

R00A01
Headquarters
Maryland State Department of Education

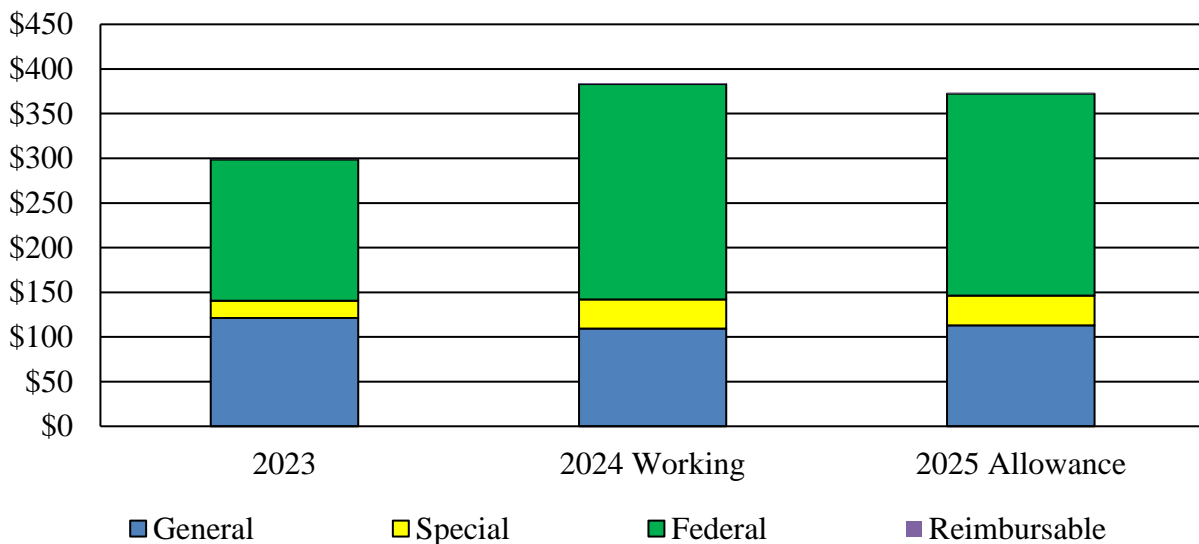
Executive Summary

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 R00A05 – Maryland Longitudinal Data System Center (MLDSC); R00A06 – Maryland Center for School Safety (MCSS); and R00A08 – Office of the Inspector General for Education (OIGE).

Operating Budget Summary

Fiscal 2025 Budget Decreases \$11.1 Million, or 2.9%, to \$373.1 Million
(\$ in Millions)



Note: Numbers may not sum to total due to rounding. The fiscal 2024 working appropriation includes deficiencies. The fiscal 2024 impacts of statewide salary adjustments appear in the Statewide Account in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2025 impacts of the fiscal 2024 statewide salary adjustments appear in this agency’s budget. The fiscal 2025 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget. The fiscal 2025 allowance accounts for contingent reductions.

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- The fiscal 2025 general fund allowance increases by a \$3.5 million, or 3.1%, compared to the fiscal 2024 working appropriation after accounting for proposed deficiency appropriations, primarily due to increases of \$3.4 million for personnel and \$1.9 million for medical services for the Department of Rehabilitative Services (DORS), partially offset by a decrease of \$2.5 million for contractual personnel.
- The fiscal 2025 special fund allowance increases by a net \$727,000, or 2.2%, primarily due to increases of \$1.0 million in personnel and \$700,000 in contractual services partially offset by a decrease of \$1.3 million for contractual personnel.
- The fiscal 2025 federal fund allowance decreases by a net \$15.0 million, or 6.2%, primarily due to decreases of \$30.5 million in training and staff development and medical support services and \$7.0 million in Child Care Development Block Grant (CCDBG) funds allocated to the Child Care Administration Technology System (CCATS) major information technology (IT) project offset by increases in federal funds including \$14.0 million for personnel expenses.

Key Observations

- ***MSDE’s Maryland Leads Program Implemented but Deadline to Spend Funds Approaching:*** MSDE’s program to address student learning loss, Maryland Leads, allocated over \$170 million in grants in fiscal 2022 to local education agencies (LEA) that must be expended by January 2025.
- ***MSDE Report Outstanding:*** MSDE has turned in all reports requested in the 2023 *Joint Chairmen’s Report* (JCR) on time with the exception of one report on free and reduced-price meal (FRPM) enrollment that was submitted in July 2023 but has a follow-up submission that remains overdue as of January 15, 2024.

Operating Budget Recommended Actions

Funds

1. Adopt committee narrative requesting a report on accounting practices.
2. Adopt committee narrative requesting a report on State Education Agency federal stimulus funds.
3. Adopt committee narrative requesting a report on the Maryland Leads program.

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| | | |
|----|--|---------------------|
| 4. | Reduce the general fund appropriation to the Maryland Center for School Safety for School Resource Officer grants. | \$ 3,000,000 |
| 5. | Add \$3.0 million of special funds for the School Resource Officer grant program. | |
| 6. | Reduce the special fund appropriation in the Maryland Center for School Safety for Emergency Preparedness Grants. | \$ 3,000,000 |
| | Total Net Change | \$ 6,000,000 |

Updates

- In fiscal 2024, MCSS allocated approximately \$900,000 to LEAs for school safety evaluations.
- In fiscal 2023, MLDSC reported increases to visits to the agency’s website and data dashboards.
- In fiscal 2023, OIGE closed 60% of investigations.
- MSDE resolved concerns from a fiscal compliance audit released by the Office of Legislative Audits (OLA) in January 2023.
- MSDE reported initial implementation of Chapter 804 of 2023, Primary and Secondary Education – Virtual Education, including formation of a virtual learning workgroup.

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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 addition to SBOE, MSDE is organized into four administrative divisions: the Office of the State Superintendent; the Office of the Deputy for Teaching and Learning; the Office of the Deputy for Organizational Effectiveness; and the Office of the Deputy for Operations.

The Office of the Superintendent includes the Office of Audits; the Division of Financial Planning, Operations, and Strategy; the Division of Educator Certification and Program Approval; the Division of Assessment, Accountability, and Performance Reporting; the Office of School Improvement and Transformation; the Office of Communications and Community Engagement; the Office of Policy Analysis and Fiscal Compliance; and the Office of Research, Planning, and Program Evaluation. The Office of the Superintendent also houses the Office of the Chief of Staff, which includes the Office of Governmental Affairs, Education Policy, and External Relations and the Office of Strategic Planning and Continuous Improvement.

The Office of the Deputy for Organizational Effectiveness includes DORS; the Division of Student Support, Academic Enrichment, and Educational Policy; the Office of the Ombudsman; and the Office of School and Community Nutrition Programs.

The Office of the Deputy for Teaching and Learning includes the Division of Early Childhood (DEC); the Division of Special Education/Early Intervention Services; the Maryland Public Secondary Athletic Association; the Office of College and Career Pathways; and the Office of Teaching and Learning and Instructional Programs and Services.

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

MLDSC, MCSS, and OIGE are independent agencies that for budgetary purposes are included in the MSDE Headquarters analysis. 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.

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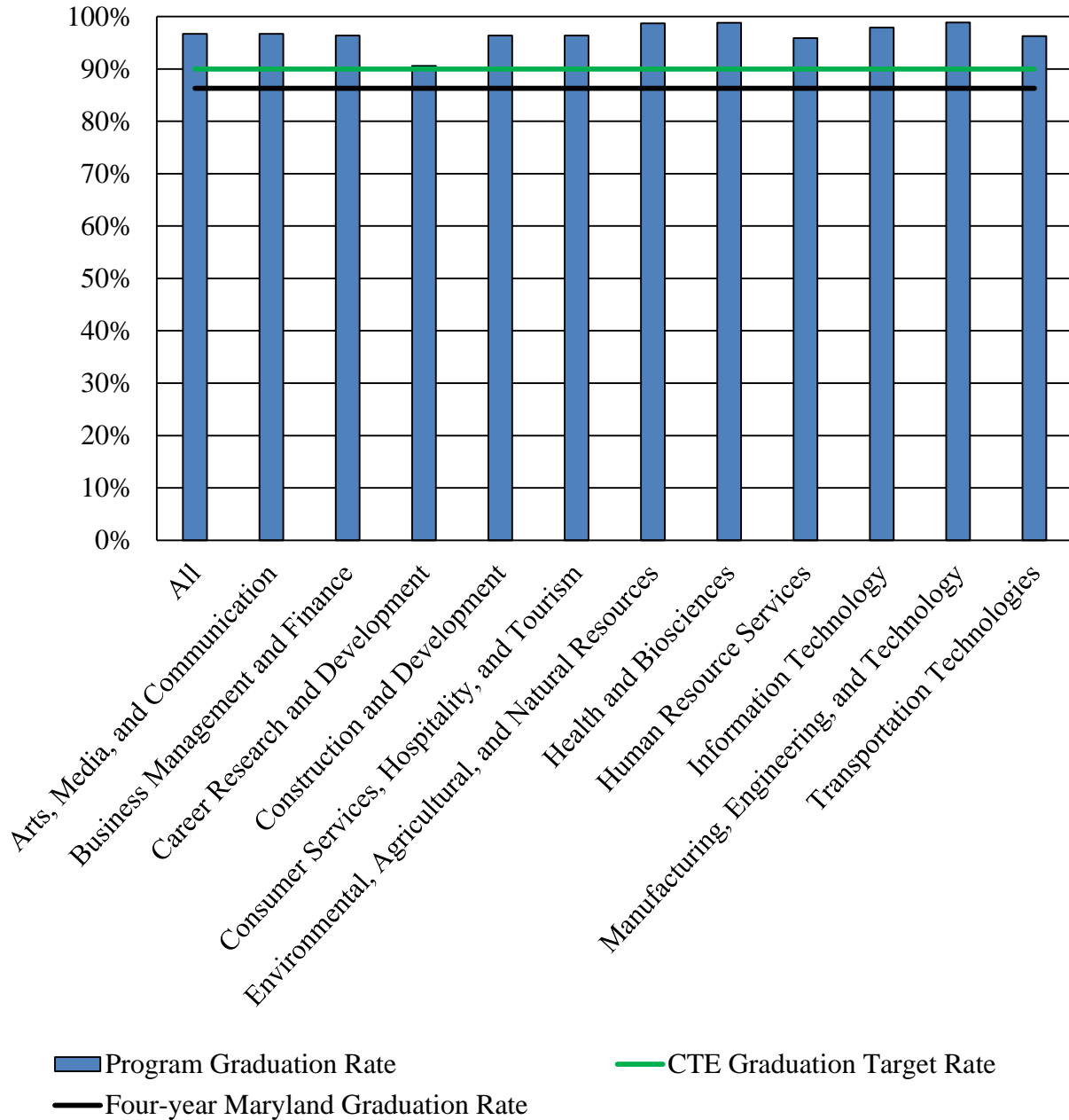
R99E – Maryland School for the Deaf and R12A – Accountability and Implementation Board, which is an independent State agency that oversees the Blueprint for Maryland’s Future program implementation and is not part of MSDE, have separate analyses. R00A01.04 – MSDE Headquarters DEC is included in the R00A99 – DEC analysis, and the Maryland School for the Blind (MSB) is included in the R00A03 – Funding for Educational Organizations analysis. As of fiscal 2025, the Interagency Commission on School Construction (IAC) is independent from MSDE with an analysis under a new budget code – D25E03.

