exhibit 20**  
**Tip Line Calls**  
**Maryland Center for School Safety**  
**Fiscal 2021**

<u>Event</u>	<u>Tips</u>	<u>% of Total Complaints</u>
Assault or Intent to Harm Others	67	14.1%
Bullying, Cyber-bullying, or Teasing	46	9.7%
General School Complaint	46	9.7%
Drug Distribution, Use, Sale, or Abuse	37	7.8%
Planned School Attack	30	6.3%
Building Safety and Security	24	5.1%
Bus Safety and Transportation	23	4.8%
Anger Issues or Creating a Hostile Environment	19	4.0%
Child Abuse or Neglect	19	4.0%
Smoking, E-cigarettes, or Vaping	19	4.0%
Gun-related	17	3.6%
COVID-19-related	12	2.5%
Sexual Harassment or Misconduct	12	2.5%
Alcohol Possession, Distribution, and Use	11	2.3%
Planned Parties	11	2.3%
Trespassing	11	2.3%

Note: Maryland Center for School Safety does not report tip counts under 10 for any event type.

Source: Maryland Center for School Safety, Managing for Results

## SRO Grant Expenditures Decrease in Fiscal 2021 and 2022

The SRO grant receives \$10.0 million as part of a mandate in Chapter 30 and is intended to assist LEAs with expenditures related to personnel for school safety. In the past two years, some LEAs have not submitted reimbursable expenses for the entire amount of their grant, and expenditures totaled \$4.7 million in fiscal 2021 and \$5.2 million to date in fiscal 2022. In fiscal 2021, MSDE mistakenly reverted \$3.2 million in SRO grant funds, which resulted in a fiscal 2022 deficiency allocation for that amount. **Exhibit 21** shows average grant amounts per LEA for fiscal 2021 and 2022 and expenditures.

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**Exhibit 21**  
**School Resource Officer Grant Expenditures**  
**Maryland Center for School Safety**  
**Fiscal 2021-2022**  
**(\$ in Thousands)**

<u>LEA</u>	<u>Average Allocation</u>	<u>2021 Expenditures</u>	<u>2022 Expenditures</u>
Allegany	\$168.7	\$182.2	\$155.1
Anne Arundel	861.1	89.7	415.4
Baltimore City	1,160.0	1,076.7	1,076.1
Baltimore County	1,240.8	0.0	0.0
Calvert	175.7	175.2	176.3
Caroline	70.3	70.1	70.5
Carroll	295.2	308.3	282.1
Cecil	207.4	0.0	0.0
Charles	274.2	273.3	275.0
Dorchester	94.9	91.1	98.7
Frederick	481.6	168.2	0.0
Garrett	84.4	84.1	84.6
Harford	379.6	358.6	380.8
Howard	541.3	505.0	478.7
Kent	35.2	0.0	0.0
Montgomery	1,465.7	343.9	676.0
Prince George's	1,444.6	0.0	0.0
Queen Anne's	98.4	98.1	98.7
Somerset	63.3	63.1	63.5
St. Mary's	210.9	210.2	211.6
Talbot	56.2	56.1	56.0
Washington	312.8	315.3	310.3
Wicomico	179.3	118.4	183.4
Worcester	98.4	98.1	98.7
<b>Total</b>	<b>\$10,000.0</b>	<b>\$4,685.9</b>	<b>\$5,191.7</b>

LEA: local education agency

Source: Maryland Center for School Safety; Department of Legislative Services

#### 4. OIGE Submits Annual Data and Updates Website

OIGE is an independent agency within MSDE and provides a central point for coordination of, and responsibility for, activities that promote educational accountability, integrity, and efficiency in government. In its annual report, OIGE submits a tally of complaints received by the office from December 1, 2020, to November 30, 2021. In this year’s report, OIGE received a total of 136 complaints, of which 113 were closed, 17 were elevated to an investigation, and 6 were assigned for an investigative audit. **Exhibit 22** shows these data.

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**Exhibit 22**  
**Cases by Complaint Type**  
**Office of the Inspector General for Education**  
**Calendar 2021**

<u>Complaint</u>	<u>Total</u>
Grade Changing	31
Mismanagement of Funds	18
Discourteous Treatment	10
Fraud	8
Special Education	7
Ethics	6
Other, Miscellaneous	85
<b>Total</b>	<b>136</b>

Source: Office of the Inspector General for Education

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As part of a request by the budget committees in the 2021 JCR, OIGE provided additional information to the public on its subpoena process and how the agency communicates with families. OIGE added this information to its procedures manual and updated their website to include additional information about the process for formal complaints to both OIGE and the federal Department of Education.

