

R00A01
Headquarters
Maryland State Department of Education

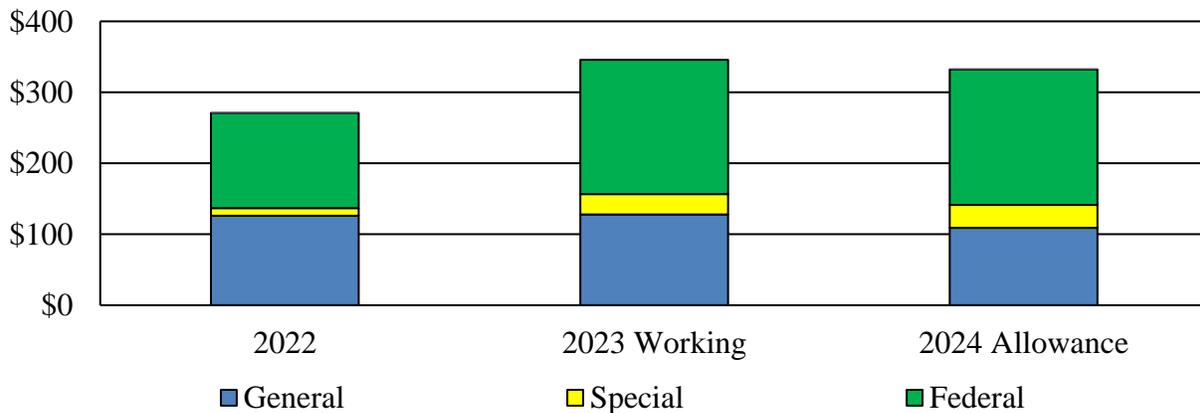
Executive Summary

The Maryland State Department of Education (MSDE) develops and implements standards and policies 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 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 – R12A, 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 – R00A01.04 is included in the Division of Early Childhood – R00A99 analysis, and the Maryland School for the Blind is in the Funding for Educational Organizations – R00A03 analysis.

Operating Budget Summary

Fiscal 2024 Budget Decreases \$13.0 Million, or 3.7%, to \$333.2 Million
(\$ in Millions)



Note: Numbers may not sum due to rounding. The fiscal 2023 working appropriation includes deficiency appropriations including this agency’s share of a deficiency appropriation budgeted in the Statewide Account within the Department of Budget and Management (DBM). Fiscal 2024 salary enhancements are budgeted in the Statewide Account within DBM.

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R00A01 – MSDE – Headquarters

- The fiscal 2024 general fund allowance decreases by a net \$19.0 million, or 14.9%. The primary driver of the decrease is the \$22.2 million fiscal 2023 deficiency appropriation for education support professional bonuses that is not carried forward in the MSDE Headquarters allowance but is instead reflected in the Aid to Education budget.
- The special fund allowance increases by a net \$3.7 million primarily due to \$3.0 million allocated for school safety evaluations and \$1.0 million for the Hate Crimes Grant.
- The federal fund allowance increases by a net \$2.2 million primarily due to a \$12.5 million increase for medical support and other grants offset by an \$11.0 million decrease for a major information technology (IT) project for direct certification software.

Key Observations

- ***MSDE’s Maryland Leads Raises Potential Distribution Issues:*** MSDE’s program to address student learning loss, Maryland Leads, distributed funds using a noncompetitive grant process that may have disadvantaged some local education agencies (LEA) with low-income students.
- ***Despite Reorganization, MSDE Personnel Vacancies Persist:*** December 2022 vacancy data indicates patterns of agency vacancies that started in fiscal 2020 continue into fiscal 2024.
- ***Office of Legislative Audits (OLA) Documents Continued Concerns with MSDE Accounting Practices:*** In a recent audit of MSDE, OLA found that the agency did not ensure that funds allocated to LEAs for Blueprint for Maryland’s Future grant programs were used in accordance with the purposes established by State law, along with other concerns.
- ***MSDE Experiences Delays Submitting Required Data and Reports:*** In calendar 2022, MSDE had a 65% on-time reporting rate, with three *Joint Chairmen’s Reports (JCR)* outstanding to date, including a joint report with MSD.
- ***MSDE Virtual Learning Program Update Needed:*** MSDE’s submission of information on virtual learning would benefit from enrollment data and additional program information.

Operating Budget Recommended Actions

1. Add language to the general fund appropriation for a report on audit concerns.
2. Adopt committee narrative for a report on accounting practices.
3. Adopt committee narrative for a report on State Education Agency federal stimulus funds.
4. Adopt committee narrative for a report on the Maryland Leads program.
5. Adopt committee narrative for a report on virtual learning.

Updates

- With a new memorandum of understanding (MOU) negotiated between IAC and MCSS, starting in fiscal 2023, MCSS administrates all school safety grant programs. Additionally, a recent audit indicates that the agency needs to create policies and procedures for the Maryland School Safety Tip Line.
- MLDSC continues to increase visits to the agency’s website with updated reports and information.
- The Office of the Inspector General for Education (OIGE) added a Managing for Results (MFR) measure on investigations opened and closed.

R00A01
Headquarters
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Operating Budget Analysis

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. In calendar 2022, MSDE reorganized into five divisions: Office of the Superintendent; Office of the Chief of Staff; Office of the Deputy for Teaching and Learning; Office of the Deputy for Organizational Effectiveness; and Office of the Deputy for Operations.

The Office of the Superintendent includes SBOE, the Attorney General’s Office, the Audit Office, the Division of Assessments and Accountability, and a new Office of Communications and Community Engagement.

The new Office of the Chief of Staff includes the Office of Governmental Affairs, Education Policy and External Relations, and a new Office of Strategic Planning and Continuous Improvement.

The Office of the Deputy for Teaching and Learning includes the Division of Special Education/Early Intervention Services; the Division of Curriculum, Instructional Improvement, and Learning; the Division of College and Career Readiness; the Division of Educator Certification and Program Approval; and the Maryland Public Secondary Athletic Association. The Division of Early Childhood reports to the Deputy for Teaching and Learning but retains its own structure.

The new Office of the Deputy for Organizational Effectiveness includes the Division of Student, Family, and School Support; the new Division of Financial Planning, Operations, and Strategy; the Office of Policy Analysis and Fiscal Compliance; and the Office of School and Community Nutrition. The Division of Rehabilitative Services (DORS) reports to this office but retains its previous structure.

The new Office of the Deputy for Operations includes the Office of Human Resources, the new Office of Procurement and Contract Management, the Office of School Facilities, the Office of Information Technology, the Office of Equity Assurance and Compliance, the new Office of Pupil Transportation and Emergency Management, and the new Office of Facilities and Operation Services.

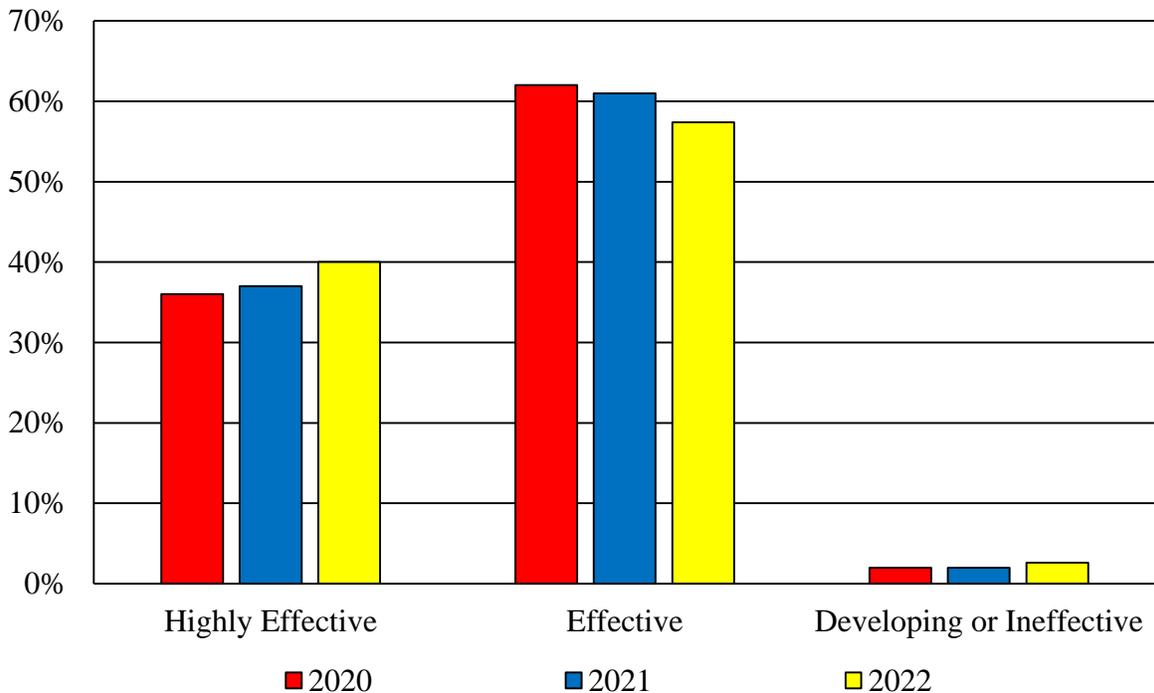
IAC, MLDS, MCSS, and OIGE are independent units within MSDE. MLDS houses State datasets and coordinates State research on prekindergarten through grade 20 educational outcomes. MCSS is responsible for State school safety programs. OIGE provides accountability and transparency in the expenditure of public funds for education.

Performance Analysis: Managing for Results

1. Teacher Effectiveness

One of MSDE’s MFR goals is to increase the percentage of teachers evaluated by LEAs as highly effective or effective. From fiscal 2021 to 2022, teachers evaluated as highly effective increased by 3 percentage points, from 37% to 40%; teachers evaluated as effective decreased by 4 percentage points, from 61% to 57%; and teachers evaluated as developing or ineffective increased by 1 percentage point, from 2% to 3%. From fiscal 2020 to 2022, the percentage of Maryland teachers rated effective or highly effective remains high at approximately 97%. **Exhibit 1** displays teacher effectiveness results from fiscal 2020 to 2022.

