Legislative Committee Breakfast Meeting
Thursday, October 4, 2018
7:30 – 8:30 a.m.
Conference Room 1 & 2, Clarion Fontainebleau Hotel
Ocean City, Maryland

Stacy Korbelak, Chair
Bob Lord, Vice Chair

Agenda

Welcome & Introductions

Issue Updates

- Vote Yes for Question One
- Accountability Exec. Order/
  MSDE Office of Compliance & Monitoring
- Grading Policy Regulations
- Superintendent Qualification Regulations
- Kirwan Commission Update
- Safe to Learn Act Update
- School Calendar Legislation
- Gaming Revenue Legislation

MABE’s 2019 Legislative Positions

- Timeline (Draft - Oct. 15; Approval - Nov. 26)

Calendar

Adjourn
Materials & Resources for the October 4, 2018 Breakfast Meeting

Issue Updates

- **MABE “Vote Yes on Question 1” Priority Issue Webpage**
  - Board of Elections **Ballot Question Text and Summary**
  - **MABE Testimony in Support of SB 1122** (creating the ballot question)
- **Executive Order on Educational Accountability Office/MSDE OCM**
  - Executive Order and Governor's Statement
  - MSDE Office of Compliance and Monitoring (OCM)
- **Grading Policy Regulations; Published in the Maryland Register (Sept. 28, 2018)**
- **Superintendent Qualification Regulations; pending before PSTEB and State Board.**
- **Kirwan Commission**
  - Updates on 5 policy areas: Final draft of Working Group recommendations on: Early Education, Teachers & Leaders, College and Career Readiness and CTE, and At-Risk Students. The report on Governance/Accountability (May, 2018) has not been discussed recently. A set of Accountability Discussion Questions was distributed in August.
  - **MABE position statements** (Aug. 14, 2018)
  - Oct. 10 meeting agenda: – Working Groups 3 and 4 Revised Recommendations; Element 4b Mental/Behavioral Health; Accountability Panel; Overview of Proxy for At-Risk Students Issues; School Finance Primer. An Oct. 31 meeting is also scheduled.

- **Safe to Learn Act Update**
- **School Calendar – Local Control Legislative Initiative**
- **Gaming Revenue Legislative Initiative**
  - Gaming Revenue & Education Trust Fund Share

Legislative Committee Calendar

- Oct. 4, 2018 – Legislative Committee Breakfast at MABE’s Annual Conference
- Oct. 15, 2018
- Nov. 26, 2018
- Dec. 17, 2018
- Jan. 7, 2019
  - FYI – The Legislative Session begins on January 9, 2019
  - FYI – The NSBA Advocacy Institute in Washington, DC is Jan. 27-29
- Feb. 4, 2019
  - FYI – MABE’s Legislative Day in Annapolis is typically held in mid-February – 2019 date TBD
- Feb. 25, 2019
- March 11, 2019
- March 25, 2019
  - FYI – The 2019 legislative session ends at midnight on April 8, 2019
- April 29, 2019

MABE’s Legislative Committee meetings are held in the MABE office on Monday mornings, 10:00 to 12:00, unless otherwise indicated.
QUESTION 1: CONSTITUTIONAL AMENDMENT

Education – Commercial Gaming Revenues

Chapter 357 of 2018 (Senate Bill 1122)

Summary

This proposed constitutional amendment would require that the Governor, beginning in fiscal year 2020, provide in the annual budget submission supplemental State funding for public education through the use of commercial gaming revenues. The supplemental funding must be in addition to the State funding provided through the Bridge to Excellence in Public Schools Act of 2002. The supplemental funding included in the submission must total at least $125 million in fiscal year 2020, $250 million in fiscal year 2021, and $375 million in fiscal year 2022. In all subsequent fiscal years, 100% of the gaming revenues dedicated to public education must be included as supplemental funding.

The Bridge to Excellence in Public Schools Act established funding formulas for direct State aid to public schools. The Education Trust Fund is a special fund that is separate from the State’s General Fund and currently used for the continued funding of the Bridge to Excellence in Public Schools Act formulas and programs. The General Fund consists of revenues collected by the State that are not dedicated by law to any specific purpose; a special fund consists of revenues, the use of which are statutorily limited as to purpose. A portion of the proceeds from video lottery terminals and table games is dedicated to the Education Trust Fund. Currently, all proceeds credited to the Education Trust Fund are budgeted for the Bridge to Excellence in Public Schools Act formulas and programs. Designating the use of a portion or all of the money credited to the Education Trust Fund for supplemental funding will require General Fund expenditures for the Bridge to Excellence in Public Schools Act formulas and programs to increase by an equal amount.

The proposed amendment requires the Governor to identify in the annual State budget submission how the supplemental revenue is being used to supplement and not supplant spending on public schools. The proposed amendment also requires that the supplemental funding be used to:

• ensure access to public education that allows children in the State to compete in the global economy of the future;

• provide funding for high-quality early childhood education programs;

• provide opportunities for public school students to participate in career and technical education programs that lead to an identified job skill or certificate;

• allow students to obtain, at no cost to the student, college credit and degrees while in high school;
• support advancement and professionalization of educators in public schools; and

• maintain, renovate, or construct public schools.

Finally, the proposed amendment repeals the constitutional provision specifying that capital projects at community colleges and public senior higher education institutions are among the primary purposes for which revenue from video lottery terminal facilities is raised.
EXECUTIVE ORDER
01.01.2018.21

Accountability in Elementary and Secondary Education

WHEREAS, There are widespread accountability concerns from parents, students, and teachers about public elementary and secondary education systems across the state due to repeated allegations of wrongdoing and mismanagement;

WHEREAS, Confidence must be restored in Maryland’s public elementary and secondary education systems;

WHEREAS, Marylanders expect and deserve accountability from, better local management of, and the strongest oversight possible of their public elementary and secondary education systems;

WHEREAS, Accountability in Maryland public elementary and secondary education systems is critical to implementation of the recommendations of the Commission on Innovation and Excellence in Education;

WHEREAS, Maryland taxpayers spend more than $6.5 billion a year on education;

WHEREAS, It is the duty of the State to promote stable, safe, and healthy environments for children; and

WHEREAS, There is a need for an Office of Education Accountability to ensure and promote open, ethical, and accountable public elementary and secondary education systems that will operate at maximum efficiency and integrity;

NOW THEREFORE, I, LAWRENCE J. HOGAN, JR., GOVERNOR OF THE STATE OF MARYLAND, BY VIRTUE OF THE AUTHORITY VESTED IN ME BY THE CONSTITUTION AND LAWS OF MARYLAND, HEREBY PROCLAIM THE FOLLOWING EXECUTIVE ORDER, EFFECTIVE IMMEDIATELY:
A. The Governor's Office for Children shall:

1. Establish an electronic tip system to allow anonymous reporting of concerns about Maryland public elementary and secondary education ("public school") systems; and

2. Develop and maintain a database that tracks such concerns and their resolutions.

B. Office of Education Accountability.

1. The Office of Education Accountability is hereby established within the Office for Children to enhance and promote integrity and accountability in Maryland's public school systems.

2. The Director of the Office of Education Accountability shall:

   i. Provide outreach to students, parents, and teachers;

   ii. Serve as a clearinghouse for concerns regarding public school safety, grading, graduation requirements, assessments, educational facilities, procurement, and budgets;

   iii. Refer concerns to a public school official, agency, department, or resource as appropriate;

   iv. Refer possible violations of criminal law to the State Prosecutor or State's Attorneys with jurisdiction to prosecute them;

   v. Receive and track allegations of violations of applicable whistleblower protections for individuals who raise concerns about public school systems;

   vi. Identify systemic concerns related to fraud, abuse, waste, and unethical conduct within Maryland's public school systems;

   vii. Provide to the Maryland State Board of Education and local boards of education recommendations, solutions, and strategies for improving Maryland's public school systems and communication between schools and parents;

   viii. Facilitate responses by State units subject to the supervision and direction of the Governor (the "Executive Branch") to concerns about public school systems; and
ix. Serve as a liaison between the Executive Branch and the Maryland State Board of Education and local boards of education.

