



MARYLAND OFFICE OF THE
INSPECTOR GENERAL FOR EDUCATION

Richard P. Henry
Inspector General

Douglas H. Roloff, III
Deputy Inspector General

April 20, 2022

MEMORADUM

To: Mr. Mohammed Choudhury
State Superintendent of Schools
Maryland State Department of Education
200 W. Baltimore Street
Baltimore, Maryland 21201

RE: Investigative Audit of Maryland State Department of Education's State Aid Student Enrollment Reporting (OIGE Case: 22-0001-A)

The Maryland Office of the Inspector General for Education (OIGE) has completed an investigative audit of the accuracy of state aid student enrollment reporting provided by school systems to the Maryland State Department of Education (MSDE). The investigative audit results and recommendations are included in the attached final report.

The OIGE provided a draft report to MSDE on March 17, 2022. The State Superintendent of Schools provided responses to the report's recommendations on April 18, 2022. The responses are included as Appendix A to this report and indicate MSDE's concurrence with five of the six recommendations.

This report details the findings and recommendations of the OIGE, Office of Investigative Audit division. Please contact Mr. Dan Reagan, CPA, Supervisory Inspector General at (443) 721-4889 or by email at dan.reagan@maryland.gov if you have any additional questions or concerns.

Respectfully,

Richard P. Henry
Inspector General

Enclosures

cc: The Honorable Lawrence J. Hogan
Governor – State of Maryland

The Honorable William C. Ferguson IV
President – Maryland Senate

The Honorable Adrienne A. Jones
Speaker – Maryland House of Delegates

Mr. Clarence C. Crawford
President, Maryland State Board of Education

Dr. Sonja Santelises, Ed.D.
Chief Executive Officer, Baltimore City Public Schools

Mr. W. David Bromwell,
Superintendent, Dorchester County Public Schools

Dr. Monica Goldson, Ed.D.
Chief Executive Officer, Prince George's County Public Schools

Dr. Kelly Griffith, Ed.D.
Superintendent, Talbot County Public Schools



**Office of the
Inspector General
for Education**
State of Maryland

Richard P. Henry
Inspector General

Investigative Audit 22-0001-A

**Maryland State Department
of Education**

State Aid Enrollment Counts

Final Report

April 20, 2022

Executive Summary

Investigative Audit of Maryland State Department of Education's State Aid Enrollment Counts

Objective:

To determine whether students deemed eligible for state aid funding met Code of Maryland Regulations (COMAR) requirements for attendance and enrollment.

Scope:

School Years 2016-17 through 2020-21

Findings and Recommendations:

The report contains four findings and six recommendations to assist the Maryland State Department of Education (MSDE) in improving their ability to ensure accuracy of state aid enrollment counts provided by LEAs (Local Education Agencies). MSDE has concurred with five of the six recommendations.



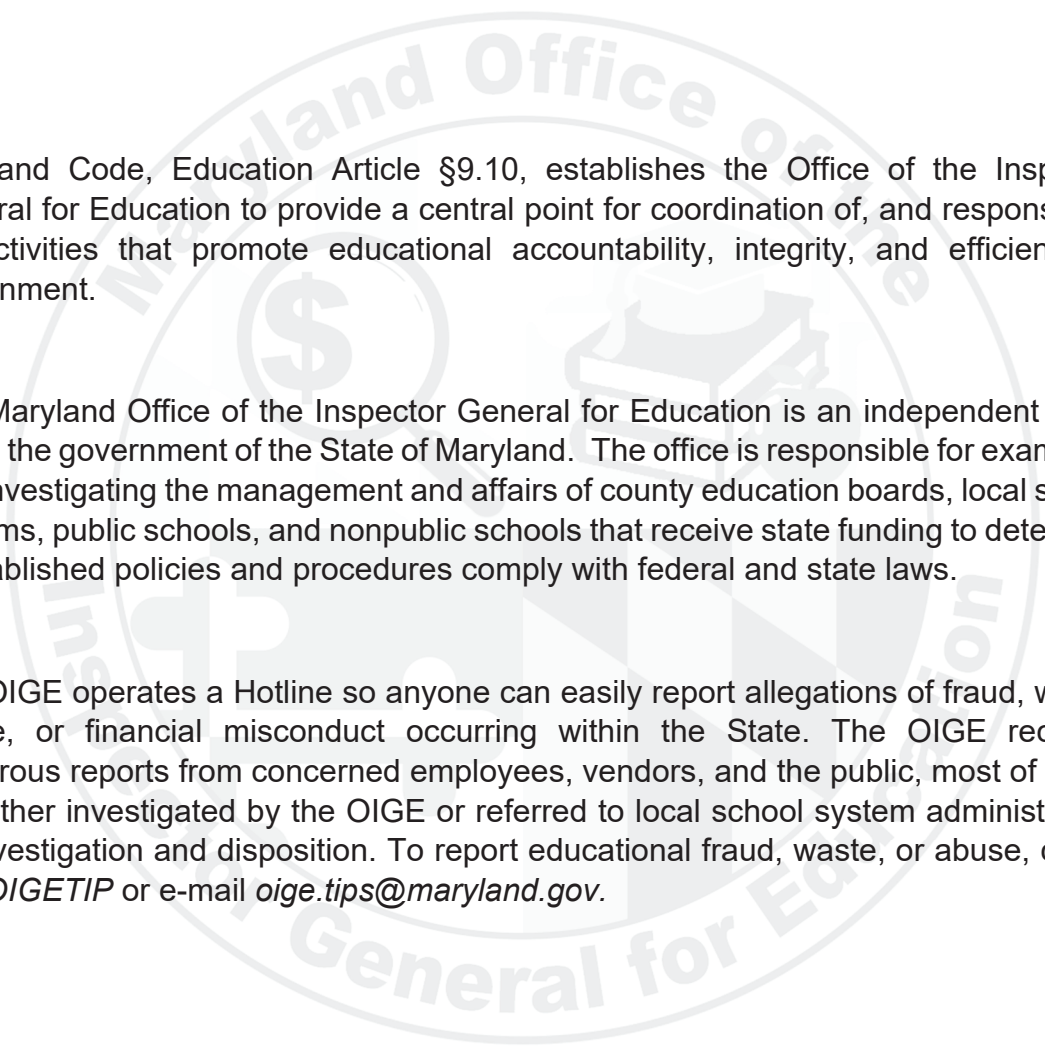
Results in Brief:

OIGE discovered **2,973** instances of students who were deemed eligible for state funding but did not meet the attendance or enrollment requirements in COMAR. **995** of these students had no documented attendance at any point during the year.

Despite the noted discrepancies representing only a small percentage of the overall enrollment counts for Maryland schools, they represent at least **\$23.4 million** (\$12.9M state, \$10.5M local) in funding that was misallocated to LEAs over the five-year period reviewed. Further, systemic issues identified at selected schools indicate that additional discrepancies likely exist.

Over **92% (2,757)** of the discrepancies were self-reported by LEAs to MSDE in subsequent reporting. However, MSDE did not identify or act on these discrepancies during the reporting process or during the state aid program audits completed.

