

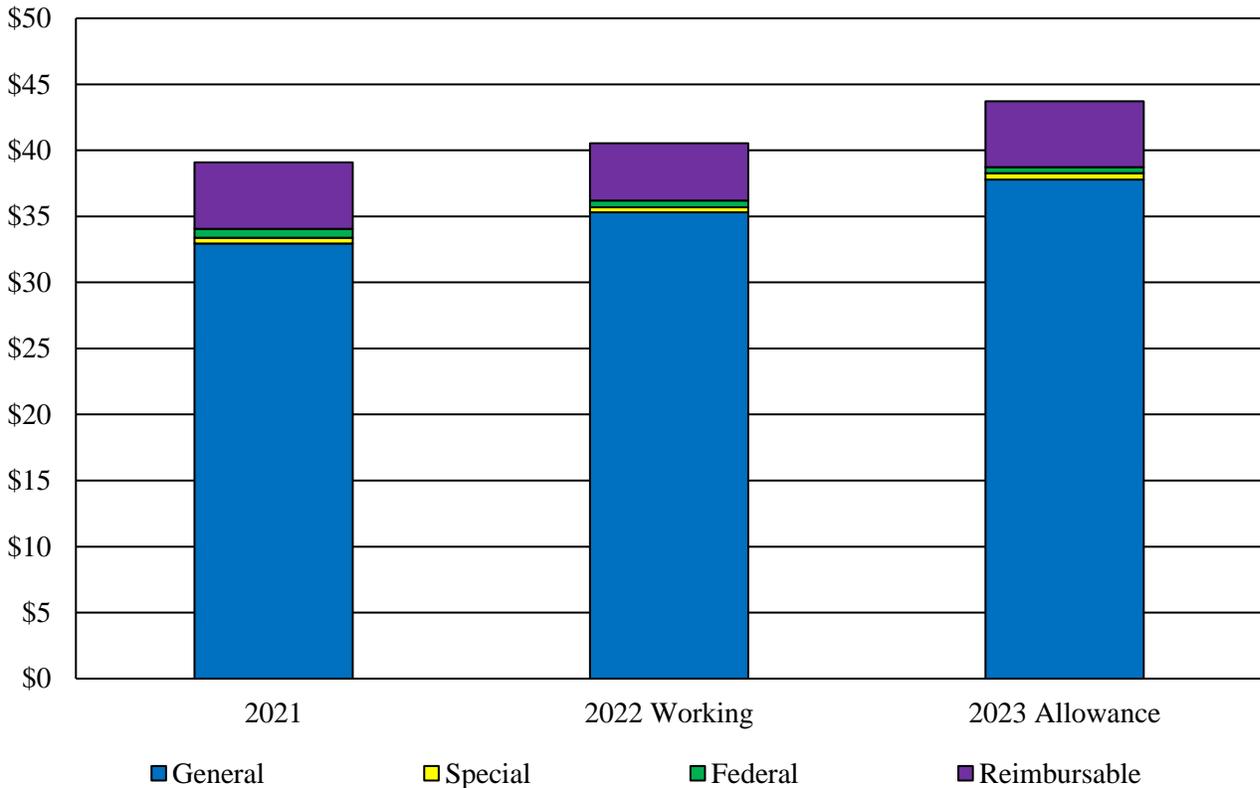
R99E Maryland School for the Deaf

Program Description

The Maryland School for the Deaf (MSD) is a public school that educates deaf and hard of hearing students from across the State at its two campuses in Frederick and Columbia. Students range in age from prekindergarten through age 21. MSD also serves the families of its students through early intervention and enhanced services programs, which provide education, early childhood programs, and American Sign Language (ASL) classes.