Exhibit 1
Teacher Effectiveness by Year
Fiscal 2020-2022

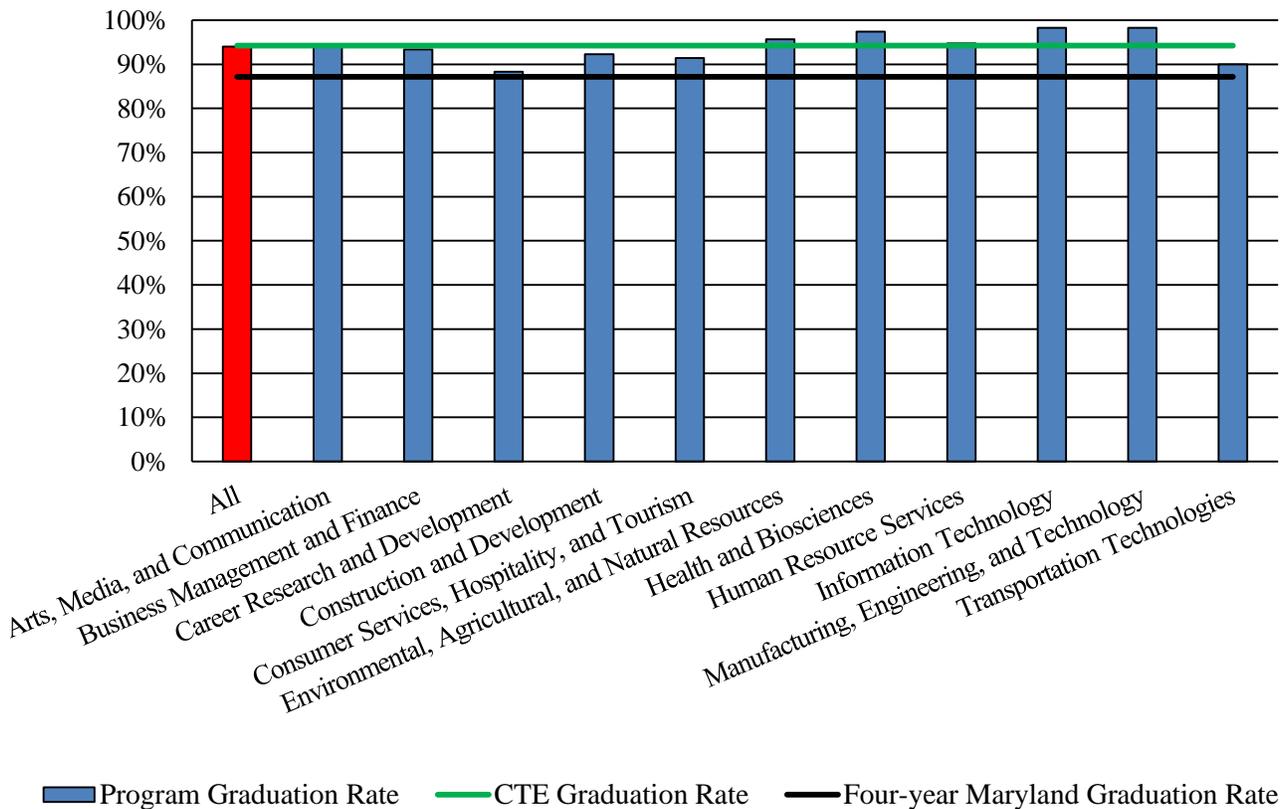


Source: Maryland State Department of Education, Fiscal 2024 Managing for Results

2. Career and Technology Education Sets New Graduation Target

Exhibit 2 shows data from MSDE’s Career and Technology Education (CTE) student performance dashboard, which has data on students in grades 9 through 12 who participate in 1 of the State’s 11 CTE education programs. Along with other measures, this data include target graduation rates for CTE students in each program compared to four-year Maryland graduation rates. In fiscal 2021 (2021-2022 school year), MSDE increased the CTE target graduation rate to 94.2%; and in fiscal 2023, 6 out of 11 programs met that goal with an average graduation rate across all programs of 94.0%. The overall CTE graduation rate of 94.0% in fiscal 2023 also exceeds the four-year Maryland high school graduation rate of 87.2% by 6.8 percentage points.

Exhibit 2
Career and Technology Education Graduation Rates
Fiscal 2022



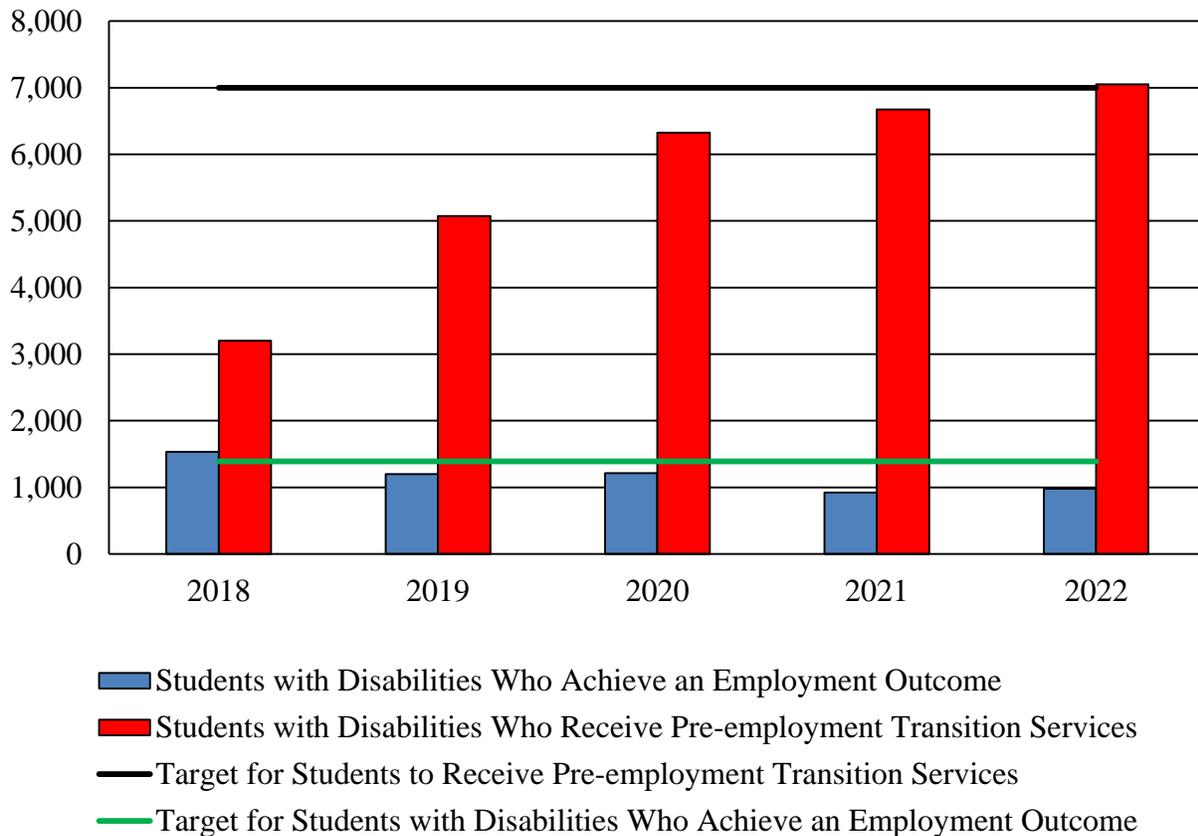
CTE: Career and Technology Education

Source: Maryland State Department of Education

3. DORS Meets Pre-employment Transitions Target Before 2025 Deadline

Exhibit 3 shows DORS employment services goals for students with disabilities from fiscal 2018 to 2022. 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 also changed to reflect that an individual must not only acquire a position but maintain that employment status for at least 90 days.

Exhibit 3
Division of Rehabilitative Services Employment Outcomes
Fiscal 2018-2022



Source: Fiscal 2024 Managing for Results, Maryland State Department of Education

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 2022, DORS assisted 7,051 students with disabilities with pre-employment transition services, which exceeded its goal by 51 students. DORS assisted 978 students in achieving an employment outcome, which is an increase of 53 students from fiscal 2021, but still falls short of the June 2025 target goal set by the agency.

The Department of Legislative Services (DLS) recommends that MSDE comment on the division’s plans to meet the June 2025 target for students with disabilities to achieve an employment outcome.

Fiscal 2022

MSDE Reversions and Cancellations

At fiscal 2022 closeout, MSDE’s final spending totaled \$277.3 million, or 14.1%, less than the legislative appropriation of \$322.0 million. The majority of the \$44.7 million in unspent funds were federal funds, including \$23.6 million for personnel, of which \$13.9 million was in DORS.

Given the deficiency allocations and concerns about MSDE’s accounting practices, DLS recommends the continued adoption of committee narrative directing MSDE to provide a detailed report on the department’s fiscal 2023 closeout.

Fiscal 2023

Proposed Deficiency

Fiscal 2023 deficiency appropriations provide MSDE with \$14.3 million in additional funding in the current fiscal year, including a \$4,000 special fund deficiency appropriation to cover routine expenses for MLDS.

The majority of the deficiency appropriation allocated to MSDE Headquarters is to provide \$14.3 million in general funds to cover additional costs for education support professional bonuses as required by Chapter 531 of 2022. This legislation mandated \$500 bonuses for education support professionals who were employed in the 2021-2022 school year and were members of a bargaining unit. In fiscal 2023, the legislature set aside \$8.0 million in the Dedicated Purpose Account for this program and asked MSDE to submit a count of these personnel. In MSDE’s January 2023 report, the agency reported that 44,652 employees were eligible for this bonus, requiring approximately \$22.3 million to fund the initiative. The fiscal 2024 allowance continues to fund this initiative at the same level; however, the funds are budgeted in the Aid to Education budget in teacher development to fulfill this mandate.

Federal Stimulus Funds

In fiscal 2020 and 2021, MSDE received approximately \$303.1 million in State Education Agency (SEA) Elementary and Secondary School Emergency Relief (ESSER) funds.¹ Of this amount, \$137.3 million, or 45%, are mandates for federal or State programs; \$150.7 million, or 50%, is available for discretionary programs and purposes; and \$15.1 million, or 5%, is allocated for allowable administrative expenses. As requested in the 2022 JCR, MSDE reported that the agency has expended or obligated \$288.7 million of these funds with \$14.4 million remaining to be allocated. **Exhibit 4** displays these expenditures by fiscal year and program.

Exhibit 4
SEA Federal Stimulus Fund Expenditures
Fiscal 2020-2023
(\$ in Millions)

<u>Year</u>	<u>Program</u>	<u>Allocation</u>	<u>Expended and Obligated</u>	<u>Remaining</u>
Mandated Distributions				
2021	Learning Loss (Maryland Leads)	\$97.6	\$97.6	0.0
2021	Summer Enrichment (Maryland Leads)	19.5	19.5	0.0
2021	Afterschool Programs	19.5	19.5	0.0
2021	MSB, MSD, and SEED	0.7	0.7	0.0
Subtotal		\$137.3	137.3	0.0
Discretionary Programs and Purposes				
2022	State – Emergency Needs (Maryland Leads)	\$45.7	\$45.7	0.0
2021	Maryland Leads	35.7	35.7	0.0
2022	GOCPYVS ACE	10.0	10.0	0.0
2022	Maryland Regional Crisis Response Teams	23.9	23.9	0.0
2020	Reopening Grants	10.0	10.0	0.0
2020	MVLO Expansion	9.5	9.5	0.0
2020	School Nutrition Grants	3.7	3.7	0.0
2022	Equity Task Force for Black Boys Initiatives	1.0	1.0	0.0
2022	Expert Review Teams	2.7	2.7	0.0
2021	Academic Acceleration for At-Risk Students	2.5	2.5	0.0
2022	Low-Income Advanced Placement	2.1	2.1	0.0
2022	DORS/UMCP MOU	2.0	2.0	0.0

¹ For a discussion of federal funds distributed directly to LEAs and the School for Educational Evolution and Development (SEED), see the budget analysis for Aid to Education – R00A02. For a discussion of federal funds awarded by MSDE to nonpublic schools and the Maryland School for the Blind, see the budget analysis for Funding for Educational Organizations – R00A03. For a discussion of federal funds allocated to Maryland School for the Deaf, see the budget analysis for R99E.