Performance Analysis: Managing for Results

1. Career and Technology Education Students Graduation Rates Increase

Exhibit 1 shows data from MSDE’s Career and Technological 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 includes target graduation rates for CTE students in each program compared to four-year Maryland graduation rates. In the 2022-2023 school year, the percentage of Maryland students participating in CTE programs was 23.9%; the CTE target graduation rate was 90.0%; and all programs met that goal with an average graduation rate across all programs of 96.6% This average graduation percentage for all CTE students exceeds the four-year Maryland high school graduation rate of 86.3% in the 2022-2023 school year by 10.3 percentage points.

Exhibit 1
Career and Technology Education Graduation Rates
Calendar 2022-2023



CTE: Career and Technology Education

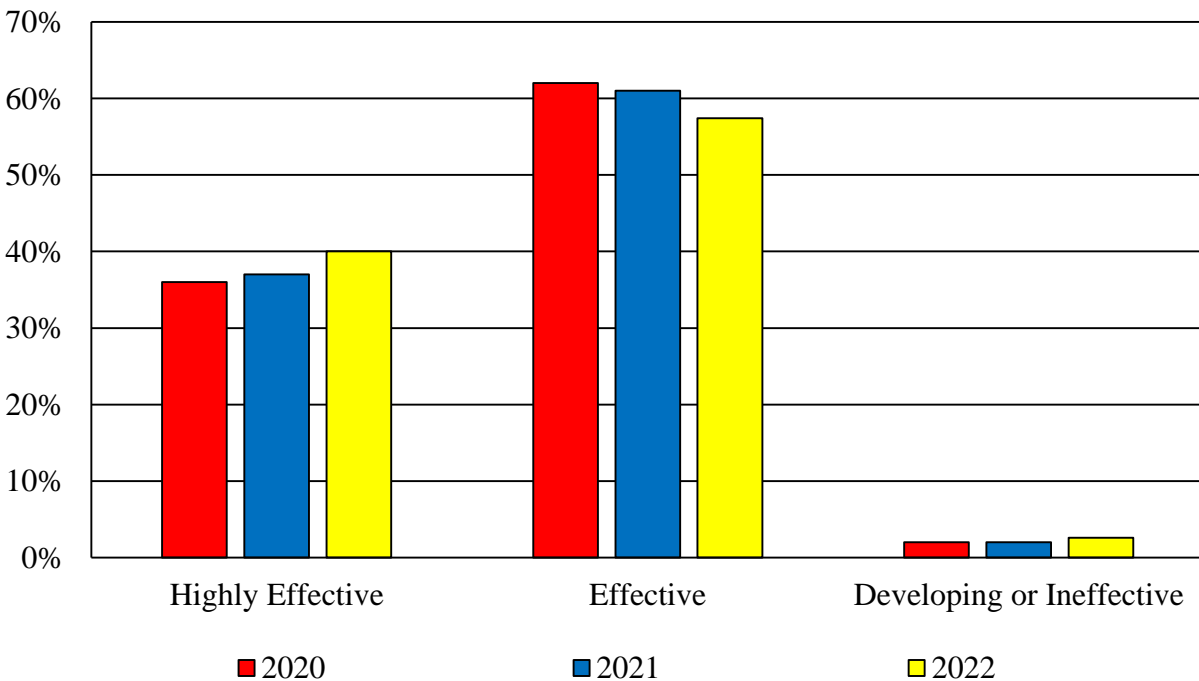
Source: Maryland State Department of Education; Department of Budget and Management

2. MSDE Performance Measures Discontinued or Not Updated

Teacher Effectiveness

Exhibit 2 displays teacher effectiveness results from fiscal 2020 to 2022 from the fiscal 2024 Managing for Results (MFR) submission. One of MSDE’s MFR goals is that Maryland’s educator workforce will be highly qualified. 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 2021 to 2022, the percentage of Maryland teachers rated effective or highly effective remains high at approximately 97%.

Exhibit 2
Teacher Effectiveness by Year
Fiscal 2020-2022



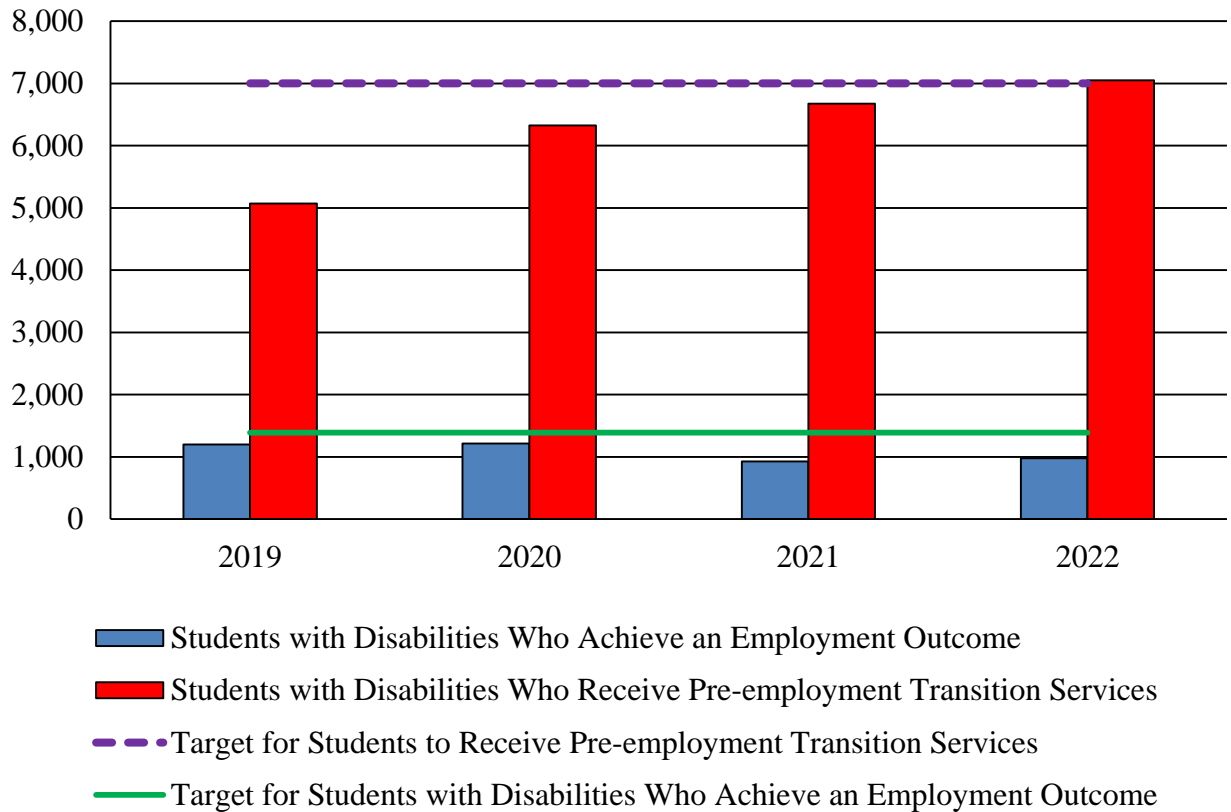
Source: Maryland State Department of Education, Fiscal 2024 Managing for Results

MSDE reports that due to the historical lack of variation in these data, this measure was discontinued with the fiscal 2025 MFR submission, and the agency will consider a new measure for the fiscal 2026 MFR submission.

DORS

Exhibit 3 shows DORS employment services goals for students with disabilities from fiscal 2019 to 2022. In response to changes to the federal Workforce Innovation and Opportunity Act (WIOA) of 2014, in fiscal 2021, DORS created a new MFR measure 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. 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.

**Exhibit 3
Division of Rehabilitative Services Employment Outcomes
Fiscal 2019-2022**



Source: Maryland State Department of Education, Fiscal 2025 Managing for Results

In the fiscal 2025 MFR submission, data for fiscal 2019 to 2022 are updated only for the measure of students with disabilities who achieve an employment outcome. From fiscal 2021 to 2022, students meeting this measure increased by 53, from 925 to 978, or 6%. MSDE reports that fiscal 2023 data for the measure of students with disabilities who receive pre-employment transition services totals 4,693, which is a decrease of 2,358 individuals, or 33%, from the fiscal 2022 total of 7,051. A possible reason for this decline is that federal regulations specify a different count for students with disabilities who are “eligible” versus “qualified” to receive pre-employment services, and in reviewing past data for this measure, MSDE concluded that data for both “eligible” and “qualified” individuals may be included in this count. MSDE did not provide fiscal 2023 data for the measure students with disabilities who achieve an employment outcome.

MSDE should comment on whether the department collected teacher effectiveness data for fiscal 2023; when that data might be available; and plans for a new performance measure for the objective that Maryland’s educator workforce will be highly qualified. MSDE should also discuss the possible error in the DORS MFR performance measure and a timeline for revised or updated data for that objective.

Fiscal 2023

MSDE Headquarters Encumbrances

In fiscal 2023, MSDE’s allowance totaled approximately \$333.2 million. In the agency’s fiscal 2023 closeout, MSDE reported encumbrances of \$44.3 million, or 13%, of the total agency budget. Of this amount, the majority of encumbrances were general and federal funds, including \$23.0 million in general funds, of which \$16.8 million was in the Office of the State Superintendent; and \$21.1 million in federal funds, primarily in DORS.

The Department of Legislative Services (DLS) recommends that MSDE comment on the reason for the high level of encumbered funds in fiscal 2023 for the Office of the State Superintendent and DORS.

