
R00A01

MSDE Headquarters

Maryland State Department of Education

Response to the Analyst's Review and Recommendations

House Education & Economic Development Subcommittee –

February 6, 2025

Senate Education, Business & Administration Subcommittee –

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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

1. Retention of Teachers of Color

MSDE should comment on (1) how the department is working to update its MFR submission to include the recently adopted goals for this measure; (2) actions MSDE is taking to help LEAs meet estimated targets in fiscal 2027; and (3) whether MSDE plans to measure retention of teachers of color who identify in additional race categories used by the U.S. Census Bureau and the American Community Survey, including American Indian or Alaska Native, Middle Eastern or North African, Native Hawaiian or Pacific Islander, and Multiracial and/or Multiethnic.

1. Update the MFR Submissions

MSDE's fiscal year 2026 MFR includes the AIB's recently adopted goals for teacher retention of all teachers and teachers of color. The AIB target for retention of all teachers over a three-year period of 78 percent represents a 4 percent increase from 2024. This 4-percentage point increase was divided equally over 3 years, and a 1.3 percentage point increase was included in the 2025 and 2026 estimates of 75.0 and 76.3 percent, respectively. The MFR does not extend to 2027, but an additional 1.3 percentage point increase would arrive at 77.6 percent, which would equate to a 3.9 percentage point increase since 2024. (Note: the baselines and targets used by the AIB were rounded to the nearest whole number percent for simplicity.)

The AIB/MSDE target for retention of teachers of color over a 3-year period of 75 percent represents a 5-percentage point increase. Equally divided over three years, 1.7 percentage point increases were applied to the 2025 and 2026 estimates in the MFR for the three largest race/ethnicity groups of color.

2. MSDE Support to LEAs

During the spring of 2024, MSDE and the Deans and Directors Council (comprised of Deans and Directors of educator preparation programs) partnered to form the P20 Collaborative Recruitment and Retention Committee. This Committee includes representatives from MSDE, MHEC, LEAs, and the AIB and is charged with identifying the obstacles associated with recruiting and retaining a high-quality, diverse teacher workforce and making recommendations to overcome barriers that are identified. At the initial meeting of the P20 Collaborative, barriers identified included student loans, the need for stipends for teacher candidates during the practicum, and a need to rebrand the teaching profession. The next meeting will address the review of local data and the effectiveness of Teacher Academies of Maryland as a recruitment tool. The Committee will meet throughout the 2024-2025 school year.

MSDE is also supporting school and district leaders to lead the changes needed to successfully recruit and retain a diverse teacher workforce through the Leadership Training and the newly designed School Leadership Academy, including topics such as methods to attract highly qualified teachers from diverse backgrounds who reflect the demographics of the students they teach; and Best practices for teacher retention, including retention of teachers from diverse backgrounds.

In December 2024, MSDE published an accessible [Maryland Educator Workforce Dashboard](#), which reports key data points of certificated and noncertificated professional personnel, including attrition. The data may be disaggregated by race/ethnicity at the school level, which will be used as one metric to evaluate the success of Maryland's efforts to recruit and retain a high-quality and diverse teacher workforce. The dashboard will also provide insight into the diversity in our classrooms so that there is an awareness of the racial disparity between Maryland students and educators. The dashboard aims to

create transparency and provide accessible metrics about progress toward diversity. The data can also be used to inform policymakers as they determine how to allocate resources. As the State, districts, and institutions of higher education develop a deeper understanding of their levels of diversity, they become better equipped to allocate resources to teacher and teacher candidates with the greatest potential and/or need.

Beginning in July 2026, the minimum teacher salary will be \$60,000. Those teachers who earn National Board Certification (NBC) will earn an additional \$10,000 salary increase, and should they teach in a low-performing school, they will receive an additional \$7,000 salary increase. Given the significant salary increase associated with NBC, MSDE has provided significantly more funding to teachers pursuing NBC as part of the State and Local Fee Incentive Program. Additionally, MSDE recently awarded \$783,000 to 20 LEAs who applied for funds to conduct training and support for NBC candidates and professional learning facilitators. MSDE will continue to utilize funds from the NBC Support budget to award grants to LEAs to recruit and support a diverse pool of NBC candidates during the 2025-2026 and 2026-2027 school years.