R00A01 – MSDE – Headquarters

<u>Year</u>	<u>Program</u>	<u>Allocation</u>	<u>Expended and Obligated</u>	<u>Remaining</u>
2020	Eastern Shore Virtual School	1.0	1.0	0.0
2020	COVID-19-related Expenses	0.1	0.1	0.0
2022	Technology Integration	0.8	0.2	0.6
2021-2023	Administration	15.1	1.3	\$13.8
2020-2023	Unallocated	0.0	0.0	0.0
Subtotal		\$165.8	\$151.4	\$14.4
Total		\$303.1	\$288.7	\$14.4
<i>% Expended or Obligated</i>		<i>95%</i>		

ACE: Adverse Childhood Experience
DORS: Department of Rehabilitative Services
GOCPYVS: Governor’s Office of Crime Prevention, Youth, and Victim Services
MOU: memorandum of understanding
MSB: Maryland School for the Blind
MSD: Maryland School for the Deaf
MVLO: Maryland Virtual Learning Opportunities
SEA: State Education Agency
SEED: School for Educational Evolution and Development
UMCP: University of Maryland, College Park Campus

Note: Numbers may not sum due to rounding.

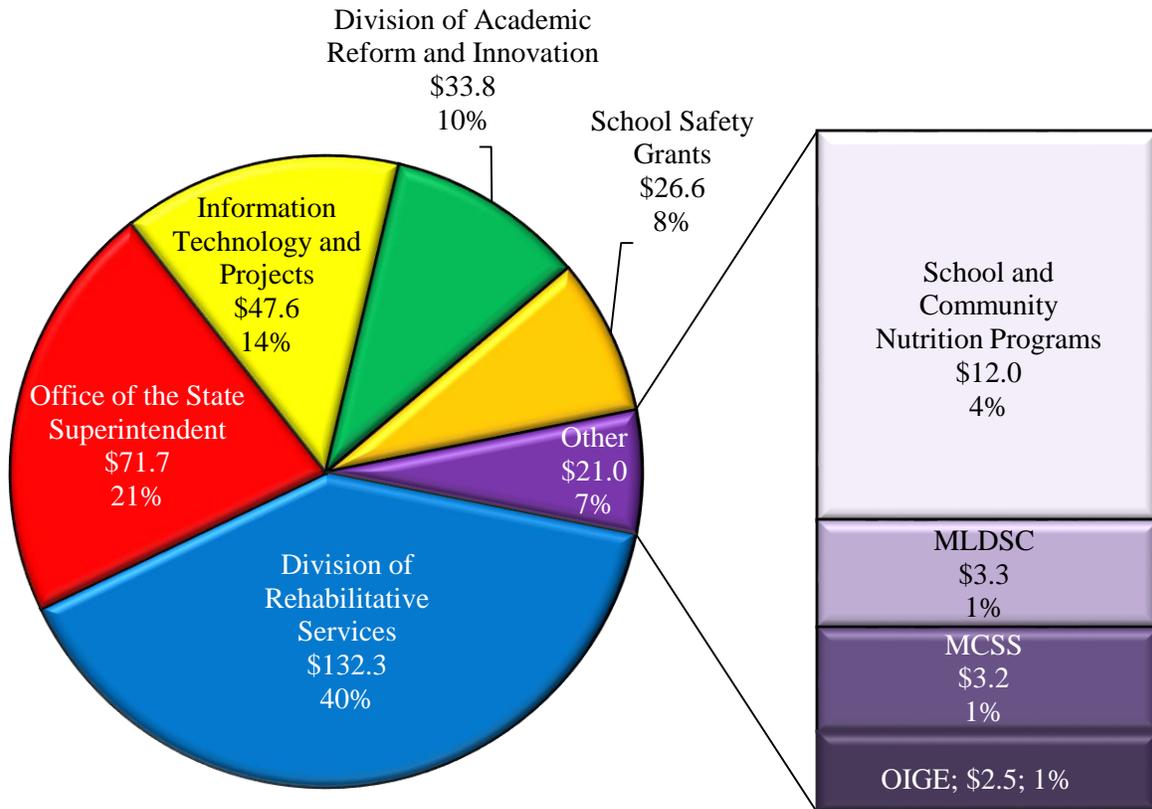
Source: Maryland State Department of Education

Given the ongoing status of this grant, DLS recommends the continued adoption of committee narrative for a report on SEA ESSER fund expenditures.

Fiscal 2024 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. The fiscal 2024 allowance totals \$333.2 million. **Exhibit 5** displays an overview of agency spending by office and/or program.

**Exhibit 5
Overview of Agency Spending
Fiscal 2024 Allowance
(\$ in Millions)**



MCSS: Maryland Center for School Safety
MLDSC: Maryland Longitudinal Data System Center
OIGE: Office of the Inspector General for Education

Note: The fiscal 2024 allowance for salaries and wages does not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and annual salary review adjustments.

Source: Fiscal 2024 Governor’s Budget Books

MSDE Headquarters Spending by Program

In the fiscal 2024 proposed budget, the division with the largest allowance is DORS, which receives \$132.3 million, or 40%, of the budget. This allowance includes \$55.1 million for client

R00A01 – MSDE – Headquarters

services, \$43.6 million for disability determination services, \$13.0 million for DORS Headquarters, \$11.1 million for the Workforce and Technology Center, and \$9.5 million for blindness and vision services.

The newly reorganized Office of the State Superintendent receives \$71.7 million, or 21%, of the budget, which includes the Division of Business Services. The majority of these funds, \$48.8 million, are allocated to the Division of Assessment, Accountability, Performance Reporting, and Research, which is responsible for standardized assessments and the Maryland Report Card. The remaining \$22.9 million of this allowance includes \$10.8 million for the Office of the State Superintendent, \$3.5 million for the Office of Communications and Community Engagement, \$2.8 million for the Legal Counsel’s Office, \$2.0 million for the Office of the Attorney General, \$1.7 million for the Office of Audits, and \$1.1 million for SBOE, and \$1.0 million for the Division of Business Services.

The Office of Information Technology and Major Information Technology Projects are allocated a total of \$47.6 million, or 14%, of this allowance. The Division of Academic Reform and Innovation receives \$33.8 million, or 10%, of the allowance. This allowance includes \$13.2 million for the Division of Special Education and Early Intervention; \$9.2 million for the Division of Curriculum, Instruction, and Professional Learning; \$7.2 million for the Division of College and Career Readiness; \$3.3 million for Educator Certification and Program Approval; and \$900,000 for other administrative offices in this division.

School safety grants receive \$26.6 million, or 8%, in the proposed budget. Of this amount, \$10.0 million are general funds transferred to the Safe Schools special fund for the School Resource Officer (SRO) grant program (for a total allocation of \$20.0 million); \$3.0 million is special funds allocated to safety evaluation grants to LEAs; \$3.0 million is for the Hate Crimes Grant, \$2.0 million in special funds and \$1.0 million in general funds; and \$600,000 is for the Safe Schools Fund grant. MCSS also receives \$3.2 million for administrative expenses. More information on MCSS grants and programs is in the Updates section of this analysis.

Other programs in this budget include \$12.0 million, or 4%, for School and Community Nutrition Programs; \$3.3 million, or 1%, for MLDSC; and \$2.5 million, or 1%, for OIGE. Additional information on these independent units of MSDE is in the Updates section of this analysis.

Proposed Budget Change

In the fiscal 2024 proposed budget, the MSDE Headquarters allowance decreases by \$13.0 million compared to the fiscal 2023 working appropriation, after accounting for the fiscal 2023 deficiency appropriations. **Exhibit 6** shows the fiscal 2024 proposed budget and changes from fiscal 2023.

Exhibit 6
Proposed Budget
MSDE – Headquarters
(\$ in Thousands)

How Much It Grows:	<u>General</u>	<u>Special</u>	<u>Federal</u>	<u>Reimb.</u>	<u>Total</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	
Fiscal 2022 Actual	\$125,976	\$10,902	\$134,089	\$1,184	\$272,150
Fiscal 2023 Working Appropriation	127,893	28,823	188,860	546	346,122
Fiscal 2024 Allowance	<u>108,857</u>	<u>32,498</u>	<u>191,081</u>	<u>722</u>	<u>333,158</u>
Fiscal 2023-2024 Amount Change	-\$19,036	\$3,675	\$2,221	\$176	-\$12,964
Fiscal 2023-2024 Percent Change	-14.9%	12.8%	1.2%	32.3%	-3.7%
Where It Goes:					<u>Change</u>
Personnel Expenses					
Employee and retiree health insurance					\$3,829
13 new positions.....					1,405
Annualization of 4.5% cost-of-living adjustment in fiscal 2024					1,267
Regular salaries and wages					759
Other fringe benefit adjustments.....					398
Reclassifications.....					361
Accrued leave payout.....					-752
Turnover adjustments.....					-4,134
Other Changes					
Operating Expenses					
Maryland Comprehensive Assessment Program					3,633
Contractual positions and benefits, including 23.5 new full-time equivalents					1,432
Rent for buildings and garages.....					1,097
Legal expenses and administrative hearings					914
Administrative expenses for OIGE, MLDSC, and MCSS.....					-362
Conferences and training					-437
Consultants and outside services.....					-582
Routine maintenance and expenses, not including computers and software					-668
Computer maintenance, software, and contracts, including DoIT services.....					-3,084
One-time Deficiency Allocations and Transfers					
Bonuses for education support professionals budgeted in the Aid to Education budget in fiscal 2024					-22,326

R00A01 – MSDE – Headquarters

Where It Goes:	<u>Change</u>
Fee revenue adjustment for MLDSC	-4
<i>Federal and Reimbursable Funds</i>	
Medical support in Division of Rehabilitative Services	11,211
Net increase in federal grants across agency	1,693
Reimbursable funds across agency	176
Software contract for direct certification in the Office of School and Community Nutrition Programs	-11,049
<i>Other Grants and Programs</i>	
Special funds for school safety evaluations	3,000
General funds for Hate Crimes Grant in MCSS	1,000
Net change for Blueprint State model curriculum teacher training from general funds in fiscal 2023 to special funds in fiscal 2024	9
Miscellaneous expenses	-1,750
Total	-\$12,964

DoIT: Department of Information Technology
 MCSS: Maryland Center for School Safety
 MLDSC: Maryland Longitudinal Data System Center
 MSDE: Maryland State Department of Education
 OIGE: Office of the Inspector General for Education

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

In the fiscal 2024 allowance, operating expenses decrease by a net \$10.2 million. Notable increases in this budget include:

- \$11.0 million in Medicaid reimbursements as part of medical support in DORS;
- \$4.0 million for the MCSS, with \$3.0 million allocated for school safety evaluations and \$1.0 million for Hate Crimes grants;
- \$3.6 million for the Maryland Comprehensive Assessment Program (MCAP) for continued development of kindergarten and grades 1 and 2 assessments;
- \$1.4 million for positions associated with Blueprint for Maryland’s Future implementation, including additional positions for expert review teams;
- \$914,00 for legal expenses and administrative hearings due to ongoing litigation; and

R00A01 – MSDE – Headquarters

- \$9,000 in additional funding for Blueprint State model curriculum and teacher training, which receives Blueprint special funds in the fiscal 2024 budget.

