

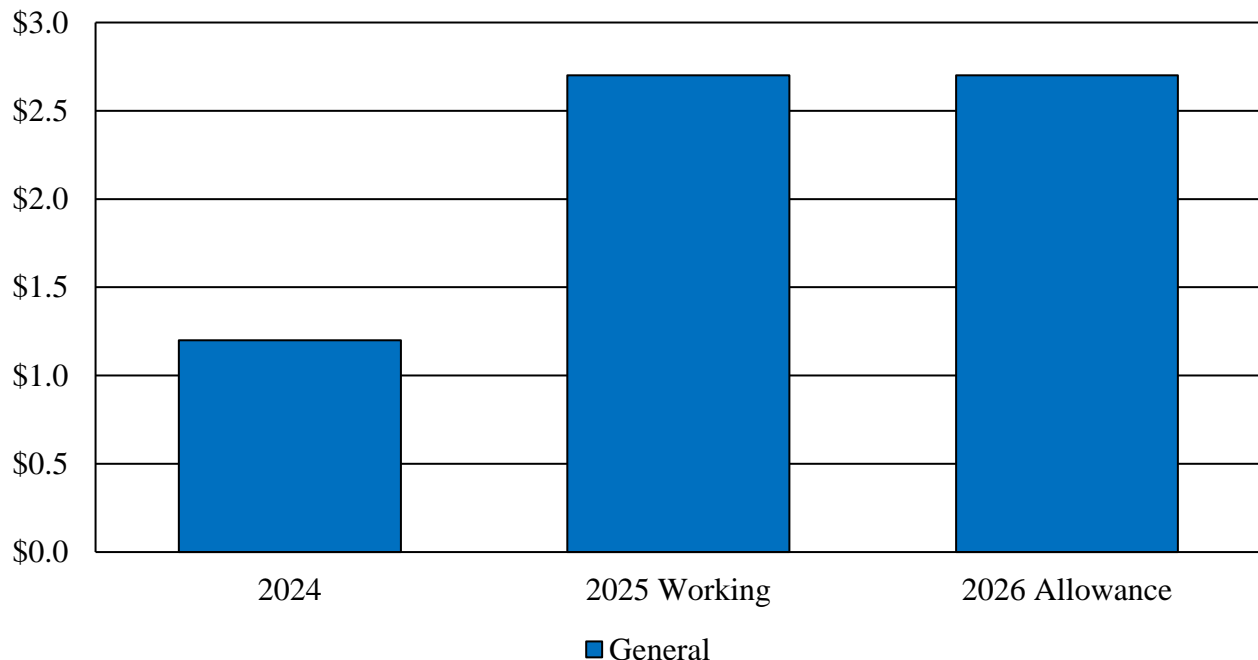
D73 Office of the Inspector General for Education

Program Description

The Office of the Inspector General for Education (OIGE) was established in Chapter 771 of 2019 as an independent unit of the State Government. The office is responsible for (1) accountability and transparency in the expenditure of public funds for State education and (2) examining and investigating matters in regard to county boards, local education agencies (LEA), public schools, nonpublic schools that receive State funds, the Maryland State Department of Education (MSDE), and the Interagency Commission on School Construction. In calendar 2024, the budget for OIGE was transferred out of MSDE to a new budget code (D73). Previously, the OIGE budget was included in the R00A01 – MSDE Headquarters analysis for fiscal 2023, 2024, and 2025.

Operating Budget Summary

Fiscal 2026 Budget Increases \$44,047 or 1.6%, to \$2.7 Million (\$ in Millions)



Note: The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency's budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency's budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency's budget.

