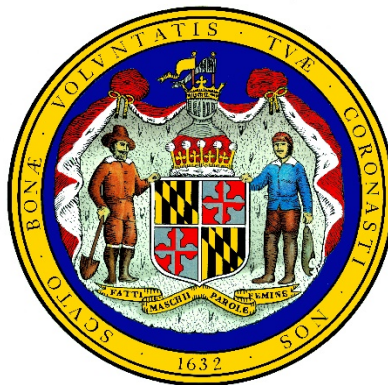


Audit Report

Accountability and Implementation Board

April 2025



OFFICE OF LEGISLATIVE AUDITS
DEPARTMENT OF LEGISLATIVE SERVICES
MARYLAND GENERAL ASSEMBLY

Joint Audit and Evaluation Committee

Senator Shelly L. Hettleman (Senate Chair)	Delegate Jared Solomon (House Chair)
Senator Joanne C. Benson	Delegate Steven J. Arentz
Senator Benjamin T. Brooks, Sr.	Delegate Andrea Fletcher Harrison
Senator Paul D. Corderman	Delegate Steven C. Johnson
Senator Katie Fry Hester	Delegate Mary A. Lehman
Senator Cheryl C. Kagan	Delegate David H. Moon
Senator Clarence K. Lam, M.D.	Delegate Julie Palakovich Carr
Senator Cory V. McCray	Delegate Emily K. Shetty
Senator Justin D. Ready	Delegate Stephanie M. Smith
Senator Bryan W. Simonaire	Delegate M. Courtney Watson

To Obtain Further Information

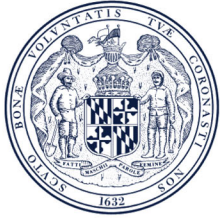
Office of Legislative Audits
The Warehouse at Camden Yards
351 West Camden Street, Suite 400
Baltimore, Maryland 21201
Phone: 410-946-5900
Maryland Relay: 711
TTY: 410-946-5401 · 301-970-5401
E-mail: webmaster@ola.state.md.us
Website: www.ola.state.md.us

To Report Fraud

The Office of Legislative Audits operates a Fraud Hotline to report fraud, waste, or abuse involving State of Maryland government resources. Reports of fraud, waste, or abuse may be communicated anonymously by a toll-free call to 1-877-FRAUD-11, by mail to the Fraud Hotline, c/o Office of Legislative Audits, or through the Office's website.

Nondiscrimination Statement

The Department of Legislative Services does not discriminate on the basis of age, ancestry, color, creed, marital status, national origin, race, religion, gender, gender identity, sexual orientation, or disability in the admission or access to its programs, services, or activities. The Department's Information Officer has been designated to coordinate compliance with the nondiscrimination requirements contained in Section 35.107 of the United States Department of Justice Regulations. Requests for assistance should be directed to the Information Officer at 410-946-5400 or 410-970-5400.



DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF LEGISLATIVE AUDITS
MARYLAND GENERAL ASSEMBLY

Victoria L. Gruber
Executive Director

Brian S. Tanen, CPA, CFE
Legislative Auditor

April 22, 2025

Senator Shelly L. Hettleman, Senate Chair, Joint Audit and Evaluation Committee
Delegate Jared Solomon, House Chair, Joint Audit and Evaluation Committee
Members of Joint Audit and Evaluation Committee
Annapolis, Maryland

Ladies and Gentlemen:

We have conducted a fiscal compliance audit of the Accountability and Implementation Board (AIB) for the period beginning July 1, 2020 and ending October 31, 2024. AIB is responsible for developing a comprehensive implementation plan for the Blueprint for Maryland's Future, holding State and local governments accountable for implementing the related requirements, monitoring the implementation plans, and evaluating outcomes.

Our audit did not disclose any findings that warrant mention in this report.

We wish to acknowledge the cooperation extended to us during the audit by AIB.