Decreases in this budget include:

- \$3.0 million for computer contracts and services, including Division of Information Technology services associated with software development;
- \$11.0 million for the completion of a direct certification major IT project; and
- \$22.3 million in a deficiency allocation for education support professional bonuses as part of Chapter 531 is budgeted in Headquarters for fiscal 2023. Fiscal 2024 expenses of \$22.3 million appear in the Aid to Education budget.

Personnel expenses increase by \$3.1 million, which includes \$3.8 million for employee and retiree health insurance; \$1.4 million for new positions mentioned previously; \$1.3 million for annualization of the 4.5% cost-of-living adjustment (COLA) increase in fiscal 2024; \$759,000 for regular salaries and wages; and also \$759,000 for other increases. These increases are offset by a decrease of \$752,000 for accrued leave payout and \$4.1 million in turnover adjustments.

Personnel Data

	<u>FY 22</u> <u>Actual</u>	<u>FY 23</u> <u>Working</u>	<u>FY 24</u> <u>Allowance</u>	<u>FY 23-24</u> <u>Change</u>
Regular Positions	1,214.90	1,055.90	1,068.90	13.00
Contractual FTEs	<u>74.57</u>	<u>125.55</u>	<u>149.05</u>	<u>23.50</u>
Total Personnel	1,289.47	1,181.45	1,217.95	36.50

Vacancy Data: Regular

Turnover and Necessary Vacancies, Excluding New Positions	73.39	6.95%
Positions and Percentage Vacant as of 12/31/22	196.50	18.61%
Vacancies Above Turnover	123.11	

- MSDE Headquarters and its independent agencies have 196.5 vacant positions as of January 2022, with 123 vacancies above the fiscal 2024 budgeted turnover, prior to the addition of 13 new positions. MSDE’s vacancy rate of almost 19% exceeds the fiscal 2023 budgeted turnover rate of 3%, providing the agency with \$3.1 million in potential vacancy savings. **MSDE should comment on how it plans to deploy the vacancy savings in fiscal 2023.**

R00A01 – MSDE – Headquarters

- In fiscal 2023, 176 positions were abolished from Juvenile Services Education and transferred to the Department of Juvenile Services (DJS) and are therefore not reflected in this position count.
- Vacancy data includes 67 vacant positions in DORS, 58 vacant positions in the Office of the State Superintendent, and 70 positions in other divisions and offices.
- MSDE gains 8 positions, which includes 2 positions in the Division of Academic Reform and Innovation, 5 positions in the Office of Information Technology, and 1 position in Major Information Technology Projects. MSDE also gains 23.5 contractual positions.
- MDLSC gains 3 positions including a database administrator, a statistician, and an IT technician, which reflects the agency’s increased demand for data analysis and database administration.
- OIGE gains 2 administrator positions and 4 vacancies.
- **The allowance includes a net increase of 23.5 contractual positions. MSDE should explain the responsibilities of the additional contractual staff.**

More information on MDSE personnel and vacancies is in the Issues section of this analysis.

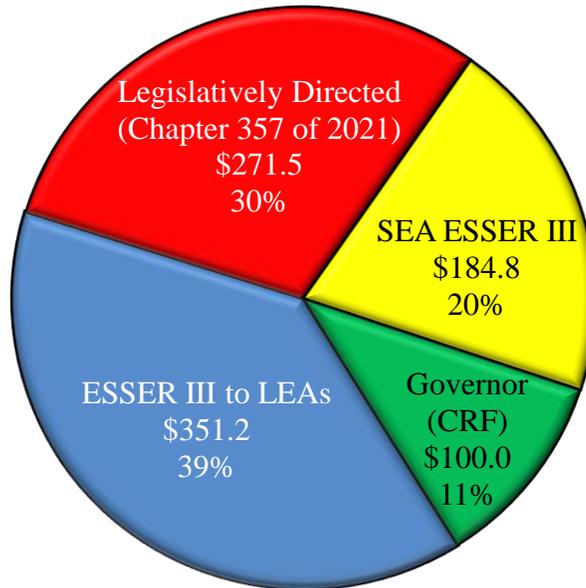
Issues

1. MSDE’s Maryland Leads Grant Distribution Raises Potential Issues Regarding Program Funding for Learning Loss

One of the most difficult problems facing states following COVID-19 school closures is student learning loss. Learning loss is a well-documented phenomenon usually associated with the loss in academic skills some students experience between school years due to summer break. This phenomenon is especially prevalent and measurable in low-income students, who are more likely to have measurable learning gaps and low scores on standardized assessments relative to their same-grade peers. During COVID-19, learning loss also became associated with the learning gaps related to school closures, loss of instructional time, and the inability of states to administer formative and summative assessments of student academic progress. This type of learning loss is sometimes called “COVID slide.”

Both the federal government and the State expected that pandemic-related learning loss would be problematic and allocated funds to remediate this problem. **Exhibit 7** shows that between fiscal 2020 and 2022, a total of \$907.5 million in federal stimulus funding was allocated specifically for programs to address learning loss for Maryland students. Of this total, \$351.2 million, or 39%, was distributed by the federal government directly to LEAs as part of a required 20% set-aside from the \$1.76 billion in American Rescue Plan Act (ARPA) ESSER III funds; \$271.5 million, or 30%, was a legislatively directed allocation from the Maryland General Assembly (MGA) as part of Chapter 357 of 2021; \$184.8 million, or 20%, was a required 20% allocation of ARPA SEA ESSER III funds; and \$100.0 million, or 11%, was allocated at the Governor’s discretion from Coronavirus Relief Funds.

Exhibit 7
Federal Stimulus Funds for Learning Loss
Fiscal 2020-2022



CRF: Coronavirus Relief Funds
ESSER: Elementary and Secondary School Emergency Relief
LEA: local education agency
SEA: State Education Agency

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

The Governor’s funds were distributed for tutoring to LEAs based on 2019 Title 1A shares. Legislatively directed funds were distributed to LEAs for tutoring, summer school, and transitional supplemental instruction based either on enrollment or number of students receiving free and reduced-price meals. MSDE allocated funds to the Maryland Leads initiative, which is a set of seven programs designed to overcome learning loss, narrow achievement gaps, and provide targeted support for historically underserved students and their communities. LEAs applied for noncompetitive grants from seven, preselected “high-leverage” Maryland Leads strategies that MSDE noted as proven to be effective and transformative for schools and school systems.

Exhibit 8 shows a breakout of the \$556.4 million allocated by the State for learning loss by fund source and program. Of this amount, \$378.2 million, or 68%, of funding went to programs that targeted students; \$146.2 million, or 26%, went to programs for educator professional development, recruitment, and retention; and \$32.0 million, or 6%, were designated for local school system programs, including time management, innovative school models, and transforming neighborhoods.

Exhibit 8
State Programs to Address Learning Loss
Fiscal 2020-2022
(\$ in Millions)

<u>Fiscal Year</u>	<u>Fund Source</u>	<u>Program</u>	<u>Total</u>	<u>% of Total</u>
Student Programs				
2022	Legislatively Directed	Tutoring	\$151.6	27%
2021	Governor	Tutoring	100.0	18%
2023	Legislatively Directed	Transitional Supplemental Instruction	50.0	9%
2021	Legislatively Directed	Summer School	25.0	4%
2022	Legislatively Directed	Summer School	25.0	4%
2022	Legislatively Directed	Transitional Supplemental Instruction	20.0	4%
2022	MSDE	High-Quality School Day Tutoring	6.6	1%
Subtotal			\$378.2	68%
Educator Programs				
2022	MSDE	Science of Reading	\$53.7	10%
2022	MSDE	Grow Your Own Staff	49.0	9%
2022	MSDE	Staff Support and Retention	43.5	8%
Subtotal			\$146.2	26%
Local School System Programs				
2022	MSDE	Reimagining the Use of Time	\$16.4	3%
2022	MSDE	Transforming Neighborhoods	10.1	2%
2022	MSDE	Innovative School Models	5.5	1%
Subtotal			\$32.0	6%
Total			\$556.4	100%

MSDE: Maryland State Department of Education

Note: Numbers may not sum due to rounding. Legislatively directed funds were allocated in Chapter 357 of 2021.

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

R00A01 – MSDE – Headquarters

Exhibit 9 shows the distribution of Maryland Leads funds compared to the allocation LEAs would have received if Maryland Leads grants were distributed using 2020 Title 1A shares. Five LEAs with the highest percentage of Title 1A students – Baltimore City and Prince George’s, Montgomery, Baltimore, and Anne Arundel counties – were underfunded by a total of \$85.1 million using this comparison, ranging from -\$36.5 million for Baltimore City to -\$2.7 million for Anne Arundel. Remaining LEAs received more than they would have received using Title 1A shares, ranging from \$1.7 million for Washington County to \$7.5 million for Kent County.