#### 5. MSDE and GOCPYVS Launch Project Bounce Back

Project Bounce Back is a series of initiatives funded with \$25.0 million in SEA ESSER II and III funds and the State Fiscal Relief Fund to address ACEs and assist children, youth, and families recover from the impacts of the COVID-19 pandemic. The project will provide mental health services, expand youth development programs, and use an integrated technology infrastructure to support children and youth with a variety of learning resources. Partners include GOCPYVS, MSDE, Microsoft, KPMG, LinkedIn, Mid-Shore Council on Family Violence, Boys & Girls Clubs of America,

and child advocacy organizations. GOCPYVS will administrate project grants; MSDE will oversee and implement regional health teams.

**Exhibit 23** shows the \$25.0 million allocation for this program in fiscal 2021 and 2022. Of this amount, \$10.0 million is reimbursable funds from MSDE to GOCPVYS from MSDE’s SEA ESSER II and III funds; federal funds to GOCPVYS’s Victims Services Unit and Child and Youth Division are from State Fiscal Relief Funds. Funds allocated from ESSER II must be expended by September 30, 2022; funds from allocated from ESSER III must be expended by September 30, 2023.

**Exhibit 23**  
**Project Bounce Back**  
**Fiscal 2021-2022**  
**(\$ in Millions)**

<u>Fund Source</u>	<u>Fiscal Year</u>	<u>Agency</u>	<u>Purpose or Organization</u>	<u>Amount</u>
ESSER II, III	2021-2022	GOCPYVS	Grants to child advocacy organizations	\$10.0
ESSER III	2022	MSDE	Regional mental health teams	10.0
State Fiscal Relief Funds	2022	GOCPYVS,	Mid-Shore Council on Family	3.0
		VSU	Violence	
State Fiscal Relief Funds	2022	GOCPYVS, CYD	Maryland Boys and Girls Clubs	2.0
<b>Total</b>				<b>\$25.0</b>

CYD: Childhood and Youth Division  
 GOCPVYS: Governor’s Office of Crime Prevention, Youth and Victim Services  
 ESSER: Elementary and Secondary School Emergency Relief  
 MSDE: Maryland State Department of Education  
 VSU: Victims Services Unit

Source: Department of Juvenile Services; Maryland State Department of Education; Department of Legislative Services

## **6. DoIT and MSDE Provide Update to Technology Audit**

As part of an audit in calendar 2019, four separate problems regarding MSDE’s information systems security and control were identified as issues that needed to be addressed. Because MSDE is responsible for the safekeeping of many types of sensitive, personally identifiable information, in the 2020 legislative session, the budget committees requested that MSDE and DoIT prepare a report on MSDE’s data security procedures, including an update on its progress to remediate all findings in the audit report and account for funds expended by each agency on remediation. **Exhibit 24** shows DoIT and MSDE’s continued progress toward remediation of these issues in calendar 2021.

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**Exhibit 24**  
**Technology Audit Remediation**  
**Maryland State Department of Education and**  
**Department of Information Technology**  
**Calendar 2021**

<b><u>Problem</u></b>	<b><u>Remediation(s)</u></b>	<b><u>Remaining Actions</u></b>
Sensitive PII was stored without adequate safeguards.	<ul style="list-style-type: none"><li>• Encrypt PII data behind the DoIT firewall.</li><li>• Procure additional secure socket layer technology.</li><li>• Remove student Social Security numbers from all internal and external systems and replace with Maryland State assigned student identification numbers.</li></ul>	<ul style="list-style-type: none"><li>• Complete assessment with DoIT Security Operation Center team by April 30, 2022.</li></ul>
Applications and sensitive student data managed by third-party contractors were not properly secured against operational and security risks.	<ul style="list-style-type: none"><li>• Third-party contractors connect using a virtual private network and two-factor authentication.</li><li>• DoIT changes passwords at the domain level.</li></ul>	<ul style="list-style-type: none"><li>• MSDE is conducting a security assessment to ensure sensitive data is protected by February 28, 2022.</li><li>• Once this assessment is completed, MSDE will take future actions to require agreements with vendors that ensure security of student data.</li></ul>
No information technology disaster recovery plan for recovering computer operations.	<ul style="list-style-type: none"><li>• DoIT is responsible for disaster recovery support for MSDE.</li><li>• DoIT has operational control over MSDE’s network and will provide corrective actions when necessary.</li></ul>	<ul style="list-style-type: none"><li>• MSDE is confirming with DoIT whether additional support is needed by March 31, 2022.</li></ul>
15 servers running an outdated operating system software version that was no longer supported.	<ul style="list-style-type: none"><li>• All but two servers are running on supported, Microsoft operating systems.</li></ul>	<ul style="list-style-type: none"><li>• MSDE is currently working with DoIT to replace hardware and upgrade all operating systems by September 30, 2022.</li></ul>

