
R00A01

MSDE Headquarters

Maryland State Department of Education

Response to the Analyst's Review and Recommendations

House Education & Economic Development Subcommittee –

February 1, 2024

Senate Education, Business & Administration Subcommittee –

February 8, 2024



Dr. Carey Wright
Interim State Superintendent of
Schools

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

2. MSDE Performance Measures Discontinued or Not Updated

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.

Teacher Effectiveness

The department collected teacher effectiveness data for the school year 2022-2023 (fiscal 2023). This data is currently being compiled and cleaned and will be available shortly. The Department will explore possible measures for the objective that Maryland's educator workforce will be highly qualified in time for the fiscal 2026 MFR submission.

Division of Rehabilitation Services

Currently, MSDE’s MFR data for this measure is conflating two different workstreams. Goal 3, Objective 3.1 of MSDE’s MFR states “*By June 31, 2025, DORS will help 1,391 people with disabilities obtain competitive, integrated employment and provide Pre-employment Transitioning Services to 7,000 students with disabilities.*” Assisting people with disabilities to obtain competitive, integrated employment is a measure of only adults or out-of-school youth with disabilities. Pre-employment Transitioning Services are only available to students with disabilities, ages 14 – 22, who are enrolled in secondary or post-secondary education.

MSDE proposes separating the two measures and creating a new objective, 3.2. This objective would be “*By June 31, 2025, DORS will provide Pre-employment Transitioning Services to 7,000 students with disabilities.*” There can be two measures for this objective, the number of students qualified as eligible for Pre-employment Transitioning Services and the number of students receiving Pre-employment Transitioning Services.

The Department will work with the Department of Budget and Management on revising the appropriate objectives and metrics for these components. The Department will provide data according to revised MFR criteria beginning with the FY 2026 MFR submission.

Fiscal 2023

**MSDE Headquarters
*Encumbrances***

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.

Office of the State Superintendent

The FY 2023 encumbrance balance totals \$16.8 million representing \$11.2 million in the Office of the State Superintendent (OSS) and \$5.6 million in the Division of Assessment, Accountability, Performance Reporting, and Research. The encumbrance balance remaining in the OSS is predominately associated with the Education Support Professionals Bonus program. The Department received a supplemental deficiency appropriation in the FY 2023 budget to fully fund the \$500 bonus for all educator support professionals. The Department issued the funds to the LEAs but was not able to liquidate all the encumbrances prior to the end of the fiscal year but were fully liquidated in FY 2024.

The encumbrance balance in the Division of Assessment, Accountability, Performance Reporting, and Research is associated with assessment contracts. Due to the assessment windows, the final reconciliation of testing contracts did not occur until after the close of the fiscal year. This was completed in FY 2024.

Division of Rehabilitation Services

The FY 2023 encumbrance balance in DORS is largely associated with medical case services. The funds for case services are encumbered upon authorization and not upon receipt of services. Therefore, the liquidation is dependent on clients obtaining medical services. The Division reviews open encumbrances every six months to clear out encumbrances that are no longer needed by the client.

Personnel Data

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

MSDE has worked diligently to reduce the Department's vacancy rate. In FY 2023, the vacancy rate started at nearly 21% with 250 vacancies on July 1, 2022. In six months, by January 2023, the vacancy rate was reduced by 24 vacancies to 18.9%. By the end of December 2023, MSDE reduced the vacancy rate by 13 percentage points and only 93 vacant positions.

This significant reduction is a result of multi-pronged efforts including careful review and reclassification of Vocational Rehabilitation Specialist positions within the Division of Rehabilitation Services (DORS) and Childcare Licensing Specialist positions in the Division of Early Childhood. These positions were underpaid compared to the federal government, neighboring states and the private sector. The Department is grateful for the collaborative efforts of DBM which resulted in an immediate impact on the Department's vacancy rate.

MSDE also worked to reclassify several agency-specific educational positions to make MSDE an attractive option for experienced candidates. In addition, MSDE's Office of Human Resources

and Office of Communications and Community Engagement employed a strategic and aggressive advertising campaign using various online platforms including LinkedIn, X (formerly Twitter), specialty websites such as Ed Week, professional communities' websites such as Society for Human Resource Management (SHRM) and similar professional platforms.

Currently, the Department's vacancies in the Disability Determination Services, an extension of the Social Security Administration (SSA), are the result of a federal government hiring freeze. In addition, Dr. Wright, Interim State Superintendent of Schools, is reviewing available resources to ensure the Department effectively implements the priorities of the Blueprint for Maryland's Future and the State's Literacy Framework. The Department is closely monitoring any salary savings in FY 2024 and will make decisions, if necessary, on repurposing available funds later in the spring.

Issues

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

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.

MSDE Response: MSDE concurs.

2. MSDE Improves Reporting Delays; Final Submission Pending

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

MSDE regrets that the updated report was not submitted as required. While the Department provided the responses to the additional questions posed by the Department of Legislative Services, the final report was not submitted. Department staff submitted the report to the DLS Library yesterday, January 31, 2024.

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

MSDE Response: MSDE concurs.

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

MSDE Response: MSDE concurs.

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

MSDE Response: MSDE concurs.