Exhibit 9
Maryland Leads Allocations Compared to Allocations
Using 2020 Title IA Shares 1
Fiscal 2023
(\$ in Thousands)

<u>Local Education Agency</u>	<u>Maryland Leads Allocation</u>	<u>Title 1A %*</u>	<u>Allocation Using 2020 Title 1A%*</u>	<u>Difference</u>
Baltimore City	\$9,343	25.3%	\$45,847	-\$36,504
Prince George’s	10,769	15.6%	28,379	-17,610
Montgomery	8,630	14.4%	26,057	-17,427
Baltimore County	11,522	12.4%	22,436	-10,914
Anne Arundel	8,536	6.2%	11,235	-2,700
Washington	7,397	3.1%	5,716	1,682
Wicomico	7,132	2.7%	4,897	2,235
Howard	6,136	2.5%	4,498	1,639
Harford	7,373	2.4%	4,389	2,983
Frederick	7,441	2.2%	3,919	3,523
Charles	7,367	1.8%	3,191	4,176
Cecil	7,474	1.6%	2,877	4,597
Somerset	7,735	1.5%	2,696	5,039
Allegany	5,355	1.4%	2,618	2,736
Dorchester	8,268	1.0%	1,805	6,463
Carroll	5,314	1.0%	1,739	3,575
Worcester	7,537	0.8%	1,487	6,049
Caroline	8,261	0.8%	1,415	6,845
St. Mary’s	5,359	0.8%	1,395	3,963
Calvert	6,433	0.7%	1,184	5,250
Garrett	4,958	0.5%	926	4,032
Talbot	6,679	0.5%	851	5,828
Queen Anne’s	8,440	0.4%	703	7,738
Kent	8,071	0.3%	541	7,530
Total	\$181,529			

Note: Does not include Title 1A percentage for School for Educational Evolution and Development, which did not receive a Maryland Leads grant.

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

Exhibit 10 shows the distribution of Maryland Leads to LEAs in actual dollars per student compared to an average per student, which would have been \$213.90 based on the student enrollment of 848,653 in the 2021-2022 school year. Sixteen LEAs received a higher amount than the average, ranging from \$4,516 per student in Kent County to \$2 per student in Carroll County. Eight LEAs received less than the average ranging from -\$14 in Harford County to -\$158 in Montgomery County. Of the five counties with high percentages of Title 1A students, all received less than \$213.90 per student.

Exhibit 10
Maryland Leads Allocations Compared to Student Enrollment
Fiscal 2023
(\$ in Thousands)

<u>Local Education Agency</u>	<u>Maryland Leads Allocation</u>	<u>2021-2022 Enrollment</u>	<u>\$ Per student</u>	<u>Difference from Average</u>
Kent	\$8,070,948	1,707	\$4,730	\$4,516
St. Mary's	5,358,550	2,558	2,095	1,881
Dorchester	8,268,076	4,315	1,916	1,702
Talbot	6,679,461	4,233	1,578	1,364
Caroline	8,260,686	5,259	1,571	1,357
Garrett	4,957,684	3,348	1,481	1,267
Queen Anne's	8,440,283	7,124	1,185	971
Worcester	7,536,840	6,402	1,177	963
Allegany	5,354,832	7,662	699	485
Cecil	7,473,977	14,160	528	314
Wicomico	7,131,600	13,888	514	300
Somerset	7,735,059	16,714	463	249
Calvert	6,433,407	14,949	430	216
Washington	7,397,399	21,100	351	137
Charles	7,366,622	25,987	283	70
Carroll	5,314,000	24,608	216	2
Harford	7,372,640	36,880	200	-14
Frederick	7,441,416	43,811	170	-44
Baltimore City*	9,343,105	71,358	131	-83
Howard	6,136,186	55,838	110	-104
Baltimore County*	11,521,791	107,115	108	-106
Anne Arundel*	8,535,786	80,868	106	-108
Prince George's*	10,768,616	124,362	87	-127
Montgomery*	8,630,210	154,410	56	-158
Total	\$181,529,174	848,653		

*Designates local education agencies with high percentages of Title 1A students.

Note: Amount available per student is \$213.90, based on a 2021-2022 enrollment. Does not include 0.4% for School for Educational Evolution and Development.

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

This analysis indicates that MSDE’s decision to allocate Maryland Leads funding for learning loss as noncompetitive grants to LEAs presents potential issues. Funds were not distributed using a previously vetted methodology, and 96% of funds are aimed at educators and LEAs, not students. This analysis also suggests that unlike State funding spent on student programs, except for funds for high-quality tutoring, Maryland Leads programs may not be easily correlated with learning loss remediation because the programs do not directly impact students.

With these concerns in mind, DLS recommends that MSDE report on the Maryland Leads program and how the agency intends to measure program impacts on student learning loss.

2. Despite Agency Reorganization, MSDE Personnel Vacancies Persist

Since fiscal 2020, MSDE has had persistently high numbers of vacancies, particularly in the Office of the State Superintendent and DORS. This problem was exacerbated with the COVID-19 hiring freeze during calendar 2020 but continued after the freeze was lifted in 2021. In the agency’s 2022 JCR report on personnel vacancies, MSDE reported that in order to address issues created by the COVID-19 hiring freeze and other historic organizational concerns in calendar 2021 and 2022, the agency conducted an in-depth review of staffing needs, which resulted in a reorganization and a focus on recruitment, retention, and pay. Some of these actions include:

- 57 positions reassigned to the Office of the State Superintendent to fill long-term vacancies under a new core services model that coordinates finance, human resources, IT, and procurement;
- new offices for Communications and Community Engagement, Strategic Planning and Continuous Improvement, and Grants Administration and Compliance;
- repurposed responsibilities and elevated salaries for deputies and the chief of staff;
- increased pay in four job classifications with high vacancy rates in DORS as well as decreased amount of time for background checks and enhanced recruitment strategies for that division; and
- additional positions for Blueprint for Maryland’s Future implementation, including 10 positions filled for expert review teams.

Even though MSDE reported 148 vacancies in their October 2022 report, personnel data from January 2023 indicates that the agency has 196.5 vacant positions with 123 vacancies above the fiscal 2024 budgeted turnover, prior to the addition of 13 new positions. These vacancy rates continue a trend from previous years. Removing historic vacancies in Juvenile Education Services, which was transferred to DJS in fiscal 2023, in calendar 2021 and 2022, MSDE had approximately

R00A01 – MSDE – Headquarters

200 vacancies with a net increase of 70 vacancies since December 2019. **Exhibit 11** displays these data as of December 30 of each year for calendar 2019 through 2022.

Exhibit 11
MSDE Personnel Vacancies
Calendar 2019-2022
(As of December 30)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
MSDE Headquarters				
Department of Rehabilitative Services	63	89	98	67
Office of State Superintendent	16	11	64	58
Other MSDE Divisions and Offices	41	41	39	70
<i>Subtotal</i>	<i>120</i>	<i>141</i>	<i>201</i>	<i>195</i>
Independent Units				
Maryland Longitudinal Data System Center	0	2	0	0
Maryland Center for School Safety	1	1	3	0
Office of the Inspector General for Education	0	2	1	4
<i>Subtotal</i>	<i>1</i>	<i>5</i>	<i>4</i>	<i>4</i>
Total	121	146	205	199

MSDE: Maryland State Department of Education

Note: Vacancy data is rounded and may include part-time positions. Does not include vacancies in Juvenile Education Services from 2019 to 2021.

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

The fiscal 2024 allowance for MSDE includes 13 additional regular positions and 23.5 contractual positions, which if not filled early in the fiscal year, would further increase agency vacancies.

With these concerns in mind, DLS recommends that MSDE report on continued personnel vacancies and details regarding positions that meet Chapter 36 of 2021 (Blueprint) requirements.

3. Recent Audit Documents Continued Concerns with MSDE Accounting Practices

A January 31, 2023 audit by OLA documented continuing concerns regarding MSDE accounting practices. Although MSDE had resolved some matters from the previous audit, OLA found nine additional concerns that warrant agency action, including four concerns that are redacted because they are cybersecurity related. Of particular concern in this audit is that MSDE did not ensure LEAs used Blueprint for Maryland’s Future funds in accordance with State law. **Exhibit 12** provides details of the five publicly released findings.

**Exhibit 12
MSDE Audit Findings
January 2023**

<u>Finding</u>	<u>Summary of Concerns</u>	<u>Recommendations</u>
<p>Blueprint funds were not used in accordance with State law</p>	<ul style="list-style-type: none"> ● Each LEA was required to submit a detailed application and budget ● MSDE did not review obtain, verify, and compare LEA expenditures to the application 	<ul style="list-style-type: none"> ● Obtain adequate documentation from LEAs on Blueprint-related expenditures in fiscal 2020 and 2021 ● Develop a policy to ensure future Blueprint funds are expended for purposes established by State law
<p>Consider establishing a monitoring process to ensure LEAs implement corrective actions</p>	<ul style="list-style-type: none"> ● A recent audit of all LEAs found a total of 318 findings, including 171 findings from the previous audit ● MSDE did not monitor corrective actions or require LEAs to report on these actions 	<ul style="list-style-type: none"> ● Establish a monitoring process that requires regular reporting from LEAs on corrective actions needed ● Implement a limited verification for corrective actions ● Document review of corrective actions and establish a follow-up process to correct deficiencies

<u>Finding</u>	<u>Summary of Concerns</u>	<u>Recommendations</u>
Enrollment audits did not incorporate procedures to ensure LEAs properly recorded and reported student attendance used to calculate State funding	<ul style="list-style-type: none"> • Audits did not use a risk-based report to test enrollment • No review of LEA controls over recording attendance • No assessment of errors for corrective action 	<ul style="list-style-type: none"> • Use available reports for enrollment audits to determine if schools have an increased risk for improper student reporting • Independent review of automated attendance • Identify potential systemic issues with the enrollment process and make recommendations
Grantee expenditure and performance data were not verified	<ul style="list-style-type: none"> • No documentation of performance data or grant expenditures 	<ul style="list-style-type: none"> • Verify accuracy of grantee’s expenditure and performance data
Grantee site visits were not conducted (repeat finding from previous audit)	<ul style="list-style-type: none"> • Policies and grant agreements did not always require site visits 	<ul style="list-style-type: none"> • Develop a policy for performing comprehensive site visits • Perform documented site visits in accordance with policy
MSDE did not always comply with State procurement regulations	<ul style="list-style-type: none"> • Documentation of bid openings and witnesses present at procurements • Retaining procurement documentation • Publishing contract awards on eMMA 	<ul style="list-style-type: none"> • Comply with State procurement regulations • Document bid openings by at least two employees • Retain all requirement procurement documentation • Publish contract awards on eMMA as required.

eMMA: *eMaryland Marketplace Advantage*
 LEA: local education agency
 MSDE: Maryland State Department of Education
 OIGE: Office of the Inspector General for Education

Source: Office of Legislative Audits

MSDE should be prepared to discuss what corrective actions have been implemented to remedy the identified concerns. DLS recommends restrictive language for a report to continue to monitor progress toward the resolution of these audit findings.

4. MSDE Continues Development of Virtual Learning for Students and Teachers; Continued Updates and Enrollment Data Advisable

In response to a 2022 JCR request on virtual learning, MSDE reported on efforts to rethink how virtual learning can support daily instruction and college and career readiness. This action involved three strategies: enhance digital teaching and supports; increase access to the Maryland Virtual Learning Opportunities Program; and assist LEAs in coordinating virtual learning for students. **Exhibit 13** provides a summary of these actions and estimated costs.