Finally, the State Board of Education promulgated amendments to the Code of Maryland Regulations governing teacher induction in January 2025. The regulations will be published in the Maryland Register for public comment during the winter of 2025 and will hopefully be adopted by the spring of 2025. These regulations provide a framework for local education agencies that ensure new teachers receive evidence-based support and mentoring that has been shown to increase retention.

3. Measuring Additional Race Categories for Teachers of Color

MSDE currently measures retention for teachers of all race/ethnicity groups, as displayed in the [Maryland Educator Workforce Dashboard](#). The categories not included in the MFR for brevity, and statistical reliability collectively represent about 2 percent of the overall teacher workforce in Maryland and in many local school districts there are even smaller numbers of teachers who belong to these groups.

2. Division of Rehabilitation Services Employment Outcomes

MSDE should comment on efforts to reach the target to assist 1,371 people with disabilities to obtain competitive, integrated employment in fiscal 2025.

The Department's efforts to reach the target of assisting 1,317 people with disabilities to obtain competitive and integrated employment include expanding outreach, enhancing training and employment support, and streamlining the intake process. By leveraging these strategies, DORS is on track to achieve the target for job placements.

Expanding Outreach

- DORS is strengthening its services by collaborating with MSDE, LEAs, and community organizations.
- Cross-department collaboration has started with Nutrition Services. DORS has partnered with Nutrition Services to present to LEAs to potentially hire consumers for school cafeteria vacancies. DORS wants to expand this with other MSDE departments for potential consumer employment within schools.
- Continuously collaborating with Chambers of Commerce and industry associations to connect consumers with employers. DORS is expanding partnerships with CVS, Sodexo, the National Restaurant Association, Y of Central Maryland, and possibly Mercy Hospital.

Enhancing Training and Employment Support

- DORS provides training for resume writing, ongoing job coaching, information about workplace accommodations, and assistive technology to support retention with employers.
- DORS recently created an internal and external facing job board on the In DORs & DORs Website: <https://dors.maryland.gov/consumers/Pages/JResources.aspx> for staff and consumers.

Streamlining the Intake Process

- Reducing application processing times by optimizing case management workflows.

MSDE appreciates the collaboration with the Department of Legislative Services on the appropriate description of this MFR goal. Because students with disabilities do not achieve an employment goal. Students with disabilities may not be *closed* while still in high school. Therefore, in fiscal 2024, the measure for adults with disabilities that achieved, and employment outcome totaled 1,009 which is an increase of 15 individuals, or 1 percent from the fiscal 2023 total of 994 and is 362 less than the fiscal 2026 goal of 1,371 individuals.

3. Career and Technical Education Data Dashboard and Teacher Effectiveness MFR Discontinued

In regard to these MFR measures, MSDE should comment on the following:

- **For CTE, the reasons for the phase out of this dashboard, availability of this data in other formats, and how the department plans to report on CTE programs to the public in alignment with Blueprint outcome measures and goals.**

Maryland's Career and Technical Education (CTE) landscape is undergoing a significant transformation, driven by the strategic alignment of programs with evolving industry needs, workforce demands, and the accountability measures established through the Blueprint for Maryland's Future. As part of this systemic shift, the Maryland [CTE Data Dashboard](#) is being phased out and replaced with a more comprehensive and user centered approach to data reporting. The existing dashboard utilizes outdated metrics to assess work-based learning participation, including a 45 percent benchmark originally established by the Kirwan Commission prior to the adoption of the Blueprint for Maryland's Future. The existing dashboards have proven difficult to navigate and lack the necessary functionality to support program improvement, local planning, and state-level accountability under the Blueprint and the federal Carl D. Perkins Act. Importantly, the phaseout of the current dashboard does not equate to a reduction in data transparency.

