

R00A01
Headquarters
Maryland State Department of Education

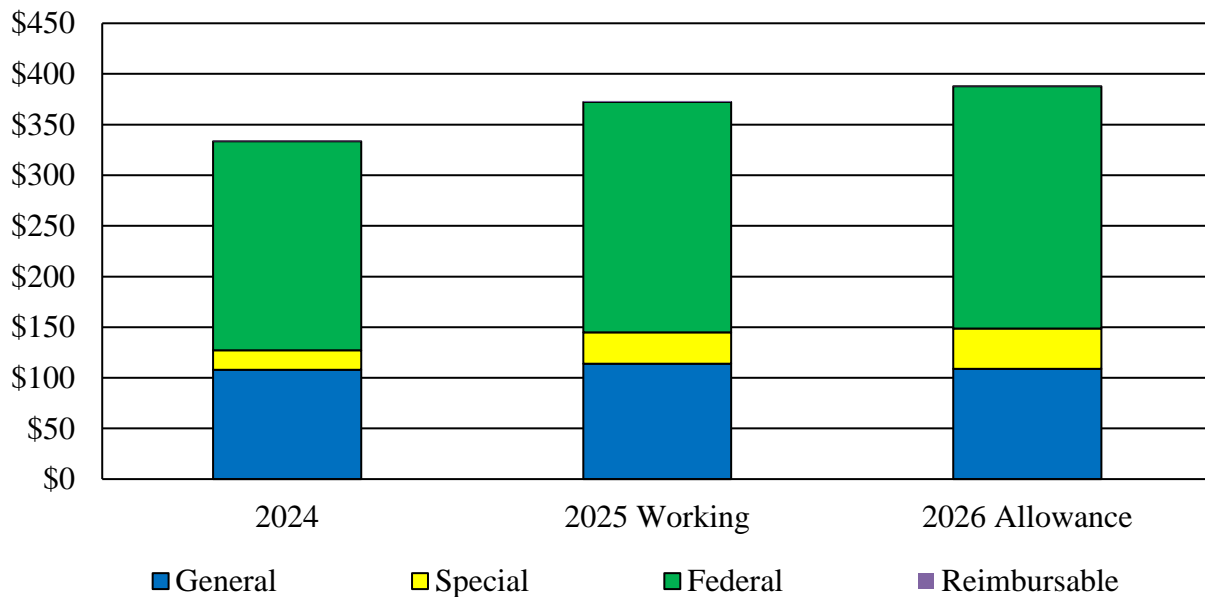
Executive Summary

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) and R00A06 – Maryland Center for School Safety (MCSS).

Operating Budget Summary

Fiscal 2026 Budget Increases \$14.9 Million, or 4.0%, to \$388.1 Million
(\$ in Millions)



Note: The fiscal 2025 working appropriation accounts for deficiencies. The fiscal 2026 allowance accounts for contingent reductions. 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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- The fiscal 2026 general fund allowance decreases by \$5.0 million, or 4.4%, compared to the fiscal 2025 working appropriation primarily due to a \$5.0 million reduction for the State Resource Officer (SRO) grant in MCSS contingent on legislation reducing the mandated general fund appropriation to the Safe School Fund (SSF).
- The fiscal 2026 special fund allowance increases by \$8.7 million, or 28.0%, compared to the fiscal 2025 working appropriation due to a net increase of \$3.3 million for leadership training required as part of Chapter 36 of 2021 as amended, Blueprint for Maryland's Future (Blueprint) – Implementation; \$5.1 million for other contractual services; and a net increase of approximately \$300,000 allocated for personnel and routine expenses.
- The fiscal 2026 federal fund allowance increases by \$11.7 million, or 5.1%, compared to the fiscal 2025 working appropriation primarily due to a net increase of \$13.5 million allocated for personnel and \$500,000 in routine operating expenses, which is offset by a \$2.3 million decrease in Child Care Development Block Grant (CCDBG) funds allocated to the Child Care Administration Technology System (CCATS) Major Information Technology Project (MITP).
- The fiscal 2026 reimbursable fund allowance decreases by \$542,000, or 71.9%, due to a decrease of approximately \$390,000 for the conclusion of a Workforce Data Quality Initiative Grant in MLDSC, allocation of \$152,000 for personnel expenses, and \$30,000 in reimbursements from other agencies.

Key Observations

- ***MSDE State Education Agency (SEA) Funding Obligated; Maryland Leads Expenditures Continue through March 2026:*** MSDE met the September 30, 2024, federal deadline to obligate SEA funding. MSDE reports all funds have been allocated, and the agency applied and was granted an extension that allows expenditures to continue through March 2026.
- ***SBOE Adopts Science of Reading (SoR); Draft Literacy Policy under Review:*** In January 2024, SBOE passed Resolution 24-01 adopting SoR as Maryland's official approach to literacy instruction. This action required local education agencies (LEA) to align their literacy instruction to SoR starting in school year 2024-2025. MSDE is tasked with developing a new literacy policy, which is currently under review and, in calendar 2024, received a total of \$47.2 million in literacy-focused grant funding.
- ***Proposed Budget Reduces General Funds for SRO Grants; SSF Would End Fiscal 2026 with Projected \$7.6 Million Balance:*** MCSS is responsible for the administration of school safety programs, including three new programs and a study enacted in the 2024 session. Since fiscal 2022, grantees have not expended all school safety funding

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available, and the SSF, which is a special fund for school safety grants, has a \$7.6 million projected fund balance remaining at the end of fiscal 2026.

Operating Budget Recommended Actions

	<u>Funds</u>
1. Add language to reduce the total appropriation for personnel by \$524,855.	
2. Adopt committee narrative requesting a report on accounting practices.	
3. Adopt committee narrative requesting a report on State Education Agency federal stimulus funds.	
4. Adopt committee narrative requesting a report on the Maryland Leads program.	
5. Adopt committee narrative requesting a report on Science of Reading and State literacy policy.	
6. Reduce Blueprint for Maryland's Future special funds for the Maryland School Leadership Academy.	-\$ 3,200,000
7. Reduce funds for administration of the Concentration of Poverty Grant Program.	-\$ 1,000,000
8. Reduce the general fund appropriation to the Maryland Center for School Safety for School Resource Officer grants.	-\$ 5,000,000
9. Add \$5.0 million to the special fund appropriation for the School Resource Officer grant program.	
Total Net Change	-\$ 9,200,000

Updates

- **MCSS School Safety Tip Line:** From fiscal 2023 to 2024, MCSS reports that calls to the School Safety Tip Line increased by 22%.
- **MLDSC Data Dashboards and Visits to Websites:** In fiscal 2024, MLDSC reports increases in visits to the agency's website and data dashboards.

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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 policies for education programs from prekindergarten through high school. The agency has recently been reorganized; however, this reorganization is not reflected in the fiscal 2026 budget as introduced and therefore, this analysis uses an organizational chart with offices and divisions as assigned to the budget codes in the budget books. Offices in this budget are as follows:

The Office of the Superintendent includes the Office of SBOE; the Office of the Attorney General (OAG); the Division of Assessment, Accountability, Performance Reporting, and Research; and the Office of Communications and Community Engagement.

The Office of the Chief of Staff 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 Teaching and Learning includes the Division of Special Education/Early Intervention Services; the Division of Curriculum, Instructional Improvement, and Professional Learning; the Division of College and Career Readiness; the Maryland Public Secondary Athletic Association; and funding for program administration.

The Office of the Deputy for Organizational Effectiveness includes the Division of Student, Family, and School Support; the Division of Financial Planning, Operations, and Strategy; the Office of Policy Analysis and Fiscal Compliance; the Office of School and Community Nutrition Programs; the Division of Educator Certification and Approval; and funding for program administration.

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

MLDSC and MCSS are independent agencies within MSDE that are included in this analysis. MLDSC houses State datasets and coordinates State research on prekindergarten through grade 20 educational outcomes. MCSS is responsible for administration of State school safety programs.

R99E – Maryland School for the Deaf (MSD) and R12A – Accountability and Implementation Board (AIB), which is an independent State agency that oversees Blueprint

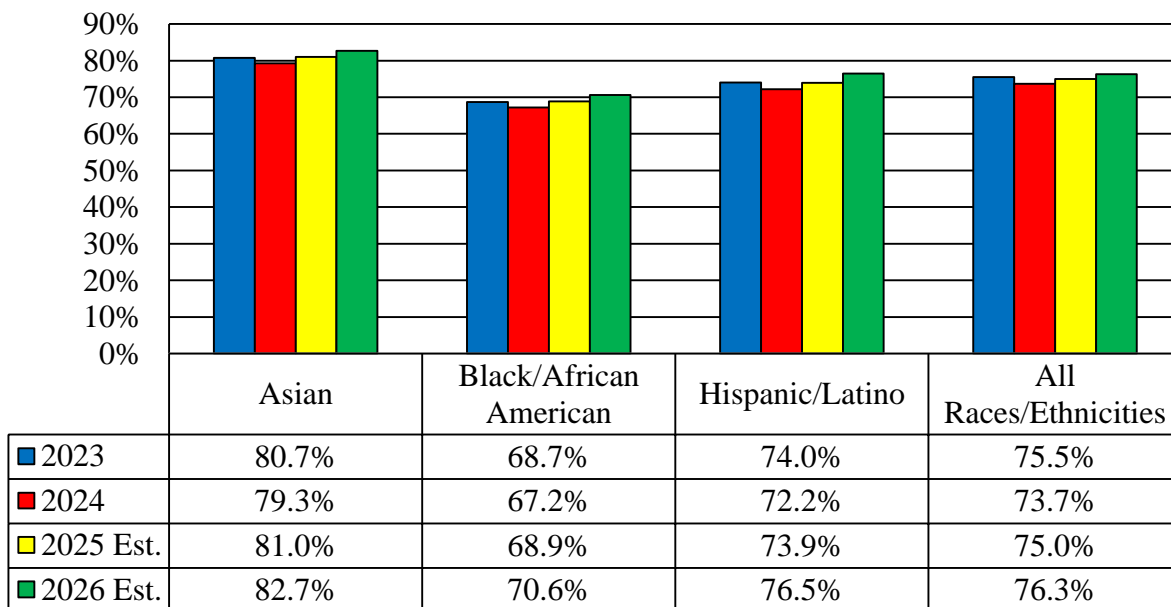
program implementation and is not part of MSDE, have separate analyses. R00A0104 – MSDE Headquarters Department of Early Childhood is included in the R00A99 – Early Childhood Development analysis, and the Maryland School for the Blind (MSB) is included in the R00A03 – Funding for Educational Organizations analysis. As of fiscal 2025, the Office of the Inspector General for Education (OIGE) is budgeted separately from MSDE, with an analysis under a new budget code – D73.