Fiscal 2024

Proposed Deficiency

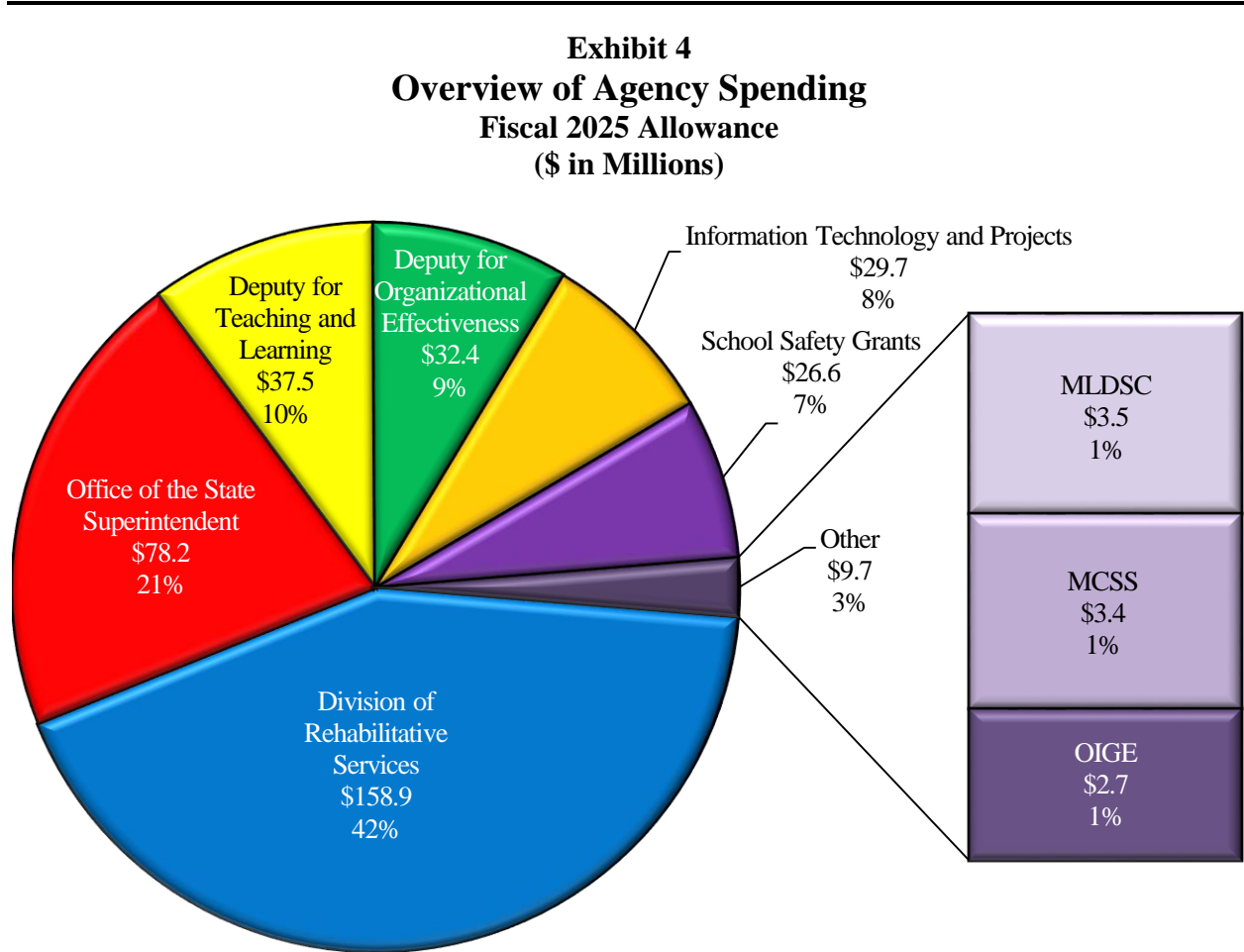
The fiscal 2025 budget as introduced includes four proposed deficiencies totaling \$2.2 million for MSDE Headquarters. These deficiencies are as follows:

- \$1.3 million in Title I federal funds in the Office of the State Superintendent allocated for personnel;
- \$750,000 in general funds including \$500,000 for a study of college and career readiness and \$250,000 for the interim Superintendent’s salary; and

- \$55,440 in reimbursable funds from the Department of Service and Civic Innovation for service participants assigned to MLDS&C.

Fiscal 2025 Overview of Agency Spending

Exhibit 4 displays an overview of agency spending by office. This budget includes the operating budgets for MSDE Headquarters and three independent units related to K-12 education: MLDS&C, MCSS, and OIGE. The fiscal 2025 allowance totals \$373.1 million.



MCSS: Maryland Center for School Safety
 MLDS&C: Maryland Longitudinal Data System Center
 OIGE: Office for Inspector General of Education

Note: Numbers may not sum due to rounding. The fiscal 2025 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

Source: Governor’s Fiscal 2025 Budget Books

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In the fiscal 2025 proposed budget, the division with the largest allowance is DORS, which receives \$158.9 million, or 42%, of the budget, and includes \$63.5 million for Client Services; \$46.8 million for Disability Determination Services; \$23.7 million for DORS Headquarters; \$12.9 million for the Workforce and Technology Center; and \$12.0 million for Blindness and Vision Services.

The Office of the State Superintendent receives \$78.2 million, or 21%, of the budget, which includes the budget for the Office of the Chief of Staff. The majority of these funds, \$52.1 million, are allocated to the Division of Assessment, Accountability, and Performance Reporting, which provides assessment, accountability, and technical support for LEAs. The remaining \$26.1 million of this allowance includes funding for the Office of the State Superintendent; the Office of the Attorney General; the Office of Communications and Community Engagement; the Office of the Deputy for School Effectiveness; the Office of Audits; the Office of the Chief of Staff; and SBOE.

The Office of the Deputy for Teaching Learning receives \$37.5 million, or 10%, of this budget. Of this amount, \$17.4 million is allocated for the Division of Special Education/Early Intervention; \$8.6 million is allocated for the Office of Teaching and Learning and Instructional Programs and Services; \$5.6 million is allocated for the Office of College and Career Pathways; \$4.0 million is allocated for the Division of Educator Certification and Program Approval; and \$1.9 million is allocated for other expenses.

The Office of Information Technology and major information technology projects receive \$29.7 million, or 8%, of this budget. Of this amount, \$24.7 is allocated for the Office of Information Technology, and \$5.0 million is allocated for major information technology projects.

School safety grants receive \$26.6 million, or 8%, of the proposed budget, which is level funded from fiscal 2024 but exceeds the mandated amount. Of this amount, a total of \$20 million, \$10.0 million in general funds seeding \$10.0 million in special funds, is allocated to the School Resource Officer (SRO) grant; \$3.0 million in general funds is allocated to the Hate Crimes grant; \$3.0 million in special funds is allocated to a new Emergency Preparedness grant; and \$600,000 in special funds is allocated to the Safe Schools Grant.

Proposed Budget Change

In the fiscal 2025 proposed budget, the MSDE Headquarters allowance decreases by \$11.1 million compared to the fiscal 2024 working appropriation, after accounting for the fiscal 2024 deficiency appropriations. **Exhibit 5** shows the fiscal 2025 proposed budget and changes from fiscal 2024.

Exhibit 5
Proposed Budget
Maryland State Department of Education – Headquarters
(\$ in Thousands)

| How Much It Grows: | <u>General Fund</u> | <u>Special Fund</u> | <u>Federal Fund</u> | <u>Reimb. Fund</u> | <u>Total</u> |
|---|----------------------------|----------------------------|----------------------------|---------------------------|----------------------|
| Fiscal 2023 Actual | \$121,217 | \$19,367 | \$158,011 | \$240 | \$298,835 |
| Fiscal 2024 Working Appropriation | 109,537 | 32,487 | 241,118 | 1,012 | 384,154 |
| Fiscal 2025 Allowance | <u>112,994</u> | <u>33,214</u> | <u>226,108</u> | <u>754</u> | <u>373,070</u> |
| Fiscal 2024-2025 Amount Change | \$3,457 | \$727 | -\$15,010 | -\$257 | -\$11,084 |
| Fiscal 2024-2025 Percent Change | 3.2% | 2.2% | -6.2% | -25.4% | -2.9% |
| Where It Goes: | | | | | <u>Change</u> |
| Personnel Expenses | | | | | |
| Salary increases and associated fringe benefits including fiscal 2024 COLA and increments and net of proposed deficiencies..... | | | | | \$10,560 |
| 113.0 new positions..... | | | | | 9,200 |
| Turnover rate increases from 6.86% to 7.10% | | | | | -283 |
| Miscellaneous adjustments | | | | | -111 |
| 3.0 abolished positions | | | | | -440 |
| Reclassifications | | | | | -505 |
| Other Changes | | | | | |
| Operating Expenses | | | | | |
| Medical services for DORS Workforce and Technology Center | | | | | 1,897 |
| DoIT services..... | | | | | 463 |
| Communications, printing, and postage | | | | | 286 |
| Routine expenses, not including computers and software..... | | | | | 144 |
| Routine operating expenses for MCSS, MLDSC, and OIGE | | | | | 87 |
| Computer maintenance, software, contracts, and fees | | | | | -27 |
| Rent for buildings and garages | | | | | -113 |
| Administrative hearings and legal fees | | | | | -151 |
| Building maintenance, utilities, and insurance | | | | | -361 |
| General funds for outside consulting services | | | | | -866 |
| Contractual salaries and benefits related to a decrease of 107.5 FTE positions..... | | | | | -2,513 |

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| Where It Goes: | <u>Change</u> |
|--|----------------------|
| <i>One-time Deficiency Allocations and Transfers</i> | |
| MLDSC reimbursable funds from Center of Service and Civic Innovation..... | -55 |
| College and career readiness study | -500 |
| <i>Special Funds</i> | |
| Online grant application system to manage eligibility for the BOOST program and funds for a project manager..... | 681 |
| Blind Vendors Program | 309 |
| <i>Federal and Reimbursable Funds</i> | |
| Net change in federal funds for routine operating expenses across agencies..... | 6,099 |
| Software systems and applications..... | 4,338 |
| Garage rent..... | 1,810 |
| Grants for DORS | 1,515 |
| Net reimbursable funds across agencies | -354 |
| Educational grants | -4,799 |
| Contractual payroll and fringe benefits..... | -5,224 |
| CCDBG funds applied to CCATS information technology project | -7,000 |
| Medical support services primarily in DORS | -11,383 |
| Training and staff development primarily in DORS..... | -13,914 |
| <i>Miscellaneous Expenses</i> | 128 |
| Total | -\$11,084 |

- BOOST: Broadening Options and Opportunities for Students Today
- CCATS: Child Care Administration Technology System
- CCDBG: Child Care Development and Block Grant
- COLA: cost-of-living adjustment
- DoIT: Department of Information Technology
- DORS: Department of Rehabilitative Services
- FTE: full-time equivalent
- MCSS: Maryland Center for School Safety
- MLDSC: Maryland Longitudinal Data System Center
- OIGE: Office of the Inspector General for Education

Note: Numbers may not sum to total due to rounding. The fiscal 2024 working appropriation includes deficiencies. The fiscal 2024 impacts of statewide salary adjustments appear in the Statewide Account in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2025 impacts of the fiscal 2024 statewide salary adjustments appear in this agency’s budget. The fiscal 2025 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget. The fiscal 2025 allowance accounts for contingent reductions.

Personnel expenses increase by \$18.4 million, which includes \$10.0 million for salary increases and associated fringe benefits including fiscal 2024 cost-of-living adjustments and increments; \$9.2 million for an increase of 107.5 regular positions; and \$283,000 for a turnover

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adjustment. These increases are offset by \$505,000 for reclassifications, \$440,000 for 3.0 abolished positions, and \$111,000 for miscellaneous adjustments.