The transition to a more dynamic and transparent reporting system reflects MSDE's commitment to ensuring that CTE data is not only available but also meaningful and actionable. By aligning reporting with Blueprint outcome measures and goals, MSDE is positioning Maryland's CTE system to better support students, meet workforce needs, and provide clear, data-driven insights into the state's progress in preparing the next generation of skilled professionals.

- **For teacher effectiveness, whether the department continues to collect teacher evaluation data and the status of new measures of teacher quality and effectiveness.**

MSDE continues to collect teacher evaluation data from local education agencies. There are no new measures of teacher quality or effectiveness.

Fiscal 2024

Closeout Analysis

MSDE should comment on the reasons for continued encumbrances for DORS. MCSS should comment on the reasons for reverted and canceled school safety grant program funds. Because MSDE is the fiscal agent for MCSS, DLS recommends adopting committee narrative requesting that MSDE and MCSS submit a report on accounting practices, including school safety grant expenditures by program and LEA and the closeout balance of the SSF.

The Division of Rehabilitation Services (DORS) serves individuals through Medical Case Management. The funding for the services is encumbered when the client receives authorization to receive the service. The actual expenditure is recorded when DORS receives the invoice from the provider. As a result, the encumbrances can stay open for longer than an encumbrance for a contract or a grant. DORS staff conduct a review of the open encumbrance report related to Medical Case Services every 6 months. The purpose is to assess the status of the service conducted if needed and clear out the encumbrance balance. The current balance on AY24 encumbrances as of 02/03/2025 is \$1.8 million. Vocational Rehabilitation grant encumbrances of \$5 million. This grant is an active grant, and service delivery is still in process. This grant has a liquidation period that ends on January 2026. The current balance on AY24 encumbrances as of 02/03/2025 is \$2.5 million.

The MCSS is responding to the DLS Analysis separately.

Proposed Budget Change

Changes to Blueprint Special Funds

Because the Blueprint training for leaders started in January 2025, DLS recommends reducing the fiscal 2026 allowance by \$3.2 million in Blueprint special funds to level-fund the Maryland School Leadership Academy at \$3.0 million.

MSDE respectfully disagrees. As noted below, this program is critical to achieving high quality, diverse school leadership.

The Governor's Proposal for the School Leadership Academy will shift the major focus of training envisioned through the Blueprint to a school leadership focus. As described below, the existing Leadership Training will continue with its focus on system-level leadership.

The School Leadership Academy will be a cohort-based, job-embedded training for sitting and aspiring school leaders in evidence-based instructional leadership practices. School leaders will join one of two cohorts - sitting principals and aspiring principals - and training for aspiring principals will include assistance preparing for required administrator licensure exams and navigating options for graduate courses in school administration. Aspiring leaders of color and those who wish to work in community schools, high poverty schools, and low-performing schools will be prioritized. The funding for the Academy is estimated at \$5 million per year.

The Maryland Statewide School Leadership Training Program, authorized under MD Code, Education §6-124, is organized and administered by MSDE, in consultation with AIB. It is not primarily administered by AIB. The contract with the external partner was finalized during summer 2024, after which planning and development began. The first in-person session for local superintendents and chairs of boards of education was held in early December 2024. The first set of 5 in-person sessions for school principals and other school-based leaders were held in January 2025. An additional 3 rounds of 5 in-

person sessions (a total of 15 sessions) for school-based leaders, some of which will also include district-based leaders will be held between February 2025 and August 2025. Full implementation of the Maryland Statewide School Leadership Training Program in FY25 will require close to the full \$3.0 million. Future iterations of this program are estimated at \$1.25 million per year.

DLS also asks that MSDE explain why \$3 million is needed for administrative costs related to the existing CPG program and how the funds will be spent. DLS notes no new pins are associated with the \$3 million for administrative costs. DLS recommends reducing the funds for administrative costs to \$2 million.

MSDE respectfully disagrees. These funds will be used to provide high-dosage technical assistance to community schools, fund an in-depth evaluation of the \$500 million program and provide MSDE with the resources necessary to implement and to sustain the implementation of the Community Schools Model with fidelity. Currently, there are two staff members dedicated to this work for an estimated 715 community schools in fiscal year 2026.