Performance Analysis: Managing for Results

1. Retention of Teachers of Color

Exhibit 1 shows MSDE’s Managing for Results (MFR) measure for retention of teachers. Blueprint encourages workforce diversity and retention, and two of the measures determined to assess this objective by AIB’s outcome measures workgroup (and approved by SBOE and MSDE) are retention of all teachers and retention of teachers of color. AIB’s proposed goal for all teachers retained over a three-year period is 79% by school year 2026-2027 (fiscal 2027); MSDE’s MFR goal for annual retention of all Maryland teachers is 90%. MSDE’s fiscal 2026 MFR submission does not include a goal for retention of teachers of color over a three-year period.

Exhibit 1
Retention of Teachers of Color
School Years 2022-2024



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

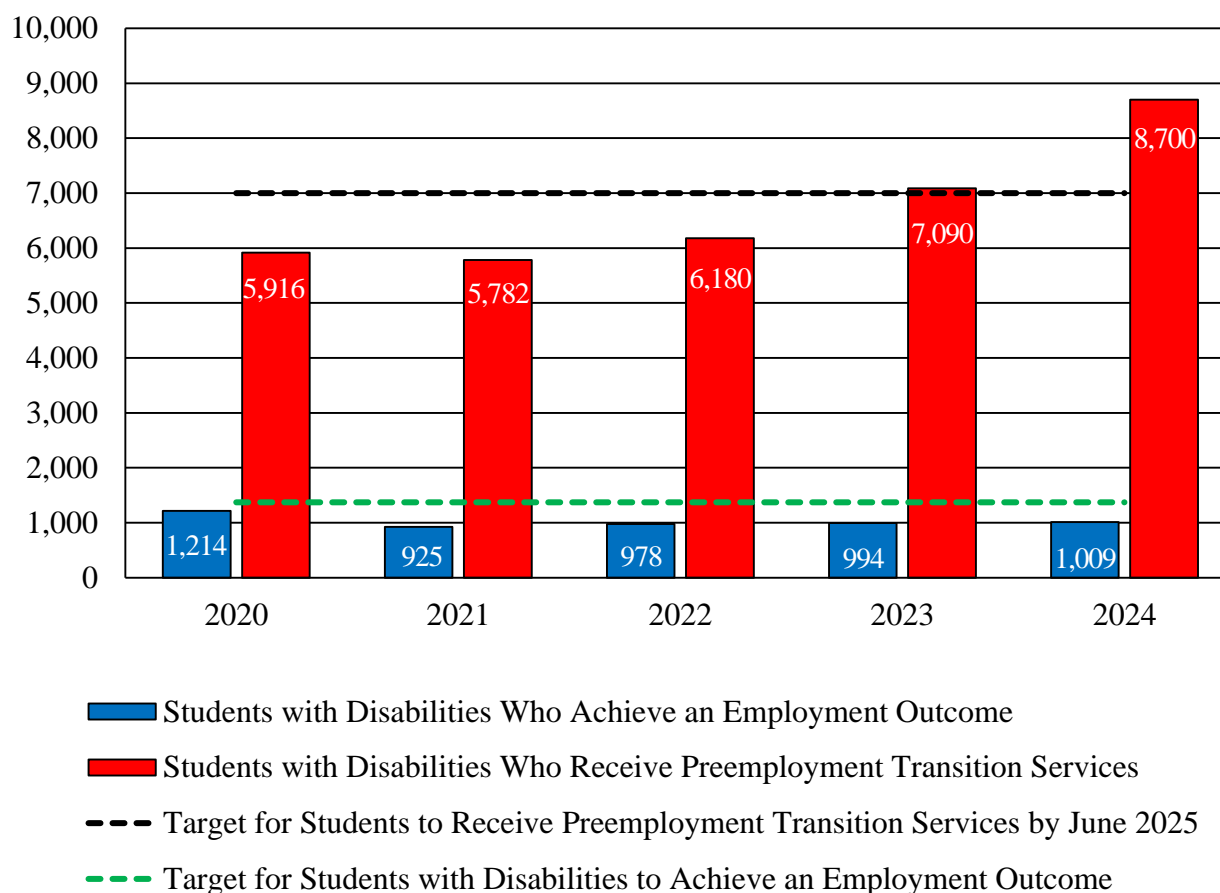
For teachers of color, the proposed goal set by AIB and MSDE is to retain 75% of teachers of color over a three-year period by school year 2026-2027 (fiscal 2027). From school year 2022-2023 (fiscal 2023) to school year 2023-2024 (fiscal 2024), Maryland retention of all teachers of color decreased: retention of Asian teachers decreased by 1.4 percentage points; retention of Black/African American teachers decreased by 1.5 percentage points; and retention of Hispanic/Latino teachers decreased by 1.8 percentage points. Despite this declining trend, MSDE projects retention to improve across all groups in fiscal 2025 and 2026, with the State potentially on track to meet AIB's 75% retention goal for Asian and Hispanic/Latino teachers by school year 2025-2026 (fiscal 2026).

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.

2. Division of Rehabilitation Services Employment Outcomes

Exhibit 2 shows the Division of Rehabilitation Services (DORS) employment services goals for students with disabilities from fiscal 2020 to 2024. 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 preemployment transitioning services. This measure examines DORS's effort to offer these services to as many individuals as possible. 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. As a result, DORS's MFR measure evaluates whether the services assist individuals to acquire and maintain an employment status for at least 90 days, which is a more rigorous measure. The fiscal 2026 MFR submission includes a target that by June 30, 2025, DORS will assist 1,371 people with disabilities to obtain competitive, integrated employment and provide preemployment transitioning services to 7,000 adults with disabilities. For fiscal 2026, data for both measures have been updated to reflect actuals that were not available for the fiscal 2025 MFR submission.

Exhibit 2
Division of Rehabilitative Services Employment Outcomes
Fiscal 2020-2024



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

In fiscal 2024, the measure for students with disabilities that achieve an employment outcome totaled 1,009, which is an increase of 15 individuals, or 1%, from the fiscal 2023 total of 994 and is 362 less than the goal of 1,371 individuals. The measure of students with disabilities who receive preemployment transition services totaled 8,700, which is an increase of 1,610 individuals, or 23%, from the fiscal 2023 total of 7,090, which exceeds the goal by 1,700 individuals.

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

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

Since calendar 2020, MSDE has published a career and technical education (CTE) data dashboard with detailed information on State CTE outcomes by LEA and program. Although this data was not part of MSDE’s MFR submission, the information provided useful insight into the State’s CTE goals and outcomes. According to MSDE, the department is phasing out these dashboards, and this information will not be available to the public in this format.

Since fiscal 2018, the Department of Legislative Services (DLS) has reported on teacher evaluation data submitted in MSDE’s MFR as a measure of teacher quality and effectiveness. In MSDE’s fiscal 2025 MFR submission, this data was not updated, and in the DLS fiscal 2025 MSDE Headquarters budget analysis, MSDE was asked to comment on whether the department collected teacher effectiveness data for fiscal 2023 and when that data might be available. MSDE responded that the department collected teacher effectiveness data for the school year 2022-2023 (fiscal 2023), and that this data would be available shortly, though the data was never provided. MSDE also noted that the department was exploring possible measures for inclusion in the fiscal 2026 MFR submission to evaluate the objective that Maryland’s educator workforce will be highly qualified. However, MSDE’s fiscal 2026 MFR submission does not contain this data or measures. MSDE does provide performance measures on the number of inexperienced/Year One teachers teaching in the State and high-poverty schools and teachers with National Board Certification.

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

Fiscal 2024

Closeout Analysis

In fiscal 2024, MSDE’s legislative appropriation totaled approximately \$354.4 million. In the agency’s fiscal 2024 closeout, MSDE reported encumbrances of \$38.7 million, or 11%, of the total agency budget. This amount included \$32.2 million in federal funds, of which \$19.9 million was for DORS’ \$2.8 million in general funds for assessment contracts, and \$2.1 million in Blueprint special funds for Blueprint training that is delayed.

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Also in fiscal 2024, MCSS reported that out of \$23.3 million allocated for school safety grants, \$3.9 million, or 16.7%, of funds were reverted or canceled:

- \$3,784,055 out of \$10.0 million, or 37.8%, in special funds for SRO grants;
- \$103,030 out of \$600,000, or 17.2%, in special funds for the SSF grant;
- \$60,901 out of \$3.0 million, or 0.2%, in general funds for the Hate Crimes Grant (HCG).

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.

Fiscal 2025

Implementation of Legislative Priorities

Section 21 of the fiscal 2025 Budget Bill added funding for four legislative priorities in the MSDE Headquarters budget. These priorities totaled \$3.0 million in special funds and \$1.8 million in general funds, allocated as follows:

- \$3.0 million in special funds from the SSF for SRO grants to replace general funds reduced from that program;
- \$1.0 million for the Office of the State Superintendent to provide funds for the Access to Attorneys, Advocates, and Consultants for Special Education (AACSE) Program Fund, which was established in Chapter 170 of 2024 for the purpose of directing resources and services to eligible students to provide access to legal, advocacy, and consultant services. MSDE reports that the department is finalizing the memorandum of understanding with AACSE for this program and, as of January 2025, has not expended these funds;
- \$700,000 for DORS Headquarters for the purpose of providing the State's share of funding required under federal acts for this division. This funding was authorized as part of Chapter 169 of 2024 to ensure that the State's share of funding under the federal rehabilitation acts for DORS is met. In July 2024, the amount was reduced by 50% to \$350,000 as part of cost containment actions approved by the Board of Public Works (BPW), and MSDE reports that DORS has fully obligated the remaining funds; and

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- \$100,000 for the Office of the State Superintendent for the purpose of conducting a study on CTE pathways and apprenticeships for high school students for careers in driving in coordination with the Maryland Department of Labor (MD Labor) and the Motor Vehicle Administration (MVA) within the Maryland Department of Transportation. These funds have been expended, and the report is available on the DLS library website.

