

R00A02

Aid to Education

Maryland State Department of Education

Response to the Analyst's Review and Recommendations

Senate Education, Business, and Administration Subcommittee –  
March 1, 2021

House Education and Economic Development Subcommittee –  
March 1, 2021



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The Maryland State Department of Education (MSDE) welcomes this opportunity to share with the Committee some of its success stories and to address questions raised by the analyst.

*Performance Analysis: Managing for Results*

**1. Graduation Rates**

**MSDE should comment on when updated graduation rates will be available.**

**MSDE response:**

The 2020 Graduation Rate was presented to the State Board of Education on Tuesday, February 23, 2021. The data was released on the report card website – [www.mdreportcard.org](http://www.mdreportcard.org) – the same day. Additionally, the 2020 graduation rate Managing for Results (MFR) data was provided to the Department of Budget and Management and the Department of Legislative Services.

**Fiscal 2021**

**Local School System COVID-19 Relief**

**The Department of Legislative Services (DLS) recommends to the budget committees that MSDE report on the expenditure of federal CARES and CRRSA funds by LSS. This report should include details of LSS expenditures on COVID-19, by program and object, for the following fund distributions: ESSER I and II; CRF for technology; CRF for tutoring; GEER I funds for Competitive Innovation Grants; and GEER II funds for Innovative Approaches to Connecting with Students.**

**MSDE response:**

MSDE will provide the requested information.

*Issues*

**1. Blueprint for Maryland’s Future – Implementation**

**Blueprint for Maryland’s Future Revenue Sources**

**DLS recommends the adoption of a provision in the BRFA of 2021 to expand the uses of the Blueprint for Maryland’s Future Fund to include new grants included in the Supplemental Budget No. 1.**

**MSDE response:**

MSDE concurs.

## **Concentration of Poverty Schools**

**MSDE should comment on whether LSS will be allowed to carry over unspent fiscal 2021 Blueprint funds in fiscal 2022.**

### **MSDE response:**

The Concentration of Poverty grant is designed to provide funding to school systems for schools with significantly high poverty levels. MSDE believes that it would be beneficial to allow these school systems to retain any grant balances to provide the required Community School and health services to those schools and/or provide necessary wrap-around services allowed by the statute. This is especially true given the pandemic's impact on schools and communities, which not only precluded full use of the funding, but exacerbated the need in the community for coordinated services and health support.

**MSDE should comment on whether \$746,499 in fiscal 2020 funds associated with three closed schools should be canceled or applied to the fiscal 2022 CPS allocation. Additionally, based on data collected in the DLS survey of LSS on fiscal 2020 and 2021 Blueprint spending and remaining amounts identified in three programs, DLS recommends to the budget committees that MSDE submit closeout reports for grants allocated for TSI, special education, and CPS. This closeout report should provide details as to how LSS spent these funds, as well as remaining fund balances.**

### **MSDE response:**

Prior to the close of fiscal year 2021, MSDE will amend the affected school system's grant downward by \$746,499, reflecting the three closed schools. This action will leave these funds unobligated at fiscal year-end. Given the nature and timing of the program, MSDE will review the list of schools to determine any schools that did not re-open, and will adjust the effected grant(s) accordingly.

## **2. Maintenance of Effort**

**To address this issue, DLS recommends that the required MOE funding for fiscal 2023 be based on the fiscal 2021 per pupil local appropriation, which would be calculated using the greater of September 30, 2021, or the three-year average count *excluding* September 30, 2020 enrollment. This would eliminate the unusually low enrollment count and resulting unusually high local appropriation per pupil for some counties in fiscal 2022. DLS also recommends that the September 2020 enrollment count be excluded from *every* three-year average count used in the new funding formulas including the MOE under Chapter 36. These changes can be made in legislation expected to be introduced this session to address technical and other changes needed to Chapter 36, due to the delayed enactment of the bill.**

### **MSDE response:**

MSDE will comply with the statutory requirements set forth by the General Assembly.

### **3. P-TECH Report Suggests 2020-2021 Enrollment Exceeds Budget**

**DLS recommends to the budget committees that MSDE report on P-TECH, including the following program information: (1) current enrollment in all P-TECH programs by cohort and entry year; (2) the number of students who left the program in any given year and reasons for departure; (3) the total students who have graduated by program and percentage of completion rate; and (4) the cost per student per program in fiscal 2020 through 2022, including supplemental school and college grants by institution and LSS.**

#### **MSDE response:**

P-TECH costs are difficult to estimate due to the inability to predict college course enrollment by P-TECH students. All P-TECH programs have a specific college course sequence that students must complete. P-TECH students enroll in college courses as individuals, not as cohorts. As a result, some students take college coursework earlier in the P-TECH program and others take it later in the P-TECH program. Some students may not pass all college courses on their first attempt, which requires students to repeat courses. The inability to accurately predict when a student will enroll and successfully complete a required P-TECH college course makes it difficult to estimate costs. Most of the recommendations identified by DLS are already included in the annual report produced by the Maryland State Department of Education for the Governor and General Assembly. The only data not currently captured is the reason for a student's departure from the P-TECH program. MSDE will begin to require school systems to collect this data point and will include it in the 2021 P-TECH report.