DoIT: Department of Information Technology  
MSDE: Maryland State Department of Education  
PII: personally identifiable information

Source: Maryland Department of Education; Department of Legislative Services



## Appendix 1 2021 Joint Chairmen’s Report Responses from Agency

The 2021 JCR requested that MSDE prepare eight reports. Electronic copies of the full JCR responses can be found on the DLS website.

- **Report on Remote Learning:** In response to COVID-19-related school closures, MSDE and the Digital Learning Advisory Committee provided guidance and support for remote learning across the State. The budget committees requested that MSDE report on these actions, which included plans to acquire a State LMS, help LEAs establish virtual schools, develop remote learning courses for students, and increase virtual educator professional development. In response to this request, MSDE reported that the agency purchased a new State LMS (Canvas), helped establish the ESMEC virtual school, and provided teachers with additional curriculum resources. Further discussion of this response can be found in the Key Observations section of this analysis.
- **Status Report on MCAP:** In 2018, MSDE announced the transition from PARCC to MCAP. However, with COVID-19 school closures, the State could not give required assessments in spring 2020. Due to this delay, the budget committees asked MSDE to provide a timetable for future MCAP administration and plans to modify tests to accommodate learning loss and missed test administration. In response to this request, MSDE reported that although a limited number of assessments were given in spring 2021, most assessments were moved to early fall 2021 and spring 2022. Further discussion of this response can be found in the Key Observations section of this analysis.
- **Report on the Maryland School for the Deaf:** In calendar 2020, MSD engaged in a self-study that involved how MSDE supports and assists to the school as part of 8-3A-08 of the Education Article. During the 2021 legislative session, the budget committees requested an update on how the agency implements this statute, documentation on actions taken as part of the self-study, and information on MSDE expenditures to MSD support activities. In response to this request, MSDE reported that they continue to support MSD to resolve issues identified in the self-study but have not updated their MOU with the school since 1998. Further discussion of this response can be found in the Key Observations section of this analysis.
- **Report on CARES Funds:** Due to school closures prompted by the COVID-19 pandemic, MSDE received over \$400 million in federal funds through the CARES ESSER I fund. The budget committees asked for information the distribution of these funds to distributed to LEAs, SEED, MSD, and MSB, as well as fund available for grants and administrative costs. In its response, MSDE reported that the agency spent administrative funds primarily on reopening grants, school nutrition, and virtual programming, and that LEAs spent funds on COVID-19-related support and expenses. Further discussion of this response can be found in the Fiscal 2021 Federal Stimulus Funds section and the Updates section of this analysis.

- ***Report on OIGE Communication Procedures:*** During the 2021 legislative session, the budget committees expressed concern about OIGE procedures for communicating with families upon issuance of a subpoena and a formal family communications plan. In response to this request, OIGE noted that although their office does not communicate directly with families, OIGE would provide additional information on their website for families and/or students receiving a subpoena or seeking redress, as well as update their policy manual to reflect federal protections for families and students. Further discussion of this response can be found in the Updates section of this analysis.
- ***Report on Accounting Practices:*** In calendar 2019, a MSDE audit identified high amounts of reversions and encumbrances. In response to this audit, in calendar 2020 and 2021 the budget committees requested that MSDE submit a closeout report on all funds documenting reversions and encumbrances that did not equal zero. In its fiscal 2021 closeout report, MSDE reported a total of approximately \$119.2 million in reversions and cancelled funds, including \$111.4 million in federal funds related to COVID-19. Further discussion of this response can be found in the Fiscal 2022 section of this analysis.
- ***Feasibility Study of Dual Enrollment Data and Reporting:*** During the 2021 legislative session, the budget committees expressed concern that MLDSC’s annual report on dual enrollment does not adequately address secondary and postsecondary outcomes for dual enrollment students. The committees requested that MLDSC provide information on the feasibility of collecting additional data on dual enrollment students from LEAs and partner institutions. In responding to this request, MDLSC reported that the feasibility of collecting these data may require additional reporting requirements, as well as in-depth input from MSDE and the Maryland Higher Education Consortium.
- ***Status of Emergency Communication Network in Public School:*** During the 2021 legislative session, the budget committees expressed concern about the preparedness of LEAs for emergency situations in public schools and requested a status report on school emergency communication and notification systems. In response to this request, MCSS reported that all 24 LEAs have emergency communication systems and school emergency notification plans.