Proposed Deficiency

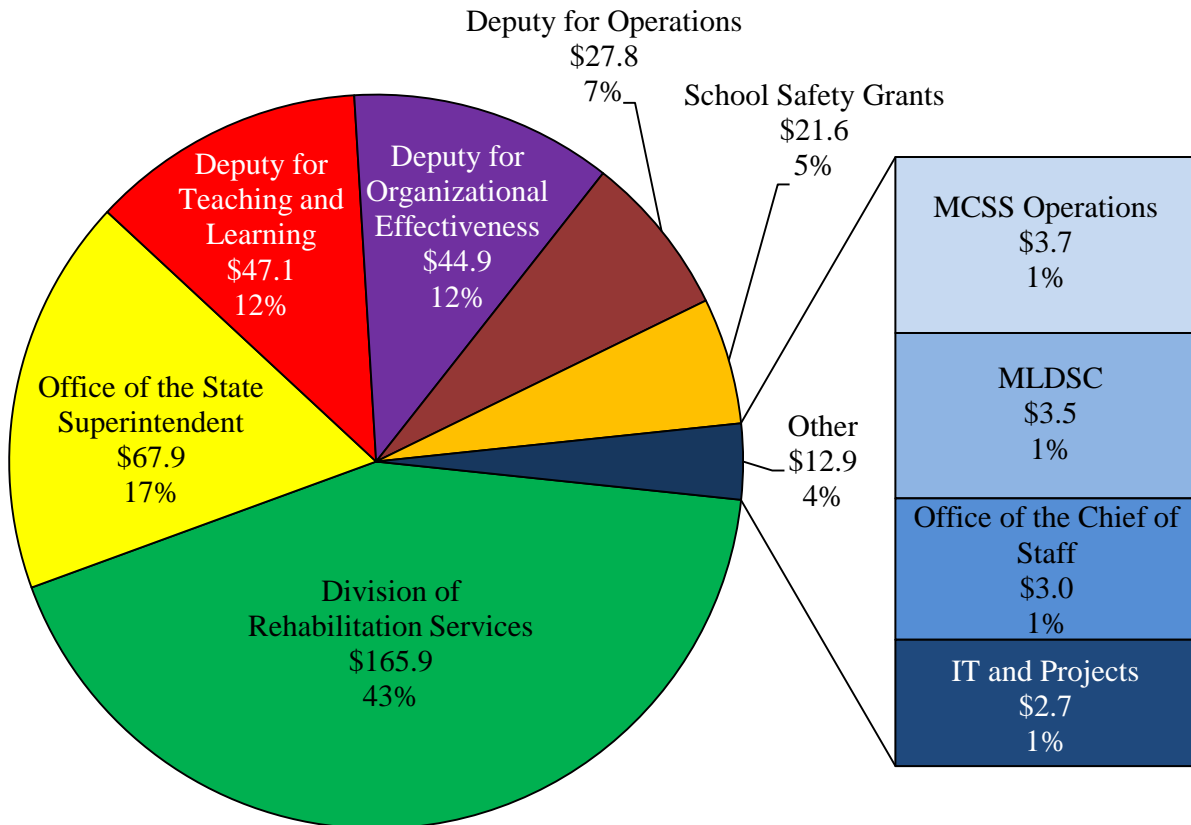
The fiscal 2026 budget as introduced includes three deficiencies for the MSDE Headquarters and MCSS budget totaling \$6.3 million:

- \$10.0 million in general funds for the Office of the State Superintendent for assessment contracts due to increased expenses for updates needed for the Maryland Comprehensive Assessment Program (MCAP) standard and adaptive tests and the development of the Kindergarten Readiness Assessment;
- \$5.0 million in general funds is withdrawn through a negative deficiency for the SRO grant, which reduces the general fund allocation in fiscal 2025 for this program to \$2.0 million. MCSS plans to replace these funds with an additional \$5.0 million in SSF special funds so that the SRO grant receives the mandated \$10.0 million allowance in fiscal 2025; and
- \$1.3 million in federal funds for DORS Disability Determination Services for 19 positions added by BPW in June 2024.

Fiscal 2026 Overview of Agency Spending

Exhibit 3 displays an overview of agency spending by office. This budget includes operating budgets for MSDE Headquarters, MCSS, and MLDSC. The fiscal 2026 allowance totals \$388.1 million.

Exhibit 3
Overview of Agency Spending
Fiscal 2026 Allowance
(\$ in Millions)



IT: information technology
 MCSS: Maryland Center for School Safety
 MLDSC: Maryland Longitudinal Data System Center

Note: Numbers may not sum to total due to rounding. The fiscal 2026 allowance accounts for contingent reductions. 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

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In the fiscal 2026 proposed budget, the division with the largest allowance is DORS, which receives \$165.9 million, or 42%, of the budget. This amount includes \$65.0 million for Client Services, \$50.9 million for Disability Determination Services, \$24.3 million for DORS Headquarters, \$13.5 million for the Workforce and Technology Center, and \$12.2 million for Blindness and Vision Services.

The Office of the State Superintendent receives \$67.9 million, or 17%, of the budget. The majority of these funds, \$52.7 million, are allocated to the Division of Assessment, Accountability, Performance Reporting, and Research, which provides assessment, accountability, and technical support for LEAs. The remaining \$18.1 million of this allowance includes funding for SBOE; OAG; the Office of Communications and Community Engagement; 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 Teaching and Learning receives \$47.1 million, or 12%, of this budget. Of this amount, \$18.3 million is allocated to the Division of Special Education/Early Intervention; \$12.1 million is allocated to the Division of Curriculum, Instructional Improvement, and Professional Learning; \$6.3 million is allocated to the new Maryland School Leadership Academy, which is an initiative intended to replace Blueprint training for leaders; and \$5.8 million is allocated to the Division of College and Career Readiness. The remaining \$4.6 million is allocated for administrative costs, teacher recruitment, and the Office of Athletics.

The Office of the Deputy for Organizational Effectiveness receives \$44.9 million, or 12%, of this budget. Of this amount, \$14.0 million is allocated to the Division of Student, Family, and School Support; \$12.6 million is allocated to the Office of School and Community Nutrition Programs; and \$9.2 million is allocated to the Division of Financial Planning, Operations, and Strategy. The remaining \$9.1 million is allocated for administration, the Office of Policy Analysis and Fiscal Compliance, the Division of Educator Certification and Approval, and administrative costs for the concentration of poverty grant (CPG).

The Office of the Deputy of Operations receives \$27.8 million, or 7%, of this budget. Of this amount, \$18.9 million is allocated to the Office of Information Technology. The remaining \$8.9 million is allocated for administration, the Office of Human Resources, the Office of Procurement and Contract Management, the Office of School Facilities, the Office of Equity Assurance and Compliance, the Office of Pupil Transformation and Emergency Management, and the Office of Facilities and Operations Services.

The budget provides \$21.6 million for school safety grants, which includes a reduction of \$5.0 million for the SRO grant contingent on enactment of legislation reducing the mandated general fund appropriation for the SSF. Other allowances in the school safety budget include \$3.0 million in general funds for the HCG; \$3.0 million in special funds for the School Mapping grant, which is a nonmandated grant in Chapter 167 of 2024; and \$600,000 in SSF special funds for the SSF grant.

Proposed Budget Change

In the fiscal 2026 proposed budget, the MSDE Headquarters allowance increases by \$14.9 million compared to the fiscal 2025 working appropriation, after accounting for fiscal 2025 deficiency appropriations and the fiscal 2026 contingent reduction. Net personnel increases make up the majority of this increase with \$14.2 million allocated. **Exhibit 4** shows the fiscal 2026 proposed budget and changes from fiscal 2025.

Exhibit 4 Proposed Budget MSDE – 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 2024 Actual	\$107,806	\$19,447	\$206,090	\$682	\$334,025
Fiscal 2025 Working Appropriation	113,766	31,210	227,457	754	373,187
Fiscal 2026 Allowance	<u>108,789</u>	<u>39,942</u>	<u>239,110</u>	<u>212</u>	<u>388,053</u>
Fiscal 2025-2026 Amount Change	-\$4,977	\$8,732	\$11,653	-\$542	\$14,866
Fiscal 2025-2026 Percent Change	-4.4%	28.0%	5.1%	-71.9%	4.0%

Where It Goes:	<u>Change</u>
Personnel Expenses	
Salary increases and associated fringe benefits including fiscal 2025 cost-of-living adjustment and increments.....	\$14,757
Salaries and associated fringe benefits for 35 new positions, including 19 new positions created by BPW	4,346
Miscellaneous adjustments	-9
Workers' compensation premium assessment.....	-43
Turnover rate change from 7.17% to 6.60%.....	-816
Employee and retiree health insurance	-1,535
Transferred positions and associated benefits, including 16.0 positions transferred to OIGE	-2,542
Operating Expenses	
DoIT services	842
Computer hardware, software, and maintenance.....	743
General funds for operating expenses across agencies.....	182
General and special funds for contractual payroll and fringe benefits for MSDE ...	126
Administrative hearings	80
Association dues	-50

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Where It Goes:	<u>Change</u>
One-time Deficiency Allocations and Reductions	
Net changes to general and special funds allocated to the Safe Schools Fund for School Resource Officer grants, including contingent reduction in the BRFA.....	3,000
Net decrease in funds for assessment contracts	-9,491
Special Funds	
Net change in the Blueprint for Maryland’s Future funds for leadership training and the new Maryland School Leadership Academy	3,254
Administrative costs for CPG.....	3,000
Teacher recruitment and pipeline program.....	2,024
Routine operating expenses for MSDE	-760
Federal and Reimbursable Funds	
Computer hardware, software, maintenance including DoIT services.....	409
Administrative hearings	131
Garage and building leases and rent	131
Motor vehicle purchases and leases.....	95
Routine operating expenses for MSDE	44
Educational consultants and contracts	44
Net reimbursable funds for MSDE	-30
Building repairs and maintenance	-90
Contractual payroll and fringe benefits for MSDE.....	-264
Reimbursable funds in MLDSC from the Department of Labor for conclusion of the Workforce Data Quality Initiative Grant	-390
CCDBG funds for CCATS information technology project	-2,322
Total	\$14,866

BPW: Board of Public Works

BRFA: Budget Reconciliation and Financing Act

CCATS: Child Care Administration Technology System

CCDBG: Child Care Development and Block Grant

CPG: Concentration of Poverty Grant

DoIT: Department of Information Technology

MLDSC: Maryland Longitudinal Data System Center

MSDE: Maryland State Department of Education

OIGE: Office of the Inspector General for Education

Note: Numbers may not sum to total due to rounding. The fiscal 2025 working appropriation accounts for deficiencies. The fiscal 2026 allowance accounts for contingent reductions. 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.