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Fiscal 2024 and 2025

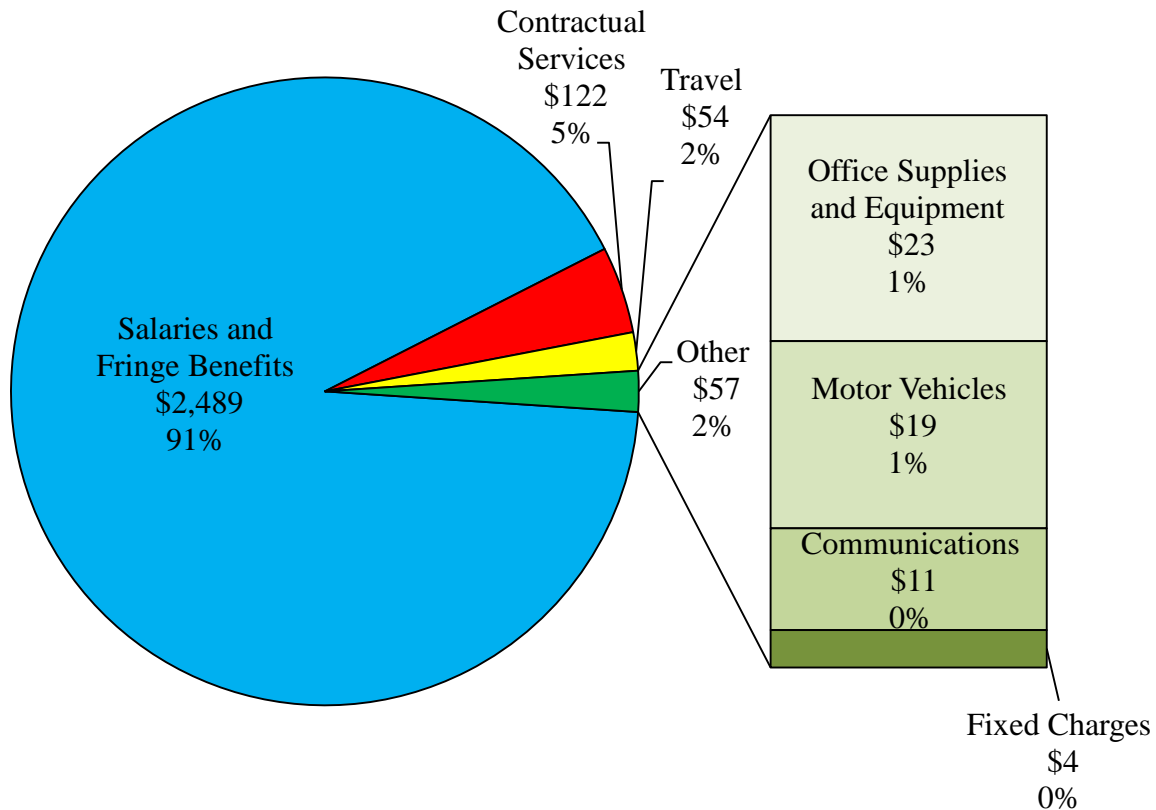
In fiscal 2024, MSDE was the fiscal agent for OIGE. In OIGE’s fiscal 2024 closeout, MSDE initially reported a reversion of \$1,317,309 in general funds, which was determined to be in error. In Supplemental Budget No. 2 to the fiscal 2025 budget, OIGE’s funding was realigned to its new budget code outside of MSDE, D73.

OIGE should discuss the reason for funds being reverted in error, the status of the reverted general funds, and any steps that the agency has taken to resolve the closeout issue.

Fiscal 2026 Overview of Agency Spending

The fiscal 2026 proposed budget for OIGE totals \$2.7 million. **Exhibit 1** displays an overview of agency spending by object. In the fiscal 2026 proposed budget, salaries and fringe benefits total \$2.5 million, or 91%, of OIGE’s total allowance. Contractual services total \$121,763, or 5%, of which approximately \$79,000 is needed for software license renewal. Travel totals \$53,750, or 2%, and remaining operating expenses total \$57,112 and include allowances for office supplies and equipment, motor vehicles, communications, and fixed charges.