Operating Budget Summary

Fiscal 2023 Budget Increases \$3.2 Million, or 7.9%, to \$43.7 Million
(\$ in Millions)



Note: The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

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Fiscal 2022

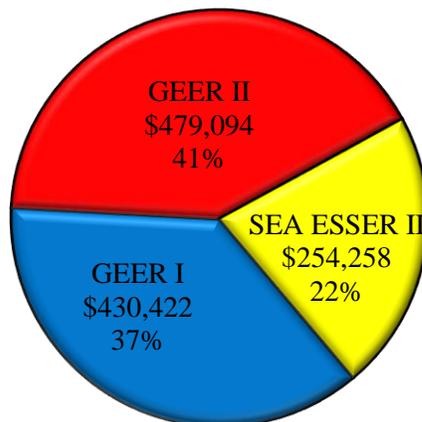
Federal Stimulus Funds

In fiscal 2020 and 2021, MSD received \$1,163,774 in federal stimulus funds based on enrollment as follows:

- \$430,422, or 37%, from the Coronavirus, Aid, Relief, and Economic Security Act, Governor’s Emergency Education Relief (GEER) I Fund in fiscal 2020;
- \$479,094, or 41%, from the Coronavirus Response and Relief Supplemental Appropriation (CRRSA) Act, GEER II Fund in fiscal 2021; and
- \$254,258, or 22%, from the Maryland State Department of Education’s (MSDE) State Education Agency CRRSA Elementary and Secondary School Emergency Relief (ESSER) II Fund, as intended in Chapter 357 of 2021 (the fiscal 2022 operating budget).¹

Exhibit 1 displays this distribution.

Exhibit 1
Federal Stimulus Fund Distribution
Fiscal 2020-2021



ESSER: Elementary and Secondary School Emergency Relief
GEER: Governor’s Emergency Education Relief

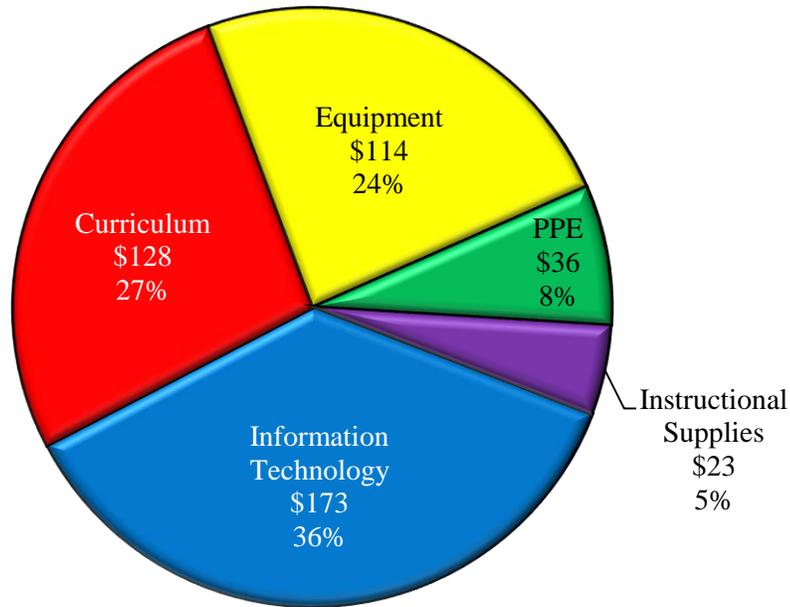
SEA: State Education Agency

Source: Maryland State Department of Education; Maryland School for the Deaf

¹ Even though the Maryland General Assembly requested funds for MSD in the fiscal 2022 operating budget, because the MSDE received Coronavirus Response and Relief Supplemental Appropriation ESSER funds in fiscal 2021, MSDE’s subsequent award of these funds to MSD is also credited to fiscal 2021.

Even though MSD received these awards in fiscal 2020 and 2021, the school has until September 2022 to spend GEER I funds and until September 2023 to spend GEER II and ESSER II funds. To date, the school has spent approximately \$474,000, or 41%, of grant funds. **Exhibit 2** displays these expenditures by type.