A notable change across all fund sources involves technical and special fees. Although these decreases are related to the conversion of 142.0 contractual positions and the reduction of 107.5 full-time equivalent positions, MSDE reports that the agency mistakenly included reclassifications for regular positions with contractual positions, which resulted in a higher than expected allocation. Expenditures for this purpose decrease by total of \$7.7 million, which includes a decrease of \$2.5 million in general and special funds and \$5.2 million in federal funds. Other changes in DORS have a total decrease of \$23.4 million, which includes a decrease in federal funds of \$13.9 million for training and staff development and \$11.4 million for medical support, offset by an increase of \$1.9 million in general funds for medical services in the DORS Workforce and Technology Center.

A second notable change involves computer-related costs for major information technology development projects, computer software, and maintenance. These changes have a net decrease of \$2.7 million and include an increase of \$4.3 million in federal funds for software systems and applications offset by decreases of \$27,000 in general and special funds for computer maintenance, software, contracts, and fees and \$7.0 million in federal stimulus funds from the CCDBG allocated last year for the CCATS IT project.

Personnel Data

| | <u>FY 23</u> <u>Actual</u> | <u>FY 24</u> <u>Working</u> | <u>FY 25</u> <u>Allowance</u> | <u>FY 24-25</u> <u>Change</u> |
|------------------------|---|--|--|--|
| Regular Positions | 1,055.90 | 1,068.90 | 1,181.90 | 113.00 |
| Contractual FTEs | <u>119.87</u> | <u>149.05</u> | 41.50 | <u>-107.55</u> |
| Total Personnel | 1,175.77 | 1,217.95 | 1,223.40 | 5.45 |

Vacancy Data: Regular Positions

| | | |
|--|-------|-------|
| Turnover and Necessary Vacancies, Excluding New Positions | 76.00 | 7.10% |
| Positions and Percentage Vacant as of 12/31/23 | 96.00 | 7.84% |
| Vacancies Above Turnover | 20.00 | |

- MSDE Headquarters and its independent agencies have 96 vacancies as of December 31, 2023, which is 20 vacancies above the number that would be needed to meet the fiscal 2025 budgeted turnover, prior to the increase of 113 regular positions.
- MSDE Headquarters vacancies total 92 positions and include 27 positions in the Office of the Deputy for Teaching and Learning; 23 positions in DORS; 20 positions in the Office of the State Superintendent; 14 positions in the Office of the Deputy for Organizational

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Effectiveness; 7 positions in the Office of the Deputy for Operations; and 1 position in the Office of the Chief of Staff. For independent agencies under MSDE, MLDC has 2 vacancies; MCSS has 1 reported vacancy, although the agency reports this vacancy was filled by December 31, 2023; and OIGE has 1 vacancy. MLDC and OIGE both have 1 vacancy that has been filled for more than one year; MSDE Headquarters has 27 vacancies unfilled over one year.

- MSDE Headquarters gains a total of 113 positions primarily representing contractual conversions. After accounting for the 107.5 contractual conversions, the agency gains a net 5 new positions in fiscal 2025, which are assigned to the Office of College and Career Pathways in the Office of the Deputy for Teaching and Learning. Converted positions include 67 positions in DORS; 25 positions in the Office of the Deputy for Teaching and Learning; 15 positions in the Office of the Deputy for Organizational Effectiveness; 3 positions in the Office of Information Technology; 2 positions in the Office of the State Superintendent; and 1 position in MCSS.

DLS recommends that MSDE comment on agency efforts to reduce vacancy rates and plans to deploy any vacancy savings in fiscal 2024.

Issues

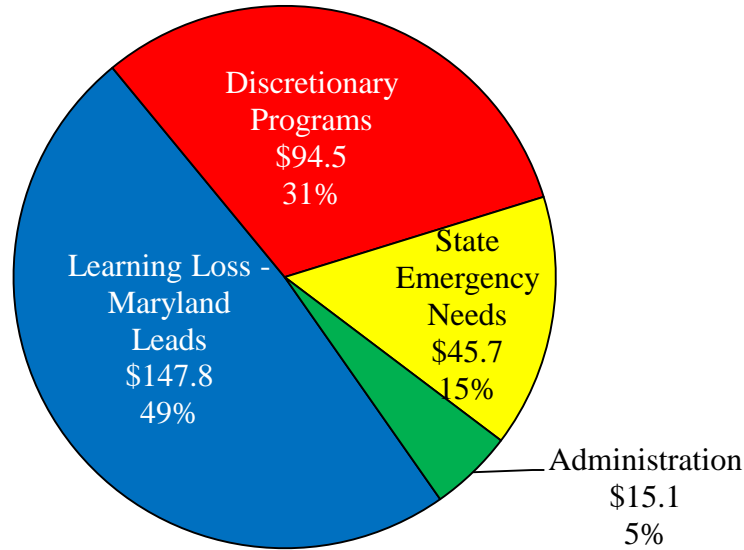
1. MSDE Uses State Education Agency Federal Stimulus Funds for Maryland Leads and Discretionary Programs; Deadline to Spend Funds Approaching

A difficult problem facing states after experiencing COVID-19-related school closures is persistent student learning loss. Learning loss is a well-documented phenomenon usually associated with the loss in academic skills that students experience between school years due to summer break. Learning loss is prevalent with economically disadvantaged students, who are more likely to have low standardized assessment scores relative to their peers. During COVID-19, learning loss also became associated with the learning loss 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.”

In fiscal 2020, 2021, and 2022, MSDE received approximately \$303.1 million in State Education Agency (SEA) Elementary and Secondary School Emergency Relief (ESSER) funds.¹ ESSER III funds distributed in fiscal 2022 required State agencies to ensure that 20% of those funds were spent specifically to address student learning loss. As shown in **Exhibit 6**, to meet this requirement, MSDE designated \$147.8 million, or 49%, for a new program called Maryland Leads; \$94.5 million, or 31%, for discretionary programs; \$45.7 million, or 14%, for emergency needs, and \$15.1 million, or 5%, for administration, which is the federal allowable amount for that purpose.

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

Exhibit 6
State Education Agency Fund Distribution
Fiscal 2022
(\$ in Millions)



Source: Maryland State Department of Education

Maryland Leads

Maryland Leads 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 preselected “high-leverage” Maryland Leads strategies. These programs included Science of Reading, Grow Your Own Staff, Staff Support and Retention, Reimagining the Use of Time, High-Quality School Day Tutoring, Innovative School Models, and Transforming Neighborhood through Excellent Community Schools (TNECS).

In response to committee narrative in the 2023 JCR on this program, MSDE reports awards have been granted to all 24 LEAs, which were eligible by selecting at least two Maryland Leads strategies. All LEAs received a base award of \$2.0 million, plus an additional economically disadvantaged award based on the LEA percentage share of FRPM students. If an LEA agreed to contribute from its local budget to Maryland Leads, the LEA earned an additional award of \$1.5 million. LEAs could also earn an additional \$2.0 million for implementing Science of Reading or Grow Your Own Staff, respectively. LEAs were encouraged to partner with other organizations to contribute funds to Maryland Leads programs; these amounts are included in the reported total for all Maryland Leads awards. Reported awards in fiscal 2023 totaled \$172.5 million, which includes partner contributions.

Because the intended purpose of Maryland Leads funding is to address student learning loss, an important measure for the program is how much funding MSDE distributed for that purpose. In a DLS performance analysis conducted for the 2023 session, only one program, High-Quality School Day Tutoring, appeared to target student learning loss, with the other programs focusing on educators or LEAs. In its response, MSDE reported that three Maryland Leads programs – the Science of Reading, Reimagining the Use of Time, and High-Quality School Day Tutoring – may have a measurable impact on student learning loss. LEAs participating in these programs use standardized measures including Maryland Comprehensive Assessment Program (MCAP) assessments, LEA summative assessments, and diagnostic tools to measure increases in literacy and math proficiency, grade-level promotions and milestones, and progress toward local literacy and math objectives. **Appendix 1** provides additional detail on Maryland Leads implementation by program.

Exhibit 7 shows that in fiscal 2023, out of a total of \$172.5 million for Maryland Leads to date, funding for student-focused programs totaled \$67.3 million, or 39%; funding for educator-focused programs totals \$90.3 million, or 52%; LEA programs total \$11.4 million, or 7%; and program administration counts for \$3.5 million, or 2%, of total funding.

Exhibit 7
Maryland Leads Participation and Funding
Fiscal 2023
(\$ in Millions)

| <u>Program</u> | <u>LEAs</u> | <u>Allocation</u> | <u>% of Total</u> |
|----------------------------------|-------------|-------------------|-------------------|
| Student Programs | | | |
| Science of Reading | 23 | \$47.1 | 27% |
| Reimagining the Use of Time | 10 | 14.9 | 9% |
| High-Quality School Day Tutoring | 5 | 5.3 | 3% |
| Subtotal | | \$67.3 | 39% |
| Educator Programs | | | |
| Staff Support and Retention | 22 | \$51.2 | 30% |
| Grow Your Own Staff | 23 | 39.1 | 23% |
| Subtotal | | 90.3 | 52% |
| LEA Programs | | | |
| TNECS | 8 | \$8.8 | 5% |
| Innovative School Models | 4 | 2.6 | 2% |
| Subtotal | | \$11.4 | 7% |
| Administration | | \$3.5 | 2% |
| Total | | \$172.5 | 100% |

LEA: local education agency

TNECS: Transforming Neighborhood through Excellent Community Schools

Source: Maryland State Department of Education

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A concern for all federal stimulus funding distributed to LEAs is the amount of funds expended. The deadline to allocate ESSER II funds was September 2023; ESSER III funds must be allocated by September 2024 and expended by January 2025, unless Maryland receives a 14-month extension until March 2026. **Exhibit 8** shows the range of LEA expenditures to date, from 1.6% expended in Allegany to 97.6% in Wicomico, with an average across all LEAs of 37.6%.