An established grant adjustment process for self-reported discrepancies and improved audit methodologies would ensure that further funds are not misallocated as school funding is increased through the Maryland Blueprint for the Future legislation beginning in Fiscal Year 2023.



Maryland Code, Education Article §9.10, establishes the Office of the Inspector General for Education to provide a central point for coordination of, and responsibility for activities that promote educational accountability, integrity, and efficiency in government.

The Maryland Office of the Inspector General for Education is an independent entity within the government of the State of Maryland. The office is responsible for examining and investigating the management and affairs of county education boards, local school systems, public schools, and nonpublic schools that receive state funding to determine if established policies and procedures comply with federal and state laws.

The OIGE operates a Hotline so anyone can easily report allegations of fraud, waste, abuse, or financial misconduct occurring within the State. The OIGE receives numerous reports from concerned employees, vendors, and the public, most of which are either investigated by the OIGE or referred to local school system administrators for investigation and disposition. To report educational fraud, waste, or abuse, call 1-844-OIGETIP or e-mail oige.tips@maryland.gov.

Investigative Audit of Maryland State Department of Education's State Aid Enrollment Counts

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Investigative Audit of Maryland State Department of Education's State Aid Enrollment Counts

Background

On April 9, 2021, the Maryland Public Policy Institute formally requested the Office of the Inspector General for Education (OIGE) to investigate potential enrollment irregularities as it pertained to state aid funding at Baltimore City Public Schools. After a review of publicly available enrollment figures, OIGE determined that a statewide investigative audit would best address the risk of enrollment irregularities as it pertained to state aid funding.

The Maryland State Department of Education (MSDE) is required to obtain records of all students enrolled in Maryland public schools. This information is used to determine state aid eligible students and the amount of state aid to be distributed to local school systems. State financial assistance to the 24 public school systems in Maryland is made through the Foundation Program, and targeted student grants for Compensatory Education, Limited English Proficiency, Special Education, and Disabled Student Transportation.

Foundation Program

The Foundation Program is the major state general education aid program for public schools, accounting for nearly half of state education aid. Prior to FY23, the total state and local cost of the foundational program was determined annually through a detailed formula codified by the Bridge to Excellence in Public Schools legislation¹. The formula incorporated local economic indicators as well as an annual student enrollment count.

Each school year, MSDE's Division of Assessment, Accountability, and Information Technology (DAAIT) collects student information as of September 30 from Local Educational Agencies (LEAs) to determine the student enrollment count. Data from each LEA's student information system is submitted to MSDE through a Web Data Collection System.

LEAs are required to report a State Aid Eligibility Code for each student. Code 01 is titled "Eligible for State Aid" and the remaining codes are classifications of ineligibility. DAAIT works with LEAs to reconcile, correct, and update the information submitted and to verify accuracy of the Eligibility Codes. Eligibility for State Aid is determined by requirements listed in Code of Maryland Regulations (COMAR) 13A.02.06.03. Regarding attendance and enrollment, a student must be present at least 1 day in September and have not been determined to have withdrawn on or before September 30 to be classified under Code 01.

¹ A full explanation of funding formulas can be found at Appendix J of the Department of Legislative Services' Fiscal and Policy Note for House Bill 1300.

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When the reconciliation process is completed, each LEA Superintendent takes accountability for the accuracy of the final enrollment count by signing a Verification of Enrollment Count.

Attendance Requirements for LEAs

LEAs are responsible for maintaining attendance records in compliance with the Maryland Student Records Systems Manual, which is codified in COMAR. A student is "present" if the student is attending an instructional program approved by the State, local school system, and/or school. If a student is not participating in an approved instructional program, they are considered "absent" and school systems are required to record an absence code indicating whether the absence is lawful or unlawful.

Withdrawal Requirements for LEAs

The Maryland Student Records Systems Manual provides specific requirements for the dating of student withdrawals. For students who do not attend school, the withdrawal should be dated as of the first day of that school year, July 1. For exits during the school year, the withdrawal date is the date of the first school day after the last day of attendance.

Targeted Student Grants

The Limited English Proficiency, and Special Education funding formulas prior to FY23 were also laid out in the Bridge to Excellence in Public Schools legislation. Like the Foundation Program formula, they include local economic indicators and a count of eligible students provided to MSDE from each LEA.

COMAR 13A.02.06 also details attendance and enrollment requirements for students to be deemed eligible for funding under the targeted grants. See Exhibit A.

Exhibit A:

Grant	Requirement
Limited English Proficiency	Enrolled in a public school in a local school system and receiving English language acquisition services through a local school system on October 31 of the prior fiscal year.
Special Education	Enrolled in a public school in a local school system or an education program operated by the State and receiving special education services on October 1 of the prior fiscal year.

DAAIT and other MSDE program offices provide reconciled enrollment figures to MSDE's Office of Policy and Fiscal Analysis who input them into the funding formula to determine the total local and state costs for all components of state aid for the following

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year. The cost determination is forwarded to the Department of Budget and Management for the inclusion in state budget proposals presented to the General Assembly. Once finalized, MSDE disburses 12 equal monthly payments to LEAs beginning in July of the following year.

Subsequent Reporting from LEAs

To increase accountability and ensure that continuous records are kept for each student throughout the year, MSDE also requires that LEAs submit student information as of a chosen date in March and June each year. The subsequent collections are referred to as the "Early" and "End of Year" Attendance Collections (subsequent reporting) and include each students' entrance and exit information, as well as their attendance totals from the beginning of the school year through the date of the collection.

Objectives

The objective of the investigative audit was to determine whether students deemed eligible for state aid met the COMAR requirements for attendance and enrollment.

Scope

The scope of the investigative audit was students reported by LEAs as eligible for state aid (Code 01) for the school years 2016-17 through 2020-21.

Methodology

To accomplish the objective, OIGE conducted interviews with key personnel to determine how LEAs report enrollment figures and how MSDE offices collect and process the figures to determine funding amounts. In addition, OIGE conducted data analysis of all enrollment and attendance data reported by LEAs to MSDE for school years 2016-17 through 2020-21.

Related OIGE Reports

In addition to this state-wide review, OIGE conducted four concurrent local investigative audits of individual LEAs' processes regarding state aid enrollment counts:

21-0003-A Talbot County Public Schools

21-0004-A Dorchester County Public Schools

21-0005-A Baltimore City Public Schools

21-0006-A Prince George's County Public Schools

Selections were made in order to review both large and small LEAs. Reports for these investigative audits will be published at oige.maryland.gov/reports.

Investigative Audit of Maryland State Department of Education’s State Aid Enrollment Counts

Audit Results and Recommendations

The following issues were noted during the investigative audit:

Finding 1: MSDE Has Not Detected and Remedied Enrollment Discrepancies Self-Reported by LEAs

The subsequent reporting from the 24 LEAs for the period 2016-17 through 2020-21 indicate **2,757** students classified as Code 01 during the September Attendance Collection had not met COMAR attendance or enrollment requirements for the foundational program. These students fall into two categories:

1) *No Attendance as of September 30*

1,949 students did not have a recorded date of attendance on or before September 30. **995** of those 1,949 students did not have any recorded attendance during the school year.