3. The Director shall serve at the pleasure of the Governor.

4. The Director shall be provided with adequate staff selected by the Governor.

5. Reports.

i. The Director shall report annually to the Governor, the President of the Senate, the Speaker of the House of Delegates, the Superintendent of Schools, and the Maryland State Board of Education with:

1. recommendations related to alleged cases of fraud, waste, abuse, or unethical conduct within Maryland’s public school systems;

2. goals and priorities indicated by a periodic assessment of existing and emerging issues affecting Maryland’s public school systems; and

3. recommendations for legislation to enhance the integrity and accountability of Maryland’s public school systems.

ii. The report shall be submitted no later than December 31 of each year.

iii. The Director may issue additional reports.

Given Under my Hand and the Great Seal of the State of Maryland, in the City of Annapolis, this 4th Day of September, 2018.

[Signature]
Lawrence J. Hogan, Jr.
Governor

ATTEST:

[Signature]
John C. Wobensmith
Secretary of State
MSDE Announces New Office of Compliance and Monitoring (OCM)

MSDE is pleased to announce the appointment of Richard Henry as Executive Director of the Office of Compliance and Monitoring, and Zachary Hands as Special Assistant to the State Superintendent.

The Office of Compliance and Monitoring (OCM) is now operational. This office was established to ensure local school systems are complaint with State Statutes and Regulations. Further, the office will interface with all levels of staff within the local school system and evaluate, respond, and recommend a corrective action plan concerning administrative and public inquiries. If a concern is substantiated, OCM will conduct an investigation and report its findings to the Deputy Superintendent of Finance. In addition to the responsibilities mentioned, OCM will monitor academic validation matters to ensure they follow established MSDE policies, processes, and procedures. Rick earned a master’s degree in Leadership Management from Johns Hopkins University, and is also certified in fraud investigation. He has extensive investigative experience from his previous position as Chief Inspector with the United States Marshals Service.

As Special Assistant to the State Superintendent, Zachary will lead, implement and track progress of key executive initiatives and special projects, as well as ensure effective coordination and collaboration among all divisions and offices - including assistance to local school systems. His initial focus will be working with the Maryland Center for School Safety, School Safety Subcabinet and the Interagency Commission on School Construction. Zachary earned his Master’s Degree in Public Policy from the UMBC and has experience with offices of the State legislature, Maryland Department of Health and the Maryland Association of Counties.
TO: Members of the State Board of Education

FROM: Karen B. Salmon, Ph.D.

DATE: July 24, 2018

SUBJECT: COMAR 13A.03.02.08
Grading and Reporting
PERMISSION TO PUBLISH

PURPOSE:

To request permission to publish amendments to COMAR 13A.03.02.08 Grading and Reporting. This regulation came before the State Board on April 24, 2018 and was again discussed at the June 20, 2018 meeting. Based on comments from the State Board, this regulation is coming back to the State Board with additional revisions.

REGULATION PROMULGATION PROCESS:

Under Maryland law, a state agency, such as the State Board, may propose an amendment to a regulation whenever circumstances arise to do so. After the State Board votes to propose an amendment, the proposed regulation is sent to the Administrative, Executive, and Legislative Review (AELR) Committee for a 15-day review period. If the AELR Committee does not hold up the proposed regulation for further review, it is published in the Maryland Register for a 30-day public comment period. At the end of the comment period, the Maryland State Department of Education (MSDE) staff reviews and summarizes the public comments. Thereafter, MSDE staff will present a recommendation to the State Board to either: (1) adopt the regulation in the form it was proposed; or (2) revise the regulation and adopt it as final because suggested revision is not a substantive change. At any time during this process, the AELR Committee may stop the promulgation process and hold a hearing. Thereafter, it may recommend to the Governor that the regulation not be adopted as a final regulation or the AELR Committee may release the regulation for final adoption.

BACKGROUND/HISTORICAL PERSPECTIVE:

COMAR 13A.03.02.08 Grading and Reporting requires each local school system to develop a written policy on grading and reporting and to file its policies annually with the State Superintendent of Schools. The most recent grading policy for each of the local school systems was collected and reviewed for specific areas including grade changes, numerical value of a failing grade, impact of...
attendance on grades, and grade appeals by parent/guardian. The collection of the local grading policies was shared with the State Board on February 27, 2018.

An additional review of information on the websites for each local school system was conducted by the Attorney General’s Office and shared with the State Board at the June 20, 2018 meeting. Following each of these reviews and comments from the April and June State Board meetings on the local grading policies, I am presenting recommendations for amended COMAR language to strengthen the grading and reporting policies in local school systems.

EXECUTIVE SUMMARY:

The proposed amendment requires school systems in Maryland to recognize and accept all credits a transfer student earns toward graduation in any other school system in Maryland. The amendment describes requirements that local school systems must incorporate into their grading and reporting policies. These requirements include: grading scales, calculation of final grades, explanation of weights for honors and other courses, how attendance factors into the grade, information on grade change procedures, and audit and appeal procedures. Local school systems will be required to file its policy on grading and reporting and submit a copy of the grade change validity audit to the State Superintendent of Schools. Upon submission, the MSDE will verify that the school system met the requirements of the regulation or direct the school system to develop a corrective action plan.

ACTION:

Request permission to publish amendments to COMAR 13A.03.02.08 Grading and Reporting.
Title 13A
State Board of Education
Subtitle 03 General Instructional Programs
Chapter 02 Graduation Requirements for Public High Schools in Maryland

.08 Grading and Reporting.

A. Each school system in Maryland shall recognize and accept any and all credits a student earned toward graduation in any other school system in Maryland.

B. Each local school system shall develop a written policy on grading and reporting that complies with the student record requirements as set forth in COMAR 13.A.08.02 and that includes:

1. Explanation of the grading scale at the elementary and secondary levels.
2. Explanation of the calculation of the final grade for a course which includes or may include marking period grades and exam grades.
3. Explanation of weights of honors, Advanced Placement, International Baccalaureate, and/or dual enrollment courses.
4. Explanation of how attendance factors into the student’s grade.
5. Grade change procedures with explanations to include the following:
   (a) Timeline for final grade changes that cannot exceed 30 school days following the last day of the grading period;
   (b) Personnel at the school and central office level authorized to make final grade changes;
   (c) Documentation that authorized personnel are required to maintain to support the final grade changes. Documentation must include at minimum:
      1) name of teacher requesting grade change;
      2) reason for the grade change;
      3) signature of person approving the grade change;
      4) reason for the approval;
      5) date of the approval; and
      6) signature of the principal.
   (d) How and when the school system will audit the validity of the grade changes each year; and
   (e) Appeal procedures.

C. On October 1 of each school year, each local school system shall:

1. file its policy on grading and reporting with State Superintendent of Schools; and
2. submit a copy of the grade change validity audit (see .08A(5)(d)) to the State Superintendent of Schools.
D. Upon submission of C(1) and C(2), the Maryland State Department of Education will:

(1) Verify that the school system has met the requirements of this regulation; or
(2) Direct the school system to develop a corrective action plan to bring it into compliance with this regulation and monitor the schools system's progress in completing its corrective action.
PROPOSED ACTION ON REGULATIONS

(b) May include additional psychological assessments, tests, surveys, interviews, and observational data at the discretion of the mental health professional.