Changes to Blueprint Special Funds

A notable change in this budget involves the addition of \$8.3 million in Blueprint special funds to the MSDE Headquarters budget for new programs or expenses. Funds allocated for Blueprint training for leaders, which is a mandated program in Chapter 36 as amended, received \$3.0 million in fiscal 2025. Funds for this program are in the MSDE budget, but the program is administrated by AIB. A contract for this program was recently awarded to an external vendor, and the first cohort of training for leaders started in January 2025.

In the fiscal 2026 budget as introduced, \$3.0 million in Blueprint funds for Blueprint training for leaders is replaced with an allowance of \$6.3 million in Blueprint funds for the Maryland School Leadership Academy, which is a part of the Governor’s Blueprint initiatives introduced in SB 429/HB 504, the Excellence in Maryland Public Schools Act. According to the Department of Budget and Management and MSDE, this program is intended to be ongoing at this level of funding through fiscal 2030, in order to (1) expand the scope of Blueprint training for leaders; (2) prepare school administrators to serve as instructional leaders in Maryland’s highest-poverty schools; and (3) provide cohort-based, job-embedded training for school leaders in evidence-based instructional leadership practices. The program would be tuition-free and once completing the program, administrators would serve in a community school for two years. Blueprint funds in this budget are also used to cover an increase of \$2.0 million for MSDE teacher recruitment activities and \$3.0 million in administrative costs for the CPG.

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.

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.

Other Changes

Other notable changes in this budget include:

- a \$9.4 million decrease in funding for assessment contracts. In the budget as introduced, MSDE receives a deficiency allocation of \$10.0 million for costs related to the update and modification of MCAP assessments. In fiscal 2026, this deficiency allocation is slightly offset by an increase of \$509,098 in assessment contracts;
- \$2.3 million decrease in CCDBG federal funds for the CCATS MITP, which has concluded as of fiscal 2025; and

- \$390,470 decrease in reimbursable funds from MD Labor to MLDSC for the completion of their joint Workforce Data Quality Initiative Grant, which was a \$2.0 million, three-year grant with MD Labor and the Maryland Higher Education Commission to expand the capacity and utility of the longitudinal data system by integrating additional workforce development data.

Budget Reconciliation and Financing Act

In the fiscal 2026 budget as introduced, the SRO grant receives the mandated allowance of \$20.0 million, in which \$10.0 million in general funds seeds \$10.0 million in the SSF. However, in the Budget and Reconciliation Act (BRFA) of 2025, the mandated transfer of general funds into the SSF is repealed and replaced with a mandate to fund the SRO grant program without requiring the general fund to special fund transfer. With this action, the SRO grant has a proposed contingent reduction of \$5.0 million in general funds, with \$5.0 million of SSF special fund balance allocated in the budget to meet the \$10.0 million mandate for the grant.

Personnel Data

	<u>FY 24</u> <u>Actual</u>	<u>FY 25</u> <u>Working</u>	<u>FY 26</u> <u>Allowance</u>	<u>FY 25-26</u> <u>Change</u>
Regular Positions	1,068.90	1,181.90	1,218.90	37.00
Contractual FTEs	<u>108.60</u>	<u>41.00</u>	<u>42.00</u>	<u>1.00</u>
Total Personnel	1,177.50	1,222.90	1,260.90	38.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	78.02	6.59%
Positions and Percentage Vacant as of 12/31/24	81.00	6.65%
Vacancies Above Turnover	2.98	

- From fiscal 2025 to 2026, MSDE Headquarters gains a total of 37.0 positions and 1 contractual full-time equivalent. The following regular position increases support MSDE Headquarters offices: 45.25 positions in the Office of the Deputy for Organizational Effectiveness; a net 38.0 positions in DORS across all divisions; 13.75 positions in the Office of the Chief of Staff; and 3 positions in the Office of the Deputy for Operations. Regular position decreases partially offset this increase and include 38.0 positions in the Office of the State Superintendent, 16.0 transferred positions to OIGE due to its establishment as an independent agency, and 10.0 positions in the Office of the Deputy for Teaching and Learning.

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- New positions include 2 positions in the Office of the State Superintendent; 10 positions in the Office of Teaching and Learning; 3 positions in the Office of the Deputy for Organizational Effectiveness; and 19 positions in DORS added by the BPW in July 2024, which are included in the fiscal 2026 allowance but not in the fiscal 2025 working appropriation. MCSS also gains 1 new position to complement their fiscal and grant units.
- For the net increase of 1 contractual position, the Office of the Deputy for Organizational Effectiveness decreases by 2 positions, and the Office of Teaching and Learning increases by 1 position.
- MSDE Headquarters and its independent agencies have 81 vacancies as of December 31, 2024, which is almost 3 vacancies above the number that would be needed to meet the fiscal 2026 budgeted turnover, prior to the increase of regular positions.
- MSDE Headquarters vacancies include 29 positions in DORS, 20 positions in the Office of Teaching and Learning, 18 positions in the Office of the Deputy for Organizational Effectiveness, 9 positions in the Office of the State Superintendent, and 5 positions in the Office of the Deputy for Operations. MCSS and MLDSC do not have any vacant positions. MSDE Headquarters has 27 vacancies that have been unfilled for over one year as of December 31, 2024.

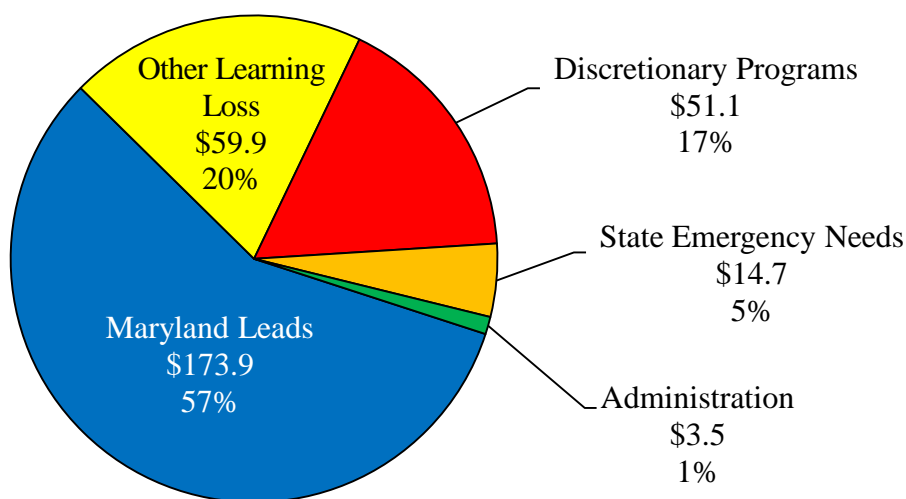
MSDE should comment on agency efforts to reduce vacancy rates. Considering the high number of long-term vacant positions, DLS also recommends reducing MSDE's personnel expenditures by a total of \$524,945 to delete 5 of the 35 new positions added in the fiscal 2026 budget as introduced.

Issues

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

As requested in committee narrative in the 2024 *Joint Chairmen's Report* (JCR), MSDE provided information on SEA federal stimulus funding for mandatory and discretionary programs. **Exhibit 5** shows MSDE's updated funding breakout for the programs. In fiscal 2020, 2021, and 2022, MSDE received approximately \$303.1 million in SEA Elementary and Secondary School Emergency Relief (ESSER) funds.¹ Of this amount, MSDE designated \$173.9 million, or 57%, for Maryland Leads, which is a set of seven programs designed to address learning loss; \$59.9 million, or 20%, for other programs to address learning loss, including summer school, after school programs, and allocations for MSB, MSD, and the School for Educational Evolution and Development (SEED); \$51.1 million, or 17%, for discretionary programs; \$14.7 million, or 5%, for State emergency needs; and \$3.5 million, or 1%, for administration. MSDE reports that LEAs have expended ESSER I and II funding, and due to an extension for MSDE for ESSER III fund expenditure, LEAs have until March 2026 to expend those funds.

Exhibit 5
State Education Agency Fund Distribution
Fiscal 2020-2024
(\$ in Millions)



Source: Maryland State Department of Education

¹ For a discussion of federal funds distributed directly to LEAs and SEED, see the budget analysis 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.

Maryland Leads

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

Maryland Leads is a set of seven programs designed by MSDE to overcome learning loss, narrow achievement gaps, and provide targeted support for historically underserved students and their communities. In fiscal 2023, LEAs applied for noncompetitive grants from preselected “high leverage” Maryland Leads strategies. These programs included SoR, 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. As of the end of fiscal 2024, MSDE’s allocation to all programs, including funding for LEA partners, totaled \$173.9 million.

A calendar 2023 DLS performance analysis found that the seven programs in Maryland Leads focus on student, educator, and local programs. The majority of funding, \$95.2 million, or 55%, is allocated to student programs; \$64.3 million, or 37%, is dedicated to educator programs; \$12.7 million, or 7%, is allocated to local education agency programs; and \$1.7 million, or 1%, is allocated to administration. **Exhibit 6** shows in fiscal 2024, Maryland Leads expenditures totaled \$158.6 million, which is 91.2% of the \$173.9 million allocation.

Exhibit 6
Maryland Leads Participation and Funding
Fiscal 2024
(\$ in Millions)

<u>Program</u>	<u>Allocation</u>	<u>Expended</u>	<u>Remaining</u>	<u>% of Total Allocation</u>
Student Programs				
SoR	\$62.1	\$57.6	\$4.5	36%
Reimagining the Use of Time	15.5	14.4	1.1	9%
High-Quality School Day Tutoring	17.6	17.4	0.2	10%
<i>Subtotal</i>	<i>\$95.2</i>	<i>\$89.4</i>	<i>\$5.8</i>	<i>55%</i>
Educator Programs				
Staff Support and Retention	\$44.9	\$41.1	\$3.8	26%
Grow Your Own Staff	19.4	16.9	2.5	11%
<i>Subtotal</i>	<i>\$64.3</i>	<i>\$58.0</i>	<i>\$6.3</i>	<i>37%</i>
LEA Programs				
TNECS	\$10.3	\$8.7	\$1.6	6%
Innovative School Models	2.4	2.2	0.2	1%
<i>Subtotal</i>	<i>\$12.7</i>	<i>\$10.9</i>	<i>\$1.8</i>	<i>7%</i>
Administration	\$1.7	\$0.3	\$1.4	1%
Total	\$173.9	\$158.6	\$15.3	100%
<i>% Expended</i>	<i>91.2%</i>			

LEA: local education agency

SoR: Science of Reading

TNECS: Transforming Neighborhoods through Excellent Community Schools

Source: Department of Legislative Services; Maryland State Department of Education

A concern for all federal stimulus funding distributed to LEAs is whether the full amount of funds will be expended. Although the deadline to obligate Maryland Leads funding was September 30, 2024, due to federal rules that allow for an extended liquidation period to fulfill obligations, MSDE reports that final expenditures will continue until August 2025, with a final accounting of all expenditures by March 2026. **Exhibit 7** shows Maryland Leads expenditures by LEA, which ranges from 100% in multiple LEAs to 68.0% in Allegany County.