NOTE: The draft version of this report indicated 2,420 students without a recorded date of attendance on or before September 30th. However, after the investigative audit fieldwork and draft report, Prince George’s County Public Schools (PGCPS) discovered an error within their student information system that had resulted in incorrect attendance information being provided to MSDE in subsequent reporting. On April 19, 2022, PGCPS provided new evidence that 471 students included in the draft report had at least one day of attendance on or before September 30th. OIGE has updated all relevant figures in the final report. As a result of OIGE’s work, PGCPS has rectified the error in their student information system.

2) *Withdrawn as of September 30*

808 students who attended school in September had withdrawal dates on or before September 30. **713** of the 808 students did not re-enter school at any point during the year. The remaining 95 students re-entered November 1 or later.

The ineligible students funded by state aid were concentrated at three LEAs but were consistent throughout the period reviewed. See Exhibits B & C.

Exhibit B:

LEA	Number of Ineligible Students	% of Total
Montgomery County Public Schools	1,204	43.7%
Baltimore City Public Schools	875	31.7%
Prince George’s County Public Schools	212	7.7%
All Other School Systems	466	16.9%
Total	2,757	

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Exhibit C:

School Year	Number of Ineligible Students
2016-2017	615
2017-2018	535
2018-2019	557
2019-2020	394
2020-2021	656
Total	2,757

A detailed review of attendance and enrollment records for the 2,757 students indicated that **357** students were incorrectly deemed eligible for the Limited English Proficiency Grant and **391** students were incorrectly deemed eligible for the Special Education Grant. These students were not attending school to receive English language acquisition services or special education services as of the days required by COMAR to be eligible.

For each of the three attendance collections throughout the year, the MSDE DAAIT Office provides LEAs with a detailed Data Collection Manual. The annual Early and End of Year Attendance Collection Manuals indicate specific guidance for self-reporting students who did not attend school in September. It states that these exceptions will be reported to the MSDE Audit Office. See page 6 of the 2020-2021 End of Year Attendance Data Collection Manual:

...was incorrectly reported in September Attendance?

This pertains to a student who was reported in September Attendance and was later discovered to have exited prior to the first day of school. This student should have been reported as a summer exit in September Attendance. In order to correct the error, the records has to be adjusted in early and EOY Attendance. Early and EOY Attendance does not allow summer exits so the record must be adjusted to match the reporting requirements for early and EOY Attendance. See the example below for how to correct the record.

NOTE: Correcting the record will still trip a validation error (E23). Corrected summer exits in Early Attendance should be included in the EOY Attendance files. These records are audit exception and will be provided to the MSDE Audit Office.

	Entry	Entry Date	Days Attending	Days Absent	Days not Belonging	Exit	Exit Date
Error Record: September Attendance	R02	2020/08/26	20.0	0.0	20.0	000	00000000
Correct Record: September Attendance	000	00000000	0.0	0.0	180.0 (school days open)	W50 (dropout) OR T14 (Transfer)	2020/07/01
Adjusted Record to Fix Error Record: Early and EOY Attendance	R02	2020/08/26	0.0	0.0	180.0 (school days open)	W50	The date the error was discovered.

826 of the 2,757 records identified above were coded precisely as instructed in the Data Collection Manuals by the LEAs. However, the MSDE DAAIT Office has not reported

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any of these discrepancies to the MSDE Audit Office, or any external entity for investigation or funding adjustment/recovery.

DAAIT officials stated that the primary objective of the subsequent reporting is for attendance collection, and not for state aid funding requirements. Despite the language in their Collection Manuals and instructions for identifiable coding, they stated that they do not have the resources to mine the subsequent reporting for discrepancies.

OIGE obtained the funding formula worksheets from MSDE's Office of Policy and Fiscal Analysis and removed the above students from the enrollment count in each applicable funding formula from 2016-17 through 2020-21 to determine the total financial impact of these discrepancies. In total, **\$11,677,864** of state funds were misallocated to school systems over the five years reviewed. In addition, the local funding requirement for the foundational program was overstated by **\$9,903,675**. In total, **\$21,581,359** of state and local funds were disbursed to fund students who were subsequently self-reported to MSDE as ineligible for funding².

Regarding the initial failure by LEAs to accurately code the 2,757 students, OIGE identified two primary contributive factors:

1) Data integrity is reliant on attendance practices at the school level

OIGE did not find any evidence of intentional deception as it pertained to incorrect attendance records. However, school staffs often failed to initially record accurate attendance for students.

To attempt to provide accurate information to MSDE as of September 30, school staff undergo a rigorous process to attempt to identify all enrolled students who have not yet attended school. This process is more complicated for schools that have fluid student enrollments. For example, alternative high schools that receive students for short periods of time for disciplinary or attendance purposes are more likely to be unaware of enrolled students not attending (no-shows).

At one Baltimore City Public Schools (BCPSS) alternative high school in Baltimore City in 2020-21, students who had not yet been provided a device for virtual learning were initially being marked with a "present" attendance code in September in accordance with MSDE guidance. Meanwhile, school staff was working to determine which students were not attending virtual instruction for other reasons. Eventually, it was determined that 107 students could not be located or had voluntarily dropped out. However, the process to make this determination was delayed because the school's attendance monitor was out on extended leave and their replacement was not experienced with

² Due to the intricacies of the funding formulas, the adjustment to the enrollment counts to account for the 2,757 discrepancies impacted the funding amounts for all 24 Maryland LEAs. A full explanation of funding formulas can be found at Appendix J of the Department of Legislative Services' Fiscal and Policy Note for House Bill 1300.

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BCPSS' withdrawal process. The students' attendance records were not updated, and the withdrawals were not entered until after data had been sent from BCPSS to MSDE in October. Therefore, the no-show students were determined to have been eligible for funding. Accurate data was reflected in the subsequent reporting but was not acted on by MSDE.

2) *Limited time available to identify withdrawals and correct attendance data*

COMAR 12.02.06.03 states that a student may not be included in the enrollment count of a local school system if the student is not present on or after September 30 and the LEA determines before filing the end of November adjustment report that the student is withdrawn. COMAR's language indicates an allowance of two months for LEAs to gather, review, and correct their enrollment counts. However, due to Maryland's expedited budget process, there is no "end of November adjustment report". Final data migrations from LEA student information systems to MSDE occurred in late October or early November during the school years reviewed. In practice, LEAs have only one month to gather, review, and correct their enrollment counts.

Beginning in FY23, the Blueprint for Maryland's Future legislation will provide MSDE with a revised funding formula that provides increased local and state funding to LEAs. However, it does not fundamentally change the provisions or timeline of the enrollment counts used in the funding formulas.

Given the time constraints of the current timeline for providing and finalizing enrollment counts, there is an inherent risk of students being coded incorrectly by LEAs. If MSDE does not develop a process to adjust grant amounts for students subsequently self-reported as ineligible, the annual misallocation of funds will continue at an increased rate under the Blueprint for Maryland's Future.

Recommendation 1: MSDE should evaluate the 2,757 ineligible students identified and determine whether state aid funds should be recovered from LEAs.