(3) (4) (text unchanged)

G. — K. (text unchanged)

STEPHEN T. MOYER
Secretary of Public Safety and Correctional Services

Title 13A
STATE BOARD OF EDUCATION
Subtitle 03 GENERAL INSTRUCTIONAL PROGRAMS
13A.03.02 Graduation Requirements for Public High Schools in Maryland

Authority: Education Article, §§2-205, 7-203, 7-205, and 7-205.1, Annotated Code of Maryland

Notice of Proposed Action
[18-256-P]

The Maryland State Board of Education proposes to amend Regulation .08 under COMAR 13A.03.02 Graduation Requirements for Public High Schools in Maryland. This action was considered at the July 24, 2018, meeting of the State Board of Education.

Statement of Purpose
The purpose of this action is to strengthen the grading and reporting policies in local school systems and to impose a grade change audit requirement on local school systems.

Comparison to Federal Standards
There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

I. Summary of Economic Impact. There will be some economic impact on local school systems, which must perform a yearly audit of grade changes and their validity.

II. Types of Economic Impact.

<table>
<thead>
<tr>
<th>Revenue (R+R-)</th>
<th>Expenditure (E+E-)</th>
<th>Magnitude</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. On issuing agency: NONE</td>
<td>NONE</td>
<td></td>
</tr>
<tr>
<td>B. On other State agencies: (E+)</td>
<td>Unknown</td>
<td></td>
</tr>
<tr>
<td>C. On local governments: Benefit (+)</td>
<td>Cost (-)</td>
<td>Magnitude</td>
</tr>
<tr>
<td>D. On regulated industries or trade groups: NONE</td>
<td>NONE</td>
<td></td>
</tr>
<tr>
<td>E. On other industries or trade groups: NONE</td>
<td>NONE</td>
<td></td>
</tr>
<tr>
<td>F. Direct and indirect effects on public: NONE</td>
<td>NONE</td>
<td></td>
</tr>
</tbody>
</table>

III. Assumptions. (Identified by Impact Letter and Number from Section II.)

C. There will be some economic impact on local school systems, which must conduct yearly audits of grade changes and their validity. The cost will vary across local school systems.

Economic Impact on Small Businesses
The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities
The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment
Comments may be sent to Mary Gable, Asst. State Superintendent, Division of Student Support, Academic Enrichment and Educational Policy, Maryland State Department of Education, 200 West Baltimore Street, Baltimore, MD 21201, or call 410-820-7122, or email to mary.gable@maryland.gov, or fax to 410-333-0880. Comments will be accepted through October 29, 2018. A public hearing has not been scheduled.

Open Meeting
Final action on the proposal will be considered by the State Board of Education during a public meeting to be held on December 4, 2018, at 9 a.m., at 200 West Baltimore Street, Baltimore, MD 21201.

08 Grading and Reporting.

[A. Each local school system shall develop a written policy on grading and reporting that complies with the student record requirements as set forth in COMAR 13A.08.02.

B. On October 1 of each school year, each local school system shall file its policies on grading and reporting with State Superintendent of Schools.

1. Each school system in Maryland shall recognize and accept any and all credits a student earned toward graduation in any other school system in Maryland.

2. Each local school system shall develop a written policy on grading and reporting that complies with the student record requirements as set forth in COMAR 13A.08.02 and that includes:
   (1) An explanation of the grading scale at the elementary and secondary levels;
   (2) An explanation of the calculation of the final grade for a course;
   (3) An explanation of weights of honors, Advanced Placement, International Baccalaureate, and/or dual enrollment courses;
   (4) An explanation of how attendance factors into the student's grade;
   (5) An explanation of grade changing procedures, including:
      (a) A timeline for final grade changes that cannot exceed 30 school days following the last day of the grading period;
      (b) The names of personnel at the school and central office level authorized to make final grade changes;
      (c) Documentation that authorized personnel are required to maintain to support the final grade changes, including, at a minimum the:
         (i) Name of teacher requesting grade change;
         (ii) Reason for the grade change;
         (iii) Signature of person approving the grade change;
         (iv) Reason for the approval;
         (v) Date of the approval; and
         (vi) Signature of the principal;
      (d) How and when the school system will audit the validity of the grade changes each year; and
      (e) Appeal procedures.

MARYLAND REGISTER, VOLUME 45, ISSUE 20, FRIDAY, SEPTEMBER 28, 2018
C. On October 1 of each school year, each local school system shall:

1. File its policy on grading and reporting with State Superintendent of Schools; and
2. Submit a copy of the grade change validity audit in accordance with §B(3)(d) of this regulation to the State Superintendent of Schools.

D. Upon submission of the items contained in §C of this regulation, the Maryland State Department of Education will:

1. Verify that the local school system has met the requirements of this regulation, or
2. Direct the local school system to develop a corrective action plan to bring it into compliance with this regulation and monitor the school system’s progress in completing its corrective action.

KAREN B. SALMON, Ph.D.
State Superintendent of Schools

**Subtitle 06 SUPPORTING PROGRAMS**

**13A.06.09 Maryland Early Literacy Initiative**

*Authority: Education Article, §§5-205 and 5-216, Annotated Code of Maryland; Ch. 361, Acts of 2018*

**Notice of Proposed Action**
[18-255-P]

The Maryland State Board of Education proposes to adopt new Regulations .01—.05 under a new chapter, COMAR 13A.06.09 Maryland Early Literacy Initiative. This action was considered at the July 24, 2018, meeting of the State Board of Education.

**Statement of Purpose**
The purpose of this action is to provide early literacy intervention services to students in selected schools or school systems through a State-funded competitive grant program.

**Comparison to Federal Standards**
There is a corresponding federal standard to this proposed action, but the proposed action is not more restrictive or stringent.

**Estimate of Economic Impact**

I. **Summary of Economic Impact.** New State funding for FY19 will provide $2.5 million in grants for early literacy programs in at least 3 local school systems.

<table>
<thead>
<tr>
<th><strong>II. Types of Economic Impact.</strong></th>
<th>Revenue (R+)</th>
<th>Expenditure (E+)</th>
<th>Benefit (+)</th>
<th>Cost (-)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. On issuing agency:</td>
<td>(R+)</td>
<td>(E+)</td>
<td>$2.5 million</td>
<td></td>
</tr>
<tr>
<td>B. On other State agencies:</td>
<td>NONE</td>
<td>Unknown</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. On local governments:</td>
<td>(R+)</td>
<td>Unknown</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

D. On regulated industries or trade groups: NONE

E. On other industries or trade groups: NONE

F. Direct and indirect effects on public: NONE

**III. Assumptions.** (Identified by Impact Letter and Number from Section II)

A. The Maryland State Department of Education received $2.5 million to implement the Early Literacy Program.

C. The Maryland State Department of Education will award grants to qualifying schools.

**Economic Impact on Small Businesses**
The proposed action has minimal or no economic impact on small businesses.

**Impact on Individuals with Disabilities**
The proposed action has an impact on individuals with disabilities as follows:
Eligible students with disabilities in schools that receive grants under this regulation will receive additional services.

**Opportunity for Public Comment**
Comments may be sent to Mary Gable, Asst. State Superintendent, Division of Student Support, Academic Enrichment and Educational Policy, Maryland State Department of Education, 200 West Baltimore Street, Baltimore, MD 21201, or call 410-767-0472 (TTY 410-333-6442), or email to mary.gable@maryland.gov, or fax to 410-333-0880. Comments will be accepted through October 29, 2018. A public hearing has not been scheduled.

**Open Meeting**
Final action on the proposal will be considered by the State Board of Education during a public meeting to be held on December 4, 2018, 9 a.m., at 200 West Baltimore Street, Baltimore, MD 21201.