Exhibit 2
Federal Stimulus Fund Expenditures
Fiscal 2021-2022
(\$ in Thousands)



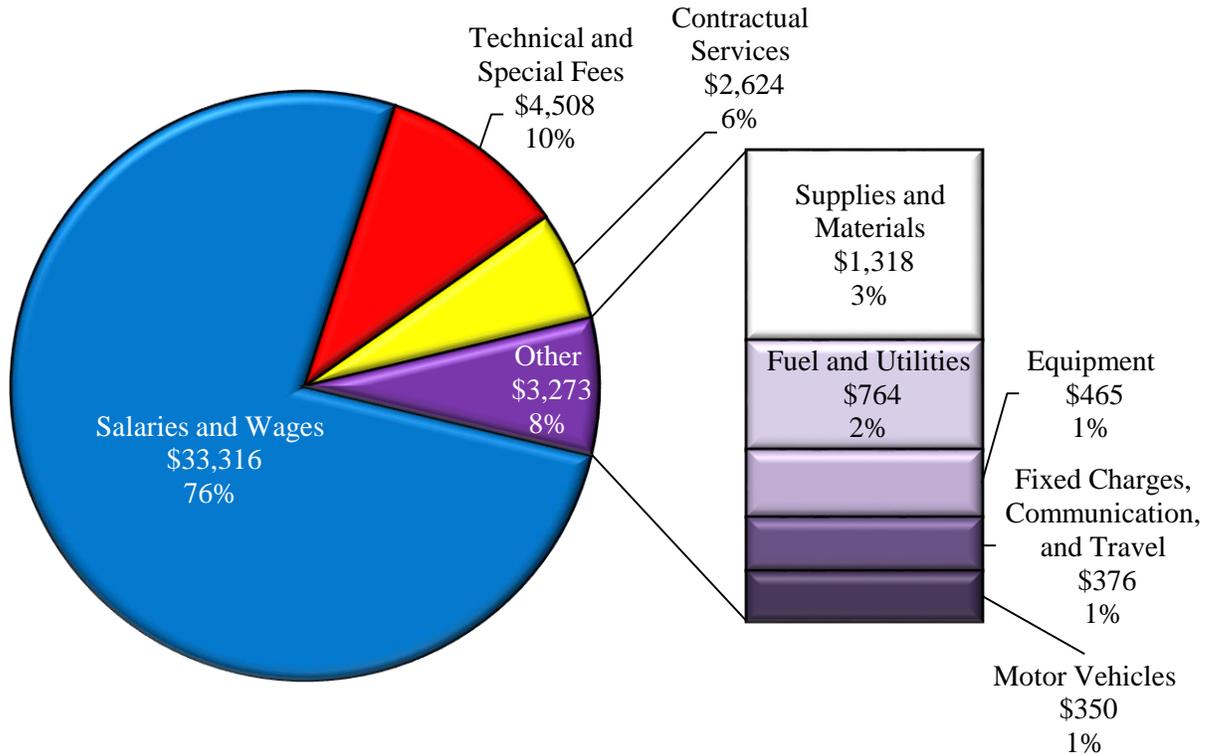
PPE: personal protective equipment

Source: Maryland School for the Deaf

Fiscal 2023 Overview of Agency Spending

The fiscal 2023 proposed budget for MSD totals \$43.7 million. **Exhibit 3** displays an overview of agency spending by object.

**Exhibit 3
Overview of Agency Spending
Fiscal 2023 Allowance
(\$ in Thousands)**



Note: The fiscal 2023 allowance for salaries and wages does not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and annual salary review adjustments.

Source: Governor’s Fiscal 2023 Budget Books

In the fiscal 2023 proposed budget, salaries and wages total \$33.3 million, or 76%, of MSD’s total allowance. Contractual employment accounts for \$4.5 million, or 10%. Contractual services total \$2.6 million, which includes approximately \$700,000 for plumbing and aging equipment repairs; \$292,000 for HVAC systems; \$128,000 for stormwater management; \$99,000 for curriculum; and \$98,000 for Department of Information Technology services. Supplies and materials receive \$1.3 million, or 3%, of the allowance, and fuel and utilities receive \$800,000, or 2%, of the allowance.