Recommendation 2: MSDE should develop and document a process to identify students self-reported by LEAs as ineligible for state aid funding during subsequent reporting. A process to immediately adjust grant amounts to LEAs should be developed. Annually, MSDE DAAIT should provide reporting to OIG and the Maryland State Board of Education of the number of students subsequently identified by LEAs as ineligible and corresponding grant adjustments.

(Note: OIG is providing specific recommendations to Baltimore City Public Schools and Prince George's County Public Schools in local reports 21-0005-A & 21-0006-A. OIG will subsequently conduct a similar detailed review of enrollment count processes and procedures at Montgomery County Public Schools to determine whether

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improvements can be made to report students' initial eligibility for funding more accurately.)

Finding 2: MSDE Audit Office Has Not Utilized Effective Methods for Identifying Enrollment Count Inaccuracies

The MSDE Audit Office conducts audits of each LEA's state aid programs every two years. The first stated objective of the audits is to determine whether LEAs accurately report the number of students receiving services through the State Aid to Education programs. The most recent audits for Montgomery County Public Schools, Baltimore City Public Schools, Prince George's County Public Schools, and Dorchester County Public Schools did not uncover any instances of funding discrepancies related to attendance or enrollment.

In 2015, BCPSS uncovered 236 students initially coded as eligible for state aid that had not attended school during the 2014-15 school year during an internal investigation. The discovery was made by reviewing their own subsequent reporting. BCPSS self-reported these issues to MSDE, and a grant adjustment in the amount of \$1,208,441 was made as part of the 2016 state aid audit. Despite this amount being the largest single recovery made by the MSDE Audit Office from 2013-2021, analysis of subsequent reporting from LEAs was not incorporated into their audit methodology. The MSDE Audit Office does not currently utilize any original enrollment or attendance data maintained by DAAIT, to include data from the September Attendance Collection or the subsequent reporting. The Audit Office requests a random sample of students from the September Attendance Collection for each LEA from DAAIT to be used in their testing. They have not conducted any data analysis to assess and target identified areas of risks in the overall enrollment counts.

As a result, the MSDE Audit Office did not detect or report the 2,757 instances of ineligible students that were self-reported by LEA from 2017-2021, which follow the same pattern as the 236 students identified to the MSDE Audit Office in 2016.

In addition to the self-reported discrepancies, OIGE performed analysis on the universal data maintained by DAAIT to develop a judgmental sample of additional students with low attendance or with early October withdrawals, as these students were more likely to have been incorrectly coded as eligible for funding. A review of attendance records revealed that **187** additional students beyond those self-reported to MSDE did not attend school on or before September 30 or were not properly withdrawn on or before September 30. See Exhibit D.

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Exhibit D:

LEA	Students Reviewed	Ineligible Students Identified
Prince George’s County Public Schools	256	132
Baltimore City Public Schools	140	53
Dorchester County Public Schools	131	2
Talbot County Public Schools	87	0
Totals	614	187

Because MSDE Audit Office’s methodology only utilizes random samples, it was less likely for these students to be chosen for review, and less likely that discrepancies would be identified. Further, each LEA is audited at the same frequency, regardless of size or perceived risk.

The MSDE Audit Office’s failure to utilize risk-based tools and strategies has resulted in a failure to meet their objective of determining the accuracy of enrollment counts. In addition to the \$21.6 million of misallocated funds identified in Finding 1, the local findings represent an additional **\$1,878,4352** of misallocated funds, as well as an indication that many more funds may have been disbursed for ineligible students that were not detected by the MSDE Audit Office.

Further, their reporting has provided LEAs and other stakeholders with a false sense of assurance of the accuracy of the enrollment counts used for state aid funding formulas. Independently, BCPSS has instituted a process to identify subsequently reported no-shows at their individual schools and provide feedback to Principals. However, without any acknowledgement of these discrepancies by MSDE Audit Office reports, other LEAs have not instituted similar accountability measures to attempt to improve the accuracy of initial enrollment counts.

Recommendation 3: MSDE should evaluate the 187 ineligible students identified and determine whether state aid funds should be recovered from LEAs.

Recommendation 4: The MSDE Audit Office should adjust their audit methodology to better address their stated audit objective regarding the accuracy of enrollment counts. At minimum, the methodology should include:

- Analysis of all student data provided by LEAs to MSDE throughout the years being audited
- A risk-based approach to determine the frequency in which each LEA is audited

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- A risk-based approach to determine students for testing who are more likely to have been incorrectly funded

Finding 3: MSDE Has Provided Conflicting Interpretations Regarding Withdrawal Requirements

COMAR 13A.02.06.03 states that a student may be included in the enrollment count if they have not been determined to have been withdrawn on or before September 30. In February 2022, MSDE DAAIT stated that they have interpreted this to mean a student needs at least one day of attendance in October and that they have communicated that interpretation verbally to LEA officials. However, there is no official documentation of this interpretation.

Meanwhile, MSDE has provided several conflicting, documented guidance:

- The Maryland Student Records Systems Manual states that “after 10 school days of consecutive unlawful absences, the student should be exited from the school with an Exit Status ‘W’ and Exit Code ‘50’.” Exit Code 50 is described as “Not Accessing Educational Services”.
- The Maryland Student Records Systems Manual also states that once a student has exited, schools have 10 consecutive school days to ensure that the student is receiving educational services. Upon expiration of the day 10 day window, the student should be exited as a W50 and the date of exit should be the first school day after the last day of attendance.
- In 2016, a MSDE official informed Baltimore City Public Schools that a student needs a date of attendance within the first 10 days of October in order to be deemed eligible for state aid funding.

Officials for all four LEAs reviewed indicated that they do not automatically withdraw students after 10 consecutive unlawful absences as stated in the Maryland Student Records Manual. Doing so would have unrelated consequences. For instance, it is more difficult for schools to attempt to re-engage students who are no longer in membership at their LEA. Truancy court proceedings become more difficult. Further, students' grades and schedules are deleted from the LEAs' student information systems when they are withdrawn. Therefore, a schedule must be completely rebuilt if a student re-enters.

Although the practice of not withdrawing students after 10 consecutive unlawful absences appears to be consistent, LEAs are taking different approaches when the unlawful absences occur during the September 30 time window.

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- Baltimore City Public Schools’ student information system automatically excludes students from state aid eligibility when they have 10 or more consecutive unlawful absences that includes September 30. The guidance they received from MSDE in 2016 is specifically included in their system’s functional requirements guide.
- Dorchester County Public Schools manually reviews their student information system to identify and exclude these students from eligibility for state aid.
- Prince George’s County Public Schools includes all students as eligible for state aid as long as they have one date of attendance in September and a withdrawal has not been entered by the time of their last data submission to MSDE in late October or early November. Officials stated that the withdrawal process, which can take up to several months, only begins when a student logs their 10th consecutive unexcused absence.

Baltimore City Public Schools and Dorchester County Public Schools both utilize Code 06, “Ineligible – COMAR 13A.02.06.01” to appropriately exclude these students from state aid funding but to keep them in membership for re-engagement purposes. MSDE provided data on all 5,040 students who were classified with this code from 2017-18 through 2020-21 which illustrated the inconsistent usage across the state. See Exhibit E.