Exhibit 13 MSDE Virtual Learning Update Fiscal 2021-2023

Actions and Current Status

Expenditures

Digital Learning and Teaching Supports

- New State Learning Management System – Canvas \$235,000
- Collected stakeholder input
 - Digital Learning Advisory Committee on pause as of September 2021
 - Currently, each LEA has virtual learning contact
 - Presentations at SBOE meetings
- Canvas delivers synchronous student courses and professional development
 - Approximately 150 student courses available
 - 25 active eCommunities for teachers with 2,700 participants moderated by coordinators
 - Professional development courses offered three times per year

Actions and Current Status

Expenditures

Maryland Virtual Learning Opportunities

- Uses federal funding to enhance education through technology
- Delivers asynchronous courses
- Two programs: student and professional learning opportunities
- Student Learning Opportunities
 - 30,000 students enrolled in 2021-2022 school year in student learning
 - 14 approved courses
 - Certified teachers
- Professional Learning Opportunities
 - 4 courses
 - Hosted by digital learning facilitators with Maryland teacher certification
 - Gain continuing professional development credit

\$9.4 million

Virtual Learning Programs and Schools

- 22 of 24 LEAs offer a virtual program or school option for K-12 students
 - Both synchronous and asynchronous coursework and instruction
 - Some LEAs use vendors to deliver instruction, others use school system educators
 - Virtual program enrollment by application only

\$1.0 million
(for ESMEC
Start-up
Only)

Actions and Current Status

Expenditures

- ESMEC is a collaborative full-day program for students grades 6 to 12
 - Vendor provides courses and curriculum
 - LEAs manage enrollment and attendance and grade reporting
 - 370 students in 2021-2022 school year
- Ongoing data collection by MSDE to determine virtual learning success

Total

\$10.6 million

ESMEC: Eastern Shore of Maryland Educational Consortium

LEA: local education agency

MSDE: Maryland State Department of Education

SBOE: State Board of Education

Note: Expenditures are general funds.

Source: Maryland State Department of Education

DLS recommends that MSDE continues to report on virtual learning, including enrollment numbers by LEA.

5. MSDE Experiences Delays Submitting Required Data and Reports

As part of mandated reporting requirements and JCR reports requested by MGA, in calendar 2022 and 2023, MSDE Headquarters was responsible for 57 annual reports and 21 JCR reports, not including monthly reports, back of the bill requests with other agencies, and reports written by independent agencies within MSDE. Out of 78 reports due between July 1, 2022, and January 15, 2023, MSDE turned in 49 reports, or 63%, within 30 days of the deadline; 16 reports, or 21%, between 30 to 90 days late; and 13 reports, or 17%, over 90 days late. **Exhibit 14** shows this information.

Exhibit 14
MSDE Reporting Deadlines and Delays
Calendar 2022-2023

	<u># of Reports</u>	<u>0-30 Days</u>	<u>30-90 Days</u>	<u>Over 90 Days</u>
Joint Chairmen’s Reports				
MSDE Headquarters	9	7	0	2
Early Childhood	6	2	3	1
Aid to Education	3	1	1	1
Funding for Educational Organizations	3	2	1	0
Subtotal	21	12	5	4
Mandated Reports				
Annual Reports	37	27	6	4
One-Time Reports	11	4	4	3
Other	9	6	1	2
Subtotal	57	37	11	9
Total	78	49	16	13
% of Total		63%	21%	17%

MSDE: Maryland State Department of Education

Note: Other mandated reports include biennial, triennial, and quadrennial reports. Monthly reports, back of the bill requests with other agencies, and reports written by independent agencies of MSDE are not included in this total.

Source: Department of Legislative Services

As part of a four-year cycle of identifying and checking annual mandated reports, in summer 2022, DLS attempted to work with MSDE to identify annual reports that might be outdated. Although this work could have potentially decreased MSDE’s annual reporting requirements, the agency responded that no action was required.

MSDE should be prepared to comment on the reasons for delays in submitting JCR and mandated reports.

Operating Budget Recommended Actions

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 a report by November 1, 2023, addressing concerns from a January 2023 audit conducted by the Office of Legislative Audits. This report should provide details on actions taken by the agency to resolve all five unredacted audit findings. The budget committees shall have 45 days to review and comment from the date of receipt of the report. 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: In a recent audit by the Office of Legislative Audits (OLA), the Maryland State Department of Education (MSDE) had eight new findings and one repeat finding, with four redacted cybersecurity findings. These findings involved the use of Blueprint for Maryland’s Future special funds, enrollment audits of local education agencies, appropriate monitoring of fiscal management practices, and State procurement procedures. This language directs MSDE to submit a report regarding actions taken to resolve these findings.

Information Request	Author	Due Date
Report on OLA audit findings	MSDE	November 1, 2023

2. Adopt the following narrative:

Report on Accounting Practices: Due to ongoing concerns about accounting practices, the budget committees request that the Maryland State Department of Education (MSDE) submit a closeout report by October 1, 2023. 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.

Information Request	Author	Due Date
Report on accounting practices	MSDE	October 1, 2023

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 approximately \$303.0 million in State Education Agency (SEA) federal stimulus funds. To ensure proper monitoring of the use of these funds, the budget

R00A01 – MSDE – Headquarters

committees request that MSDE report by September 1, 2023, on all SEA program expenditures distributed as part of Elementary and Secondary School Emergency Relief (ESSER) funds. This report should include:

- grant expenditures by school and program for State-mandated funds allocated to the Maryland School for the Blind, the Maryland School for the Deaf, and the School for Educational Evolution and Development;
- 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 canceled.

Information Request	Author	Due Date
Report on SEA ESSER funds	MSDE	September 1, 2023

4. Adopt the following narrative:

Report on the Maryland Leads Program: The American Rescue Plan Act requires State agencies to spend a designated percentage of Elementary and Secondary School Emergency Relief funds to address learning loss. The Maryland State Department of Education (MSDE) applied these funds to a new noncompetitive grant program for local education agencies (LEA), Maryland Leads. However, analysis of this program indicates potential issues with how funding was distributed and whether the program will directly impact student learning loss. To ensure proper oversight of this program and funding, the budget committees request that MSDE report by October 1, 2023, on the Maryland Leads program. The report should include the following information:

- a summary of progress on Maryland Leads objectives to date, including program materials or guidance for LEAs;
- LEA actions to address learning loss by subprogram;
- expenditures by LEA and subprogram for fiscal 2022, 2023, and 2024, including expenditures on personnel;

R00A01 – MSDE – Headquarters

- summative assessments or measures, by LEA and program, implemented to remediate student learning loss;
- documentation of measurable gains to date, specifically in reading and math, in all grades as the result of Maryland Leads initiatives; and
- any other measures implemented by LEA to address student learning loss that did not involve student assessment including, but not limited to, educator professional development, tutoring, small group instruction, summer school, afterschool programs, outreach services, and mental and behavioral health initiatives, and how MSDE will assess the efficacy of these measures.

Information Request	Author	Due Date
Reports on Maryland Leads	MSDE	October 1, 2023

5. 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, 2023, on actions taken in calendar 2023 to facilitate virtual learning for teachers and students across the State. This report should have:

- costs for State virtual learning in fiscal 2022 and 2023 and anticipated expenditures in fiscal 2024 and 2025, by fund source and program;
- 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

R00A01 – MSDE – Headquarters

- development and implementation of a State virtual school.

Information Request	Author	Due Date
Report on virtual learning	MSDE	December 1, 2023

Updates

1. MCSS Administrates School Safety Grants; Audit Shows Tip Line Procedures Need Attention

In fiscal 2023, MCSS negotiated an interagency agreement with IAC to administrate public and nonpublic school safety grants. This agreement brings all five school safety grants under the administration of MCSS: the SRO grant, the Safe Schools Fund grant, the Hate Crimes Grant, the Public School Safety Grant Program (PSSGP) grant, and the Nonpublic School Security Improvements (NSSI) grant. Even though MCSS administrates all school safety grants, funds for the PSSGP program and the NSSI grant are budgeted in the operating budget of IAC – R00A07.03. **Exhibit 15** shows that from fiscal 2019 to 2024, \$158.2 million has been allocated for school safety grant programs.

Exhibit 15
School Safety Grant Funding
Fiscal 2019-2024
(\$ in Millions)

<u>Program</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Total</u>
Public School Safety Grant	\$20.0	\$0.0	\$20.0	\$10.0	\$10.0	\$10.0	\$70.0
School Resource Officer Grant	0.0	10.0	10.0	13.9	10.0	10.0	53.9
Nonpublic School Safety Improvements	3.5	3.7	3.5	3.5	3.5	0.0	17.7
Hate Crimes Grant	2.0	2.0	2.0	2.0	2.0	3.0	13.0
Safe Schools Fund	0.6	0.6	0.6	0.6	0.6	0.6	3.6
Total	\$26.1	\$16.3	\$36.1	\$30.0	\$26.1	\$23.6	\$158.2

Note: Funds for the Public School Safety Grant and Nonpublic School Safety Improvements are in the budget for the Interagency Commission on School Construction, R00A07.03.

Source: Maryland Center for School Safety; Interagency Commission on School Construction

- PSSGP was established in Chapter 30 of 2018 for LEA capital improvements for school safety. This program has an annual mandated allocation of \$10.0 million. Prior to fiscal 2023, this program received either pay-as-you-go funds in the operating budget or general obligation bonds in the capital budget. In fiscal 2023, this program moved to the operating budget and received general funds, so purchases did not need to have a lifespan of 15 or more years to meet capital budgeting requirements. Since 2019, this program has received \$70.0 million; in the fiscal 2024 proposed budget, this program receives the \$10.0 million mandated allocation in IAC’s budget.

R00A01 – MSDE – Headquarters

- The SRO grant was established in Chapter 30 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. Since fiscal 2020, this program has received a total of \$53.9 million; in the fiscal 2024 proposed budget, this program receives the \$10.0 million mandated allocation.
- The NSSI grant has been funded only in budget bill language since fiscal 2019 for capital improvements for nonpublic schools and has received \$17.7 million. This program is not funded in IAC’s fiscal 2024 proposed school safety grant budget.
- The 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. Since fiscal 2019, this program has received \$13.0 million; in the fiscal 2024 budget as introduced, this grant receives \$3.0 million.
- The Safe Schools Fund grant 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 mandate of \$600,000 supported by revenues from fines on motorists driving without proper insurance and is designated for performing risk assessments, safety training, and outreach. Since fiscal 2019, this grant has received \$3.6 million; in the fiscal 2024 proposed budget, this grant receives the mandated \$600,000 allocation.

MCSS Tip Line Use and Audit Findings

Exhibit 16 shows MCSS categories of tip line calls. 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. Due to the return to in-person schooling, from fiscal 2021 to 2022, calls to the tip line increased from 148 to 768, or 450%. MCSS anticipates that tip line calls will remain at fiscal 2022 levels in fiscal 2023 and 2024.