Respectfully submitted,

Brian S. Tanen

Brian S. Tanen, CPA, CFE
Legislative Auditor

Background Information

Agency Responsibilities

Chapter 36, Laws of Maryland 2021, created the Accountability and Implementation Board (AIB) as an independent unit of State government effective February 2021.¹ The AIB is governed by a seven-member Board appointed by the Governor, with advice and consent of the Senate. The Board Chair is designated by the Governor, the Senate President, and the Speaker of the House. The initial Board members were formally appointed in November 2021 and the Board selected the AIB Executive Director in January 2022.

The AIB is responsible for developing a comprehensive implementation plan, the Blueprint for Maryland's Future (Blueprint), holding State and local governments accountable for implementing the Blueprint requirements, monitoring the implementation plans, and evaluating outcomes. On December 1, 2022, the AIB adopted guidelines for governmental units [such as the Maryland State Department of Education (MSDE) and Local Education Agencies (LEAs)] to develop comprehensive implementation plans designed to describe the goals, objectives, and strategies to improve student achievement.

According to State law, initial implementation plans were required to be submitted to the AIB by March 15, 2023 for review and approval, and updated implementation plans are to be submitted annually thereafter. The AIB is responsible for publishing an annual report to the Governor, General Assembly, and the public on the progress of the Blueprint implementation on or before November 1st each year.

According to State records, during fiscal year 2024, the AIB's expenditures totaled approximately \$5.8 million, of which approximately \$4.3 million was operating expenses, including technical assistance grants totaling \$2.5 million awarded to LEAs to help in developing Blueprint implementation plans.

¹ State law created the AIB effective July 1, 2020 but the implementation was delayed until February 2021.

Blueprint for Maryland’s Future Program (Blueprint)

The Blueprint is a State-funded grant program based on recommendations of the Maryland Commission on Innovation and Excellence in Education.² Chapter 771, Laws of Maryland, 2019, effective June 1, 2019, established principles of the Blueprint that are intended to transform Maryland’s early childhood, primary, and secondary education system to the levels of the highest-performing systems. The Blueprint specifies how funding is calculated to support programs and initiatives from prekindergarten through college and career.

Through MSDE, the Blueprint allocates funding to schools based on a weighted-student formula. The funding formula provides resources to local education agencies based on the number of students enrolled at each school (known as Foundation Aid) and the characteristics of those students (such as, Special Education Aid, Concentration of Poverty Aid, and Compensatory Education Aid). The Blueprint also provides additional funding for specific programs that schools offer (such as, Pre-kindergarten Aid). According to MSDE’s records, it provided approximately \$9 billion in State aid to education during fiscal year 2024 which included the Blueprint and other education-related costs.

There are five main policy areas (known as Pillars) for the Blueprint and the AIB is responsible for Pillar 5 (see Figure 1).

² The Maryland Commission on Innovation and Excellence in Education was established by Chapters 701 and 702, Laws of Maryland 2016, effective June 1, 2016, to review the adequacy of funding for education.

Figure 1
Summary of the Five Pillars for the Blueprint

Pillar 1	Early Childhood Development and Education - Expansion of funding for early childhood development and education, including full-day prekindergarten that is free for low-income families and expanding services for younger children and their families.
Pillar 2	High-quality and Diverse Teachers and School Leaders - Elevate the teaching profession comparable to other fields with comparable education and compensation, establishing a career ladder so that excellent teachers remain in the classroom, and increasing the rigor of teacher preparation programs and State certification standards.
Pillar 3	College and Career Readiness - Establish a college and a career readiness (CCR) standard to ensure success in the first year of a community college program.
Pillar 4	Resources, Support, and Services to Ensure All Students Are Successful - Help students achieve the CCR standard, including English learners, students with disabilities, and students from low-income families, with particular attention on students in schools with high concentrations of poverty.
Pillar 5	Governance and Accountability - Establish a strong accountability system with the authority to hold all entities accountable for implementing the Blueprint effectively to ensure that all students are successful.