Exhibit E:

LEA	Total Students	Code 06 Students
Baltimore City Public Schools	317,930	4,587 (91% of state total)
Dorchester County Public Schools	18,951	38
Prince George’s County Public Schools	536,313	3
Montgomery County Public Schools	652,771	0

The Maryland Student Records Systems Manual also includes the following passage in its’ section regarding the September attendance collection:

A student with a prolonged absence during September, who is not in attendance on September 30, must be withdrawn unless school officials have determined a reason to keep the students on the roll. In the absence of supporting evidence, these students must be withdrawn. If court proceedings have been initiated for non-attendance, the student must remain on the roll. If it is determined that certain students must remain in membership, but are not to be included for State

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Aid Calculations, the record must be coded with the appropriate State Aid Eligibility code.

Although this passage does appear to allow for schools to not withdraw all students who are logging consecutive unlawful absences, it supports the practice that they should still be excluded from state aid funding. However, the lack of clear messaging from MSDE has resulted in some school systems including ineligible students in their enrollment counts for state aid. 63 of the 132 ineligible students identified in **Finding 2** from Prince George's County were students who had 10 or more consecutive unlawful absences that included September 30.

Recommendation 5: MSDE should amend the Maryland Student Records Systems Manual to define how school systems should proceed when students log 10 or more consecutive unlawful absences. The guidance should consider the impact on accurate enrollment counts while also maximizing LEAs' ability to effectively re-engage students.

Finding 4: MSDE Data Indicates Duplicate Funding for Students

In **29** instances during the period reviewed, a student was counted twice as eligible for state aid funding. In **16** of the 29 instances, the student was counted twice as part of the same LEA. In **13** instances, a student was listed as part of two LEAs. 12 of these 13 instances were students listed as eligible for funding for both Baltimore City Public Schools and Baltimore County Public Schools.

OIGE was not able to determine the precise financial impact of the duplication of the 29 students due to the inability to determine which school system each student should have been solely assigned to for the purposes of state aid.

Recommendation 6: MSDE should investigate the identified duplications and determine whether state aid funds should be recovered from LEAs.

Investigative Audit of Maryland State Department of Education's State Aid Enrollment Counts

Investigative Audit Team

Dan Reagan, CPA, CIA, CFE

Supervisory Inspector General for Investigative Audits

Georgia Conroy

Investigative Auditor



Appendix A



Mohammed Choudhury
State Superintendent of Schools

April 18, 2022

Mr. Richard Henry
Inspector General
Maryland Office of the Inspector General for Education
100 Community Place
Crownsville, Maryland 21032

Dear Mr. Henry:

Enclosed is the Maryland State Department of Education (MSDE) responses to the Maryland Office of Inspector General for Education (OIGE) Investigative Audit of the Maryland State Department of Education's State Aid Enrollment Counts.

The MSDE is committed to ensuring that the data collection process leads to accurate state aid enrollment counts for the purpose of calculating state aid funding. The Department maintains that state aid funding was not misallocated to the local school systems. According to Education Article, Section 5-201(g)(1), the MSDE must use the September 30th enrollment count from each school district to determine the total full-time-equivalent (FTE) state aid enrollment for the next fiscal year. The student data that the MSDE collects from the local school systems are correct at the time of the state aid enrollment submission. The Department is not required by law to update or reconcile the September 30th state aid eligible enrollment count after the data has been submitted to the Department of Budget and Management (DBM) and the Department of Legislative Services (DLS) on December 1st of each year.

The MSDE's data collection from the local school systems includes data system checks and error reporting, which helps to ensure the accuracy of the data collected. The enrollment count verification processes performed by the MSDE and local school systems includes a rigorous analysis that has resulted in a significantly low error rate. The Department maintains that the low error rate is attributed to the procedures and controls in place over the MSDE's data collection process.

Mr. Henry
April 18, 2022
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The OIGE's decision to frame its findings, absent proper context contributes to a seemingly less objective nature of the report. For example, one of the report's statements, which could mislead without context, is on page 7 of the report. The statement notes:

In total, \$15,527,343 of state funds were misallocated to school systems over the five years reviewed. In addition, the local funding requirement for the foundational program was overstated by \$11,578,498. In total, \$27,105,841 of state and local funds were disbursed to fund students who were subsequently self-reported to MSDE as ineligible for funding.

To deconstruct this claim:

- 1) As described above, funds were not misallocated.
- 2) The amounts described above do, indeed, reflect a large amount of money but context matters. That amount is less than 0.05% of the State Aid during that time window.
- 3) The local funding requirement for the foundational program was not overstated. The local funding requirements for the foundation program were correct at the time the MSDE provided the data to the DBM and the DLS and state law neither requires nor calls for a count reconciliation, due, in part, to complexities noted in the above-cited statement's footnote.
- 4) The percent of students identified by the OIGE ineligible for funding over the five years ranged from 0.06% to 0.1%. That means, by the OIGE's logic, 99.9% or more of the student population in Maryland was rightfully identified as eligible students over the five years.
- 5) This finding and its underlying analysis fail to account for changes in enrollment coding that would result in a student previously identified as ineligible being subsequently identified as eligible.
 - a. This omission results in dollar amounts that inherently overstate any fiscal impact.

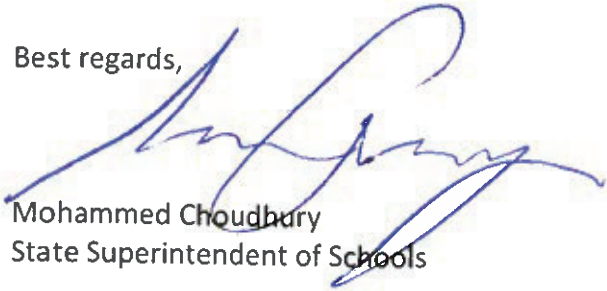
The MSDE is committed to continuously improving our processes and is currently amending internal procedures to further ensure that accurate enrollment data is collected for state aid funding calculations. We greatly appreciate the efforts of your audit staff in providing us with recommendations for improvements.

Mr. Henry
April 18, 2022
Page 3

If you have any questions regarding our responses or need any additional clarification, please Ms. Channel Sumpter, Director of Audits at 410-767-0104.

Again, thank you for your assistance.

Best regards,

A handwritten signature in blue ink, appearing to read 'Mohammed Choudhury', is written over the typed name and title.

Mohammed Choudhury
State Superintendent of Schools

Enclosures

- c: Ary Amerikaner, Chief of Staff
- Justin Dayhoff, Assistant State Superintendent of Financial Planning, Operations, and Strategy
- Sylvia Lawson, Ph.D., Deputy Superintendent for School Effectiveness
- Channel Sumpter, Director of Audits
- Chandra Haislet, Executive Director, Performance Reporting Accountability Branch



MARYLAND OFFICE OF THE
INSPECTOR GENERAL FOR EDUCATION

Richard P. Henry
Inspector General

Douglas H. Roloff, III
Deputy Inspector General

Investigative Audit Recommendation Response Form

Investigative Audit Number: 22-0001-A

Investigative Audit Title: Maryland State Department of Education's State Aid Enrollment Counts

Recommendation 1: Maryland State Department of Education (MSDE) should evaluate the 3,228 ineligible students identified (*Finding 1*) and determine whether state aid funds should be recovered from LEAs.