**01 Purpose**

The Maryland Early Literacy Initiative is a grant program that will assist up to 50 qualifying schools in at least three school systems to implement an evidence-based literacy program in the school to work with participating students to meet literacy proficiency targets by the end of eighth grade.

**02 Definitions**

A. In this chapter, the following terms have the meanings indicated.

B. Terms Defined.

1. "Evidence-based early literacy program" means a program that satisfies §8101(21)(A)(6)(F) or §8103(21)(A)(6)(I) under Title 8, General Provisions of the Every Student Succeeds Act, and includes systematic, direct instruction in phonemic awareness, phonics, vocabulary development, fluency, and comprehension.

2. "Initiative" means the Maryland Early Literacy Initiative.

3. "Interventionist" means a trained professional whose primary responsibility is to deliver evidence-based early literacy intervention.

4. "Nonprofit organization" means a nonprofit organization that:

   (a) Is based in the State;
   (b) Is incorporated or registered under the laws of the State;
   (c) Is exempt from federal income tax under §501(c)(3), (4), or (6) of the Internal Revenue Code;
   (d) Is current in the payment of all tax obligations to the State or any unit or subdivision of the State; and
   (e) Has been in active business for 3 years or more at the time the application is submitted or has a fiscal sponsor who can meet the requirements of this section.

5. "Participating student" means a student:

   (a) in prekindergarten through eighth grade; or
TO: Members of the State Board of Education
FROM: Karen B. Salmon, Ph.D.
DATE: September 25, 2018
RE: COMAR 13A.12.04.03
Superintendents
REPEAL AND REPLACE – PERMISSION TO PUBLISH

COMAR 13A.12.01.06-1
Extraordinary Career Leader Certificate
PROMULGATION - PERMISSION TO PUBLISH

PURPOSE:
The purpose of this item is to request permission to publish amendments to the Code of Maryland Regulations (COMAR) 13A.12.04.03 Superintendents (Attachment I) and to publish the promulgation of COMAR 13A.12.01.06-1 Extraordinary Career Leader Certificate (Attachment II).

Amendments to Superintendents are being proposed to provide additional pathways for certification in the area of superintendent as well as to establish two, distinct superintendent certificates: Superintendent I for Deputy, Assistant and Associate Superintendent and Superintendent II for Superintendents.

Promulgation of a new regulation for the Extraordinary Career Leader Certificate is being proposed to create the new Extraordinary Career Leader Certificate, as recommended by the Joint Conference Committee, for those individuals with an exceptional background and skills to be considered for a Superintendent position.

REGULATION PROMULGATION PROCESS:
Under Maryland law, a state agency, such as the State Board of Education (SBOE), may propose a new regulation whenever the circumstances arise to do so. The SBOE shares joint authority with the Professional Standards and Teacher Education Board (PSTEB) to develop regulations governing teacher certification and preparation. When the SBOE initiates a regulatory change concerning certification, the PSTEB must review the proposed regulation. If a majority of the PSTEB members approve of the regulation, the regulation promulgation process continues. If a majority of the PSTEB members disapprove of the proposed regulation, the regulation will not move forward unless approved by a super-majority of the SBOE (three-fourths of its members).

After the PSTEB has voted to approve the regulation (or three-fourths of the State Board has voted to approve the regulation despite the PSTEB's disapproval), the proposed regulation is sent to the Administrative, Executive, and Legislative Review Committee (AELR) for a 15-day review period. If the AELR Committee does not hold up the proposed regulation for further review, it is published in the Maryland Register for a 30-day public comment period. At the end of the comment period, the Maryland State Department of Education
Members of the State Board of Education
Page 2

(MSDE) staff reviews and summarizes the public comments, which are presented to the PTEB and the State Board. Thereafter, MSDE staff will present a recommendation to the State Board to either: (1) adopt the regulation in the form it was proposed; or (2) revise the regulation and adopt it as final because the suggested revision is not a substantive change; or (3) revise the regulation and re-propose it because the suggested revision is a substantive change. At any time during this process, the AELRC Committee may stop the promulgation process and hold a hearing. Thereafter, it may recommend to the Governor that the regulation not be adopted as a final regulation or the AELRC Committee may release the regulation for final adoption. The State Board, as the originating board, would then vote to formally adopt the regulation.

HISTORICAL BACKGROUND:

In November 2017, the State Superintendent charged a new workgroup with reviewing COMAR 13A.12.04.03-Superintendents to determine if the regulation requires amendments to meet the needs of Maryland. The workgroup, facilitated by the MSDE, convened on November 28, 2017, January 24, 2018, February 20, 2018, and March 26, 2018. The workgroup was comprised of representatives/designees from the following constituent organizations:

- Dr. Justin Hartings, State Board of Education
- Dr. Alyssissa James, Professional Standards and Teacher Education Board
- Dr. Emily Dow, Maryland Higher Education Commission
- Dr. Jennifer Rice, University of Maryland System
- Dr. Teresa Alban, Public School Superintendents’ Association of Maryland
- Mr. William Middleton, Maryland Association of Boards of Education
- Sr. Sharon Slear, Maryland Independent College and University Association
- Ms. Megan Quinn, Maryland Association of School Personnel Administrators

On April 24, 2018, the MSDE presented the workgroup’s recommendations to the SBOE which established two, distinct superintendent certificates, as well as provided multiple pathways for certification. Members of the SBOE expressed concern that the proposed regulations were too restrictive and asked the MSDE to provide the following additional information:

- Draft regulatory language for superintendent that mirrors the qualification requirements outlined in Education Article §4-201; and
- Information regarding superintendent requirements in other states.

On May 2, 2018, the PTEB reviewed the proposed regulation presented to the SBOE, Education Article §4-201, and the draft language reflective of the aforementioned statute. The PTEB expressed their concerns regarding the alignment of the draft regulatory language to Education Article §4-201. In response to those concerns, the PTEB requested a conference committee meeting with the SBOE.

On May 22, 2018, the MSDE presented draft regulatory language that mirrors the requirements outlined in Education Article §4-201 and shared potential issues with that language, provided a 50-state review of the superintendent qualifications across the nation, and shared feedback regarding the PTEB’s concerns regarding the prospect of aligning the superintendent qualification to Education Article §4-201. Members of the SBOE requested that the MSDE provide new draft regulatory language that incorporates the proposed language from the workgroup, addresses reciprocity, and allows for an individual with an exceptional background and skills to be considered for the superintendent position.

On June 20, 2018, the MSDE presented draft regulatory language that incorporates the proposed language from the workgroup, addresses reciprocity, and includes new language for the Extraordinary Career Leadership Certification. Members of the SBOE agreed to the conference committee meeting with members from the PTEB and identified their participants.
Members of the State Board of Education

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On July 20, 2018, a Joint Conference Committee meeting was held. Participants included:

**SBOE Members**
- Ms. Stephanie Izard, Vice President
- Dr. David Steiner
- Brigadier General Warner Sumpter, Ret.
- Mr. Bryce Awono

**PSTEB Members**
- Dr. Alyssia James, Chair
- Mr. Darren Hornebeck
- Dr. John Mayo

Participants reviewed the June 20, 2018 version of the proposed regulatory language and agreed on the requirements for the Superintendent I and II certificate and the traditional and reciprocal certification requirements. Discussion focused on the Extraordinary Career Leadership Certificate requirements for an individual serving as a county superintendent. The joint committee requested that the MSDE provide new draft regulatory language including language to:

- Incorporate coursework requirements from Education Article §4-201 into the Traditional and Extraordinary Career Leadership Certificate requirements
- Align the degree requirement found in Education Article §4-201 with the language in the proposed regulatory language.
- Create two certificates for the Extraordinary Career Leadership route:
  - Provisional Extraordinary Career Leadership Certificate
    - Require a mentoring experience to include, as determined by the Local Board of Education:
      - Instruction/curriculum
      - Communication
      - Budget
      - Administration
      - Education law and regulation
    - One (1) year validity period
    - Non-renewable
    - Non-transferable
  - Extraordinary Career Leadership Certificate
    - Four (4) year validity period
    - Non-transferable
    - Renewable at the request of the Local Board of Education for which they are employed

On August 28, 2018, the MSDE provided an update to the SBOE regarding the Joint Conference Committee Meeting. Discussion focused on the Extraordinary Career Leadership route. Members of the SBOE requested classroom observation be included in the mentoring experience.