Personnel Data

MSDE should comment on agency efforts to reduce vacancy rates. Considering the high number of long-term vacant positions, DLS also recommends reducing MSDE's personnel expenditures by a total of \$524,945 to delete 5 of the 35 new positions added in the fiscal 2026 budget as introduced.

MSDE respectfully disagrees. MSDE has made significant reductions in our vacancy rate since Governor Moore's administration began rebuilding State Government. In January 2023, the Department's vacancy rate was at 18.04% and currently, it is at 6.42%. Between January and June of 2024, MSDE successfully reduced vacancies from 107 to 88, closing fiscal year 2024 with a vacancy rate of 6.56 percent.

During fiscal year 2025, MSDE converted 150 contractual positions to permanent positions, more than half of these positions were in DORS. In addition, the Social Security Administration (SSA) authorized 19 new positions for the Disability Determination Unit (DDS) within (DORS). This was approved by the Board of Public Works in June 2024. While many contractual positions were filled through immediate conversions, the combination of these new positions and normal staff attrition led to an increase in our vacancy numbers, peaking at approximately 130 early in fiscal year 2025.

Recognizing the importance of maintaining a stable workforce, MSDE's Office of Human Resources has worked diligently to recruit and retain qualified personnel. As a result of these efforts, we have significantly reduced our vacancies, bringing our current vacancy rate down to 6.42%, the lowest it has been in recent years. The Disability Determination Services Branch continues to be challenging for recruitment efforts. These are impacted by federal positions freezes and the length of time it takes for the federal background check.

Issues

1. MSDE State Education Agency and Maryland Leads Expenditures Continue through January 2026

Maryland Leads

MSDE should comment on the status of Maryland Leads expenditures, outcome measures, and

SEA funding discrepancies. 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 concurs but requests a different timeline for this report. The LEAs submit their updated reporting by November 15th. A December 1st due date would require the department to submit a report based on one-year old data.

Maryland Leads Expenditures

MSDE's efforts to ensure the MD Leads program positively impacts the remediation of learning loss is ongoing with both technical and program support to LEAs and MD Leads partners, and continuous fiscal monitoring. As of the end of the standard liquidation period (1/28/2025), MD Leads expenditures across all initiatives totaled approximately \$160.2 million.

Outcome Measures

MSDE has recently completed data collection for fiscal year 2024 outcome measures from the 24 LEAs. The data currently being analyzed includes expenditure data categorized as required by the federal Education Stabilization Fund reporting requirements, as well as the goals, metrics, and outcomes as defined by the LEAs for implementation of MD Leads programs.

SEA Funding Discrepancies

Throughout June to September 2024, MSDE worked with LEAs to ensure that MD Leads grant activities remained aligned with approved budgets and that the LEAs were successful in obligating all awarded funds prior to the September 30, 2024, deadline. This process included amending both LEA and partner awarded funds, so that resources were properly allocated to maximize impact towards reducing learning loss. Additionally, during this process it was determined that an approximate \$1.3 million, 0.73%, of awarded funds would not be able to be spent within the provisions of the grant requirements. Most of these funds were remaining obligated funds awarded to MD Leads partners. This accounts for an overall reduction of MD Leads investment from \$173.9m to \$172.6m.

While all remaining awarded funds were obligated prior to the September 30, 2024 deadline, MSDE reviewed and submitted requests for extension of the liquidation period for 15 LEAs and 20 MD Leads partners. The predominant justifications provided were the need to complete ongoing coursework through IHEs for LEA staff participating in Grow Your Own programs and to fulfill delivery of goods affected by supply chain issues. Therefore, while the standard liquidation deadline for these funds expired on January 28, 2025, MSDE has been granted permission to continue to liquidate remaining funds through the extended liquidation period ending in March 2026. This extended liquidation period applies to the approximately \$12.5 million remaining obligated funds across all MD Leads awards.