MSDE Response:

Opinion (Concur/Non-Concur)	Correction Action Plan (Provide Narrative Response)	Current Status of Corrective Action (Implemented/Partially Implemented/Not Yet Implemented)	Estimated Date of Full Implementation of Corrective Action
Concur	While the Department agrees that we have not evaluated subsequent reporting from the 24 LEA's to detect enrollment discrepancies self-reported by LEAs, MSDE disagrees with OIGE's implication that 3,228 students had not met COMAR attendance or enrollment requirements for the five year period reviewed. Subsequent verifications of the student data reported in the Early and End of Year data collections, would be needed in order to definitively state that the 3,228 students were ineligible for funding.	Partially Implemented	During the annual End-of-Year and Early Attendance data collections for the 2022-2023 School Year

*If applicable, please include attachments that may provide better context regarding planned corrective actions

Recommendation 1: Maryland State Department of Education (MSDE) should evaluate the 3,228 ineligible students identified (*Finding 1*) and determine whether state aid funds should be recovered from LEAs.

MSDE Response - continued:

Opinion (Concur/Non-Concur)	Correction Action Plan (Provide Narrative Response)	Current Status of Corrective Action (Implemented/Partially Implemented/Not Yet Implemented)	Estimated Date of Full Implementation of Corrective Action
	<p>The MSDE agrees with the recommendation to evaluate the identified student records. The MSDE Office of Performance Reporting and Accountability (OPRA) will evaluate the 3,228 students identified during the investigative audit and the Department will determine whether state aid funds should be recovered from LEAs. The OIGE provided a file containing necessary detail regarding the cited 3,228 students, which will allow OPRA to perform additional analysis and document the results of this review. The MSDE's OPRA has begun its review and will continue working with the local education agencies to determine if the 3,228 students were eligible as of September 30th.</p>		

*If applicable, please include attachments that may provide better context regarding planned corrective actions

Recommendation 2: MSDE should develop and document a process to identify students self-reported by LEAs as ineligible for state aid funding during subsequent reporting. A process to immediately adjust grant amounts to LEAs should be developed. Annually, MSDE DAAIT should provide reporting to OIGE and the Maryland State Board of Education of the number of students subsequently identified by LEAs as ineligible and corresponding grant adjustments.

MSDE Response:

Opinion (Concur/Non-Concur)	Correction Action Plan (Provide Narrative Response)	Current Status of Corrective Action (Implemented/Partially Implemented/Not Yet Implemented)	Estimated Date of Full Implementation of Corrective Action
Concur	<p>MSDE agrees with the recommendation. The MSDE already has a process in place for LEAs to report students that were subsequently identified as ineligible for state aid after the September 30th data was provided to the State. In order to improve upon our current process, the OPRA agrees to perform and document additional error checks as part of the Early and End-of-Year Attendance data collections to ensure accurate reporting by the LEAs across the academic year.</p> <p>For example, an error will be triggered for the following:</p> <ul style="list-style-type: none"> ● When a student record is entered with zero days of attendance in the early or end of year data collection. ● A system check will generate a report to identify students who were retroactively withdrawn on/before September 30th. 	Partially Implemented	The additional error checks will be implemented during the spring 2023 data collections.

*If applicable, please include attachments that may provide better context regarding planned corrective actions

Recommendation 2: MSDE should develop and document a process to identify students self-reported by LEAs as ineligible for state aid funding during subsequent reporting. A process to immediately adjust grant amounts to LEAs should be developed. Annually, MSDE DAAIT should provide reporting to OIGE and the Maryland State Board of Education of the number of students subsequently identified by LEAs as ineligible and corresponding grant adjustments.

MSDE Response - continued:

Opinion (Concur/Non- Concur)	Correction Action Plan (Provide Narrative Response)	Current Status of Corrective Action (Implemented/Partially Implemented/Not Yet Implemented)	Estimated Date of Full Implementation of Corrective Action
	<p>Annually, the OPRA will provide a report of the aforementioned errors to the Office of Audits for review. The Department will evaluate our internal processes and determine if any grant adjustments will be made, as a result of these annual error checks in the LEAs subsequent reporting. If the Department develops a policy that includes annual grant adjustments to LEAs based on the results of these annual error checks, we will submit a report to the OIGE and the Maryland State Board of Education with the results of those actions.</p>		

*If applicable, please include attachments that may provide better context regarding planned corrective actions

Recommendation 3: MSDE should evaluate the 187 ineligible students (*Finding 2*) identified and determine whether state aid funds should be recovered from LEAs.

MSDE Response:

Opinion (Concur/Non-Concur)	Correction Action Plan (Provide Narrative Response)	Current Status of Corrective Action (Implemented/Partially Implemented/Not Yet Implemented)	Estimated Date of Full Implementation of Corrective Action
Concur	<p>The MSDE does agree with recommendation to evaluate the 187 identified students. The MSDE Office of Audits will evaluate the 187 ineligible students identified by the OIGE in this report and determine whether these students were properly included in the LEA’s enrollment count as of September 30th based on the requirements of COMAR 13A.02.06.03. If the MSDE determines that any of the 187 students identified by the OIGE did not meet the eligibility requirements to be included in the LEA’s enrollment count for the respective year, the MSDE will assess whether state aid funds should be subsequently recovered from the LEA.</p> <p>The MSDE does not concur with the factual accuracy of the OIGE’s analysis for Finding 2. Specifically, The State Aid Audit of Talbot County Public Schools issued August 5, 2019, and the State Aid Audit of Montgomery County Public Schools issued April 30, 2021, did uncover instances where students were disallowed due to lack of attendance or not meeting the program enrollment requirements. The aforementioned reports were provided to the OIGE during the audit.</p>	Not Yet Implemented	August 30, 2022

Recommendation 3: MSDE should evaluate the 187 ineligible students (*Finding 2*) identified and determine whether state aid funds should be recovered from LEAs.

MSDE Response-continued:

Opinion (Concur/Non-Concur)	Correction Action Plan (Provide Narrative Response)	Current Status of Corrective Action (Implemented/Partially Implemented/Not Yet Implemented)	Estimated Date of Full Implementation of Corrective Action
Concur	<p>The Department would like to clarify that the state aid audits of local school systems includes a random sample of students coded as “01-Eligible for State Aid” from the September Attendance Data Collection requested from the OPRA. For the sample of students selected for testing, the audit will determine if the student met the requirements of COMAR 13A.02.06.03 for inclusion in the enrollment count as of September 30th. The September Attendance Data Collection is the source of the sample selection and not subsequent reporting made by the LEAs in the Early or End-of-Year attendance data collections.</p>		

*If applicable, please include attachments that may provide better context regarding planned corrective actions

Recommendation 3: MSDE should evaluate the 187 ineligible students (*Finding 2*) identified and determine whether state aid funds should be recovered from LEAs.