Enrollment

An enrollment formula in § 8-3A-09 of the Education Article determines MSD’s annual enrollment count, which uses a four-year average to mitigate sharp increases and decreases in the student population. For the purposes of calculating MSD’s enrollment for formula funding, early intervention students are counted at 50% of enrollment, and school-age students are counted at 100% of enrollment (enhanced services students are not included in this count). For the 2021-2022 school year, MSD’s total enrollment is 550, which includes 53 enhanced services students, 70 early intervention students, and 427 school-age students, which for formula funding purposes totals 462. Enrollment has been slightly lower during the COVID-19 pandemic as some families chose to homeschool their children for safety reasons, and others moved to different schools due to difficulty with virtual learning. **Exhibit 4** shows MSD enrollment from fiscal 2019 through fiscal 2023 estimated.

Exhibit 4
Maryland School for the Deaf Enrollment
Fiscal 2019-2023 Est.

<u>Fiscal Year</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023 Est.</u>
School Year	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Enhanced Services Students	50	51	58	51	53
Early Intervention Students	82	67	67	69	70
School-age Students	426	440	424	413	427
Total	558	558	549	533	550
<i>Enrollment for Formula Funding</i>	<i>467</i>	<i>474</i>	<i>458</i>	<i>448</i>	<i>462</i>

Source: Department of Budget and Management

Proposed Budget Change

MSD’s general fund allowance is formula-based and calculated using (1) a per pupil allocation in § 5-201 of the Education Article and (2) the enrollment formula mentioned previously. Due to an increase in the per pupil amount mandated in Chapter 36 of 2021, MSD’s per pupil funding increases from \$7,390 in fiscal 2022 to \$8,310 in fiscal 2023. MSD’s formula enrollment also increases by 14 students from 448 in fiscal 2022 to 462 in fiscal 2023. These changes result in an increase in MSD’s formula funding of approximately \$2.5 million, which is 7% greater than fiscal 2022.

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When combined with changes to other fund sources, MSD’s proposed budget increase is nearly \$3.2 million, which is primarily reflected in increases to personnel expenses, contractual services, and plant maintenance and operations. **Exhibit 5** shows these proposed changes.

**Exhibit 5
Proposed Budget
Maryland School for the Deaf
(\$ 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 2021 Actual	\$32,940	\$445	\$675	\$5,023	\$39,083
Fiscal 2022 Working Appropriation	35,313	378	519	4,321	40,530
Fiscal 2023 Allowance	<u>37,800</u>	<u>482</u>	<u>443</u>	<u>4,996</u>	<u>43,721</u>
Fiscal 2022-2023 Amount Change	\$2,487	\$104	-\$76	\$676	\$3,191
Fiscal 2022-2023 Percent Change	7.0%	27.6%	-14.7%	15.6%	7.9%
Where It Goes:					<u>Change</u>
Personnel Expenses					
Reclassifications					\$919
Miscellaneous adjustments					224
Employee and retiree health insurance					124
Workers’ compensation premium assessment					85
New positions.....					61
Accrued leave payout.....					50
Social Security					9
Other fringe benefit adjustments.....					1
Abolished/transferred positions					0
Increments and other compensation.....					0
Retirement.....					-36
Turnover adjustments					-68
Other changes to regular earnings.....					-90
General Fund Changes					
Contractual services for grounds maintenance and repairs.....					563
Routine plant operations and maintenance					547
Contractual payments reflecting the first year of a new pay plan.....					203
Purchase and leases for new vehicles					130
Equipment for food service, maintenance, and cleaning					89

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Where It Goes:	<u>Change</u>
Non-instructional supplies and materials	68
Instructional materials	42
Fixed charges	22
Other operating expenses	5
Other Fund Changes	
Local education agency reimbursements	181
Net changes in special funds	104
Net change in federal funds including decreases in school lunch and medical assistance	-42
Total	\$3,191

Note: Numbers may not sum due to rounding. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

Out of this \$3.2 million, MSD’s largest increase is personnel expenses, which is approximately \$1.3 million in general funds. Of the largest increases, reclassifications total \$919,000, which includes an increase in salary for the new superintendent and funds to reassign positions in alignment with Chapter 36 requirements. Miscellaneous adjustments total \$224,000, which includes stipends for athletic coaches, retroactive pay, and summer work grants. These increases are offset by a decrease of \$194,000 for retirement, turnover expectancy, and regular earnings.