Exhibit 7
Maryland Leads Expenditures by LEA
Fiscal 2024
(\$ in Thousands)

<u>LEA</u>	<u>Total Award</u>	<u>Expended</u>	<u>% Expended</u>
Anne Arundel	\$5,958	\$5,957	100%
Dorchester	6,256	6,256	100%
Somerset	5,884	5,884	100%
St. Mary's	5,819	5,819	100%
Washington	5,265	5,265	100%
Harford	3,599	3,596	100%
Carroll	5,270	5,244	99%
Caroline	5,017	4,970	991%
Garrett	4,868	4,822	990%
Wicomico	8,402	8,299	99%
Talbot	3,477	3,390	98%
Cecil	6,345	6,149	97%
Frederick	8,100	7,823	97%
Montgomery	7,328	6,921	94%
Kent	6,029	5,672	94%
Worcester	4,915	4,598	94%
Howard	4,774	4,304	90%
Charles	2,837	2,544	90%
Queen Anne's	5,001	4,436	89%
Calvert	6,095	5,324	87%
Baltimore City	2,915	2,357	81%
Prince George's	5,191	3,803	73%
Baltimore County	6,285	4,521	72%
Allegany	4,686	3,187	68%
<i>Subtotal</i>	<i>\$130,31</i>	<i>\$121,139</i>	<i>93%</i>
Partner Expenditures	\$43,600	\$37,461	86%
Total	\$173,916	\$158,600	91%

LEA: local education agency

Note: Does not include administrative or local education agency partner expenditures. Numbers may not sum to total due to rounding.

Source: Maryland State Department of Education

Concerns with Maryland Leads funding involve whether these programs will have an impact on post-COVID-19 academic challenges, such as student learning loss and teacher recruitment and retention. In March 2024, MSDE developed a framework for LEAs to report on outcome measures and potential progress on remediation of student learning loss. For student programs, particularly SoR, MSDE reports that LEAs will use MCAP, diagnostic, or other standardized assessments to measure student achievement. For teacher programs, LEAs set goals for entry into teaching incentives, reducing vacancies, retention, and professional development. For local programs, LEAs have implemented work-based learning, apprenticeships, parent engagement, and community programs. MSDE also reports that LEAs are updating Maryland Leads outcome measures. **Appendix 2** provides additional detail on Maryland Leads implementation by program.

Despite progress on Maryland Leads objectives and outcomes, this analysis suggests that continued monitoring of this program is advisable. Future concerns with the program include final expenditure of federal funds by LEAs, alignment of expenditures with outcome measures, and remediation of COVID-19 learning loss and improvement in student achievement at all grade levels as a result of Maryland Leads programs.

SEA Discretionary Funding

Exhibit 8 shows that as of January 2024, MSDE reported that out of \$303.1 million in SEA funding, \$275.3 million, or 91%, has been expended.

Exhibit 8
State Education Agency Program and Funds
Fiscal 2020-2024
(\$ in Millions)

<u>Year</u>	<u>Program</u>	<u>Allocation</u>	<u>Expended</u>	<u>Remaining</u>
Mandated Distributions				
2023	Maryland Leads	\$173.8	\$158.6	\$15.2
2022	Summer Enrichment	39.1	39.1	0.0
2022	Afterschool Programs	20.1	16.6	3.6
2021	MSB, MSD and SEED	0.7	0.7	0.0
<i>Subtotal</i>		<i>\$233.7</i>	<i>\$214.9</i>	<i>\$18.8</i>
Discretionary Programs and Purposes				
2022	State – Emergency Needs	\$14.7	\$11.5	\$3.2
2023	Maryland Works	11.3	8.7	2.6
2022	GOCPP Adverse Childhood Experience	10.0	10.0	0.0
2020	Reopening Grants	9.8	9.8	0.0
2021	MVLO Expansion	3.7	3.7	0.0
2020	School Nutrition Grants	3.7	3.7	0.0
2023	ROSE	2.9	1.9	1.0
	Academic Acceleration for At-Risk			
2021	Students	2.5	2.5	0.0
2022	Low-Income Advanced Placement	1.9	1.9	0.0
2022	Expert Review Teams	1.7	1.7	0.0
	Maryland Regional Crisis Response			
2022	Teams	1.4	1.4	0.0
	Equity Task Force for Black Boys			
2022	Initiatives	1.3	1.3	0.0
2020	Eastern Shore Virtual School	1.0	1.0	0.0
2022	Technology Integration	0.1	0.1	0.0
2020	COVID-19 Related Expenses	0.1	0.1	0.0
2021-2023	Administration	3.3	0.1	3.2
<i>Subtotal</i>		<i>\$69.4</i>	<i>\$59.4</i>	<i>\$10.0</i>
Total		\$303.1	\$274.3	\$28.8
<i>% Expended</i>		<i>90.5%</i>		

GOCPP: Governor’s Office of Crime Prevention and Policy MVLO: Maryland Virtual Learning Opportunities
MSB: Maryland School for the Blind ROSE: Reducing Overidentification in Special Education
MSD: Maryland School for the Deaf SEED: School for Educational Evolution and Development

Source: Department of Legislative Services; Maryland State Department of Education

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.

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

In January 2024, SBOE passed Resolution 24-01, which adopted SoR as Maryland’s official approach to literacy instruction and required LEAs to align their literacy instruction to SoR starting in school year 2024-2025. As part of this resolution, MSDE was tasked with drafting a comprehensive literacy policy for grades prekindergarten through grade 3 that is aligned with SoR and MSDE’s strategic plan. Later in calendar 2024, MSDE also received a total of \$47.2 million in grants for initiatives focused on grade 3 literacy proficiency, including a \$40.3 million, five-year Comprehensive Literacy State Development grant from the U.S. Department of Education and \$6.9 million from the nonprofit Ibis Group for SoR professional development and a research impact study through a partnership with Johns Hopkins University.

Exhibit 9 shows a proposed timeline for implementation of the new literacy policy and its components. MSDE’s draft literacy policy is the most recent step by the department to implement Chapter 512 of 2019 (which MSDE calls the Ready to Read Act). Chapter 512 called for the adoption of evidence-based literacy instruction; screening to identify students at-risk for reading difficulties; and supplemental instructional services to help students achieve reading proficiency by grade 3. In October 2024, MSDE introduced the most recent revision of the draft literacy plan to SBOE, which focused on four categories: (1) educator support; (2) reading instruction and intervention; (3) student reading improvement plans (SRIP); and (4) demonstrated readiness for promotion. The policy also proposes that students who do not achieve reading proficiency by the end of grade 3 may be subject to retention and an accountability component for MSDE and LEA implementation. Once the draft plan is approved by SBOE, MSDE plans to implement all components by school year 2027-2028.

Exhibit 9
Proposed Timeline for Literacy Policy Implementation
School Years 2024-2027

<u>Principle</u>	<u>Component</u>	<u>Start Date</u>
Educator Support	Professional learning on SoR (ongoing).	2024-2025
	Assessment screener selection and implementation.	2026-2027
	Coaching series and cohorts.	2024-2025
	New standards for educator preparation.	2025-2027
Reading Instruction and Intervention	MTSS model training.	2024-2025
	Approved high-quality instructional materials.	2025-2026
	Implement MTSS model.	2026-2027
SRIP	SRIP template and implementation.	2025-2026
	Implementation of MTSS model.	2025-2027
Readiness for Promotion	Policy review, implementation, and LEA reporting.	September 1, 2025
	MSDE technical assistance.	2025-2026
	Retention policy implemented.	2027-2028
Accountability	LEA comprehensive literacy plan approved.	November 2024
	LEA annual report.	September 15, 2025
	SBOE review of policy implementation.	July 2026

LEA: local education agency

MSDE: Maryland State Department of Education

MTSS: multi-tiered systems of support

SBOE: State Board of Education

SoR: Science of Reading

SRIP: student reading improvement plans

Source: Department of Legislative Services; Maryland State Department of Education

In school year 2024-2025, SoR implementation includes educator support, professional development, and coaching; training on a multi-tiered student support model for reading instruction and intervention; and work on SRIP templates and policies. All 24 LEAs submitted

comprehensive literacy plans aligned with SoR to AIB, which as of November 2024 have been reviewed and approved. In addition to the current literacy policy for prekindergarten through grade 3 students, MSDE reports in a response to committee narrative in the 2024 JCR on reading difficulties for middle and high school students that the department is developing an adolescent literacy plan for grades 4 through 12, which aims to identify key areas of literacy development needed for those grade levels.

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.

3. Proposed Budget Reduces General Funds for State Resource Officer Grants; Safe School Fund Ends Fiscal 2026 with \$7.6 Million Projected Balance

Since fiscal 2024, MCSS has administrated all school safety grants: the SRO grant; the SSF grant; the HCG; and the School Safety Grant Program (SSGP). Detailed information on school safety grant programs and the SSF can be found in **Appendix 3**. In the 2024 session, the General Assembly passed four additional pieces of legislation that also impact MCSS's work and grant programs:

- Chapter 354 of 2024 reinstates the \$10.0 million mandate for the SSGP, which was scheduled to terminate on June 30, 2026, as part of Chapter 32 of 2022;
- Chapter 293 of 2024 establishes the Secure Schools Emergency Response Grant program to provide grants to LEAs to improve emergency notification systems and communication during emergency events. This program requires MCSS to ensure that the program is operating and available by September 1, 2026, and authorizes the Governor to allocate funds for this purpose;
- Chapter 182 of 2024 prohibits certain actions regarding active assailant safety drills and requires MCSS to work with LEAs regarding these drills, collect data on the effectiveness and psychological impact of active assailant drills or trainings, and develop and distribute model content regarding State firearm storage laws; and
- Chapter 167 establishes the School Mapping Data program and grant to produce facilities data for each public school, including charter schools. Although there is no mandated appropriation for this program, MCSS is authorized to use the SSF for this purpose.