Exhibit 1
Overview of Agency Spending
Fiscal 2026 Allowance
(\$ in Thousands)



Note: The fiscal 2026 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 2026 Budget Books

Proposed Budget Change

OIGE's fiscal 2026 proposed budget increases by \$44,047 in general funds compared to the fiscal 2025 working appropriation. The agency receives a net increase of \$90,508 for regular personnel costs offset by a decrease of \$39,517 for contractual personnel expenses. **Exhibit 2** shows these proposed changes.

Exhibit 2
Proposed Budget
Office of the Inspector General for Education
(\$ in Thousands)

How Much It Grows:	General <u>Fund</u>	<u>Total</u>
Fiscal 2024 Actual	\$1,178	\$1,178
Fiscal 2025 Working Appropriation	2,678	2,678
Fiscal 2026 Allowance	<u>\$2,722</u>	<u>2,722</u>
Fiscal 2025-2026 Amount Change	\$44	\$44
Fiscal 2025-2026 Percent Change	1.6%	1.6%
Where It Goes:		<u>Change</u>
Personnel Expenses		
Salary increases and associated fringe benefits including fiscal 2025 COLA and increments		\$148
Employee and retiree health insurance		-19
Turnover adjustment from 0.0% to 1.7%		-38
Other Changes		
Travel, conferences, and training.....		15
Computer maintenance, software, licenses, and DoIT services		12
Motor vehicle maintenance, repair, insurance, and garage rent		-7
Routine operating expenses		-27
Salaries for full-time equivalent contractual personnel		-40
Total		\$44

COLA: cost-of-living adjustments

DoIT: Department of Information Technology

Note: The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency's budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency's budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency's budget.

Personnel Data

	<u>FY 24 Actual</u>	<u>FY 25 Working</u>	<u>FY 26 Allowance</u>	<u>FY 25-26 Change</u>
Regular Positions	16.00	16.00	16.00	0.00
Contractual FTEs	<u>0.00</u>	<u>0.50</u>	<u>0.00</u>	<u>-0.50</u>
Total Personnel	16.00	16.50	16.00	-0.50

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	0.27	1.70%
Positions and Percentage Vacant as of 12/31/24	0.00	0.00%
Vacancies Below Turnover	0.27	

- OIGE is authorized 16.0 regular positions and 0 contractual positions in the fiscal 2026 allowance, which is a decrease of 0.5 contractual positions from the fiscal 2025 working appropriation. Regular positions include: 1 inspector general; 1 deputy inspector general; 1 administrative officer; 1 assistant attorney general; 1 education services analyst; 1 audit supervisor; 1 investigations supervisor; 6 senior investigators; and 3 auditors.
- OIGE's contractual positions decrease by 0.5 from fiscal 2025 to 2026. The agency reports that although it has workload for this position, the position was reduced to meet target budget requirements.
- OIGE does not have any vacancies as of December 31, 2024, with 0.27 vacancies below the budgeted turnover in fiscal 2026. OIGE's budgeted turnover rate increases from 0% in fiscal 2025 to 1.7% in fiscal 2026.

Key Observations

1. OIGE Administrative Investigations Recommend Policy Changes for LEAs and MSDE

In OIGE’s 2024 annual report, the agency reported the completion of 4 administrative investigations, 3 audits, and the issuance of 4 management alerts, which are notifications to LEAs regarding high-risk or systemic issues involving fraud or abuse that require immediate attention. Out of these 11 investigations, 3 resulted in findings with recommended changes to policy or practices for MSDE or LEAs. **Exhibit 3** provides a summary of these investigations and OIGE’s concerns and findings.