During the 2020 session, the budget committees requested data regarding the types of tips received by the tip line, and this information has been added to MCSS’s MFR. In fiscal 2022, 707 tips fell into 16 categories that total over 10 tips.

Exhibit 16
MCSS Tip Line Calls by Type
Fiscal 2022

<u>Event Type</u>	<u>Tips</u>	<u>% of Total Complaints</u>
Bullying, Cyberbullying, or Teasing	92	13.0%
Planned School Attack	92	13.0%
Assault or Intent to Harm Others	83	11.7%
General School Complaint/School Accountability/Other	63	8.9%
COVID-19-related	46	6.5%
Drug Distribution, Use, Sale, or Abuse	45	6.4%
Gun-related	42	5.9%
Building Safety and Security	32	4.5%
Bus Safety and Transportation	28	4.0%
Child Abuse or Neglect	25	3.5%
Anger Issues or Creating a Hostile Environment	21	3.0%
Inappropriate Behavior/Language/Gestures	21	3.0%
Hate Crime/Hate Speech	16	2.3%
Sexual Harassment or Misconduct	16	2.3%
Smoking, E-cigarettes, or Vaping	15	2.1%
Suicidal Threats/Thoughts of Suicide	14	2.0%
Skipping School/Truancy/Ditching	13	1.8%
Computer/Technology Misuse/Cyber Concerns	12	1.7%
Depression/Anxiety	11	1.6%
Fighting	10	1.4%
Harassment/Hazing	10	1.4%
Total	707	100%

MCSS: Maryland Center for School Safety

Note: MCSS does not report tip counts under 10 for any event type.

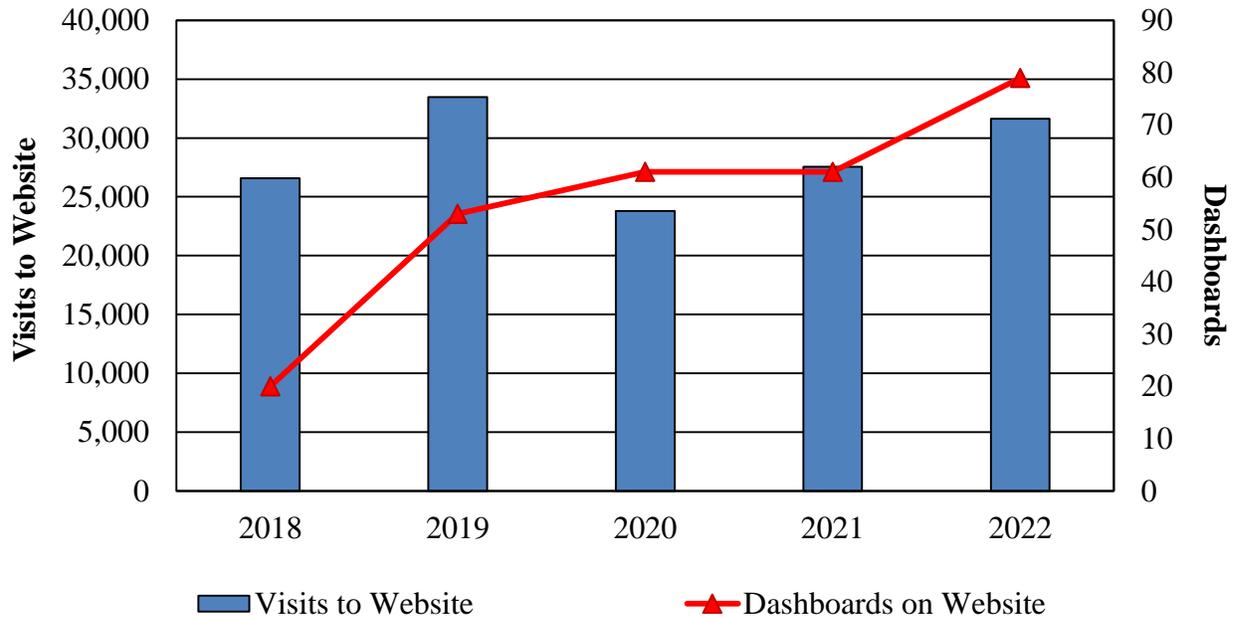
Source: Fiscal 2024 Managing for Results, Maryland Center for School Safety

In a recent audit of MCSS, OLA found that the agency had not developed written policies and procedures for the operation of the Safe Schools Maryland tip line to ensure all tips were addressed in a timely and comprehensive manner.

2. MLDSC Data Dashboards and Visits to Website Increase

Exhibit 17 shows data dashboards and visits to MLDSC’s website from fiscal 2018 to 2022. 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 or increase the number of data dashboards available to the public. From fiscal 2021 to 2022, the number of data dashboards available on the website increased to 79 from 61, and visits to the website increased by 4,090, or 15%, from 27,561 to 31,651.

Exhibit 17
MLDSC Dashboard and Website Visits
Fiscal 2018-2022



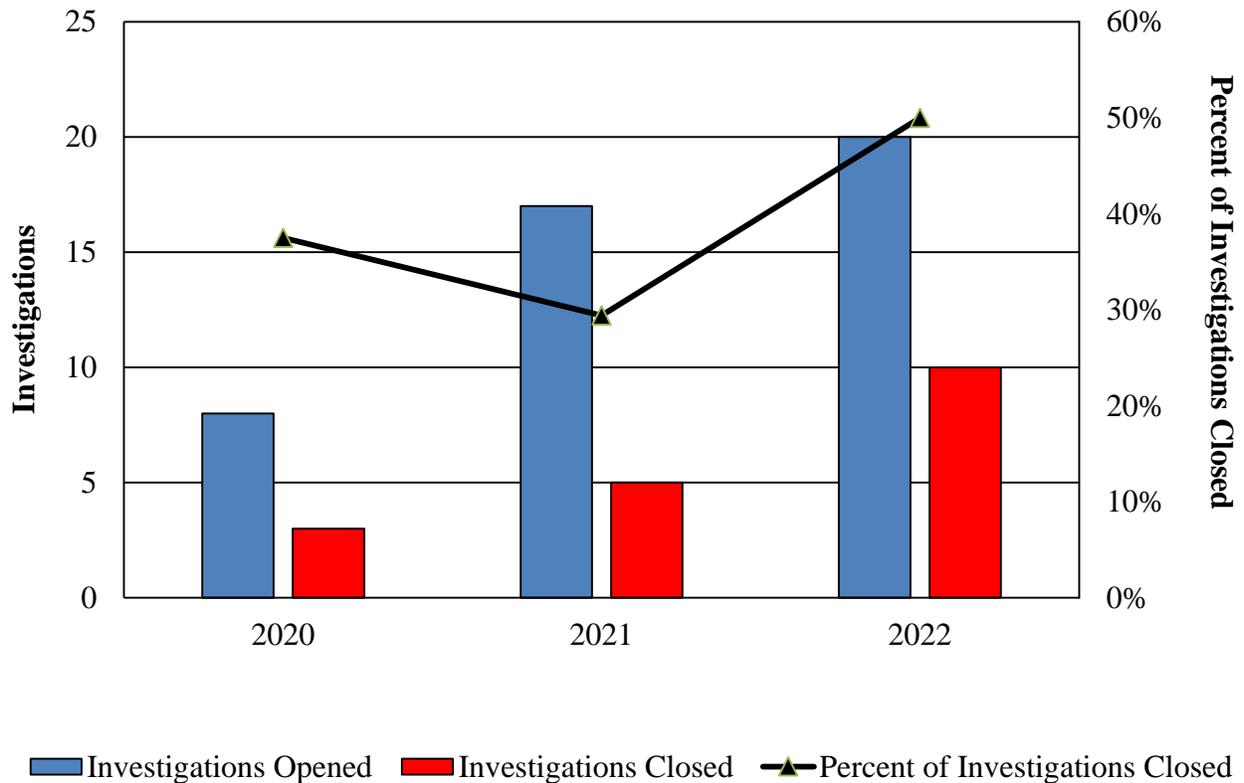
MLDSC: Maryland Longitudinal Data Systems Center

Source: Fiscal 2024 Managing for Results, Maryland State Department of Education

3. OIGE Submits New MFR Measure

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. As part of an effort to integrate OIGE’s annual report with MFR measures, the agency submitted a new MFR documenting the number of investigations opened, the number of investigations closed, and the percentage of investigations closed. In fiscal 2022, OIGE opened 20 investigations and closed 10 investigations, or 50%. **Exhibit 18** shows this MFR for fiscal 2020 to 2022.

Exhibit 18
OIGE Investigations Opened and Closed
 Fiscal 2020-2022



OIGE: Office of the Inspector General for Education

Source: Fiscal 2024 Managing for Results, Office of the Inspector General for Education

Appendix 1
2022 Joint Chairmen’s Report Responses from Agency

The 2022 JCR requested that MSDE prepare nine reports. Electronic copies of the full JCR responses can be found on the DLS Library website.

- **Report on Personnel and Vacancies:** Due to continuing concerns about MSDE personnel vacancies, the committees requested that MSDE report on the agency’s efforts to fill over 200 vacant positions and strategies for recruitment, particularly in light of Chapter 36 staffing requirements. MSDE reported that as of October 2022, the department has reduced vacancies through a number of strategies including a new organizational structure, recruitment efforts, and a new compensation structure for DORS employees. Further discussion of this response can be found in the Issues section of this analysis.
- **Status Report on MSD:** In calendar 2020, MSD engaged in a self-study that involved how MSDE supports and assists the school as part of Section 8-3A-08 of the Education Article. Despite considerable progress on issues identified in a 2019 audit, the committees remained concerned that noncompliance remained with MSD’s development of measurable academic and functional Individual Educational Plan (IEP) goals, documentation of parent concerns, and other IEP meeting protocols. The report was submitted four months late in February 2023, but audit issues and the MOU between MDSE and MSD have been resolved.
- **Report on Accounting Practices:** In calendar 2019, an MSDE audit identified considerable amounts of reversions and encumbrances. In response to this audit, in calendar 2020, 2021, and 2022, 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 2022 closeout report, MSDE reported a total of approximately \$153.4 million in federal fund cancellations. Further discussion of this response can be found in the Fiscal 2023 section of this analysis.
- **Report on SEA Federal Stimulus Funds:** Due to school closures prompted by the COVID-19 pandemic, MSDE received approximately \$303 million in SEA federal stimulus funds. To ensure proper monitoring of the use of these funds, the committees requested that MSDE report on all SEA program expenditures distributed in fiscal 2021, 2022, and 2023. MSDE reported that approximately \$165.6 million has been allocated with \$39.1 million remaining. Further discussion of this response can be found in the Fiscal 2023 and Issues sections of this analysis.
- **Report on Virtual Learning:** Due to COVID-19 school closures in March 2020, MSDE allowed LEAs 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 committees requested that MSDE provide an updated report on actions taken in calendar 2022 to facilitate virtual learning for teachers and students across the State. MSDE

R00A01 – MSDE – Headquarters

reported that in the 2021-2022 school year, 22 of 24 LEAs offered a full-day virtual learning program. Additionally, MSDE implemented digital teaching and learning supports and contracted for a new statewide learning management system. Further discussion of this response can be found in the Issues section of this analysis.