**Appendix 2**  
**Replacement Education Information System**  
**Major Information Technology Project**  
**Maryland State Department of Education**

<b>New/Ongoing:</b> Ongoing								
<b>Start Date:</b> 3/2/2020					<b>Est. Completion Date:</b> 6/30/2022			
<b>Implementation Strategy:</b> Agile								
<b>(\$ in Millions)</b>	<b>Prior Year</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>Remainder</b>	<b>Total</b>
<b>GF</b>	\$3.910	\$2.596	\$1.494	\$0.000	\$0.000	\$0.000	\$0.000	\$8.000
<b>Total</b>	<b>\$3.910</b>	<b>\$2.596</b>	<b>\$1.494</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$8.000</b>

- Project Summary:** MSDE’s Certification Branch is responsible for the issuance, renewal, reinstatement, endorsement, suspension, revocation, and maintenance of educator certificates. This project is a replacement for an outdated Educator Information System that currently serves all 24 LEAs and holds over 300,000 educator records.
- Need:** The original system was procured in 2014. Currently, this legacy system is maintained by an external contractor. The new system is needed to issue, renew, reinstate, endorse, suspend, revoke, and maintain educator certificates in the State.
- Observations and Milestones:** In calendar 2020, the project entered the planning phase but has subsequently encountered missed milestones due to scheduling issues and the lack of adequate technical resources. The contractor has since expanded the technical teams to accelerate development and testing activities so that the project can be implemented by July 2022. Because the project will need continued observation testing after completion, \$1.5 million in funds are allocated for that purpose in fiscal 2023.
- Concerns:** MSDE must acquire staff to support this project and its implementation. There is also a risk with the migration of data and documents from the prior system into the new system. Additionally, LEAs must train on the new system to ensure as little downtime as possible.

**Appendix 3**  
**Object/Fund Difference Report**  
**Maryland State Department of Education – Headquarters**

<u>Object/Fund</u>	<u>FY 21</u> <u>Actual</u>	<u>FY 22</u> <u>Working</u> <u>Appropriation</u>	<u>FY 23</u> <u>Allowance</u>	<u>FY 22 - FY 23</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
<b>Positions</b>					
01 Regular	1,211.90	1,216.90	1,043.90	-173.00	-14.2%
02 Contractual	61.28	126.19	121.55	-4.64	-3.7%
<b>Total Positions</b>	<b>1,273.18</b>	<b>1,343.09</b>	<b>1,165.45</b>	<b>-177.64</b>	<b>-13.2%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 114,919,333	\$ 120,282,574	\$ 104,208,196	-\$ 16,074,378	-13.4%
02 Technical and Special Fees	22,830,914	99,873,717	47,817,286	-52,056,431	-52.1%
03 Communication	978,557	1,815,421	1,706,113	-109,308	-6.0%
04 Travel	29,654	2,251,910	2,022,144	-229,766	-10.2%
06 Fuel and Utilities	815,577	1,038,914	1,038,737	-177	0%
07 Motor Vehicles	520,946	837,634	802,051	-35,583	-4.2%
08 Contractual Services	57,159,387	115,873,726	97,801,143	-18,072,583	-15.6%
09 Supplies and Materials	2,111,861	4,063,090	1,840,118	-2,222,972	-54.7%
10 Equipment – Replacement	523,296	1,417,767	816,926	-600,841	-42.4%
11 Equipment – Additional	182,982	4,802,314	1,231,791	-3,570,523	-74.4%
12 Grants, Subsidies, and Contributions	18,102,649	40,261,795	37,185,187	-3,076,608	-7.6%
13 Fixed Charges	6,716,885	5,888,710	5,852,793	-35,917	-0.6%
14 Land and Structures	11	891,000	908,000	17,000	1.9%
<b>Total Objects</b>	<b>\$ 224,892,052</b>	<b>\$ 399,298,572</b>	<b>\$ 303,230,485</b>	<b>-\$ 96,068,087</b>	<b>-24.1%</b>
<b>Funds</b>					
01 General Fund	\$ 97,721,866	\$ 116,647,392	\$ 101,849,088	-\$ 14,798,304	-12.7%
03 Special Fund	10,348,620	21,146,912	20,318,593	-828,319	-3.9%
05 Federal Fund	114,634,962	257,952,684	180,892,804	-77,059,880	-29.9%
09 Reimbursable Fund	2,186,604	3,551,584	170,000	-3,381,584	-95.2%
<b>Total Funds</b>	<b>\$ 224,892,052</b>	<b>\$ 399,298,572</b>	<b>\$ 303,230,485</b>	<b>-\$ 96,068,087</b>	<b>-24.1%</b>