On September 13, 2018, the MSDE provided an update to the PSTEB regarding the Joint Conference Committee meeting. The PSTEB members support the Superintendent I and II certificate and the traditional and reciprocal certification routes. Discussion focused on the Extraordinary Career Leadership Certificate during which members expressed significant concern regarding the lack of teaching and educational experience required.

The MSDE is providing regulatory language for the Superintendent I, Superintendent II and the Extraordinary Career Leader Certificate. After further review and consultation with legal counsel, the MSDE recommends requiring Extraordinary Career Leadership candidates to complete a one-year appointment as interim superintendent with a local school system before receiving Extraordinary Career Leadership Certification. This would conform the new certificate requirements to State law, which requires that a county superintendent may not be appointed unless the individual meets the requirements to be issued a certificate for the office by the state superintendent [Education Article §4-201(c) (1)(i)]. Because the Extraordinary Career Leadership certificate requires professional development (and possibly the acquisition of additional graduate coursework depending on
the individual), the MSDE recommends this approach, rather than issuing a provisional or interim certificate that would expire after a year.

PROPOSED AMENDMENTS:
The proposed amendments:
- Delineate the requirements set forth for certification as a superintendent (Superintendent II) and the requirements set forth for certification as a deputy, associate, and assistant superintendent (Superintendent I);
- Expand the pathways to become a Maryland Superintendent to include traditional preparation; from in-state and out-of-state Institutions of Higher Education and reciprocity for those that hold a Superintendent Certificate from another state; and
- Create a new certificate called the Extraordinary Career Leader Certificate that allows an individual with an exceptional background and skills to be considered for a Superintendent position in a local education agency.

SUMMARY:
A workgroup comprised of multiple constituent organizations recommended proposed amendments to COMAR 13A.12.04.03 Superintendents to establish two, distinct superintendent certificates, as well as provide multiple pathways for certification. The SBOE and the PSTEB through a Joint Conference Committee meeting expanded the recommendations of the workgroup to include reciprocity and the creation of the Extraordinary Career Leader Certificate that allows an individual with an exceptional background and skills to be considered for a Superintendent position.

ACTION:
Request permission to repeal, replace, and publish amended regulatory language to COMAR 13A.12.04.03 Superintendents.

Request permission to promulgate and publish new regulatory language COMAR 13A.12.01.06-1 Extraordinary Career Leader Certificate.

Attachments (2)
Title 13A
STATE BOARD OF EDUCATION
Subtitle 12 Certification
Chapter 04 Administrators and Supervisors

.01 Purpose: This regulation explains the two options available to qualify for a Superintendent I certificate and three options available to qualify for a Superintendent II certificate.

.02 Superintendent I. This certificate qualifies an individual to be assigned as a county deputy superintendent, assistant superintendent or associate superintendent.

A. Traditional Certification.

(1) Education. The applicant shall have:

(a) A master's degree from an IHE;

(b) Have completed one of the following:

   (i) An MSDE-approved program which leads to certification as a superintendent;

   (ii) A program offered by an IHE leading to certification as a superintendent in the state in which the institution is located;

   (iii) Forty-five (45) semester hours of graduate coursework, including a minimum of 15 semester hours in education administration taken at an IHE. Graduate coursework earned under §A(1)(a) may be applied toward the 45 required semester hours.

(2) Experience. The applicant shall have:

   (i) 27 months of satisfactory teaching performance or satisfactory performance as a certified specialist as defined in COMAR 13A.12.03 in a PreK-12 setting; and

   (ii) 24 months of satisfactory administrative or supervisory experience in a PreK-12 setting.

B. Reciprocal Certification.

(1) A deputy, associate, or assistant superintendent who enters Maryland from another state may obtain a Superintendent I certification if that individual holds a valid professional state certificate in a like or comparable area and presents verification of at least 36 months of satisfactory performance as a deputy, associate, or assistant superintendent during the past 7 years.
.03 Superintendent II. This certificate qualifies an individual to be a county superintendent.

A. Traditional Certification.

(1) Education. The applicant shall have:

(a) A master's degree from an IHE;

(b) Have completed one of the following:

(i) An MSDE-approved program which leads to certification as a superintendent to include coursework covering public school administration, supervision, and methods of teaching;

(ii) A program offered by an IHE leading to certification as a superintendent in the state in which the institution is located to include coursework covering public school administration, supervision, and methods of teaching;

(iii) Sixty (60) semester hours of graduate coursework, including a minimum of 24 semester hours in education administration taken at an IHE, to include public school administration, supervision, and methods of teaching. Graduate coursework earned under §A(1)(a) may be applied toward the 60 required semester hours.

(2) Experience. The applicant shall have:

(a) 27 months of satisfactory teaching performance or satisfactory performance as a certified specialist as defined in COMAR 13A.12.03 in a PreK-12 setting; and

(b) 24 months of satisfactory administrative or supervisory experience in a PreK-12 setting.

B. Reciprocal Certification.

(1) A superintendent who enters Maryland from another state may obtain a Superintendent II certification if that individual holds a valid professional state certificate in a like or comparable area and presents:

(a) Verification of at least 36 months of satisfactory performance as a superintendent during the past 7 years; and

(b) Two years of graduate work at an IHE to include coursework covering public school administration, supervision, and methods of teaching.

C. Extraordinary Career Leader Certification

(1) At the request of a local school board, the State Superintendent of Schools may issue an Extraordinary Career Leader Certificate to an individual who has demonstrated extraordinary career leadership expertise, but who has not met all the requirements in .03§A(1) or (2) of this regulation.
(2) To obtain an Extraordinary Career Leader Certificate, the candidate must serve a one-year period as interim superintendent during which time the candidate will complete the requirements set forth in §.03(C)(4) of this regulation.

(3) The local board must submit a formal request to the State Superintendent to award Extraordinary Career Leader Certificate to the candidate contingent on the candidate completing the requirements set forth in §6e of this section. The request must include:

(a) The local board’s approval of the request for Extraordinary Career Leader Certification;

(b) An explanation of the reasons why the local board expanded its search for a superintendent to exceptional career leaders;

(c) A statement identifying the exceptional qualifications of the individual demonstrating extraordinary career leadership that compensate for lack of experience in prekindergarten-12 schools;

(d) Vitae and official transcripts of the candidate demonstrating a minimum of two years of graduate work in any field;

(e) A professional development plan to be completed within one year which includes:

(i) A minimum of six credits of graduate course work in public school administration, supervision, and methods of teaching;

(ii) Other professional development experiences addressing:

(a) Instruction and curriculum, to include classroom observations;
(b) Community relations;
(c) Budget;
(d) Administration; and
(e) Education law and regulations.

(f) A request to the State Superintendent to appoint the candidate as a one year interim superintendent.

(4) Prior to the completion of the year of interim superintendency, the candidate must apply for the Extraordinary Career Leadership certificate. The application must include in the application verification of completion of the course work required in §.03(C)(3)(e)(i) and verification from the local board that the candidate has completed the professional development plan required under §.03(C)(3)(e)(ii).