Exhibit 3 Summary of Office of the Inspector General for Education Investigations Calendar 2024

<u>Agency and Type</u>	<u>Concern</u>	<u>Findings</u>
MSDE – Administrative	Misuse of a messaging application by MSDE leadership	<ul style="list-style-type: none">• A former superintendent and executive team used a messaging application for both personal and work-related matters• Concern involved transparency and accountability due to the application’s automatic message deletion features• OIGE recommended that MSDE update policies related to the use of encrypted messaging applications to ensure accountability and compliance with accepted management standards.
LEA – Administrative	A complaint involving a former teacher with a history of allegations of inappropriate communication with students and whether policy gaps allowed him to remain in educational settings before arrest	<ul style="list-style-type: none">• A teacher had a history of allegations of inappropriate communications with students at multiple schools;• Administrators displayed a variety of responses to these allegations, which led to inconsistent reporting and responses across educational institutions; and

D73 – Office of the Inspector General for Education

<u>Agency and Type</u>	<u>Concern</u>	<u>Findings</u>
MSDE – Audit	Management of CPG	<ul style="list-style-type: none">• OIGE recommended clearer guidelines, improved communication, and standardized training for administrators to ensure accurate and consistent reporting of allegations of misconduct.• MSDE reportedly did not have policies for LEAs that governed how CPG funds could be expended;• LEAs did not have adequate information on handling funds or consistent program training by MSDE;• These issues resulted in more than \$12.3 million in unused CPG funds from fiscal 2020 to 2022;• OIGE recommended establishing policies and procedures for CPG funding and a monitoring process so that future funding is properly allocated and expended; and• OIGE recommended clearer guidelines, improved communication, and standardized training for administrators to ensure accurate and consistent reporting of allegations of misconduct.

CPG: Concentration of Poverty Grant
LEA: local education agency

MSDE: Maryland State Department of Education
OIGE: Office of the Inspector General for Education

Source: Office of the Inspector General for Education

OIGE should comment on the status of the agency’s recommendations and actions taken by MSDE and LEAs to remediate these issues.