Note: The fiscal 2022 working appropriation includes deficiency appropriations. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

**Appendix 4  
Fiscal Summary  
Maryland State Department of Education – Headquarters**

<u>Program/Unit</u>	<u>FY 21 Actual</u>	<u>FY 22 Work Approp</u>	<u>FY 23 Allowance</u>	<u>Change</u>	<u>FY 22 - FY 23 % Change</u>
01 Office of the State Superintendent	\$ 14,924,497	\$ 15,541,327	\$ 16,314,028	\$ 772,701	5.0%
02 Division of Business Services	6,466,336	7,163,600	6,563,833	-599,767	-8.4%
04 Division of Accountability, Assessment and Data	37,196,495	53,712,833	51,014,012	-2,698,821	-5.0%
05 Office of Information Technology	9,970,496	11,830,324	12,259,883	429,559	3.6%
06 Major Information Technology Development Projects	0	30,800,000	23,060,000	-7,740,000	-25.1%
07 Office of School and Community Nutrition Programs	7,677,318	10,167,848	9,183,842	-984,006	-9.7%
11 Division of Instruction	8,857,473	13,977,246	9,607,256	-4,369,990	-31.3%
12 Division of Student, Family and School Support	4,985,602	40,733,653	8,265,691	-32,467,962	-79.7%
13 Div. of Special Educ./Early Intervention Services	8,482,235	12,678,785	13,009,738	330,953	2.6%
14 Division of Career and College Readiness	3,102,727	21,549,557	4,896,525	-16,653,032	-77.3%
15 Juvenile Services Education Program	21,089,084	24,355,378	0	-24,355,378	-100.0%
18 Division of Certification and Accreditation	3,110,620	3,127,152	3,235,082	107,930	3.5%
20 Div. of Rehab Services – Headquarters	11,584,584	16,001,789	15,953,131	-48,658	-0.3%
21 Div. of Rehab Services – Client Services	33,308,686	44,212,129	44,594,274	382,145	0.9%
22 Div. of Rehab Services – Workforce and Tech. Ctr.	8,017,590	10,259,920	10,049,151	-210,769	-2.1%
23 Div. of Rehab Services – Disability Determination Serv	26,464,119	44,246,432	36,299,211	-7,947,221	-18.0%
24 Div. of Rehab Services – Blindness and Vision Services	7,084,121	9,912,467	8,958,765	-953,702	-9.6%
01 Maryland Longitudinal Data Systems Center	2,338,583	2,423,698	2,543,117	119,419	4.9%
01 Operations	2,257,137	2,574,267	2,751,201	176,934	6.9%
02 Grants	7,208,215	22,600,000	22,600,000	0	0%
01 Inspector General’s Office	766,134	1,430,167	2,071,745	641,578	44.9%
<b>Total Expenditures</b>	<b>\$ 224,892,052</b>	<b>\$ 399,298,572</b>	<b>\$ 303,230,485</b>	<b>-\$ 96,068,087</b>	<b>-24.1%</b>
General Fund	\$ 97,721,866	\$ 116,647,392	\$ 101,849,088	-\$ 14,798,304	-12.7%
Special Fund	10,348,620	21,146,912	20,318,593	-828,319	-3.9%
Federal Fund	114,634,962	257,952,684	180,892,804	-77,059,880	-29.9%
<b>Total Appropriations</b>	<b>\$ 222,705,448</b>	<b>\$ 395,746,988</b>	<b>\$ 303,060,485</b>	<b>-\$ 92,686,503</b>	<b>-23.4%</b>
Reimbursable Fund	\$ 2,186,604	\$ 3,551,584	\$ 170,000	-\$ 3,381,584	-95.2%
<b>Total Funds</b>	<b>\$ 224,892,052</b>	<b>\$ 399,298,572</b>	<b>\$ 303,230,485</b>	<b>-\$ 96,068,087</b>	<b>-24.1%</b>

Note: The fiscal 2022 working appropriation includes deficiency appropriations. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.