MSDE Response - continued:

Opinion (Concur/Non-Concur)	Correction Action Plan (Provide Narrative Response)	Current Status of Corrective Action (Implemented/Partially Implemented/Not Yet Implemented)	Estimated Date of Full Implementation of Corrective Action
	<p>The Department would also add that the 3,228 ineligible students noted by the OIGE as self-reported by the LEA from 2017-2021 would have been a part of the LEA student population when the audit samples were created.</p> <p>In addition, the Department does not agree with the OIGE’s analysis that the MSDE Audit Office failed to meet their objective of determining the accuracy of the enrollment counts. One of the state aid audit objectives is to determine whether the LEA enrollment count was accurate as of September 30th in the years subject to audit. The audit objectives were achieved through the audit testing and review of internal controls that were performed during the state aid audits.</p>		

*If applicable, please include attachments that may provide better context regarding planned corrective actions

Recommendation 3: MSDE should evaluate the 187 ineligible students (*Finding 2*) identified and determine whether state aid funds should be recovered from LEAs.

MSDE Response - continued:

Opinion (Concur/Non-Concur)	Correction Action Plan (Provide Narrative Response)	Current Status of Corrective Action (Implemented/Partially Implemented/Not Yet Implemented)	Estimated Date of Full Implementation of Corrective Action
	<p>The OIGE’s analysis that the MSDE Audit Office does not reflect any subsequent reporting of no show students is also inaccurate.</p> <p>The MSDE Audit Office is routinely notified by MSDE Program Divisions when an LEA subsequently reports an overstatement of students on their Verification of Enrollment Count Forms. Once notified, the MSDE Audit Office includes the number of overstated students as a disallowance during the biennial State Aid Audit of the LEA.</p>		

*If applicable, please include attachments that may provide better context regarding planned corrective actions

Recommendation 4: The MSDE Audit Office should adjust their audit methodology to better address their stated audit objective regarding the accuracy of enrollment counts. At minimum, the methodology should include:

- Analysis of all student data provided by LEAs to MSDE throughout the years being audited
- A risk-based approach to determine the frequency in which each LEA is audited
- A risk-based approach to determine students for testing who are more likely to have been incorrectly funded

MSDE Response:

Opinion (Concur/Non-Concur)	Correction Action Plan (Provide Narrative Response*)	Current Status of Corrective Action (Implemented/Partially Implemented/Not Yet Implemented)	Estimated Date of Full Implementation of Corrective Action
Concur	<p>The MSDE agrees with the recommendation. In the future, the MSDE Office of Audits will adjust the audit methodology for audits of local education agencies when preparing the annual audit plan. The audit methodology will be based on the education programs subject to audit, defined audit objectives, audit criteria, and an assessment of internal controls at the local school system.</p> <p>The MSDE Office of Audits will determine during the planning phase of a LEA audit if an analysis of the raw student data provided by the LEA to MSDE OPRA is necessary to achieve the audit objectives. In addition, the MSDE Office of Audits will evaluate its audit sampling approach when performing state aid audits of local education agencies.</p>	Not Yet Implemented.	October 1, 2022

*If applicable, please include attachments that may provide better context regarding planned corrective actions

Recommendation 4: The MSDE Audit Office should adjust their audit methodology to better address their stated audit objective regarding the accuracy of enrollment counts. At minimum, the methodology should include:

- Analysis of all student data provided by LEAs to MSDE throughout the years being audited
- A risk-based approach to determine the frequency in which each LEA is audited
- A risk-based approach to determine students for testing who are more likely to have been incorrectly funded

MSDE Response - continued:

Opinion (Concur/Non-Concur)	Correction Action Plan (Provide Narrative Response*)	Current Status of Corrective Action (Implemented/Partially Implemented/Not Yet Implemented)	Estimated Date of Full Implementation of Corrective Action
	<p>The sample selection and population will be defined in a manner that is consistent with the audit objectives and the compliance attributes being tested.</p> <p>The MSDE Office of Audits agrees to use a risk-based approach to determine which LEA will be subject to audit in its annual audit plan. The LEA audits will not be audited on a pre-determined frequency.</p>		

*If applicable, please include attachments that may provide better context regarding planned corrective actions

Recommendation 5: MSDE should amend the Maryland Student Records Systems Manual to define how school systems should proceed when students log 10 or more consecutive unlawful absences (*Finding 3*). The guidance should consider the impact on accurate enrollment counts while also maximizing LEAs' ability to effectively re-engage students.

MSDE Response:

Opinion (Concur/Non- Concur)	Correction Action Plan (Provide Narrative Response*)	Current Status of Corrective Action (Implemented/Partially Implemented/Not Yet Implemented)	Estimated Date of Full Implementation of Corrective Action
Non-Concur	The MSDE does not agree with the recommendation. The Maryland Student Records Manual already provides guidance to the local school systems on how to proceed when a student has 10 or more consecutive absences. The MSDE will continue to provide technical assistance to the local education agencies to ensure consistent reporting of the student data to the Department.	N/A	N/A

*If applicable, please include attachments that may provide better context regarding planned corrective actions.

Recommendation 6: MSDE should investigate the identified 29 duplications (*Finding 4*) and determine whether state aid funds should be recovered from LEAs.

MSDE Response:

Opinion (Concur/Non-Concur)	Correction Action Plan (Provide Narrative Response*)	Current Status of Corrective Action (Implemented/Partially Implemented/Not Yet Implemented)	Estimated Date of Full Implementation of Corrective Action
Concur	<p>The MSDE disagrees with the OIGE’s finding that there were 29 instances, during the period reviewed, where a student was counted twice as eligible for state aid funding.</p> <p>At the time of reporting these students to the MSDE in the September attendance data collection, each student had a unique State Assigned Student Identification (SASID). Over time, LEAs obtained additional information about these students which led them to determine that these two different students were the same student. When this situation occurs, a request for SASID merge is made to the MSDE. When SASID merges are made, the longitudinal database maintained by the OPRA stores data with the final resulting SASID (post merge). As a result of this process, data provided to the OIGE in response to this audit request contained enrollment records with duplicate SASIDs. The OPRA initiated review of the 29 duplications identified by the OIGE.</p>	Partially Implemented	July 1, 2022

*If applicable, please include attachments that may provide better context regarding planned corrective actions.

Recommendation 6: MSDE should investigate the identified 29 duplications (*Finding 4*) and determine whether state aid funds should be recovered from LEAs.

MSDE Response - continued:

Opinion (Concur/Non-Concur)	Correction Action Plan (Provide Narrative Response*)	Current Status of Corrective Action (Implemented/Partially Implemented/Not Yet Implemented)	Estimated Date of Full Implementation of Corrective Action
	<p>We determined that 11 were the result of an incorrect SASID merge and are in fact two different students and not duplicates. The remaining 18 duplications identified were correctly merged after their respective September 30th enrollment collection.</p> <p>The MSDE agrees that the 29 records should be investigated and will work with the LEA to verify attendance data for the 18 student records that were merged after the September 30 enrollment data. The Department will determine if state aid funds should be recovered.</p>		

*If applicable, please include attachments that may provide better context regarding planned corrective actions.