Exhibit 10 shows that from fiscal 2024 to 2026, a total of \$66.8 million has been allocated in the MCSS budget for school safety grant programs and evaluations, including \$26.0 million in general funds, or 39%, and \$40.8 million in SSF special funds, or 61%. This amount does not include \$10.0 million for the SSGP, which is allocated in the Interagency Commission on School Construction (IAC) budget.

Exhibit 10
School Safety Grant Funding under MCSS
Fiscal 2024-2026
(\$ in Millions)

<u>Program</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Total</u>
General Funds				
SRO Grant	\$10.0	\$2.0	\$5.0	\$17.0
Hate Crimes Grant	3.0	3.0	3.0	9.0
<i>Subtotal</i>	<i>\$13.0</i>	<i>\$5.0</i>	<i>\$8.0</i>	<i>\$26.0</i>
Special Funds				
SRO Grant	\$10.0	\$13.0	\$10.0	\$33.0
LEA Safety Evaluations	3.0	0.0	0.0	3.0
School Mapping Grant	0.0	0.0	3.0	3.0
Safe Schools Fund Grant	0.6	0.6	0.6	1.8
<i>Subtotal</i>	<i>\$13.6</i>	<i>\$13.6</i>	<i>\$13.6</i>	<i>\$40.8</i>
Total	\$26.6	\$18.6	\$21.6	\$66.8

LEA: local education agency
MCSS: Maryland Center for School Safety
SRO: State Resource Officer

Note: Adjusted for fiscal 2025 deficiencies.

Source: Governor’s Fiscal 2026 Budget Books; Maryland Center for School Safety

The fiscal 2026 proposed budget of \$21.6 million for school safety programs includes \$8.0 million in general funds and \$13.6 million in SSF distributed as follows:

- \$10.0 million for the SRO grant to meet the mandated amount, which includes \$5.0 million in general funds, seeding \$5.0 million in the SSF. The budget includes a reduction of \$5.0 million in general funds contingent on the BRFA and \$5.0 million allocated from the SSF balance to cover the reduction in general funds;
- \$3.0 million in general funds for HCG;

- \$3.0 million in special funds for the School Mapping grant; and
- \$600,000 for the SSF grant.

Exhibit 11 shows a DLS analysis of the actual and projected SSF balance from fiscal 2023 to 2026. Since fiscal 2022, MCSS has reported that LEAs have not expended SRO grants due to the restricted allowable use of the fund, contractual agreement challenges between LEAs and law enforcement agencies, and local budget allocations. Also, current law does not allow for reallocation of program funds within the same fiscal year, even when funds are available.

Exhibit 11
Safe Schools Fund Balance
Fiscal 2023 Actual to 2026 Estimated
(\$ in Millions)

	<u>2023 Act.</u>	<u>2024 Act.</u>	<u>2025 Est.</u>	<u>2026 Est.</u>
Remaining Balance from Prior Year	\$19.1	\$24.4	\$26.8	\$18.8
Revenues				
General Funds for SRO	\$10.0	\$10.0	\$7.0	\$10.0
Safe Schools Fund	0.6	0.6	0.6	0.6
Contingent Reductions and Deficiencies	0.0	0.0	-5.0	-5.0
Subtotal	\$10.6	\$10.6	\$2.6	\$5.6
Total Revenues	\$29.7	\$35.0	\$29.4	\$24.4
Expenditures				
SRO Grant	\$4.3	\$6.2	\$10.0	\$10.0
LEA School Evaluations	0.0	1.4	0.0	0.0
Safe Schools Fund Grant	0.5	0.6	0.6	0.6
School Mapping Grant	0.0	0.0	0.0	3.0
Total Expenditures	\$4.8	\$8.2	\$10.6	\$13.6
Estimated Encumbrances	\$0.5	\$0.0	\$0.0	\$0.0
Safe Schools Fund Balance	\$24.4	\$26.8	\$18.8	\$10.8

LEA: local education agency
SRO: School Resource Officer

Source: Maryland Center for School Safety; Department of Legislative Services

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Due to a \$19.1 million fund balance at closeout in fiscal 2022 and underspending on SRO grants in fiscal 2023 and 2024, the estimated SSF balance at the end of fiscal 2025 totals \$18.8 million. With a negative deficiency in fiscal 2025 withdrawing \$5.0 million and a \$5.0 million contingent reduction in the fiscal 2026 budget for the SRO grant, the estimated fund balance at the end of fiscal 2026 totals \$10.8 million. This analysis indicates that the remaining SSF balance could be used to replace \$5.0 million in general funds for the SRO grant with a remaining balance of \$5.8 million.

MCSS should comment on the reasons for underspending for the SRO program in fiscal 2023 and 2024 and reasons for the growing SSF balances. DLS also recommends reducing general funds for the SRO grant by \$5.0 million and backfilling those funds with special funds from the SSF balance.

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.

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	MCSS MSDE	October 1, 2025

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

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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

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

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;

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- 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 State literacy policy

AIB
MSDE

September 1, 2025

**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 for leaders. -\$ 3,200,000 SF
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
8. Reduce general funds to the Maryland Center for School Safety for the School Resource Officer grant program by \$5.0 million. This reduction will be backfilled with special funds from the Safe Schools Fund balance. -\$ 5,000,000 GF
9. Add the following language to the special fund appropriation:

\$5,000,000 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 \$5.0 million in special funds to the appropriation for the School Resource Officer grant program in the Maryland Center for School Safety budget.

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Total Net Change	-\$ 9,200,000
Total General Fund Net Change	-\$ 5,000,000
Total Special Fund Net Change	-\$ 4,200,000

Updates

1. Maryland Center for School Safety Tip Line

Exhibit 12 shows MCSS categories of tip line calls in fiscal 2024. 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. In response to a finding in a 2022 audit conducted by the Office of Legislative Audits, MCSS updated tip line policies and procedures, which are now in use.

Exhibit 12 MCSS Tip Line Fiscal 2024

<u>Event Type</u>	<u>Tips</u>	<u>% of Total Complaints</u>
Bullying/Cyber-bullying/Teasing	106	12.3%
General School Complaint/School Accountability	103	11.9%
Assault/Intent to Harm Others	98	11.3%
Drug Distribution/Use/Sale/Abuse	57	6.6%
Building/Physical Safety and Security	51	5.9%
Gun-related	50	5.8%
Planned School Attack	50	5.8%
Anger issues/Creating Hostile Environment	45	5.2%
Child Abuse/Neglect	37	4.3%
Inappropriate Behavior/Language/Gestures	35	4.1%
Bus Safety/Transportation Concerns	34	3.9%
Smoking/E-cigs/Vaping Tips	23	2.7%
Knife-related	21	2.4%
Suicide Threats/Thoughts of Suicide	21	2.4%
Discrimination tips	19	2.2%
Sexual Harassment/Misconduct/Sexting	19	2.2%
Skipping School/Truancy/Ditching	19	2.2%
Hate Crime/Hate Speech	18	2.1%

<u>Event Type</u>	<u>Tips</u>	<u>% of Total Complaints</u>
Sexual Assault/Rape	17	2.0%
Harassment/Hazing	15	1.7%
Fighting	14	1.6%
Bodily Injury/Emergency Condition	12	1.4%
Total	864	100.0%

MCSS: Maryland Center for School Safety

Note: MCSS does not report tip counts under 10 for any event type.

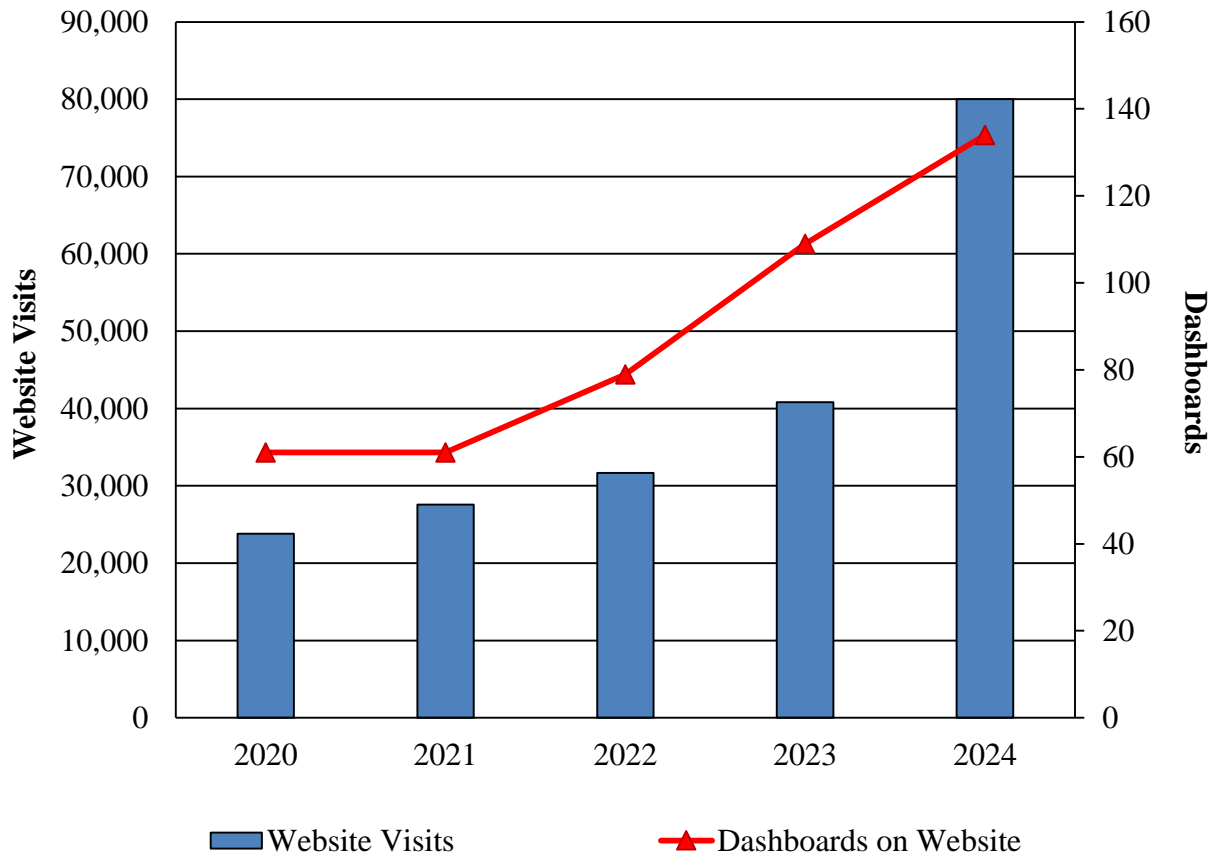
Source: Department of Budget and Management; Maryland Center for School Safety

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's MFR submission. From fiscal 2022 to 2024, calls to the tip line increased from 707 to 864, or 22%.