Exhibit 8
Maryland Leads Expenditures by LEA
Fiscal 2023
(\$ in Thousands)

| <u>LEA</u> | <u>Total Award</u> | <u>Expended</u> | <u>% Expended</u> |
|---------------------------|--------------------|-------------------|-------------------|
| Allegany | \$9,845.1 | \$159.8 | 1.6% |
| Anne Arundel | 10,768.6 | 976.3 | 9.1% |
| Harford | 10,426.7 | 780.5 | 11.4% |
| Worcester | 8,631.1 | 1,091.9 | 16.6% |
| Calvert | 8,562.5 | 2,130.9 | 24.9% |
| Howard | 6,136.2 | 1,420.8 | 26.5% |
| Baltimore City | 7,491.6 | 2,886.2 | 27.7% |
| Queen Anne's | 5,409.2 | 1,880.5 | 27.8% |
| Carroll | 7,397.4 | 2,213.8 | 29.6% |
| Montgomery | 7,366.6 | 2,026.7 | 30.0% |
| St. Mary's | 7,229.7 | 2,115.5 | 31.3% |
| Dorchester | 6,968.1 | 2,435.5 | 33.1% |
| Talbot | 6,858.6 | 2,229.3 | 33.4% |
| Charles | 5,354.8 | 2,594.0 | 35.1% |
| Cecil | 5,320.7 | 2,129.5 | 39.4% |
| Caroline | 6,765.8 | 2,583.3 | 42.1% |
| Baltimore County | 6,768.1 | 3,848.1 | 44.6% |
| Garrett | 6,758.1 | 3,211.0 | 46.1% |
| Kent | 6,751.2 | 2,699.2 | 50.7% |
| Prince George's | 6,679.5 | 3,467.3 | 51.2% |
| Somerset | 6,672.7 | 3,950.4 | 59.1% |
| Frederick | 5,135.7 | 4,463.3 | 61.7% |
| Washington | 6,631.0 | 5,366.0 | 72.5% |
| Wicomico | 6,570.9 | 6,471.8 | 97.6% |
| Total | \$172,500.0 | \$63,131.6 | |
| <i>Average % Expended</i> | <i>37.6%</i> | | |

LEA: local education agency

Source: Maryland State Department of Education

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This analysis suggests that although MSDE has made progress on Maryland Leads objectives, continued monitoring of this program is advisable. MSDE developed a framework for LEAs to report on outcome measures and potential progress on remediation of student learning loss, which provides useful information. Future concerns with the program include timely expenditure of federal funds by LEAs; alignment of expenditures with outcome measures; and most importantly, measurable increases in student proficiency in literacy and math at all grade levels as a result of Maryland Leads programs.

Discretionary Funds

As requested in the committee narrative in the 2023 JCR, in addition to information on Maryland Leads, MSDE submitted updated information on SEA funding for discretionary programs. Out of \$303.1 million in SEA funding, MSDE reported that the department has expended or obligated \$289.2 million, or 95%, of these funds, with \$13.9 million remaining. **Exhibit 9** shows this information.

Exhibit 9
State Education Agency Discretionary Program and Funds
Fiscal 2023
(\$ in Millions)

| <u>Fiscal Year</u> | <u>Program</u> | <u>Allocation</u> | <u>Expended</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 | \$45.7 | \$45.7 | \$0.0 |
| 2021 | Maryland Leads | 30.7 | 30.7 | 0.0 |
| 2022 | Maryland Regional Crisis Response Teams | 3.0 | 3.0 | 0.0 |
| 2023 | Maryland Works* | 11.3 | 11.3 | 0.0 |
| 2023 | Maryland Tutoring Corps.* | 10.0 | 10.0 | 0.0 |
| 2020 | Reopening Grants | 9.8 | 9.8 | 0.0 |
| 2022 | GOCPP ACE | 10.0 | 10.0 | 0.0 |
| 2020 | MVLO Expansion | 8.3 | 8.3 | 0.0 |
| 2023 | ROSE* | 4.3 | 4.3 | 0.0 |
| 2020 | School Nutrition Grants | 3.7 | 3.7 | 0.0 |
| 2022 | Expert Review Teams | 1.9 | 1.9 | 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 |

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| <u>Fiscal Year</u> | <u>Program</u> | <u>Allocation</u> | <u>Expended</u> | <u>Remaining</u> |
|--------------------------------|--|-------------------|-----------------|------------------|
| 2022 | Equity Task Force for Black Boys Initiatives | 2.0 | 2.0 | 0.0 |
| 2020 | Eastern Shore Virtual School | 1.0 | 1.0 | 0.0 |
| 2022 | Technology Integration | 0.2 | 0.2 | 0.0 |
| 2020 | COVID-19-related Expenses | 0.1 | 0.1 | 0.0 |
| 2021-2023 | Administration | 3.3 | 3.3 | 0.0 |
| 2021-2023 | Unallocated | 13.9 | 0.0 | 13.9 |
| Subtotal | | \$165.8 | \$151.9 | \$13.9 |
| Total | | \$303.1 | \$289.2 | \$13.9 |
| <i>% Expended or Obligated</i> | | <i>95%</i> | | |

ACE: Adverse Childhood Experience
DORS: Department of Rehabilitative Services
GOCPP: Governor’s Office of Crime Prevention and Policy
MOU: memorandum of understanding
MSB: Maryland School for the Blind
MSD: Maryland School for the Deaf
MVLO: Maryland Virtual Learning Opportunities
ROSE: Reducing Overidentification in Special Education
SEED: School for Educational Evolution and Development
UMCP: University of Maryland, College Park Campus

* Designates new discretionary program

Source: Maryland State Department of Education

In order to utilize all funds available prior to the allocation deadline in September 2024, MSDE has reallocated funds to new or existing programs. Since January 2023, a total of \$25.9 million was redistributed to new and existing programs. New programs include:

- \$11.3 million for Maryland Works, which funds LEA apprenticeships;
- \$10.0 million for the Maryland Tutoring Corps, which provides grants for high-quality, school day tutoring in secondary math; and
- \$4.3 million for Reducing Overidentification in Special Education, which is a grant program designed to help LEAs find alternative academic support for students who may have previously been identified for special education services.

MSDE also reallocated an additional \$300,000 for Black Boys Initiatives, for a total of \$2.0 million for that program.

DLS recommends committee narrative requesting that MSDE continue to report on SEA federal stimulus funding, expenditures, and progress on remediation of learning loss through Maryland Leads and discretionary programs.

2. MSDE Improves Reporting Delays; Final Submission Pending

In fiscal 2023, MSDE submitted multiple reports after the due date, with some reports submitted over 90 days late. As a result of these delays, language in the fiscal 2024 Budget Bill restricted \$1.5 million in funds from MSDE Headquarters pending submission of all requested reports that were due between July 1, 2023, and January 15, 2024, as well as a letter stating reports have been submitted in four budget areas: MSDE Headquarters; Early Childhood; Aid to Education; and Funding for Educational Organizations.

Exhibit 10 shows that the 2023 JCR includes a total of 21 reports due by January 15, 2024. As of that date, MSDE has submitted 19 reports on time, with 2 submissions pending: a report on FRPM enrollment counts, which MSDE initially submitted in July 2023, but is pending a revised submission that was due on November 1, 2023; and the letter confirming all reports have been submitted, which is within 30 days of submission of the last outstanding report.

Exhibit 10
MSDE Reports Submitted
Calendar 2023-2024

| <u>Joint Chairmen’s Reports</u> | <u>Reports</u> | <u>0-30 Days</u> | <u>30-90 Days</u> | <u>Final Submission Pending</u> |
|---------------------------------------|----------------|------------------|-------------------|---------------------------------|
| MSDE Headquarters | 9 | 7 | 0 | 2 |
| Early Childhood | 5 | 5 | 0 | 0 |
| Aid to Education | 5 | 5 | 0 | 0 |
| Funding for Educational Organizations | 2 | 2 | 0 | 0 |
| Total | 21 | 19 | 0 | 2 |
| <i>% of Total</i> | | <i>90%</i> | <i>0%</i> | <i>10%</i> |

MSDE: Maryland State Department of Education

Note: Annual and 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

Besides the letter acknowledging submission of all reports, the pending response is an audit of fiscal 2024 FRPM enrollment data, which is needed to accurately calculate funding for the Compensatory Education and Concentration of Poverty programs. MSDE's initial report and dataset included data irregularities and misalignment with the current statute, which resulted in a request by the budget committees to MSDE to resubmit this report. More information on concerns with MSDE's FRPM, compensatory education, and concentration of poverty enrollment counts is available in the R00A02 – MSDE Aid to Education analysis.

DLS recommends that MSDE comment on the status of the outstanding FRPM response.

3. MCSS Administers New Evaluation and Emergency Preparedness Grant; SRO Grant Underspent in Fiscal 2023

Since fiscal 2023, MCSS has administrated all school safety grants: the SRO grant; the Safe Schools grant; the Hate Crimes Grant; the Public School Safety Grant Program (PSSGP) grant; and the Nonpublic School Security Improvements (NSSI) grant. In fiscal 2024, MCSS used \$3.0 million from the Safe Schools Fund for a School Safety Evaluation grant for LEAs to meet requirements in Chapter 30 of 2018. In fiscal 2025, MCSS will use \$3.0 million from the Safe Schools Fund for a new Emergency Preparedness grant, which provides LEAs the opportunity to apply for funding for that purpose. Even though MCSS administrates all school safety grants, funds for the PSSGP program and the NSSI grant are budgeted under D25E03.03 – IAC. **Exhibit 11** shows that from fiscal 2023 to 2025, a total of \$102.9 million has been allocated for school safety grant programs and evaluations including \$93.4 million for mandated grants and \$9.5 million for nonmandated grants and programs.

Exhibit 11
School Safety Grant Funding
Fiscal 2021-2025
(\$ in Millions)

| <u>Grant Program</u> | <u>Fund Type</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> | <u>Total</u> |
|-----------------------------|-------------------------|--------------------|--------------------|--------------------|---------------------|
| Mandated | | | | | |
| SRO | GF/SF | \$13.7 | \$20.0 | \$20.0 | \$53.7 |
| PSSGP | GF | 10.0 | 10.0 | 10.0 | 30.0 |
| Hate Crimes Grant | GF | 2.0 | 3.0 | 3.0 | 8.0 |
| Safe Schools | SF | 0.5 | 0.6 | 0.6 | 1.7 |
| Subtotal | | \$26.2 | \$33.6 | \$33.6 | \$93.4 |
| Nonmandated | | | | | |
| NSSI | GF | \$3.5 | \$0.0 | \$0.0 | \$3.5 |
| School Safety Evaluation | SF | 0.0 | 3.0 | 0.0 | 3.0 |
| Emergency Preparedness | SF | 0.0 | 0.0 | 3.0 | 3.0 |
| Subtotal | | \$3.5 | \$3.0 | \$3.0 | \$9.5 |
| Total | | \$29.7 | \$36.6 | \$36.6 | \$102.9 |

GF: general funds
 NSSI: Nonpublic School Safety Improvements
 PSSGP: Public School Safety Grant Program
 SF: special funds
 SRO: School Resource Officer

Note: Fiscal 2025 funding for the PSSG is budgeted under D25E03.03 – Interagency Commission on School Construction.

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

- The SRO grant was established in Chapter 30 and is designated for LEA to offset costs for hiring SROs. LEA grant allowances are determined every fiscal year and depend on the number of schools in the school district. LEAs must apply to use their grant allowance, and funds must supplement, not supplant, LEA funding for SROs. This fund is a mandated general fund to special fund transfer, so each year the appropriation 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. In fiscal 2024 and 2025, this program receives the mandated \$20.0 million per year, with \$10.0 million in general funds seeding \$10.0 million in special funds to the Safe Schools Fund.