MSD’s other general fund increases total approximately \$1.9 million and include \$563,000 for contractual services as described previously; \$547,000 for plant maintenance and operations, which includes replacement parts for aging HVAC and plumbing, as well as increases in supplies and maintenance costs; \$203,000 for contractual services, which reflects the first year of a new pay plan for contractual employees; \$130,000 for purchase of a small bus and replacement of three vans with over 100,000 miles; \$89,000 for food service, maintenance, and cleaning equipment; \$68,000 for non-instructional materials and supplies due to the return of students to campus for in-person instruction and the cost of supplies; \$42,000 for instructional materials, which is also related to supply chain increases and a return to in-person instruction; and \$27,000 for fixed charges and other operating expenses.

Special, federal, and reimbursable funds have a net change of \$243,000. Of this amount, \$181,000 is attributable to increases in local education agency reimbursements, and \$104,000 is special fund increases. These increases are offset by a decrease of \$42,000 in federal fund payments from the school lunch program, medical assistance, and other federal funds.

Personnel Data

	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 22-23</u>
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	334.50	334.50	334.50	0.00
Contractual FTEs	<u>72.07</u>	<u>90.30</u>	<u>82.40</u>	<u>-7.90</u>
Total Personnel	406.57	424.80	416.90	-7.90

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	2.43	0.73%
Positions and Percentage Vacant as of 12/31/21	19.00	5.68%

Vacancies Above Turnover 16.57

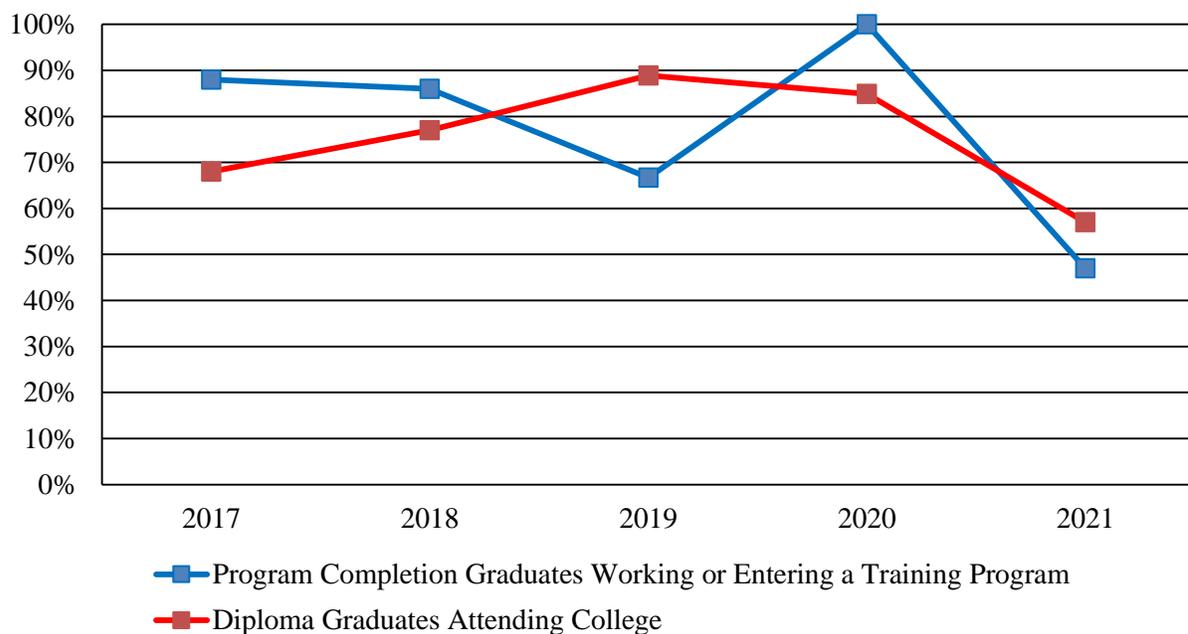
- MSD is authorized 334.5 regular positions and 82.40 contractual positions in the fiscal 2023 allowance. The agency does not add any new regular positions in fiscal 2023.
- Due to decreased enrollment, contractual positions for instructional personnel decrease by almost 8 positions from fiscal 2022 to 2023; however, with the return to in-person instruction, MSD expects to hire back contractual employees in fiscal 2023.
- For fiscal 2023, MSD has a less than 1% budgeted turnover rate. With 19 positions currently vacant, the agency will have the opportunity to fill 17 existing vacant positions in the upcoming fiscal year. MSD reports that vacancies are due to a variety of reasons, including recent retirements, a return to in-person learning, the need for teachers and staff who are fluent in ASL, and the expensive housing market in Maryland.