- ***Report on MCAP:*** Due to continuing concerns regarding disruptions in administering MCAP resulting from the COVID-19 pandemic and school closures, the committees requested a status update on MCAP administration. MSDE reported that LEA assessments were administered for the 2021-2022 school year in all required subject areas and grade levels. Maryland assessments are currently undergoing a federally required standard setting process that will be completed prior to assessment administration in spring 2023. Further discussion of this response can be found in the budget analysis for Aid to Education – R00A02.
- ***Report on High School Athletic Trainers:*** Due to concerns about employment, funding, and requirements for athletic trainers in Maryland high schools, the committees requested that MSDE provide additional information on this issue. In response, MSDE reported on the number of athletic trainers per school in each LEA; information on athletic trainer salary scales and hourly workloads; certification and hiring requirements; and funding needed for each Maryland high school to employ at least one athletic trainer. More detailed information on this issue can be found in the agency’s JCR response.
- ***Report on Environmental Literacy Standards:*** Due to concerns about current revisions to the Maryland Environmental Literacy standards, the committees requested information on MSDE’s process to update these standards. MSDE reported that the process to update the standards involved review, revision, and adoptions with LEAs and key stakeholders. The standards adopted in May 2020 focus on three broad areas: environmental sustainability; climate resilience; and mitigation of climate change impacts. In the 2022-2023 school year, MSDE will fully implement professional learning on the new standards for educators. More detailed information on this issue can be found in the agency’s JCR response.
- ***Report on Certification for Sign Language Interpreters:*** Due to concerns about the certification status of sign language interpreters in Maryland, the committees requested information on the cost of developing and implementing a certification program for sign language interpreters who work in public schools. MSDE reported that as of October 1, 2021, Maryland had 121 part- and full-time American Sign Language educational interpreters who would need to seek educational interpreter certification should the State require those interpreters working in educational settings to hold a Maryland Educator Certificate. Costs associated with these certification requirements vary depending on future program and testing requirements. More detailed information on this issue can be found in the agency’s JCR response.

Appendix 2
Audit Findings
Maryland Center for School Safety

Audit Period for Last Audit:	June 1, 2018 – April 15, 2022
Issue Date:	January 2023
Number of Findings:	2
Number of Repeat Findings:	0
% of Repeat Findings:	0%
Rating: (if applicable)	n/a

Finding 1: MCSS did not ensure that SRO grant payments were properly supported and subject to independent supervisory review.

Finding 2: MCSS had not developed written policies and procedures for the operation of the Safe Schools Maryland tip line to ensure all tips were addressed in a timely and comprehensive manner.

Appendix 3
Audit Findings
Maryland State Department of Education

Audit Period for Last Audit:	January 1, 2018 – May 31, 2021
Issue Date:	January 2023
Number of Findings:	9
Number of Repeat Findings:	1
% of Repeat Findings:	11%
Rating: (if applicable)	n/a

Finding 1: MSDE did not ensure LEAs used Blueprint for Maryland’s Future grant funds in accordance with the purposes established by State law.

Finding 2: MSDE should consider establishing a monitoring process to ensure LEAs implement appropriate corrective actions regarding fiscal management practices and audits.

Finding 3: MSDE enrollment audits did not incorporate certain procedures to ensure LEAs properly recorded and reported student attendance used to calculate State funding.

Finding 4: Redacted cybersecurity-related finding.

Finding 5: Redacted cybersecurity-related finding.

Finding 6: Redacted cybersecurity-related finding.

Finding 7: Redacted cybersecurity-related finding.

Finding 8: **MSDE did not always verify the accuracy of expenditure and performance data reported by grantees and did not always conduct site visits of grantees.**

Finding 9: MSDE did not always comply with State procurement regulations including documenting bid openings, retaining proposals, and publishing contract awards on *eMaryland Marketplace Advantage*.

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

Appendix 4
Replacement Education Information System
Major Information Technology Project
Maryland State Department of Education

New/Ongoing: Ongoing								
Start Date: 3/20/2020					Est. Completion Date: 05/01/2023			
Implementation Strategy: Agile								
(\$ in Millions)	Prior Year	2023	2024	2025	2026	2027	Remainder	Total
GF	\$7.897	\$1.494	\$0.005	\$0.000	\$0.000	\$0.000	\$0.000	\$9.396
Total	\$7.897	\$1.494	\$0.005	\$0.000	\$0.000	\$0.000	\$0.000	\$9.396

- **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 fiscal 2014. Currently, an external contractor maintains this legacy system. 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. Current testing is underway and is expected to be completed by March 2023. The project should be ready in May 2023.
- **Changes:** The vendor and agency found additional modules for bus drivers and substitute teachers that needed to be included in the scope of the project. Those modules have now been configured and are undergoing testing prior to full implementation.
- **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 5
Object/Fund Difference Report
Maryland State Department of Education – Headquarters

<u>Object/Fund</u>	<u>FY 22 Actual</u>	<u>FY 23 Working Appropriation</u>	<u>FY 24 Allowance</u>	<u>FY 23 - FY 24 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	1,214.90	1,055.90	1,068.90	13.00	1.2%
02 Contractual	74.57	125.55	149.05	23.50	18.7%
Total Positions	1,289.47	1,181.45	1,217.95	36.50	3.1%
Objects					
01 Salaries and Wages	\$ 110,414,392	\$ 115,188,522	\$ 120,856,151	\$ 5,667,629	4.9%
02 Technical and Special Fees	33,326,074	49,797,519	62,719,292	12,921,773	25.9%
03 Communication	904,852	1,706,113	997,557	-708,556	-41.5%
04 Travel	292,253	2,022,144	1,415,376	-606,768	-30.0%
06 Fuel and Utilities	973,982	1,038,737	936,956	-101,781	-9.8%
07 Motor Vehicles	638,161	515,395	990,099	474,704	92.1%
08 Contractual Services	72,994,214	102,033,865	93,945,781	-8,088,084	-7.9%
09 Supplies and Materials	1,706,499	1,700,118	1,538,177	-161,941	-9.5%
10 Equipment – Replacement	2,280,724	1,151,489	1,200,243	48,754	4.2%
11 Equipment – Additional	168,714	1,130,983	56,315	-1,074,668	-95.0%
12 Grants, Subsidies, and Contributions	40,845,587	45,737,437	41,064,333	-4,673,104	-10.2%
13 Fixed Charges	7,540,492	6,096,967	6,906,694	809,727	13.3%
14 Land and Structures	64,352	908,000	531,000	-377,000	-41.5%
Total Objects	\$ 272,150,296	\$ 329,027,289	\$ 333,157,974	\$ 4,130,685	1.3%
Funds					
01 General Fund	\$ 125,975,720	\$ 112,768,585	\$ 108,857,086	-\$ 3,911,499	-3.5%
03 Special Fund	10,901,693	28,688,803	32,498,420	3,809,617	13.3%
05 Federal Fund	134,088,886	187,024,398	191,080,951	4,056,553	2.2%
09 Reimbursable Fund	1,183,997	545,503	721,517	176,014	32.3%
Total Funds	\$ 272,150,296	\$ 329,027,289	\$ 333,157,974	\$ 4,130,685	1.3%

Note: The fiscal 2023 appropriation does not include deficiencies. The fiscal 2024 allowance does not include contingent reductions or COLAs.

Appendix 6
Fiscal Summary
Maryland State Department of Education – Headquarters

<u>Program/Unit</u>	<u>FY 22</u> <u>Actual</u>	<u>FY 23</u> <u>Wrk Approp</u>	<u>FY 24</u> <u>Allowance</u>	<u>Change</u>	<u>FY 23 - FY 24</u> <u>% Change</u>
01 Office of the State Superintendent	\$ 65,475,669	\$ 79,613,314	\$ 70,605,855	-\$ 9,007,459	-11.3%
02 Office of the Chief of Staff	0	877,655	1,143,780	266,125	30.3%
03 Office of the Deputy for Teaching and Learning	30,374,559	34,411,939	33,839,563	-572,376	-1.7%
05 Office of the Deputy for Organizational Effectiveness	16,693,935	23,978,807	32,832,264	8,853,457	36.9%
06 Major Information Technology Development Projects	14,676,426	16,180,363	14,818,483	-1,361,880	-8.4%
07 Office of School and Community Nutrition Programs	2,033,107	23,049,330	12,000,000	-11,049,330	-47.9%
15 Juvenile Services Education Program	18,516,195	0	0	0	0%
20 Div. of Rehab Services – Headquarters	12,017,301	16,387,719	13,028,209	-3,359,510	-20.5%
21 Div. of Rehab Services – Client Services	36,831,261	45,786,546	55,185,797	9,399,251	20.5%
22 Div. of Rehab Services – Workforce and Technology Center	9,061,442	10,696,023	11,073,597	377,574	3.5%
23 Div. of Rehab Serv – Disability Determination Services	31,021,585	38,116,990	43,581,246	5,464,256	14.3%
24 Div. of Rehab. Serv. – Blindness and Vision Services	7,565,542	9,215,755	9,480,560	264,805	2.9%
01 Maryland Longitudinal Data Systems Center	2,544,480	3,027,905	3,302,004	274,099	9.1%
01 Operations	2,397,871	2,887,629	3,170,767	283,138	9.8%
02 Grants	21,616,007	22,600,000	26,600,000	4,000,000	17.7%
01 Inspector General’s Office	1,324,916	2,197,314	2,495,849	298,535	13.6%
Total Expenditures	\$ 272,150,296	\$ 329,027,289	\$ 333,157,974	\$ 4,130,685	1.3%
General Fund	\$ 125,975,720	\$ 112,768,585	\$ 108,857,086	-\$ 3,911,499	-3.5%
Special Fund	10,901,693	28,688,803	32,498,420	3,809,617	13.3%
Federal Fund	134,088,886	187,024,398	191,080,951	4,056,553	2.2%
Total Appropriations	\$ 270,966,299	\$ 328,481,786	\$ 332,436,457	\$ 3,954,671	1.2%
Reimbursable Fund	\$ 1,183,997	\$ 545,503	\$ 721,517	\$ 176,014	32.3%
Total Funds	\$ 272,150,296	\$ 329,027,289	\$ 333,157,974	\$ 4,130,685	1.3%

Note: The fiscal 2023 appropriation does not include deficiencies. The fiscal 2024 allowance does not include contingent reductions or COLAs.