Source: AIB records

To address its responsibility for governance and monitoring, in fiscal year 2025, the AIB in conjunction with MSDE, started collecting and analyzing LEA expenditures through a financial management system, to monitor compliance with the Blueprint and ensure the required minimum allocated per-pupil funding reaches the students it is intended to help. Additionally, the AIB established requirements for Expert Review Teams, which are administered by MSDE, to observe how the Blueprint funds are being utilized, review the causes of poor student performance, and prepare reports that include recommendations for improvement.

Findings and Recommendations

Our audit did not disclose any significant deficiencies in the design or operation of the Accountability and Implementation Board's (AIB) internal control. Our audit also did not disclose any significant instances of noncompliance with applicable laws, rules, or regulations. A finding that did not warrant inclusion in this report was separately communicated to AIB.

A draft copy of this report was provided to AIB. Since there are no recommendations in this report, a written response was not necessary.

Audit Scope, Objectives, and Methodology

We have conducted a fiscal compliance audit of the Accountability and Implementation Board (AIB) for the period beginning July 1, 2020 and ending October 31, 2024. The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

As prescribed by the State Government Article, Section 2-1221 of the Annotated Code of Maryland, the objectives of this audit were to examine AIB's financial transactions, records, and internal control, and to evaluate its compliance with applicable State laws, rules, and regulations.

In planning and conducting our audit, we focused on the major financial-related areas of operations based on assessments of significance and risk. The areas addressed by the audit included oversight and monitoring of the Blueprint for Maryland's Future grant program, payroll, procurement, disbursements, and technical assistance grants.

Our assessment of internal controls was based on agency procedures and controls in place at the time of our fieldwork. Our tests of transactions and other auditing procedures were generally focused on the transactions occurring during the period of AIB's operations that began on February 12, 2021 through the end of our audit period of October 31, 2024, but may include transactions after this period as we considered necessary to achieve our audit objectives.

To accomplish our audit objectives, our audit procedures included inquiries of appropriate personnel, inspections of documents and records, tests of transactions, and to the extent practicable, observations of AIB's operations. Generally, transactions were selected for testing based on auditor judgment, which primarily considers risk, the timing or dollar amount of the transaction, or the significance of the transaction to the area of operation reviewed. As a matter of course, we do not normally use sampling in our tests, so unless otherwise specifically indicated, neither statistical nor non-statistical audit sampling was used to select the transactions tested. Therefore, unless sampling is specifically indicated in a finding, the results from any tests conducted or disclosed by us cannot be used to project those results to the entire population from which the test items were selected.

We also performed various data extracts of pertinent information from the State's Financial Management Information System (such as revenue and expenditure data) and the State's Central Payroll Bureau (payroll data). The extracts are performed as part of ongoing internal processes established by the Office of Legislative Audits and were subject to various tests to determine data reliability. We determined that the data extracted from these sources were sufficiently reliable for the purposes the data were used during this audit. We performed other auditing procedures that we considered necessary to achieve our audit objectives. The reliability of data used in this report for background or informational purposes was not assessed.

AIB's management is responsible for establishing and maintaining effective internal control. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records; effectiveness and efficiency of operations, including safeguarding of assets; and compliance with applicable laws, rules, and regulations are achieved. As provided in *Government Auditing Standards*, there are five components of internal control: control environment, risk assessment, control activities, information and communication, and monitoring. Each of the five components, when significant to the audit objectives, and as applicable to AIB, were considered by us during the course of this audit.

Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

Our reports are designed to assist the Maryland General Assembly in exercising its legislative oversight function and to provide constructive recommendations for

improving State operations. As a result, our reports generally do not address activities we reviewed that are functioning properly.

AUDIT TEAM

Mark S. Hagenbuch, CPA
Audit Manager

Abdullah I. Adam, CFE
Senior Auditor

Matthew P. Henry
Timothy Moon
Staff Auditors