Key Observations

1. Decline in MSD Students Headed to College, Training, and Work

Exhibit 6 shows that in MSD’s 2021 graduating class, 57% of students plan to attend college, which due to challenges students face in learning during a pandemic, represents a 33% decline from the 2020 graduating class. MSD reports that students in the 2021 graduating class are attending community college for a year or plan to attend college in fall 2022. For MSD students pursuing a certificate of program completion, 47% plan to work or enter a training program after graduation, even though they have faced difficulty finding work or entering a suitable training program during the pandemic. MSD anticipates that the percentage of students headed to college, training, or work will return to prepandemic levels with the graduating class of 2022.

Exhibit 6
Students Headed to College, Training, and Work
Fiscal 2017-2021



Source: Maryland School for the Deaf, Managing for Results

2. MSD and MSDE Submit Report Addressing 2019 Audit Concerns

Chapter 357 restricted \$100,000 pending submission of a *Joint Chairmen’s Report* (JCR) from MSDE regarding its responsibilities for monitoring MSD as required by § 8-3A-08 of the Education Article. This report was to contain three parts: (1) a review of MSDE’s statutory responsibilities for MSD; (2) an update on MSDE’s progress to support MSD; and (3) information on fiscal resources dedicated to meet statutory requirements. In the 2021 JCR submission, MSDE reported that the agency had not updated its memorandum of understanding with MSD since 1998 and was still working on items identified in the 2019 audit. Recently, MSD reported additional progress on those issues including:

- training for all Individualized Education Program (IEP) coordinators, administrators, and teachers to eliminate coding errors;
- increased staffing in the IEP department and training on writing measurable IEP goals;
- training for IEP coordinators, IEP clerical personnel, transition teams, department administrators, and teachers on documentation of parent input; and
- invitations to IEP meetings for students aged 14 and older, documentation of those invitations, and notification and documentation to include secondary transition services for these students.

In the MSDE Headquarters budget analysis, the Department of Legislative Services recommends to the budget committees that MSDE and MSD submit an update on these issues. For more information, see the MSDE Headquarters – R00A01 analysis.

3. MSD Returns to In-person Learning in Fall 2021

Due to the COVID-19 pandemic, in March 2020, MSD closed to in-person instruction for students and began operating virtually. MSD distributed laptop computers and tablets to students and staff to facilitate the transition to remote learning. Some families that did not have access to the Internet were given Wi-Fi hotspots. For MSD students engaged in remote learning, language access is the primary challenge; for example, disruptions to video during online lessons negatively impact students because they cannot see instruction communicated through sign language on screen. In February 2021, MSD returned to hybrid in-person learning and brought a small group of residential students back to campus.

In September 2021, MSD opened for full-time, in-person instruction on both campuses, including toddlers and prekindergarten students. The school offers virtual learning for students when an entire classroom must quarantine due to a possible COVID-19 exposure, and the school hired an educator to assist students who are on quarantine so they can complete the classroom work if they would like to do so. Despite MSD’s return to in-person learning, enrollment remains down from pre-pandemic levels due to continuing concerns about COVID-19 exposure. These students are either

currently homeschooled or enrolled in a different school due to their child’s difficulty with virtual learning in prior school years. MSD hopes that enrollment will return to prepandemic levels in the 2022-2023 school year.