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- The PSSGP was established in Chapter 14 of 2018, the 21st Century School Facilities Act, for LEA capital improvements for school safety. Eligible school safety improvements funded by the program are identified through facility risk assessments required by Chapter 30. This program has an annual mandated allocation of \$10.0 million. Starting 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. In the fiscal 2025 proposed budget, this program receives the \$10.0 million mandated allocation as general funds in IAC’s operating 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. In the fiscal 2025 budget as introduced, this grant receives \$3.0 million in general funds.
- The Safe Schools 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 program is a special fund mandate of \$600,000, which is supported by revenues from fines on motorists driving without proper insurance and designated for performing risk assessments, safety training, and outreach. In the fiscal 2025 proposed budget, this grant receives the mandated \$600,000 allocation in special funds.
- The NSSI grant was authorized in budget bill language in fiscal 2023 and received \$3.5 million in general funds for capital improvements for nonpublic schools. This program is not funded in the fiscal 2024 or 2025 budgets.
- LEA Safety Evaluation grants received one-time funding from the Safe Schools Fund in fiscal 2024;
- LEA Emergency Preparedness grants receive funding from the Safe Schools Fund for the first time in the fiscal 2025 proposed budget.

For school safety programs that receive general funds, funds not awarded in that fiscal year are reverted. For school safety programs that receive special funds, funds not awarded in that fiscal year are canceled and returned to Safe Schools Fund.

LEA School Safety Evaluation Grants

In the fiscal 2024 budget, MCSS received \$3.0 million in special funds for LEA school safety evaluations. MCSS reports that the window for grant applications closed on September 30, 2023. Each LEA was allocated a minimum of \$50,000, and LEAs with over 25 schools were allocated at least \$1,973 per school. Eleven LEAs submitted applications for a total request of \$922,002. MCSS notes that fiscal 2024 is the first time that LEAs have had the opportunity to apply for these grants and, therefore, the agency continues to contact LEAs regarding this grant opportunity. MCSS reports that if additional LEAs are interested in conducting

an evaluation, the agency will grant additional approvals if the LEA can complete the evaluation before the end of fiscal 2024.

SRO Grant Underspent in Fiscal 2023

As part of mandated funding in Chapter 30, LEAs may apply for the SRO grant program, which offset costs for hiring SROs. In fiscal 2023, MCSS allocated approximately \$3.8 million out of \$10.0 million to LEAs for SRO grants, closing the fiscal year with an unspent balance of \$6.2 million for this grant program, with canceled funds returning to the Safe Schools Fund.

MCSS should discuss efforts to maximize the use of the SRO grant and LEA School Safety Evaluation Grants.

Operating Budget Recommended Actions

1. Adopt the following narrative:

Report on Accounting Practices: Due to ongoing concerns about accounting practices, the committees request that the Maryland State Department of Education (MSDE) submit a closeout report by October 1, 2024. 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, 2024 |

2. 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 committees request that MSDE report by November 1, 2024, 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 | November 1, 2024 |

3. 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 committees request that MSDE report by December 1, 2024, on the Maryland Leads program. The report should include the following information:

- a summary of progress on Maryland Leads objectives to date;
- LEA implementation plans by Maryland Leads subprogram;
- expenditures by LEA and subprogram for fiscal 2023 and 2024, including expenditures on personnel;
- summative assessments or outcome measures, by LEA and program, implemented to remediate student learning loss;
- documentation of improvements in literacy and math proficiency, by LEA, grade, and subprogram, as the result of Maryland Leads initiatives; and
- a plan and timeline to share updates on Maryland Leads implementation and outcomes with the public, either on the MSDE website, LEA websites, or by other means.

| Information Request | Author | Due Date |
|----------------------------|---------------|------------------|
| Report on Maryland Leads | MSDE | December 1, 2024 |

| | Amount Change |
|--|--------------------------|
| 4. Reduce general funds to the Maryland Center for School Safety for the School Resource Officer grant program by \$3.0 million. This reduction will be backfilled with special funds from the Safe School Fund balance. | \$ 3,000,000 GF |

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5. Add the following language to the special fund appropriation:

\$3,000,000 in special funds is added to the appropriation for program R00A06.02 Maryland Center for School Safety – Grants within the Maryland Center for School Safety budget for the purpose of funding the School Resource Officer grant program. Funds not expended for this added purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the Safe Schools Fund.

Explanation: This language adds \$3.0 million in special funds to the appropriation for the School Resource Officer grant in the Maryland Center for School Safety budget.

| | <u>Amount Change</u> |
|---|---------------------------------|
| 6. Reduces special funds for the new Emergency Preparedness grant in the Maryland Center for School Safety. Local education agencies can fund emergency preparedness planning within their operating budgets. | \$ 3,000,000 SF |
| Total Net Change | \$ 6,000,000 |
| Total General Fund Net Change | \$ 3,000,000 |
| Total Special Fund Net Change | \$ 3,000,000 |

Updates

1. MCSS Updates Tip Line Policies and Procedures

Exhibit 12 shows MCSS categories of tip line calls. Under an interagency agreement with MCSS, the Maryland Department of Emergency Management (MDEM) 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. As part of a 2022 OLA audit, MCSS updated tip line policies procedures, which are now in use.

Exhibit 12
Maryland Center for School Safety 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% |

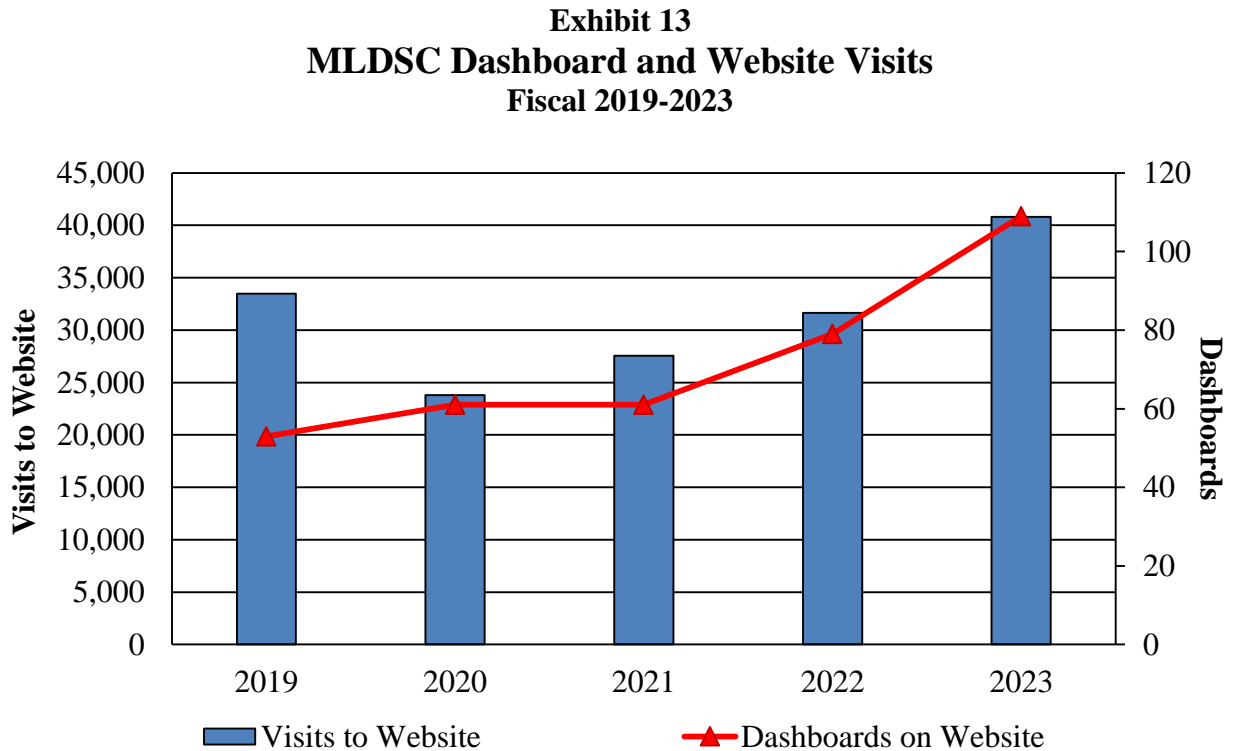
Note: Maryland Center for School Safety does not report tip counts under 10 for any event type.

Source: Maryland Center for School Safety, Fiscal 2025 Managing for Results

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’ MFR. Due to the return to in-person schooling, from fiscal 2021 to 2022, calls to the tip line increased from 404 to 707, almost 75%. Current MFR data is updated for fiscal 2022, with 707 tips and 20 categories reporting over 10 tips.

2. MLDSC Data Dashboards and Visits to Website Increase

Exhibit 13 shows data dashboards and visits to MLDSC’s website from fiscal 2019 to 2023. 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 2022 to 2023, the number of data dashboards available on the website increased by 30, from 79 to 109, or 38%, and visits to the website increased by 9,147 from 31,651 to 40,798, or 29%.



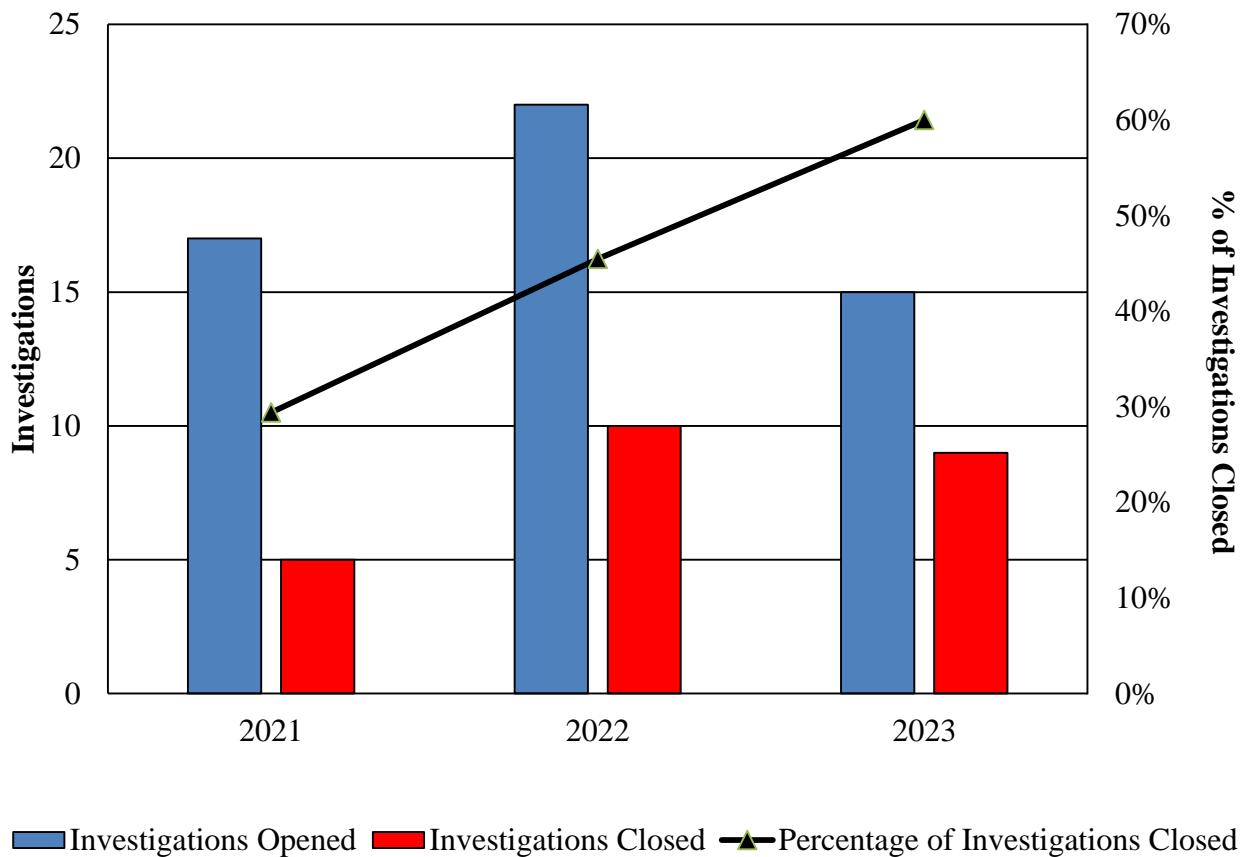
MLDSC: Maryland Longitudinal Data Systems Center

Source: Maryland State Department of Education, Fiscal 2025 Managing for Results

3. OIGE Increases Percentage of Investigations Closed

Exhibit 14 shows OIGE’s number investigations opened and closed and the percentage closed. OIGE provides a central point for coordination of, and responsibility for, activities that promote educational accountability, integrity, and efficiency in government. In fiscal 2023, OIGE opened 15 investigations and closed 9, for a closure percentage of 60%.