2. The State Board of Education Adopts the Science of Reading; Receives \$47.2 Million in Grant Funds; Draft Literacy Policy under Review

MSDE should comment on the status of the new literacy policy, Maryland Leads SoR expenditures, and plans to expend federal and nonprofit grants. DLS also recommends adopting committee narrative requesting a joint status report by MSDE and AIB on SoR, State literacy policy implementation, and progress towards State literacy goals.

In October 2024, the PK-3 Comprehensive Literacy Policy was passed by the Maryland Board of Education. To address educator needs pertaining to the Comprehensive Literacy Policy, MSDE has provided professional learning on the Science of Reading through the State University of New York

(SUNY) and AIM Institute funded through the \$6.9M Ibis philanthropic grant. Additionally, Coaching Symposiums for district literacy coaches have and continue to be hosted by MSDE. These Symposiums focus on district coaches' ability to support classroom teachers in the implementation of the Science of Reading and the upcoming implementation of the policy.

The Comprehensive Literacy State Development Grant was awarded to MSDE in September 2024. Over the course of five years, MSDE will receive \$40.3M. Of this \$40.3M, 95 percent is sub granted to local education agencies, with the remaining 5 percent going to MSDE to support implementation of the grant. By May 30, 2025, \$3.8M of Comprehensive Literacy State Development Grant funds will be disbursed to districts through a competitive subgrant process, accounting for 95 percent of year 1. Through this subgrant, districts will be able to use Comprehensive Literacy State Development Grant funds to strengthen district literacy coaching models, professional learning models, Multi-Tiered Systems of Support (MTSS), and acquire instructional materials.

The remaining 5 percent of the year 1 Comprehensive Literacy State Development Grant funds will go toward the management of the grant by hiring a Grant Liaison who will lead the work of the subgrant and monitoring processes, as well as two State Literacy Coaches who will work in districts to support the implementation of grant funds. Any additional funds that are not earmarked for salaries will be used to host the first annual MSDE Literacy Summit.

In years 2-4 of the Comprehensive Literacy State Development Grant, MSDE plans to continue to subgrant 95 percent to districts, while using 5 percent to reinforce support at the state level, and ensuring each year provides high-quality resources and professional learning opportunities.

Operating Budget Recommended Actions

1. Add the following language

Provided that \$243,233 in general funds, \$140,168 in special funds, and \$141,544 in federal funds of this appropriation made for the purpose of 5.0 new positions shall be reduced. The Maryland State Department of Education is authorized to allocate this reduction across the agency's programs. Further provided that 5.0 new positions are abolished.

Explanation: This action adds language to reduce personnel expenditures for 5.0 new positions within the Maryland State Department of Education (MSDE) due to the fiscal condition of the State and recognizing available long-term vacant positions. New positions abolished are N2619039; N2619040; N2619041; N2619042; and N2619043. The language authorizes MSDE to allocate the reduction in funding and positions across programs.

MSDE RESPONSE:

MSDE respectfully disagrees. These five positions are critical to the Department's implementation of its Comprehensive Literacy and Math initiative. These positions will provide direct coaching support to teachers in classrooms across the State. If these positions are cut, the Department's ability to meet its goal of being in the top 10 States in the nation in NAEP scores will be at risk.

MSDE continues to aggressively recruit and fill vacancies to meet the current and upcoming priorities. The recently released NEAP (National Report Card) showed improved literacy results in Maryland along with a modest improvement in Mathematics results. As MSDE continues to address the literacy

and mathematics learning in the state, MSDE requests the legislature to maintain the positions that are in the current budget.

2. Adopt the following narrative

Report on Accounting Practices: The committees request that the Maryland State Department of Education (MSDE) and the Maryland Center for School Safety (MCSS) submit a closeout report by October 1, 2025. This report should include:

- an explanation for encumbrances and reversions for all general, special, federal, and reimbursable funds for any amount that does not equal zero;
- allocations and expenditures by local education agency for the School Resource Officer grant program; the Hate Crimes Grant; the Safe Schools Fund (SSF) Grant; and any other one-time grants, programs, or evaluations administrated by MCSS; and
- expenditures and closeout balances by program for fiscal 2023, 2024, and 2025 and estimated closeout balances for fiscal 2026 and 2027, for the SSF.