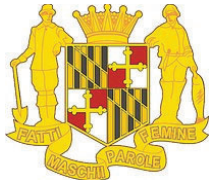
Recommendation 7: MSDE should complete a final duplicate check each year prior to submission of enrollment counts for inclusion in funding formulas. Particular attention should be paid to students who may have transferred between Baltimore City Public Schools and Baltimore County Public Schools.

MSDE Response:

Opinion (Concur/Non-Concur)	Correction Action Plan (Provide Narrative Response*)	Current Status of Corrective Action (Implemented/Partially Implemented/Not Yet Implemented)	Estimated Date of Full Implementation of Corrective Action
Non-Concur	<p>The MSDE disagrees with the recommendation since there already is in place a final duplicate check to identify and reject duplicate SASIDs. Maryland’s state longitudinal data system maintains an accounting of students based on a unique student identifier and has a process in place for unmerging of student records and merging records throughout the system.</p> <p>Maryland has a rigorous process to ensure one student has one unique state identifier. LEAs are responsible for verifying all student identifying information including the correct SASID is verified prior to each data submission to MSDE which MSDE confirms during a validation process to ensure that one student has one unique state identifier.</p>	NA	N/A

*If applicable, please include attachments that may provide better context regarding planned corrective actions.

Appendix B



MARYLAND OFFICE OF THE INSPECTOR GENERAL FOR EDUCATION

Richard P. Henry
Inspector General

Douglas H. Roloff, III
Deputy Inspector General

April 20, 2022

MEMORANDUM

To: Mr. Mohammed Choudhury
State Superintendent of Schools
Maryland State Department of Education
200 W. Baltimore Street
Baltimore, Maryland 21201

RE: MSDE Response to OIGE Investigative Audit 22-0001-A

The Maryland Office of the Inspector General for Education (OIGE) appreciates the Maryland State Department of Education's (MSDE) detailed responses to the draft recommendations for the Investigative Audit of MSDE's State Aid Enrollment Reporting. The response indicates a commitment to improving processes and procedures that will increase the accuracy of future enrollment counts. Additionally, due to new information provided by MSDE regarding "final duplicate checks that are now in place", the OIGE has concluded that Recommendation 7 has been satisfied and this recommendation will be removed from the final report.

Nevertheless, there are several statements made in MSDE's Recommendation Response Form that require clarification based on evidence found during our investigative audit. Please see below:

- **MSDE Statement:** The student data that the MSDE collects from the local school systems are correct at the time of the state aid enrollment submission. (*Cover Letter, Page 1*)
- **OIGE Clarification:** The overall conclusion of the investigative audit is that student data is not always correct at the time of the state aid enrollment submission. Although MSDE cannot detect the inaccuracies in real time, student ineligibilities noted in the investigative audit report supports our recommendation to institute a reconciliation process. (*MSDE has concurred with this recommendation.*)
- **MSDE Statement:** The Department maintains that state aid funding was not misallocated to the local school systems. (*Cover Letter, Page 1*)
- **OIGE Clarification:** Allocation of state aid funding is done through a calculation that incorporates enrollment counts. If enrollment counts are incorrect, the corresponding

calculations and allocations are also incorrect. The responsibility for the initial misallocation of funds lies with the Local Education Agencies' (LEAs) initial failure to provide accurate enrollment counts. However, MSDE shares responsibility for the failure to correct those misallocations when LEAs subsequently report ineligibilities later in the school year and adjustments to the allocations are not made.

- **MSDE Statement:** The percent of students identified by the OIGE ineligible for funding over the five years ranged from 0.06% to 0.1%. That means, by OIGE's logic, 99.9% or more of the student population in Maryland was rightfully identified as eligible students over the five years. (*Cover Letter, Page 2*)
- **OIGE Clarification:** The OIGE agrees that only a small percentage of students in annual enrollment counts were subsequently reported by LEAs as ineligible (*See Finding 1*). However, the subsequent judgmental sample of 614 students assessed by OIGE found that over 30% of tested students were also ineligible (*See Finding 2*). Although it would be inaccurate to extrapolate the exception percentage of a judgmental sample to the remaining approximately 4.4 million students, it would be equally inaccurate to state that all the remaining students were correctly identified as eligible over the five years.

In fact, the judgmental sample used in our audit only included 14 total schools across the State of Maryland. Our audit uncovered several systematic issues with both attendance taking and dating of student withdrawals. These issues indicate the probability of there being significantly more ineligible students who have been funded during the period reviewed.

- **MSDE Statement:** The MSDE does not agree with the recommendation (that MSDE should amend the Maryland Student Records Systems Manual to define how school systems should proceed when students log 10 or more consecutive unlawful absences). The Maryland Student Records Manual already provides guidance to the local school systems on how to proceed when a student has 10 or more consecutive absences. (*Recommendation 5*)
- **OIGE Clarification:** The OIGE found that there are contradicting passages within the Maryland Student Records System Manual (MSRSM) as it pertains to students logging 10 or more consecutive absences. The MSRSM states, "*the student should be exited from the school with an Exit Status "W" and Exit Code "50"*"¹. However, the "September Attendance" section of the manual also refers to situations where a student must remain in membership but be excluded from State Aid Calculations.²

¹ 2020 Maryland Student Records System Manual, Student Attendance, Unlawful Cause of Absence, Consecutive Absences, page 45.

² Ibid., page 60

In fact, officials from LEAs reviewed indicated that they are not automatically withdrawing students in alignment with the requirement listed in the MSRSM. In addition, LEAs have varied interpretations of the vague statement listed in the “September Attendance” section regarding exclusion from State Aid Calculations. It is the opinion of the OIGE that this conflicting guidance has impacted State Aid Calculations and has resulted in an inequitable allocation of funding for students having 10 or more consecutive unlawful absences including September 30th.

Based on the concerns raised regarding this finding, the OIGE request that the MSDE reconsider their position as to the recommended revision of the 2020 Maryland Students Records System Manual governing September Attendance guidance.

NOTE: The draft version of this report indicated 2,420 students without a recorded date of attendance on or before September 30th (*Finding 1, Page 5*). However, after the investigative audit fieldwork and draft report were completed, Prince George’s County Public Schools (PGCPS) discovered an error within their student information system that had resulted in incorrect attendance information being provided to MSDE in subsequent reporting. On April 19, 2022, PGCPS provided new evidence that 471 students included in the draft report had at least one day of attendance on or before September 30th. OIGE has updated all relevant figures in the final report. As a result of OIGE’s work, PGCPS has rectified the error in their student information system.

In closing, I wish to thank you for both your support and understanding throughout the investigative audit process. The professionalism and assistance provided by your staff surely reflects MSDE’s dedication of our school systems throughout the State of Maryland. Please feel free to contact Mr. Dan Reagan, CPA, Supervisory Inspector General for Investigative Audits at (443) 721-4889 or by email at dan.reagan@maryland.gov if you or your staff have any questions or concerns.

Respectfully,



Richard P. Henry
Inspector General