(5) The MSDE will issue the Extraordinary Career Leadership Certificate after review of the documentation submitted pursuant to §.03(C)(4) of this regulation.
Title 13A

STATE BOARD OF EDUCATION

Subtitle 12 Certification

Chapter 01 General Provisions

.06-1 Extraordinary Career Leader Certificate

A. The Maryland State Department of Education may issue an Extraordinary Career Leader certificate upon the request of the local county board of education.

B. An individual must meet the requirements of COMAR 13A.12.04.03C in order to be eligible for the certificate.

C. The Extraordinary Career Leader certificate is valid for a 4-year period and may be renewed upon the request of the local county board of education.

D. The Extraordinary Career Leader certificate shall not be transferred between local school systems.
PRIORITY ISSUE: SCHOOL SAFETY

Maryland Safe to Learn Act of 2018

In the final week of the 2018 legislative session, a more than 40-page piece of legislation was drafted, amended, and ultimately enacted as the Maryland Safe to Learn Act of 2018 (Senate Bill 1265, Chapter 50). This new law restructures the governance system for overseeing school safety policies and grants, calls for staffing guidelines regarding adequate law enforcement coverage at all schools, and calls for an expanded role of local school systems in coordinating students’ mental health services.

Safety and security in public schools are extremely important to MABE and local boards of education for the protection of students and staff. Safety and security are also necessary to provide environments that are conducive to teaching and learning. Therefore, MABE fully supported the primary objective of this legislation to ensure that school systems and schools throughout the State are adopting and implementing high quality safety and security standards and programs.

Read MABE’s updated Summary of the Safe to Learn Act and PowerPoint presentation and (PDF)

Read MABE President Charles McDaniel’s Statement to the Federal Commission on School Safety outlining MABE’s position on the optimal federal role in enhancing school safety and security. (August 14, 2018)

State Police and Governor’s Office of Crime Control and Prevention Report on School Safety

On August 15, 2018, the Maryland Department of State Police and Governor’s Office of Crime Control and Prevention provided a Report in response to the request included in the Joint Chairmen’s Report issued by the respective chairs of the House Appropriations and Senate Budget and Taxation committees following each legislative session.

FY 2019 School Facilities Safety Improvement Grants

The Interagency Commission on School Construction (IAC) recently approved the issuance of $10 million in school safety facilities improvement grants. Applications may be submitted as of September 12, 2018.

For more information: Grant Approval Action and Allocations and Grant Application Procedures

The IAC has approved “To direct staff to release an application to solicit school safety projects from LEAs and Maryland School for the Blind with a maximum total allocation of $10 million. Each LEA’s distribution will be proportional to the share of the total $10 million, as identified in Table 1 based upon the September 30, 2017 Maryland State Department of Education (MSDE) full-time equivalent enrollments as defined by Education Article, §5-202 of the Annotated Code of Maryland for each LEA, rounded to the nearest $1,000.”

- Of the total FY 19 School Safety Grant Program funding of $20 million, the Interagency Commission on School Construction (IAC) is distributing $10 million in Round 1.
- All approved projects will have a local match requirement, based on the State-local cost share percentage applicable to projects approved in the FY 2019 Capital Improvement Program.

FY 2019 Safe Schools Fund Grants Program – Round 1

The Maryland Center for School Safety (MCSS) has announced Round 1 of Grant Funding available from the Safe Schools Fund, as authorized under the Maryland Safe to Learn Act of 2018.

Grant applications may be received via submission to MCSS, MCSS@maryland.gov using the attached Notice of Funding Availability. All applicants should review the Subcabinet’s General Conditions document governing the use of funds and reporting requirements. Round 1 of the funding will be open through October 31, 2018. A total of $6 million dollars will be awarded in Round 1, including $2.5 million in funding for school safety evaluations, and $3.5 million in funding for the statutorily authorized items as set forth at § 7-1512(f).

School Resource Officer (SRO) Curriculum

School Resource Officer 5-Day Curriculum (August 2018)

This SRO curriculum has been adopted by the Subcabinet and approved by the Maryland Police Training and Standards Commission. The 5-day curriculum is organized as follows:
Day 1: Overview & History of SRO Programs in Schools
Day 2: Informal Counselor
Day 3: Law Related Teacher/Mentor
Day 4: Enforcement & Investigations in Schools
Day 5: Emergency Planning & Preparedness

Assessment Teams – State Model Policy

Maryland’s Model Policy for Behavior Threat Assessment (September 2018)

This document will provide school systems and local schools with a model policy for the establishment of behavior threat assessment teams, including procedures for the assessment of and intervention with students, staff, parents, contractors, and non-affiliated individuals on school property whose behavior poses a threat to the safety of school staff or students.

Maryland Center for School Safety

Maryland Center for School Safety (MCSS) website & Facebook

Presentation on the Maryland Center for School Safety – Overview reflects the Center’s mission prior to passage of the Safe to Learn Act (Oct. 2017)

Presentation to the State Board on the establishment of the Maryland Center for School Safety (Feb. 25, 2014)

Maryland School Safety Summit

Thursday, April 19th, 2018 the Center for School Safety hosted the Maryland School Safety Summit.

Attendees of the event included Governor Larry Hogan, Maryland State Superintendent Dr. Karen Salmon, local board members, security personnel, MABE’s Director of Governmental Relations, John R. Wolums, and many other school safety stakeholders. The summit included presentations by William Modzeleski: The Landscape of School Shootings and Assistant Attorney General Dawn O’Crolin: School Safety Overview.

Emergency Planning Resources

MSDE website on Emergency Planning For School Systems and Schools

Emergency Planning Guidelines for Local School Systems and Schools – Updated October 2017

For more information, contact John R. Wolums, Esq., MABE’s Director of Governmental Relations, at jwolums@mabe.org or 410-841-5414.

MABE | 571 Ridgely Ave., Suite 300, Annapolis, MD 21401 | 410.841.5414 | 800.841.8197 | Fax: 410.841.5590

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Maryland's casino market continued to grow during FY2018, the first time that all six of Maryland's casinos were operating for a full fiscal year. Key figures include:

- **Record Total Casino Gaming Revenue:** $1.679 billion
  - $258.0 million (18.2%) more than in FY2017.

- **Record Contribution to the Education Trust Fund:** $496.7 million
  - $45.5 million (10.1%) more than in FY2017.

- **Record-setting Revenue Month:** $156.6 million in May 2018
  - Casino gaming revenues averaged $139.9 million per month in FY2018.

- **Local Aid:** $88.4 million
  - $23.4 million (36.0%) more than in FY2017. Total includes local impact grants and contributions to local jurisdictions.

- **Casino Employees:** More than 7,700
  - Total includes more than 6,200 full-time employees.

## WHERE THE MONEY GOES

Casinos FY2018 - $1,678,966,409 in gaming revenue

- **Maryland Education Trust Fund:** 29.6% - $496,663,611
- **Casinos' Share:** 56.1% - $991,579,084
- **Local Aid:** 5.3% - $88,407,088
- **Horse Racing:** 4.2% - $71,219,399
- **Operating Expense Contribution**: 0.5% - $10,457,130
- **Responsible Gaming:** 0.9% - $5,278,854
- **General Fund:** 0.3% - $15,361,244

*Total operating expenses of the Gaming Division are $17,047,559.

The Maryland Lottery and Gaming Control Agency encourages responsible play. If you or someone you know needs help with a gambling problem, call 1-800-GAMBLER or go to mdgaminghelp.org.
In FY2018 (July 1, 2017 - June 30, 2018), Maryland Lottery and Gaming contributed an all-time record of more than $1.252 billion to the State of Maryland. Traditional Lottery set an all-time profit record of $575.6 million to support the state's good causes, including education, public health and safety, the environment, veterans' organizations and more. A new all-time sales record of $2.043 billion exceeded records set the past two years, including FY2016, when the $1.6 billion Powerball jackpot boosted sales.