4. MSD Continues Superintendent Search

MSD’s superintendent retired in September 2020, and a 15-member search committee comprised of a diverse group of stakeholders from across the MSD community was established to facilitate the search process. MSD also contracted with an independent executive search firm to aid in the recruitment of qualified candidates and to provide guidance to the search committee. The firm selected is a deaf-owned national consulting firm with experience in executive searches for other schools and programs for the deaf. The search committee held a series of focus groups and meetings in early 2021, released a survey to gain input from members of the MSD community, and assisted in the development of a leadership profile for the superintendent position. A vacancy announcement, prospectus, and leadership profile were released in February 2021. However, despite the efforts of the search committee and multiple interviews, the school did not find a suitable candidate.

MSD reports that the unsuccessful superintendent search and the current national labor shortage and competitive job market required the school to pause and reassess what is needed to successfully identify and hire a qualified candidate for this critical role. Two key barriers that are currently being addressed by the board of trustees are the compensation level for this position and the timing of the search process. In February 2022, the MSD Board of Trustees will vote on a new search plan, create a new schedule, and form a new search committee for the second round of this process. MSD plans to relaunch the search in April 2022. As previously noted, the fiscal 2023 allowance includes funding to provide enhanced compensation for the superintendent position.

In the meantime, MSD is relying on experienced education professionals who serve as the senior administrative team to lead and manage both campuses. Members of that team have assumed additional responsibilities and put in significant time to manage the school’s campuses in the absence of a permanent superintendent. The team works closely with the MSD Board Chair to keep MSD’s programs and services running smoothly and to keep focused on the education of MSD students as their highest priority.

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

Updates

- ***Kindergarten Readiness Assessment (KRA):*** The KRA is a key component of Maryland’s Early Childhood Comprehensive Assessment System, which aligns with MSDE’s Early Learning Standards. MSD has used the KRA since fiscal 2016 to assess incoming kindergarten students in the areas of mathematics, social foundations, physical well-being, and motor development. Since fiscal 2019, students also receive a score on the language and literacy component of the assessment. However, due to challenges related to COVID-19 in-person testing at the start of the 2020-2021 school year, MSD did not administer the assessment in fall 2020. MSD did administer the KRA in fall 2021, but because results are not yet available, MSD submitted projected results for fall 2021 for this performance measure.

**Appendix 1
Object/Fund Difference Report
Maryland School for the Deaf**

<u>Object/Fund</u>	<u>FY 21 Actual</u>	<u>FY 22 Working Appropriation</u>	<u>FY 23 Allowance</u>	<u>FY 22 - FY 23 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	334.50	334.50	334.50	0.00	0%
02 Contractual	72.07	90.30	82.40	-7.90	-8.7%
Total Positions	406.57	424.80	416.90	-7.90	-1.9%
Objects					
01 Salaries and Wages	\$ 30,593,826	\$ 32,036,748	\$ 33,316,051	\$ 1,279,303	4.0%
02 Technical and Special Fees	3,714,269	4,025,424	4,507,782	482,358	12.0%
03 Communication	144,044	126,748	129,153	2,405	1.9%
04 Travel	479	26,645	9,845	-16,800	-63.1%
06 Fuel and Utilities	739,124	808,096	764,116	-43,980	-5.4%
07 Motor Vehicles	63,267	85,621	350,333	264,712	309.2%
08 Contractual Services	2,208,050	1,730,457	2,623,909	893,452	51.6%
09 Supplies and Materials	947,574	1,084,654	1,317,594	232,940	21.5%
10 Equipment – Replacement	467,875	395,420	465,256	69,836	17.7%
13 Fixed Charges	204,445	210,431	237,083	26,652	12.7%
Total Objects	\$ 39,082,953	\$ 40,530,244	\$ 43,721,122	\$ 3,190,878	7.9%
Funds					
01 General Fund	\$ 32,939,952	\$ 35,312,615	\$ 37,799,763	\$ 2,487,148	7.0%
03 Special Fund	444,531	377,827	482,235	104,408	27.6%
05 Federal Fund	675,034	519,278	442,966	-76,312	-14.7%
09 Reimbursable Fund	5,023,436	4,320,524	4,996,158	675,634	15.6%
Total Funds	\$ 39,082,953	\$ 40,530,244	\$ 43,721,122	\$ 3,190,878	7.9%

Note: The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.