### **4. Nonpublic Placement Program Reports Fiscal 2020 Surplus**

**Due to the significant amount of this discrepancy, DLS recommends a reversion of \$7.5 million in program funds for fiscal 2020 as part of the BRFA of 2021. DLS also recommends that MSDE submit a detailed closeout report on this program for fiscal 2020. This report should provide information by provider on enrollment, annual reimbursement cost, documentation on the discrepancy, and reasons for the reconciliation delay.**

#### **MSDE response:**

MSDE respectfully disagrees with the recommendation to revert \$7.5 million in fiscal year 2020 Special Education Nonpublic Placement program funds.

The monthly JCR reports for this program include two years of program data with an “as of” date of that reflects the most recently closed fiscal month. The report submitted in January 2021 compared the 2019 and 2020 program data with an “as of” date of November. This report would show the 2019 program reconciliation was completed in November of 2019.

The MSDE expects the April 2021 report, which will have an “as of” date of February will reflect the full reconciliation of the 2020 program.

### **Operating Budget Recommended Actions**

#### **1. Adopt the following narrative:**

**Closeout Report on Students with Disabilities, Nonpublic Placement Program:** The budget committees are concerned about a recent report from the Maryland Department of Education (MSDE) on the Students with Disabilities, Nonpublic Placements program, which reported a \$40 million discrepancy in the disbursement amounts in fiscal 2020. MSDE reports that this discrepancy is due to final reconciliation delays caused by the pandemic as well as delays in mail service. The budget committees request that MSDE submit a closeout report on this program by August 1, 2021. This report should provide information by provider on enrollment, annual reimbursement cost, documentation on this discrepancy, and reasons for the reconciliation delay.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Closeout report on the Nonpublic Placement program	MSDE	August 1, 2021

MSDE concurs.

**2. Adopt the following narrative:**

**Report on Federal Grants Allocated to Local School Systems for COVID-19 Expenditures:** Maryland schools received a considerable amount of federal aid in responding to the coronavirus pandemic. The budget committees are concerned with the tracking and reporting of funds allocated in response to the COVID-19 pandemic and, therefore, request that the Maryland State Department of Education (MSDE) submit a report by August 1, 2021, on the expenditures of federal Coronavirus Aid, Relief, and Economic Security Act and Coronavirus Response and Relief Supplemental Appropriations Act funds by local school systems (LSS). This report should include details of LSS expenditures on COVID-19 expenditures by program and object; information on how funds were distributed; funds remaining, if any; and details on COVID-19 relief actions taken by LSS. This report should include information on the following federal fund grants:

- Elementary and Secondary School Emergency Relief Fund I and II grants allocated to LSS and the School for Education Evolution and Development school;
- Coronavirus relief funds for K-12 technology and tutoring;
- Governor’s Emergency Education Relief (GEER) I for K-12 Technology and Competitive Innovation Grants; and
- GEER II funds for Innovative Approaches to Connecting with Students.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
report on federal grants to LSS	MSDE	August 1, 2021

MSDE concurs.

**3. Adopt the following narrative:**

**Report on Pathways to Technology Early College High School (P-TECH) Program**

**Enrollment and Costs:** The budget committees are concerned that since the inception of the P-TECH program, predicting costs for this program have proven to be very difficult. To help in continuing to evaluate this program, the budget committees direct the Maryland State Department of Education (MSDE) to report on P-TECH by August 1, 2021, including the following program information:

- current enrollment in all P-TECH programs by high school, community college, cohort, and entry year;
- projected enrollment in all P-TECH programs in school year 2021-2022 and 2022-2023;
- the total number of students who left the program in any given year and reasons for departure;
- the total number of students who have graduated by program and percentage completion rate;
- actual cost per student per program in fiscal 2020 and 2021; and
- projected costs per student per program in fiscal 2022 and 2023, including supplemental school and college grants by institution and local school system.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Program enrollment and costs for P-TECH	MSDE	August 1, 2021

MSDE concurs.

**4. Adopt the following narrative:**

**Closeout Report on Blueprint for Maryland’s Future Programs:** As part of the implementation of Chapter 771 of 2019, local school systems (LSS) are required to report to the General Assembly on the use of the funds allocated in fiscal 2020 and 2021. The budget committees are concerned that, based on data collected in the Department of Legislative Services survey of LSS on fiscal 2020 and 2021 Blueprint spending, that LSS may have amounts remaining in three programs. The budget committees request that the Maryland State Department of Education (MSDE) submit closeout reports on grants by October 1, 2021, for funds allocated for Transitional Supplemental Instruction, Special Education, and Concentration of Poverty Schools. This closeout report should provide details as to how LSS spent these funds as well as remaining fund balances.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Closeout report on Blueprint for Maryland’s Future programs	MSDE	October 1, 2021

MSDE concurs.

**Budget Reconciliation and Financing Act Recommended Actions**

- 1. Expand the use of the Blueprint for Maryland's Future Fund to include new grants funded in Supplemental Budget No. 1.**

MSDE concurs.

- 2. Add provision to transfer funds from the fiscal 2020 Students with Disabilities, Nonpublic Placement program budget.**

MSDE respectfully disagrees.