Among the Lottery’s record-setting figures in FY2018 were:

- Record Profit to the State: $575.6 million
  - $50.7 million (9.7%) year-over-year increase in profit.

- Record Sales: $2.043 billion
  - $111.2 million (5.8%) more than the previous record of $1.932 billion in FY2017.

- Record Prizes Paid to Players: $1.247 billion
  - $49.6 million (4.2%) more than the previous record of $1.197 billion in FY2017.

- Record Retailer Commissions: $153.7 million
  - $7.8 million (5.4%) more than the previous record of $145.9 million in FY2017.

Among the Lottery’s growth drivers in FY2018 were:

- A Fourth Consecutive Record Year for Scratch-off Sales: $750.9 million
  - Sales increased by a double-digit rate for the fourth consecutive year, up $74.1 million (11.0%) from the previous record in FY2017.

- Record-setting Pick 4 Sales: $296.2 million
  - The Lottery’s top-selling game increased by $4.6 million (1.6%) from the previous record in FY2017.

- Record-setting Racetrax Sales: $192.6 million
  - $12.2 million (6.8%) more than the previous record of $180.4 million in FY2017.

WHERE THE MONEY GOES

Traditional Lottery FY2018 - $2,042,794,437 in sales**

<table>
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<tr>
<th>Category</th>
<th>Amount</th>
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<tr>
<td>Profit</td>
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<td>Prizes to Players</td>
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*Profit is distributed as follows:
Maryland General Fund: $534.5 million
Maryland Stadium Authority: $200.0 million
Baltimore City Schools: $200.0 million
Veterans' Organizations: $76,600
Maryland's International Race: $1.0 million

** All Fiscal Year 2018 figures are unaudited.
The growth of Maryland's casino gaming industry continued in FY2017 with the opening of the state's sixth casino, MGM National Harbor, on December 8, 2016.

- Overall gaming revenue: $1.421 billion
  - $277.0 million (24.2%) more than in FY2016.
- Contribution to the Education Trust Fund: $451.2 million
  - $48.7 million (12.1%) more than in FY2016.
- Record-setting revenue month: $141.1 million in March 2017
  - Combined casino revenues averaged $133.2 million per month for the seven months of FY2017 in which six casinos were operating.
- Local aid: $65.0 million
  - Total includes local impact grants and contributions to local jurisdictions.
- Casino employees: More than 7,700
  - Total includes more than 6,200 full-time employees.

The Maryland Lottery and Gaming Control Agency encourages responsible play. If you or someone you know needs help with a gambling problem, call 1-800-GAMBLER or go to mdgamblinghelp.org
FY2017 was a record-breaking year for the Maryland Lottery, establishing new highs for sales, prizes to players, and retailer commissions:

- **Sales**: $1.935 billion
  - $27.1 million (1.4%) more than the previous record of $1.908 billion in FY2016.
- **Prizes Paid to Players**: $1.197 billion
  - $62.0 million (5.4%) more than the previous record of $1.135 billion in FY2016.
- **Retailer Commissions**: $145.9 million
  - $4.7 million (3.4%) more than the previous record of $141.2 million in FY2016.

Among the Lottery’s growth drivers in FY2017 were:

- **A Third Consecutive Record Year for Scratch-off Sales**: $676.8 million
  - $65.5 million (10.7%) more than the previous record of $611.3 million in FY2016.
- **Record-setting Pick 4 sales**: $291.6 million
  - $10.8 million (3.8%) more than the previous record of $280.8 million in FY2016.
- **Record-setting Racetrax sales**: $180.4 million
  - $13.3 million (8.0%) more than the previous record of $167.1 million in FY2016.

### WHERE THE MONEY GOES

Traditional Lottery FY2017 - $1,935,040,551 in sales

- **Profit**: 27.1% - $524,902,593
- **Retailer Commissions**: 7.5% - $145,883,312
- **Operating Expenses**: 3.5% - $67,091,808
- **Prizes to Players**: 61.9% - $1,197,162,840

*Profit is distributed to:
- Maryland General Fund: $493.8 million
- Maryland Stadium Authority: $30 million
- Baltimore City Schools: $20 million
- Veterans’ Organizations: $70,000
- Maryland International Race: $1 million

mdlottery.com
FY2016 CASINO GAMING AND TRADITIONAL LOTTERY COMBINED CONTRIBUTION TO THE STATE

In FY2016 (July 1, 2015 – June 30, 2016), Maryland Lottery and Gaming contributed an all-time record of more than $1.079 billion to the State of Maryland to support good causes such as the Maryland Education Trust Fund; public health and safety; small-, minority- and women-owned businesses; horse racing; veterans' organizations; and more. Lottery ticket sales generated $569.8 million for the State, while casino revenues contributed $510 million.

Maryland's growing casino gaming industry reached new heights in FY2016, which marked the first time the state had five casinos in operation for a full fiscal year.

- **Overall gaming revenue:** $1.144 billion
  - $1.05.7 million (10.2%) more than in FY2015.
- **Record-setting revenue month:** $104.35 million in May 2016
  - Nine of the top 10 months of casino gaming revenue in the state's history came during FY2016.
- **Contribution to the Education Trust Fund:** $402.5 million
  - $14.7 million (3.8%) more than in FY2015.
- **Local Impact Grants:** $39.7 million
  - $3.2 million (9.8%) more than in FY2015.
- **Casino employees:** More than 5,200
  - Total includes more than 4,200 full-time employees at the existing casinos. In addition, there are approximately 1,100 construction workers on site daily at MGN National Harbor.

WHERE THE MONEY GOES

Casinos FY2016 — $1,143,972,960 in gaming revenue

- **Maryland Education Trust Fund**
  - 35.2% — $402,904,946
- **Horse Racing**
  - 5.0% — $57,061,344
- **Local Impact Grants**
  - 3.5% — $39,656,341
- **Small, Minority and Women-Owned Businesses**
  - 0.9% — $10,815,365
- **Responsible Gaming**
  - 0.3% — $3,844,625
- **Operating Expense Contribution**
  - 0.7% — $7,832,957
- **Casinos' Share**
  - 54.4% — $622,257,679

*Total operating expenses of the Gaming Division are 269,822,795, of which $14,086,478 represents gaming machine costs.

The Maryland Lottery and Gaming Control Agency encourages responsible play. If you or someone you know needs help with a gambling problem, call 1-888-GAMBLER or go to mdgaminghelp.org.

Maryland Lottery and Gaming Control Agency
Montgomery Business Park, 1800 Washington Blvd, Suite 310, Baltimore, MD 21230
410-230-8800 • Gordon Medenica, Director
FY2016 TRADITIONAL LOTTERY AND CASINO GAMING COMBINED CONTRIBUTION TO THE STATE

In FY2016 (July 1, 2015 – June 30, 2016), Maryland Lottery and Gaming contributed an all-time record of more than $1.079 billion to the State of Maryland to support good causes such as the Maryland Education Trust Fund; public health and safety; small-, minority- and women-owned businesses; horse racing; veterans’ organizations; and more. Lottery ticket sales generated $569.8 million for the State, while casino revenues contributed $510 million.

FY2016 was a record-breaking year for the Maryland Lottery, establishing new highs for sales, prizes to players, retailer commissions and profits to the State:

- **Sales:** $1.908 billion
  - $179.5 million (6.3 %) more than the previous record of $1.795 billion in FY2012.
- **Prizes Paid to Players:** $1.135 billion
  - $69 million (6.5 %) more than the previous record of $1.066 billion in FY2012.
- **Retailer Commissions:** $141.2 million
  - $12.6 million (9.8 %) more than the previous record of $128.6 million in FY2015.
- **Profit to the State:** $569.8 million
  - $13.5 million (2.4 %) more than previous record of $556.3 million in FY2012.