2. Maryland Longitudinal Data System Center Data Dashboards and Visits to Website Increase

Exhibit 13 shows data dashboards and visits to MLDSC's website from fiscal 2020 to 2024. 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 2023 to 2024, the number of data dashboards available on the website increased by 26, from 109 to 134, or 24%, and visits to the website increased by 39,202, or 96%, from 40,798 to 80,000.

Exhibit 13
MLDSC Dashboard and Website Visits
Fiscal 2020-2024



MLDSC: Maryland Longitudinal Data Systems Center

Source: Department of Budget and Management; Maryland Longitudinal Data Systems Center

Appendix 1

2024 Joint Chairmen’s Report Responses from Agency

The 2024 JCR requested that MSDE prepare 11 reports. Electronic copies of the full JCR responses can be found on the DLS Library website.

- **Report on Free and Reduced-price Meal (FRPM) Enrollment:** MSDE is responsible for accurate counts of FRPM students to determine student eligibility for FRPM benefits as well as funding of the compensatory education and CPG programs. Due to issues involving enrollment counts in recent audits and submitted fiscal 2025 data, the committees requested that MSDE submit fiscal 2025 FRPM enrollment data and report on procedures used to collect, review, and check that data. MSDE submitted the requested data and reported that the department continues to update its procedures for enrollment data collection. Further discussion of this response can be found in the analysis R00A02 – Aid to Education.
- **Report on New Financial Reporting System:** In coordination with AIB, MSDE must implement a financial reporting and student data system capable of tracking LEA data provided to SBOE and update the Financial Reporting Manual for Maryland Public Schools. Due to implementation delays, language in the fiscal 2025 Budget Bill restricted funds pending a status update on this new system and a timeline for both deployment and provision of required accounting manuals for LEAs. MSDE reported that the financial system is available to LEAs and that a public-facing dashboard is likely to be operational in late calendar 2025 or early calendar 2026. The Financial Reporting Manual is not yet available. An update to the submitted report is requested to be submitted to the budget committees by June 30, 2025. The restricted funds were released on October 8, 2024.
- **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 2024, the committees requested that MSDE submit closeout reports on all funds, documenting reversions and encumbrances that did not equal \$0. In its fiscal 2024 closeout report, MSDE reported a total of approximately \$38.7 million in encumbrances, including \$32.2 million in federal funds, \$3.5 million in general funds, and \$3.0 million in special funds. Further discussion of this response can be found in the Fiscal 2024 section of this analysis.
- **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 on funds expended and remaining in fiscal 2021 through 2024, with approximately \$259 million, or 86%, of funds expended. Further discussion of this response can be found in Issue 1.

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- ***Report on the Maryland Leads Program:*** The American Rescue Plan Act requires State agencies to spend a designated percentage of federal stimulus funds to address learning loss. MSDE applied these funds to a 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 LEAs have made considerable progress implementing program goals and continue to collect data on student outcomes. All funds have been obligated and must be expended by August 2025. Further discussion of this response can be found in Issue 1.
- ***Information on Type I Diabetes:*** The committees requested that MSDE and the Maryland Department of Health provide materials on Type I diabetes to each LEA, county board of education, and charter schools; post relevant materials on MSDE’s website; and submit a report to the committees with distributed materials. MSDE submitted a report and posted information on the School Health Services Overview website, which includes a two-page document detailing stages of diabetes, diagnosis in children, early detection, and common symptoms.
- ***Study on Noncertificated Education Support Professionals (ESP):*** The committees requested that MSDE work with relevant stakeholders to study pay equity and pathways to educator certification and other certificated positions for noncertificated ESPs who are employed by LEAs. For this study, MSDE collected information on ESP salaries from LEAs and conducted a survey of approximately 12,000, or 27%, of Maryland ESPs. Findings from this survey include that the median salary of paraprofessionals in Maryland is approximately \$46,000; over 5,000 respondents have a second job; and over 3,500 respondents may want to pursue teacher certification.
- ***Feasibility Study for a State School for the Arts:*** The committees requested that MSDE study the feasibility of a State School for the Arts, including location, possible grade levels, curriculum, arts programs to be offered, a timetable for implementation, projected startup costs, and dollar amount of projected ongoing costs. MSDE consulted with IAC and found that Prince George’s County may be a suitable location; grade levels are likely to be either grades 7 through 12 or grades 9 through 12; projected startup costs for construction of a new facility may range from \$102.4 million to \$142.2 million; and annual operating costs may range from \$1.4 million to \$13.4 million, depending on whether the school is residential.
- ***Study on CTE Programs for Careers in Driving:*** The committees requested that MSDE, MD Labor, and MVA study CTE pathways for high school students for careers in driving, and how CTE may be used to prepare a student for a career that requires driving skills and a driver’s license or commercial driver’s license. With assistance from a wide variety of experts on careers in driving, the study reports on labor market conditions, implementation, and possible programs of study, as well as offers recommendations for CTE programs. The

report provides details on a CTE career pathway that could be implemented by school year 2028-2029 at a cost of approximately \$300 to \$500 per student, not including startup costs.

- ***Report on Expert Review Teams (ERT):*** ERTs are education experts who are tasked with assisting LEAs and schools to implement Blueprint and the collection of data to measure Blueprint program outcomes. The committees requested that MSDE and AIB jointly submit a report on the current status of ERTs and future plans for their deployment. MSDE and AIB reported on ERTs for both LEAs and the CTE Committee, including members and team composition, school visits and classroom visit selection methodology, reporting requirements and progress monitoring, outcome measures, and school visit schedules.
- ***Report on the Identification of Reading Difficulties for Middle and High School Students:*** The committees requested that MSDE submit a report on how LEAs identify students with reading difficulties in grades 6 through 12 and provide supplemental instruction or formal educational plans to improve reading proficiency. MSDE found that students in these grades are primarily identified with reading difficulties using standardized assessments, universal and diagnostic screeners, grades, and attendance. When reading difficulties are identified, LEAs communicate with parents, provide remediation, and determine whether additional interventions are necessary. MSDE is currently developing a State adolescent literacy plan for grades 4 through 12 that focuses on key areas of literacy development for those grades including strengthening core literacy instruction, expanding intervention access, cross-departmental literacy supports, engaging with families, and utilizing data. Further discussion of this response can be found in Issue 2.

Appendix 2
Summary of Maryland Leads Implementation
Fiscal 2024

Summary

- Awards announced in spring 2022
- Implementation started in summer 2022
- Programs implemented in 2022-2023 and 2023-2024 school years
- Extension to spend funds by March 2026
- **Total program funding = \$172.4 million**

<u>Program</u>	<u>Details</u>	<u>Allocation</u>
Staff Support and Retention	<p>22 out of 24 local education agencies (LEA) participating</p> <p><i>Purpose:</i> provide support, training, and competitive benefits for current staff to retain high-quality educators and ensure that students have experienced teachers</p> <p><i>LEA Activities:</i> support for National Board Certification (NBC) candidates, mentoring for new teachers, incentives for professional development, retention bonuses</p> <p><i>Use of Funds:</i> stipends, supplemental pay, awards, technical assistance, and programs</p> <p><i>Summative Measures:</i> vacancy reduction, NBC teachers certified, retention rates</p> <p><i>Potential Impact on Student Learning:</i> indirect, but may improve quality of teacher practice, differentiated support, and inclusiveness</p> <p><i>Progress Highlights:</i> increased retention rates, decrease in vacancies, expansion of NBC certification and participation; increase in participating in training and professional development</p>	\$51.4 million

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<u>Program</u>	<u>Details</u>	<u>Allocation</u>
Science of Reading (SoR)	<p>23 of 24 LEAs participating</p> <p><i>Purpose:</i> implement evidence-based reading instruction methodologies aligned to scientific research on best literacy practices, primarily for students in grades K-3</p> <p><i>LEA Activities:</i> professional development on SoR, development and acquisition of high-quality instructional materials</p> <p><i>Use of Funds:</i> stipends for professional development, high-quality instructional materials, and assessment costs</p> <p><i>Summative Measures:</i> Maryland Comprehensive Assessment Program (MCAP) English/language arts (ELA), Measures of Academic Progress, Dynamic Indicators of Basic Early Literacy Skills, and LexiaCore5</p> <p><i>Potential Impact on Student Learning:</i> increases in MCAP ELA grades 3-5 scores</p> <p><i>Progress Highlights:</i> implementation of SoR training with high completion rates, development of long-term implementation plans, expansion of SoR beyond grade 3</p>	\$53.1 million
Grow Your Own Staff	<p>23 out of 24 LEAs participating</p> <p><i>Purpose:</i> increase the pipeline of teachers and staff with support and incentives for pursuit of teaching careers to create a sustainable workforce</p> <p><i>LEA Activities:</i> early college, high school, dual certification, and paraprofessional programs, support for teachers of color, support for Praxis exams, partner with local community colleges, increase leadership opportunities</p> <p><i>Use of Funds:</i> tuition, fees, certification exams, stipends, professional development, marketing and communication</p> <p><i>Summative Measures:</i> candidate placements, program enrollment, and participants completing higher credential</p> <p><i>Potential Impact on Student Learning:</i> indirect but may improve teacher quality and workforce diversity</p> <p><i>Progress Highlights:</i> increased enrollment in teacher preparation programs, diversity, retention, and passing scores on the PRAXIS exam</p>	\$31.7 million