Exhibit 14
OIGE Investigations Opened and Closed
Fiscal 2021-2023



OIGE: Office of the Inspector General for Education

Source: Office of the Inspector General for Education, Fiscal 2025 Managing for Results

4. MSDE Submits Response to Audit Findings

Exhibit 15 provides a summary of information requested in budget bill language in the 2023 JCR on MSDE actions to remediate concerns from a fiscal compliance audit released by OLA in January 2023. The audit identified nine findings, four of which were redacted. In an initial and follow report submission, MSDE responded to all questions, which are summarized here.

Exhibit 15 MSDE Response to Audit Findings Calendar 2023

| <u>Finding</u> | <u>Summary of Concerns</u> | <u>MSDE Resolution</u> |
|---|--|---|
| Blueprint funds were not used in accordance with State law | <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"> • Conducted weekly calls with LEA financial officers • Increased monitoring of Blueprint expenditures • Released a Task Order request for proposal for an independent audit |
| Consider establishing a monitoring process to ensure LEAs implement corrective actions | <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"> • MSDE responded that this request is outside the scope of the department’s role • MSDE recommends that the General Assembly clarify whether MSDE or OLA is responsible for monitoring and oversight of LEA corrective actions |
| 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"> • Created additional error and system checks in the web-based data collection system • Added early and year-end enrollment checks to ensure LEA reporting accuracy |

| <u>Finding</u> | <u>Summary of Concerns</u> | <u>MSDE Resolution</u> |
|---|---|--|
| Grantee expenditure and performance data were not verified, and site visits were not conducted (repeat finding from previous audit) | <ul style="list-style-type: none">• No documentation of performance data or grant expenditures• Policies and grant agreements did not always require site visits | <ul style="list-style-type: none">• Created a program monitoring tool to verify grantee financial data• Developed a template for a grant information guide• Updated policies and procedures for grant monitoring including detailed instructions for site visits, verification of grantee expenditures, and an updated grant agreement |
| MSDE did not always comply with State procurement regulations | <ul style="list-style-type: none">• Documentation for bid openings and witnesses present at procurements• Retaining procurement documentation• Publishing contract awards on eMMA | <ul style="list-style-type: none">• Implemented a new process for bid proposals• Developed a procurement checklist• Published contract awards on eMMA |

eMMA: *eMaryland Marketplace Advantage*

LEA: local education agency

MSDE: Maryland State Department of Education

OLA: Office of Legislative Audits

Source: Maryland State Department of Education; Office of Legislative Audits

5. Virtual Learning Continues with Programs for Educators and Students

Exhibit 16 provides a summary of information provided by MSDE in response to committee narrative in the 2023 JCR on actions in calendar 2023 to facilitate virtual learning for teachers and students across the State. MSDE submitted information on digital teaching and learning supports, the Maryland Virtual Learning Opportunities, and LEA virtual learning programs for students. MSDE reports that in fiscal 2023, MSDE spent approximately \$8.9 million on virtual learning. MSDE is also working on implementation of Chapter 804, which requires a newly formed Virtual Learning workgroup to submit a report to the Governor and General Assembly by September 1, 2024, on next steps for the State regarding virtual education and criteria for establishment of virtual schools.

Exhibit 16
Virtual Learning
Fiscal 2023

| <u>Virtual Learning Offerings</u> | <u>MSDE Actions and Current Status</u> | <u>Expenditures Fiscal 2023</u> |
|---|---|--|
| Digital Learning and Teaching Supports (Students and Teachers) | <ul style="list-style-type: none"> ● Chapter 804 of 2023 implementation <ul style="list-style-type: none"> ● New Virtual Education workgroup formed ● Report due on September 1, 2024 ● Canvas Learning Management System delivers both student and professional development courses <ul style="list-style-type: none"> ● 13,000 users in approximately 15 professional development and 150 student courses ● 35 active eCommunities for teachers with 3,370 participants moderated by coordinators ● Total cost for seven-year license is approximately \$800,000 | \$223,680 |
| Maryland Virtual Learning Opportunities (Students and Teachers) | <ul style="list-style-type: none"> ● Uses federal funding to enhance education through technology ● Delivers <u>asynchronous</u> courses ● Two programs: Student and Professional Learning Opportunities <ul style="list-style-type: none"> ● Student Learning Opportunities <ul style="list-style-type: none"> ● 30,500 students enrolled in 2022-2023 school year in student learning ● 14 approved courses ● Certified teachers ● Professional Learning Opportunities <ul style="list-style-type: none"> ● 6 courses ● Hosted by digital learning facilitators with Maryland teacher certification ● Gain continuing professional development credit | \$8.7 million |

Virtual Learning Offerings

MSDE Actions and Current Status

Expenditures Fiscal 2023

| | | |
|---|--|----------------------|
| Virtual Learning Programs and Schools (Students Only) | <ul style="list-style-type: none">• 22 of 24 LEAs offer a virtual program or school option for K-12 students• 2022-2023 school year ended with 6,847 students enrolled• Both synchronous and asynchronous coursework and instruction• Eastern Shore of Maryland Educational Consortium is collaborative a full day program for students 6-12• Vendor provides courses and curriculum• LEAs manage enrollment and attendance and grade reporting• Ongoing data collection by MSDE to determine virtual learning success | \$0 |
| Total | | \$8.9 million |

LEA: local education agency
MSDE: Maryland State Department of Education
Source: Maryland State Department of Education

Appendix 1
Summary of Maryland Leads Implementation
Fiscal 2023

Summary

- Awards announced in spring 2022
- Implementation started in summer 2022
- Programs implemented in 2022-2023 and 2023-2024 school years
- Funding must be spent by January 2025
- **Total program funding = \$172.5 million**

| <u>Program</u> | <u>Details</u> | <u>Allocation</u> |
|-----------------------------|---|--------------------------|
| Staff Support and Retention | 22 out of 24 LEA participating <i>Purpose:</i> Provide support, training, and benefits for current staff <i>LEA Activities:</i> retention incentives, planning time, employee health and wellness, mentoring, supporting National Board Certification (NBC) <i>Potential Use of Funds:</i> stipends, supplemental pay, awards, technical assistance, and programs <i>Summative Measures:</i> vacancy reduction, NBC teachers certified, retention rates <i>Impact on Student Learning Loss:</i> indirect, but may improve quality of teacher practice, differentiated support, and inclusiveness | \$51.2 million |

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| | | |
|---------------------|---|----------------|
| Science of Reading | 23 of 24 LEAs participating Purpose: To improve student literacy with targeted strategies that help students read LEA Activities: Core strategies in professional learning, high-quality instructional materials, and three times per year literacy monitoring assessments Potential Use of Funds: stipends for professional development, high-quality instructional materials, and assessment costs Summative Measures: MCAP English/language arts (ELA), Measures of Academic Progress, Dynamic Indicators of Basic Early Literacy Skills, and LexiaCore5 Impact on Student Learning Loss: increases in MCAP ELA Grade 3-5 scores | \$47.1 million |
| Grow Your Own Staff | 23 out of 24 LEAs participating Purpose: to augment and diversify the pipelines for prospective teachers and essential support personnel LEA Activities: encourage diversification, teaching assistants and high school students entering the teaching profession, and programs to fill hard-to-fill certification areas Potential Use of Funds: tuition, fees, certification exams, stipends, professional development, marketing and communication Summative Measures: candidate placements, program enrollment, and participants completing higher credential Impact on Student Learning Loss: indirect, but may improve teacher quality and workforce diversity | \$39.1 million |

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Reimagining the Use of Time 10 out of 24 LEAs participating \$14.9 million

Purpose: provide opportunities to rethink traditional educational structures

LEA Activities: restructure schools schedule to allow for tutoring, service learning, career and college exploration, support, and other academic activities

Potential Use of Funds: training, supplies, and technical assistance

Summative Measures: grade 9 promotion rates, educator satisfaction, students in honors classes, student engagement, and MCAP ELA

Impact on Student Learning Loss: recovering credits lost during COVID-19 school closures, increased student engagement, increased MCAP ELA grade 6 scores

TNECS 8 out of 24 LEAs participating \$8.8 million

Purpose: create integrated school environments for academic growth and holistic development

LEA Activities: strategic staffing, family connections and engagement, and coordinated case management and care

Potential Use of Funds: technical assistance, project management, salaries, and stipends

Summative Measures: parent and family engagement and reported student well-being

Impact on Student Learning: indirect, but may impact staff attrition, truancy, and conditions that prevent students from attending school

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| | | |
|--|--|------------------------|
| High-Quality School Day Tutoring | 5 out of 24 LEAs participating Purpose: to address learning gaps and provide school-day tutoring LEA Activities: attract high-quality professionals to implement tutoring during the day to address learning loss Potential Use of Funds: stipends, salaries, instructional materials, technology, and costs for vendors and partners Summative Measures: LEA, diagnostic, and MCAP assessments Impact on Student Learning Loss: increased proficiency on math MCAP and local assessments | \$5.3 million |
| Innovative School Models | 4 out of 24 LEAs participating Purpose: exploring new pedagogical models that are more effective for certain groups of students LEA Activities: new models for CTE, early/middle college, and socioeconomically diverse and integrated learning environments Potential Use of Funds: technical assistance, professional development, event coordination, and supplies and materials Summative Measures: apprenticeship enrollment, industry licensure or certification, course enrollments, and apprentices hired Impact on Student Learning Loss: indirect, but may provide students opportunities for job and career growth, apprenticeships, and industry licensure | \$2.6 million |
| Administration | Funding provided for program management | \$3.5 million |
| Total | | \$172.5 million |

Source: Maryland State Department of Education

Appendix 2
2023 Joint Chairmen’s Report Responses from Agency

The 2023 JCR requested that MSDE prepare eight reports. Electronic copies of the full JCR responses can be found on the DLS Library website.