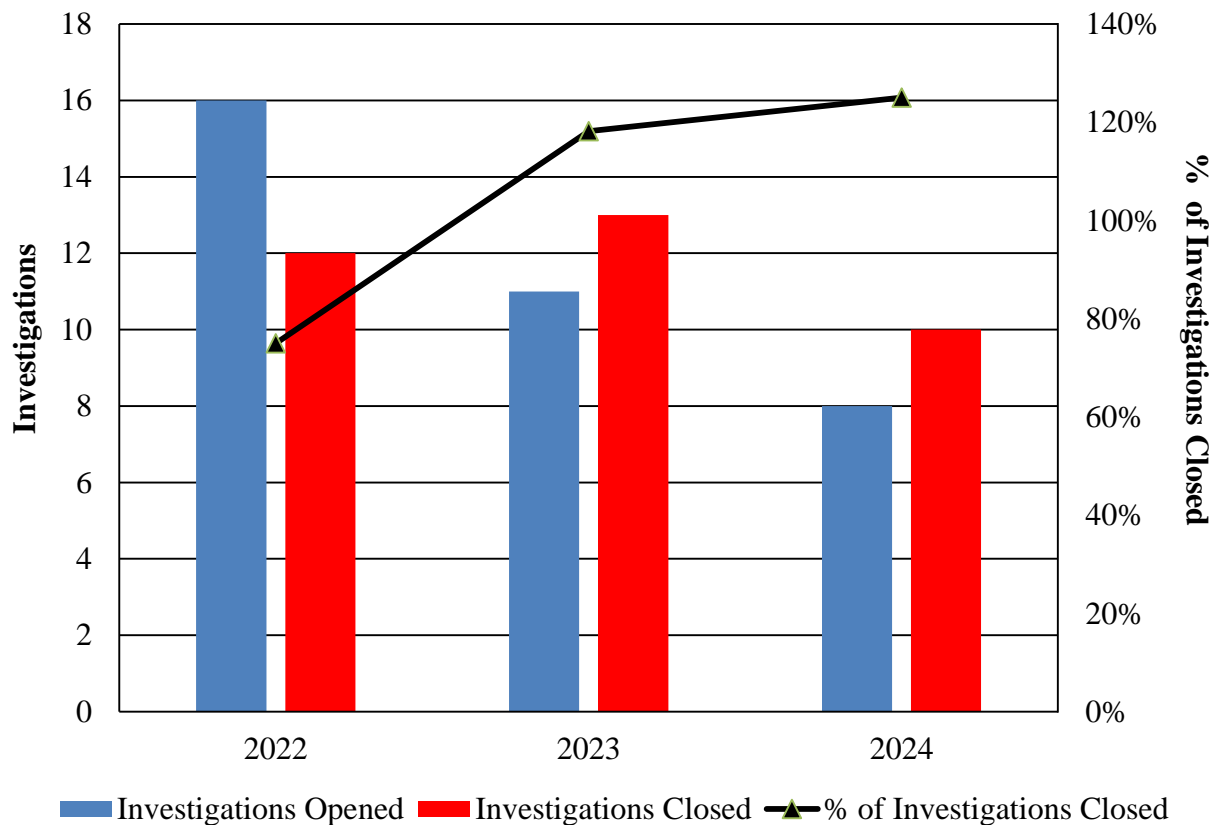
Operating Budget Recommended Actions

1. Concur with Governor's allowance.

Updates

- OIGE Increases Percentage of Investigations Closed:** Exhibit 4 shows OIGE's number of investigations opened and closed and the percentage closed. Investigations may take more than 12 months and may be closed in a subsequent year. In calendar 2024, OIGE opened 8 investigations and closed 10, working through a backlog of 2 cases at the start of calendar 2024, for a closure percentage of 125%.

Exhibit 4
Office of the Inspector General for Education
Investigations Opened and Closed
Calendar 2022-2024



Source: Office of the Inspector General for Education

Appendix 1
Audit Findings
Office of the Inspector General for Education

Audit Period for Last Audit:	June 1, 2019 – November 30, 2023
Issue Date:	May 2024
Number of Findings:	0
Number of Repeat Findings:	0
% of Repeat Findings:	0%
Rating: (if applicable)	n/a

The Office of Legislative Audits did not have any findings for OIGE.

Appendix 2
Object/Fund Difference Report
Office of the Inspector General for Education

<u>Object/Fund</u>	<u>FY 24 Actual</u>	<u>FY 25 Working Appropriation</u>	<u>FY 26 Allowance</u>	<u>FY 25 - FY 26 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	16.00	16.00	16.00	0.00	0%
02 Contractual	0.00	0.50	0.00	-0.50	-100.0%
Total Positions	16.00	16.50	16.00	-0.50	-3.0%
Objects					
01 Salaries and Wages	\$ 944,821	\$ 2,398,973	\$ 2,489,481	\$ 90,508	3.8%
02 Technical and Special Fees	516	39,517	0	-39,517	-100.0%
03 Communication	11,874	18,500	10,500	-8,000	-43.2%
04 Travel	73,545	38,605	53,750	15,145	39.2%
07 Motor Vehicles	10,000	26,529	19,376	-7,153	-27.0%
08 Contractual Services	62,705	121,267	121,763	496	0.4%
09 Supplies and Materials	20,326	5,000	5,000	0	0%
10 Equipment – Replacement	0	11,000	12,500	1,500	13.6%
11 Equipment – Additional	21,142	15,000	5,852	-9,148	-61.0%
13 Fixed Charges	5,738	3,668	3,884	216	5.9%
14 Land and Structures	27,725	0	0	0	0.0%
Total Objects	\$ 1,178,392	\$ 2,678,059	\$ 2,722,106	\$ 44,047	1.6%
Funds					
01 General Fund	\$ 1,178,392	\$ 2,678,059	\$ 2,722,106	\$ 44,047	1.6%
Total Funds	\$ 1,178,392	\$ 2,678,059	\$ 2,722,106	\$ 44,047	1.6%

Note: The fiscal 2026 allowance does not include statewide salary adjustments budgeted within the Department of Budget and Management.