Information Request	Author	Due Date
Report on Accounting Practices	MSDE	October 1, 2025

MSDE RESPONSE:

MSDE concurs.

3. Adopt the following narrative

Report on State Education Agency Federal Stimulus Funds: Due to school closures prompted by the COVID-19 pandemic, the Maryland State Department of Education (MSDE) received approximately \$303.0 million in State Education Agency (SEA) federal stimulus funds. To ensure proper monitoring of the use of these funds, the committees request that MSDE report by January 1, 2026, 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	January 1, 2026

MSDE RESPONSE:

MSDE concurs.

4. Adopt the following narrative

Report on the Maryland Leads Program: The American Rescue Plan Act requires State agencies to spend a designated percentage of Elementary and Secondary School Emergency Relief funds to address learning loss. The Maryland State Department of Education (MSDE) applied these funds to a grant program for local education agencies (LEA), Maryland Leads. To ensure proper oversight of this program and funding, the committees request that MSDE report by December 1, 2025, 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 2024 and 2025, including expenditures on personnel;
- standardized assessment measures, outcome measures, and progress, by LEA and program, on the framework implemented by MSDE to remediate student learning loss;
- documentation of improvements in literacy and mathematics proficiency, by LEA, grade, and subprogram, as the result of Maryland Leads initiatives; and
- documentation of how MSDE shares Maryland Leads information 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, 2025

MSDE RESPONSE:

MSDE concurs but requests a different timeline for this report. The LEAs submit their updated reporting by November 15th. A December 1st due date would require the department to submit a report based on one-year old data.

5. Adopt the following narrative

Report on Science of Reading and State Literacy Policy: In January 2024, the State Board of Education (SBOE) passed Resolution 24-01 adopting Science of Reading (SoR) as Maryland's official approach to literacy instruction and required local education agencies (LEA) to align their literacy instruction to SoR starting in school year 2024-2025. As part of this resolution, the Maryland State Department of Education (MSDE) was tasked with drafting a comprehensive literacy policy for grades prekindergarten through grade 3 aligned with SoR and MSDE's strategic plan. MSDE also received a total of \$47.2 million from federal and nonprofit grants to implement initiatives to improve early literacy proficiency and SoR professional development. To ensure proper oversight of this program and funding, the committees request that MSDE and the Accountability and Implementation Board (AIB) report by September 1, 2025, on SoR and State literacy policy. The report should include the following information:

- a summary of the final version of the State literacy policy adopted by SBOE;
- expenditures on SoR by LEA including allocations through State allocations, Maryland Leads federal stimulus funds, and other federal and nonprofit grants;
- a summary of materials related to readiness for promotion policies, implementation, and LEA reporting;
- a summary of the key objectives in LEA literacy plans submitted to AIB in calendar 2024 and

reported progress on these objectives submitted in LEA annual reports due September 2025;

- progress on teacher training, preparation, and support for the State literacy policy and SoR instruction;
- status of the student support model for student reading improvement plans; and
- a timeline for completion of the adolescent literacy plan for grades 4 through 12.

Information Request	Author	Due Date
Report on SOR and literacy policy	MSDE AIB	September 1, 2025

MSDE RESPONSE:

MSDE concurs.

	Amount Change
6. Reduce Blueprint for Maryland's Future special funds for the Maryland School Leadership Academy by \$3.2 million to level-fund the program with the current working appropriation for training leaders.	-\$ 3,200,000 SF

MSDE RESPONSE:

MSDE respectfully disagrees for the reasons noted above.

7. Reduce Blueprint for Maryland's Future special funds for administration of the Concentration of Poverty Grant Program by \$1.0 million. The remaining \$2.0 million in funds in this allowance can be utilized for this purpose.	-\$ 1,000,000 SF
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MSDE RESPONSE:

MSDE Respectfully disagrees for the reasons noted above.