- **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 through 2023, the budget committees requested that MSDE submit a closeout report on all funds documenting reversions and encumbrances that did not equal \$0. In its fiscal 2023 closeout report, MSDE reported a total of approximately \$43.0 million in encumbrances, including \$16.8 in general funds in the Office of the State Superintendent. Further discussion of this response can be found in the Fiscal 2023 section of this analysis.
- **Report on the Maryland Leads Program:** The American Rescue Plan Act requires State agencies to spend a designated percentage of ESSER funds to address learning loss. MSDE applied these funds to a new noncompetitive grant program for LEAs called Maryland Leads. To ensure proper oversight of this program and federal stimulus funding, the committees requested that MSDE report on LEA actions, program expenditures, and measurable gains in reversing COVID-19 related learning loss. MSDE reported that although the program is mid-implementation, improvements in reading and literacy, increased teacher retention, and more opportunities for school-day tutoring are attributable to the program. Further discussion of this response can be found in Issue 1.
- **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 all funds have been allocated. Further discussion of this response can be found in Issue 1.
- **Letter Confirming Submission of Reports Requested in the 2023 JCR:** As part of the JCR, MSDE is responsible for submitting responses multiple budget areas. In fiscal 2023, MSDE submitted multiple reports after the date, with some reports submitted over 90 days late. As of January 15, 2024, MSDE submitted 19 out of 21 reports on time. When all reports have been submitted, MSDE must submit a letter to the budget committees to obtain release of funds. Further discussion of MSDE JCR reporting can be found in Issue 2.
- **Report on OLA Findings:** In a fiscal compliance audit released by OLA January 2023, 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 LEAs, appropriate monitoring of fiscal management practices, and State procurement procedures. As of November 2022, MSDE reports updating policies on

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grantee fiscal and reporting requirements; new supporting documentation and protocols for procurement and task orders; and ongoing enrollment audits. Further discussion of MSDE enrollment procedures can be found in Update 4.

- ***Report on Virtual Learning:*** To understand the impact and monitor the continued expansion of virtual learning across the State, the budget committees requested that MSDE provide an update on actions taken in calendar 2023 to facilitate virtual learning for teachers and students across the State. MSDE reported that actions in calendar 2023 include establishment of a virtual learning workgroup as part of implementation of Chapter 804 among other specific virtual learning activities. Further discussion of virtual learning can be found in Update 5.
- ***Report on Math Proficiency:*** Due COVID-19-related declines in student math proficiency, the budget committees requested information on accountability measures for LEAs or schools that fail to improve math proficiency within two years. MSDE reported that current interventions include updated math curricula in alignment with MCAP, professional development, and accountability measures in alignment with Blueprint for Maryland’s Future provisions and plans. Further discussion of math proficiency and achievement can be found in the R00A02 – Aid to Education analysis.
- ***Report on State Teacher Mobility Compacts:*** In the 2023 session, HB 1219 as introduced by the Governor required Maryland to join the Interstate Teacher Mobility Compact (ITMC), which is intended to improve teacher recruitment and retention in member states. Although this provision was removed from the final legislation (Chapter 627 of 2023), the budget committees requested that MSDE report on this compact and what might be required as a member state. MSDE reported that, along with other requirements, member states must adopt model legislation and repeal certain statutes in order to participate in ITMC.

Appendix 3
Audit Findings
Maryland Longitudinal Data Systems Center

| | |
|------------------------------|------------------------------------|
| Audit Period for Last Audit: | December 3, 2018– October 31, 2023 |
| Issue Date: | October 2023 |
| Number of Findings: | 1 |
| Number of Repeat Findings: | 0 |
| % of Repeat Findings: | 0% |
| Rating: (if applicable) | |

Finding 1: Redacted cybersecurity-related finding.

Appendix 4
Object/Fund Difference Report
Maryland State Department of Education – Headquarters

| <u>Object/Fund</u> | <u>FY 23</u> <u>Actual</u> | <u>FY 24</u> <u>Working</u> <u>Appropriation</u> | <u>FY 25</u> <u>Allowance</u> | <u>FY 24 - FY 25</u> <u>Amount Change</u> | <u>Percent</u> <u>Change</u> |
|---|-------------------------------|--|----------------------------------|--|---------------------------------|
| Positions | | | | | |
| 01 Regular | 1,055.90 | 1,068.90 | 1,181.90 | 113.00 | 10.6% |
| 02 Contractual | 119.87 | 149.05 | 41.50 | -107.55 | -72.2% |
| Total Positions | 1,175.77 | 1,217.95 | 1,223.40 | 5.45 | 0.4% |
| Objects | | | | | |
| 01 Salaries and Wages | \$ 113,634,831 | \$ 120,722,356 | \$ 140,777,533 | \$ 20,055,177 | 16.6% |
| 02 Technical and Special Fees | 36,794,548 | 106,374,421 | 75,140,922 | -31,233,499 | -29.4% |
| 03 Communication | 983,367 | 997,557 | 1,579,350 | 581,793 | 58.3% |
| 04 Travel | 553,301 | 1,415,376 | 2,049,350 | 633,974 | 44.8% |
| 06 Fuel and Utilities | 897,059 | 936,956 | 853,849 | -83,107 | -8.9% |
| 07 Motor Vehicles | 1,472,242 | 990,099 | 2,202,082 | 1,211,983 | 122.4% |
| 08 Contractual Services | 83,475,292 | 94,296,042 | 95,933,893 | 1,637,851 | 1.7% |
| 09 Supplies and Materials | 1,050,693 | 1,538,177 | 1,953,863 | 415,686 | 27.0% |
| 10 Equipment – Replacement | 815,731 | 1,200,243 | 689,131 | -511,112 | -42.6% |
| 11 Equipment – Additional | 190,166 | 56,315 | 432,483 | 376,168 | 668.0% |
| 12 Grants, Subsidies, and Contributions | 51,587,089 | 45,596,171 | 43,454,252 | -2,141,919 | -4.7% |
| 13 Fixed Charges | 7,327,933 | 7,309,654 | 7,893,598 | 583,944 | 8.0% |
| 14 Land and Structures | 52,388 | 531,000 | 110,000 | -421,000 | -79.3% |
| Total Objects | \$ 298,834,640 | \$ 381,964,367 | \$ 373,070,306 | -\$ 8,894,061 | -2.3% |
| Funds | | | | | |
| 01 General Fund | \$ 121,217,203 | \$ 108,787,146 | \$ 112,993,792 | \$ 4,206,646 | 3.9% |
| 03 Special Fund | 19,366,755 | 32,487,027 | 33,214,060 | 727,033 | 2.2% |
| 05 Federal Fund | 158,011,149 | 239,734,036 | 226,108,033 | -13,626,003 | -5.7% |
| 09 Reimbursable Fund | 239,533 | 956,158 | 754,421 | -201,737 | -21.1% |
| Total Funds | \$ 298,834,640 | \$ 381,964,367 | \$ 373,070,306 | -\$ 8,894,061 | -2.3% |

Note: The fiscal 2024 appropriation does not include deficiencies. The fiscal 2025 allowance does not include statewide salary actions budgeted within the Department of Budget and Management.

Appendix 5
Fiscal Summary
Maryland State Department of Education – Headquarters

| <u>Program/Unit</u> | <u>FY 23</u> <u>Actual</u> | <u>FY 24</u> <u>Wrk Approp</u> | <u>FY 25</u> <u>Allowance</u> | <u>Change</u> | <u>FY 24 - FY 25</u> <u>% Change</u> |
|--|-------------------------------|-----------------------------------|----------------------------------|----------------------|---|
| 01 Office of the State Superintendent | \$ 77,472,111 | \$ 74,085,251 | \$ 77,326,961 | \$ 3,241,710 | 4.4% |
| 02 Office of the Chief of Staff | 346,835 | 326,706 | 862,777 | 536,071 | 164.1% |
| 03 Office of the Deputy for Teaching and Learning | 25,372,167 | 36,222,569 | 37,533,902 | 1,311,333 | 3.6% |
| 05 Office of the Deputy for Organizational Effectiveness | 23,192,894 | 26,150,801 | 32,436,832 | 6,286,031 | 24.0% |
| 06 Office of the Deputy for Operations | 17,766,007 | 21,781,140 | 24,738,916 | 2,957,776 | 13.6% |
| 07 Major Technology Information Projects | 23,104,898 | 12,000,000 | 5,000,000 | -7,000,000 | -58.3% |
| 20 Department of Rehabilitative Services (DORS) - Headquarters | 12,220,196 | 26,916,868 | 23,748,119 | -3,168,749 | -11.8% |
| 21 DORS - Client Services | 42,835,807 | 83,839,683 | 63,520,319 | -20,319,364 | -24.2% |
| 22 DORS - Workforce and Technology Center. | 9,009,271 | 11,136,534 | 12,927,099 | 1,790,565 | 16.1% |
| 23 DORS - Disability Determination Services | 34,726,935 | 43,535,713 | 46,750,454 | 3,214,741 | 7.4% |
| 24 DORS – Blindness and Vision Services | 7,680,094 | 10,179,869 | 11,970,607 | 1,790,738 | 17.6% |
| 01 Maryland Longitudinal Data Systems Center | 3,275,018 | 3,531,847 | 3,526,666 | -5,181 | -0.1% |
| 01 Operations | 2,991,710 | 3,166,390 | 3,449,595 | 283,205 | 8.9% |
| 02 Grants | 16,845,138 | 26,600,000 | 26,600,000 | 0 | 0% |
| 01 Inspector General’s Office | 1,995,559 | 2,490,996 | 2,678,059 | 187,063 | 7.5% |
| Total Expenditures | \$ 298,834,640 | \$ 381,964,367 | \$ 373,070,306 | -\$ 8,894,061 | -2.3% |
| General Fund | \$ 121,217,203 | \$ 108,787,146 | \$ 112,993,792 | \$ 4,206,646 | 3.9% |
| Special Fund | 19,366,755 | 32,487,027 | 33,214,060 | 727,033 | 2.2% |
| Federal Fund | 158,011,149 | 239,734,036 | 226,108,033 | -13,626,003 | -5.7% |
| Total Appropriations | \$ 298,595,107 | \$ 381,008,209 | \$ 372,315,885 | -\$ 8,692,324 | -2.3% |
| Reimbursable Fund | \$ 239,533 | \$ 956,158 | \$ 754,421 | -\$ 201,737 | -21.1% |
| Total Funds | \$ 298,834,640 | \$ 381,964,367 | \$ 373,070,306 | -\$ 8,894,061 | -2.3% |

Note: The fiscal 2024 appropriation does not include deficiencies. The fiscal 2025 allowance does not include statewide salary adjustments budgeted within the Department of Budget and Management.