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<u>Program</u>	<u>Details</u>	<u>Allocation</u>
Reimagining the Use of Time	<p>10 out of 24 LEAs participating</p> <p><i>Purpose:</i> restructure school schedules to provide more personalized learning opportunities and support</p> <p><i>LEA Activities:</i> redesigned academic schedules and offerings, virtual learning opportunities, field trips, attendance and absence monitoring, family engagement, apprenticeships and career and technical education (CTE) pathways, college counseling, credit recovery, tutoring</p> <p><i>Use of Funds:</i> training, supplies, technical assistance, expert support</p> <p><i>Summative Measures:</i> attendance records, student and teacher program participation, enrollment in CTE pathways and apprenticeships</p> <p><i>Potential Impact on Student Learning:</i> increased enrollment and participation in virtual learning, CTE; decreased absenteeism</p> <p><i>Progress Highlights:</i> decrease in absenteeism; increased participation in credit recovery program, CTE pathways, tutoring, flexible schedule offerings; decreased disciplinary referrals</p>	\$17.4 million
Transforming Neighborhood through Excellent Community Schools	<p>8 out of 24 LEAs participating</p> <p><i>Purpose:</i> strengthen school-community partnerships to support student and family needs</p> <p><i>LEA Activities:</i> strategic staffing, family, student and community engagement, coordinated case management and care</p> <p><i>Use of Funds:</i> technical assistance, project management, salaries, and stipends</p> <p><i>Summative Measures:</i> parent and family engagement and reported student well-being.</p> <p><i>Potential Impact on Student Learning:</i> indirect, but may impact staff attrition, truancy, and conditions that prevent students from attending school</p> <p><i>Program Highlights:</i> increased family and community engagement, fine arts enrollment; decrease in conduct referrals</p>	\$9.1 million

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<u>Program</u>	<u>Details</u>	<u>Allocation</u>
High-quality School Day Tutoring	<p>5 out of 24 LEAs participating</p> <p>Purpose: provide tutoring academic interventions during school hours to remediate learning gaps for students who have fallen behind due to lost instructional time</p> <p>LEA Activities: tutoring, monitoring student reading and math standardized scores and achievement</p> <p>Use of Funds: stipends, salaries, instructional materials, technology, and costs for vendors and partners</p> <p>Summative Measures: LEA, diagnostic, and MCAP assessments</p> <p>Potential Impact on Student Learning: Increased proficiency on math and reading on summative measures</p> <p>Progress Highlights: Increases in grade 6 math scores (Baltimore County), increased number of tutors</p>	\$5.7 million
Innovative School Models	<p>4 out of 24 LEAs participating</p> <p>Purpose: exploration and implementation of various pedagogical models that may be more effective for specific groups of students</p> <p>LEA Activities: new models for CTE, work-based learning, licensure</p> <p>Use of Funds: technical assistance, event coordination, and supplies and materials</p> <p>Summative Measures: program enrollment</p> <p>Potential Impact on Student Learning: indirect, but may provide students opportunities for job and career growth</p> <p>Program Highlights: increased matches to apprenticeships, licensure, nontraditional pathways, employment opportunities</p>	\$2.5 million
Administration	Funding provided for program management	\$1.6 million
Total		\$172.4 million

Note: Numbers may not sum due to rounding.

Source: Department of Legislative Services; Maryland State Department of Education

Appendix 3
School Safety Grant Programs
As of January 2025

SSF and SSF Grant: Chapter 87 of 2008 established this fund as the School Bus Safety Enforcement Fund administered by the Department of State Police. This special fund receives an annually mandated allocation of \$600,000, which is supported by revenues from fines on motorists driving without proper insurance. The SSF is administered by the School Safety subcabinet, which provides annual grants (the SSF Grant) of \$600,000 annually to LEAs to enhance school safety. The fund consists of:

- \$600,000 paid annually to the fund from fines collected from uninsured motorists;
- \$10.0 million to local school systems and/or law enforcement agencies to provide adequate law enforcement coverage and/or SROs for public schools;
- money appropriated in the State budget to the fund;
- money from any other source; and
- interest earnings.

HCG: Chapter 732 of 2017 established this grant 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.

SSGP: Chapter 14 of 2018, the 21st Century School Facilities Act, established this grant 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 of 2018, the Safe to Learn Act. Under Chapter 14, this program has an annual mandated allowance of \$10.0 million. Chapter 32 terminated this program as of June 30, 2026 (fiscal 2027). In Chapter 354, the scheduled termination of the program was repealed with the annual mandate continuing at \$10.0 million. In fiscal 2023, this program moved from the capital budget 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.

SRO Grant: Chapter 30 established this grant, which is designated for LEAs 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 SSF.

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LEA Safety Evaluations: Under Chapter 30, MCSS must conduct an evaluation of LEA school safety programs every five years. This evaluation is not available to the public but is for internal use by MCSS to improve school safety for LEAs. In fiscal 2024, MCSS received \$3.0 million from the SSF for this purpose.

Secure Schools Emergency Response Grant: Chapter 293 establishes this grant for LEAs for the upgrade of emergency notification systems and communication between public elementary and secondary school personnel; a public safety answering point; and a public safety agency during emergency events. LEAs that apply for and receive grants must use the funds to improve emergency notification systems or enhance communications within the school and with public safety agencies. By September 1, 2026, MCSS must ensure that the program is operating and available to each local school board. The Governor may include an appropriation in the annual budget bill for the program, but it is not mandated.

School Mapping Grant: Chapter 472 of 2024 establishes the School Mapping Data Program to provide funds to LEAs to produce school mapping data for each public school in the county, including charter schools. IAC must adopt facility mapping standards for the uniform mapping of the physical attributes of public schools. Under the Public Information Act, a custodian must deny inspection of any record disclosing school mapping data produced under the bill.

Note: Program descriptions are updated through the 2024 legislative session. Changes to these programs in the fiscal 2026 budget as introduced, or the BRFA of 2025, are not included in this appendix.

Source: Department of Legislative Services

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

<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	1,068.90	1,181.90	1,218.90	37.00	3.1%
02 Contractual	108.60	41.00	42.00	1.00	2.4%
Total Positions	1,177.50	1,222.90	1,260.90	38.00	3.1%
Objects					
01 Salaries and Wages	\$ 135,837,229	\$ 138,728,560	\$ 154,235,342	\$ 15,506,782	11.2%
02 Technical and Special Fees	54,028,687	75,101,405	74,963,907	-137,498	-0.2%
03 Communication	864,351	1,560,850	1,561,352	502	0%
04 Travel	742,205	2,010,745	2,005,985	-4,760	-0.2%
06 Fuel and Utilities	809,829	853,849	853,849	0	0%
07 Motor Vehicles	1,000,906	2,175,553	2,267,277	91,724	4.2%
08 Contractual Services	84,336,104	93,908,205	101,593,574	7,685,369	8.2%
09 Supplies and Materials	1,356,598	1,948,863	1,946,795	-2,068	-0.1%
10 Equipment – Replacement	795,046	678,131	675,499	-2,632	-0.4%
11 Equipment – Additional	1,348,578	417,483	407,483	-10,000	-2.4%
12 Grants, Subsidies, and Contributions	46,307,506	41,454,252	44,454,252	3,000,000	7.2%
13 Fixed Charges	6,544,284	7,889,930	7,977,911	87,981	1.1%
14 Land and Structures	53,197	110,000	110,000	0	0%
Total Objects	\$ 334,024,520	\$ 366,837,826	\$ 393,053,226	\$ 26,215,400	7.1%
Funds					
01 General Fund	\$ 107,805,538	\$ 108,765,733	\$ 113,788,896	\$ 5,023,163	4.6%
03 Special Fund	19,446,725	31,209,639	39,941,940	8,732,301	28.0%
05 Federal Fund	206,090,281	226,108,033	239,110,233	13,002,200	5.8%
09 Reimbursable Fund	681,976	754,421	212,157	-542,264	-71.9%
Total Funds	\$ 334,024,520	\$ 366,837,826	\$ 393,053,226	\$ 26,215,400	7.1%

Note: The fiscal 2025 appropriation does not include deficiencies. The fiscal 2026 allowance does not include contingent reductions or statewide salary adjustments budgeted within the Department of Budget and Management.

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Appendix 5
Fiscal Summary
Maryland State Department of Education – Headquarters

<u>Program/Unit</u>	<u>FY 24 Actual</u>	<u>FY 25 Wrk Approp</u>	<u>FY 26 Allowance</u>	<u>Change</u>	<u>FY 25 - FY 26 % Change</u>
01 Office of the State Superintendent	\$ 83,089,569	\$ 76,422,540	\$ 67,861,866	-\$ 8,560,674	-11.2%
02 Office of the Chief of Staff	430,344	862,777	2,995,918	2,133,141	247.2%
03 Office of the Deputy for Teaching and Learning	35,226,074	37,533,902	47,096,873	9,562,971	25.5%
05 Office of the Deputy for Organizational	25,044,164	32,436,832	44,885,366	12,448,534	38.4%
06 Office of the Deputy for Operations	21,468,437	24,738,916	27,775,187	3,036,271	12.3%
07 Major Technology Information Projects	1,055,510	5,000,000	2,678,167	-2,321,833	-46.4%
20 Div. of Rehab Services - Headquarters	13,805,258	24,098,119	24,278,492	180,373	0.7%
21 Div. of Rehab Services - Client Services	64,357,158	63,520,319	64,978,673	1,458,354	2.3%
22 Div. of Rehab Services - Workforce and Tech.	10,737,710	12,927,099	13,493,561	566,462	4.4%
23 Div. of Rehab Services – Disability Determination	40,661,683	46,750,454	50,931,623	4,181,169	8.9%
24 Div. of Rehab Services – Blindness & Vision	10,423,437	11,970,607	12,244,326	273,719	2.3%
01 Maryland Longitudinal Data Systems Center	3,454,996	3,526,666	3,504,025	-22,641	-0.6%
01 Operations	3,173,473	3,449,595	3,729,149	279,554	8.1%
02 Grants	21,096,707	23,600,000	26,600,000	3,000,000	12.7%
Total Expenditures	\$ 334,024,520	\$ 366,837,826	\$ 393,053,226	\$ 26,215,400	7.1%
General Fund	\$ 107,805,538	\$ 108,765,733	\$ 113,788,896	\$ 5,023,163	4.6%
Special Fund	19,446,725	31,209,639	39,941,940	8,732,301	28.0%
Federal Fund	206,090,281	226,108,033	239,110,233	13,002,200	5.8%
Total Appropriations	\$ 333,342,544	\$ 366,083,405	\$ 392,841,069	\$ 26,757,664	7.3%
Reimbursable Fund	\$ 681,976	\$ 754,421	\$ 212,157	-\$ 542,264	-71.9%
Total Funds	\$ 334,024,520	\$ 366,837,826	\$ 393,053,226	\$ 26,215,400	7.1%

Note: The fiscal 2025 appropriation does not include deficiencies. The fiscal 2026 allowance does not include contingent reductions or statewide salary adjustments budgeted within the Department of Budget and Management.

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