Among the Lottery’s growth drivers in FY2016 were:

- **A Second Consecutive Record Year for Scratch-off Sales:** $611.3 million
  - $65.2 million (12.0 %) more than previous record of $546.1 million in FY2015.
- **Record-setting Powerball sales:** $143.5 million
  - $54.0 million (60.3 %) more than last year.
  - $12.2 million (9.3 %) more than previous record of $131.3 in FY2013.
- **The Addition of Cash4Life:** $12.0 million
  - Maryland’s 10th draw game launched January 2016

WHERE THE MONEY GOES

**Traditional Lottery FY2016 — $1,908,437,582 in sales**

- **Profit:** $569,813,168
  - 29.9 % of sales
- **Retailer Commissions:** $141,157,005
  - 7.4 % of sales
- **Operating Expenses:** $62,035,390
  - 3.2 % of sales
- **Prizes to Players:** $1,135,432,018
  - 59.5 % of sales

*Profit is distributed to:
  - Maryland General Fund: $259.8 million
  - Maryland Stadium Authority: $20 million
  - Baltimore City Schools: $20 million
  - Veterans’ Organizations: $60,000

**SALES BY LOTTERY GAME**

**Jackpot Games**

- **Mega Millions**
  - Sales: $143.5 million
  - Profit: $59.9 million
- **Powerball**
  - Sales: $73.2 million
  - Profit: $29.7 million
- **Multi Match**
  - Sales: $33.1 million
  - Profit: $11.1 million
- **Cash4Life**
  - Sales: $12.0 million
  - Profit: $3.9 million

**Daily Draw Games**

- **Pick 3**
  - Sales: $241.6 million
  - Profit: $96.4 million
- **Pick 4**
  - Sales: $280.8 million
  - Profit: $135.2 million
- **Bonus Match 5**
  - Sales: $20.6 million
  - Profit: $7.0 million
- **5 Card Cash**
  - Sales: $5.9 million
  - Profit: $1.9 million

**Monitor Games**

- **keno**
  - Sales: $31.6 million
  - Profit: $85.8 million
- **Racetrax**
  - Sales: $167.1 million
  - Profit: $37.7 million

**Instant Games**

- **Scratch Offs**
  - Sales: $611.3 million
  - Profit: $100.6 million

**Other**

- **Instant Ticket**
  - Sales: $8.8 million
  - Profit: $0.6 million

*Exclusive to Veterans’ Organizations

mdlottery.com
In FY2015 (July 1, 2014 – June 30, 2015), Maryland Lottery and Gaming contributed more than $1.012 billion to the State of Maryland to support good causes, such as the Maryland Education Trust Fund; public health and safety; small-, minority- and women-owned businesses; horse racing; veterans’ organizations; and more. $525 million was generated by the Lottery, and $487 million was contributed by the casinos.

Maryland’s casino gaming industry continued to grow in FY2015, highlighted by the August 2014 opening of Horseshoe Casino Baltimore, the state’s fifth casino. Gaming revenue at Maryland’s five casinos totaled $1,038 billion, a $204.2 million (24.5 percent) increase compared to FY2014. The casinos’ $387.7 million contribution to the Maryland Education Trust Fund increased $59.3 million (18.1 percent) compared to FY2014.

More than 5,900 employees worked for the state’s casinos in FY2015, an increase of nearly 2,000 from FY2014. Casino operators hired a wide range of staff, from table game dealers to finance, marketing, security, human resources, maintenance and hospitality professionals. Full-time employees were offered comprehensive health care and retirement benefits.

Casino numbers are posted monthly on gaming.mldottery.com.

WHERE THE MONEY GOES

Casinos FY2015 — $1,038,153,584 in gaming revenue

Maryland Education Trust Fund
37.3% - $387,742,416

Small, Minority and Women-Owned Businesses
1.0% - $9,940,771

Horse Racing
5.1% - $53,113,330

Local Impact Grants
3.5% - $36,449,495

Operating Expense Contribution*
1.1% - $11,932,760

Casinos’ Share
51.9% - $536,974,812

*Total operating expenses of the Gaming Division are $810,233,449, of which $69,483,650 represents gaming machine costs.

The Maryland Lottery and Gaming Control Agency encourages responsible play. If you or someone you know needs help with a gambling problem, call 1-800-GAMBLER or go to mdgamblinghelp.org.

Maryland Lottery and Gaming Control Agency
Montgomery Business Park, 1800 Washington Blvd., Suite 332, Baltimore, MD 21230
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CHANGING Maryland for the Better
In FY2015, the Maryland Lottery generated sales of $1.762 billion—a $38.5 million (2.2 percent) increase over FY2014. The Lottery also contributed nearly $525 million to the State of Maryland, an increase of $3.5 million over FY2014.

Instant ticket sales set an all-time record of $546.1 million, an increase of $66.4 million (13.9 percent) over FY2014. Prizes to players totaled $1.049 billion, an increase of $25.7 million (2.5 percent) year-over-year.

Since its inception in 1973, Maryland Lottery and Gaming has paid more than $22.2 billion in prizes to players and generated more than $14.4 billion to support the good causes of Maryland, including pre-K – 12 and higher education, public health, public safety, and the environment. Maryland Lottery and Gaming is the fourth-largest contributor to the state after income, sales and corporate taxes.

WHERE THE MONEY GOES

Traditional Lottery FY2015 — $1,762,454,072 in sales

Profit
29.2% — $524,651,807

Operating Expenses
3.3% — $59,301,370

Retailer Commissions
7.2% — $128,596,268

Prizes to Players
60.3% — $1,049,904,627

FY2015 HIGHLIGHTS

- 4,536 Maryland businesses served as Lottery retailers in FY2015, earning $128.6 million in commissions, an increase of $6.5 million (5.3 percent) over FY2014.
- The Lottery created 20 new millionaires in Maryland in FY2015.
- 13,899 players won $10,000 or more in Maryland in FY2015.

mdlottery.com
In Fiscal Year 2014, Maryland’s General Fund and Education Trust Fund received more than $849.2 million in revenue generated from both traditional lottery and casino gaming. This combined revenue is $19.7 million, or 2.4%, more than Fiscal Year 2013.

YEAR-END SUMMARY

The casino gaming industry in Maryland continues to grow. Casinos generated $833.31 million in gross gaming revenue in FY2014 (July 1, 2013 - June 30, 2014) with $328.09 million going to the state’s Education Trust Fund. Four casinos were operating in the state during FY2014: Hollywood Casino Perryville in Cecil County; Casino at Ocean Downs in Worcester County; Maryland Live! Casino in Anne Arundel County; and Rocky Gap Casino Resort in Allegany County. Baltimore City’s Horseshoe Casino will open in August 2014, and MGM National Harbor is expected to open in Prince George’s County in 2016.

Approximately 4,000 employees worked for the state’s casinos in FY2014. While table game dealers were in demand so, too, were positions in finance, marketing, surveillance and security, human resources, maintenance, and hospitality. Full-time employees received comprehensive health care and retirement benefits.

Casino revenue numbers are posted monthly on gaming.mdlottery.com.

WHERE THE MONEY GOES

Casino Gaming FY14 — $833.3 million in revenue

<table>
<thead>
<tr>
<th>Type</th>
<th>Revenue Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maryland Education Trust Fund</td>
<td>39.4% - $328,094,739</td>
</tr>
<tr>
<td>Small, Minority and Women-Owned Businesses</td>
<td>1.0% - $8,411,537</td>
</tr>
<tr>
<td>MLGCA Operational Expenses</td>
<td>1.4% - $11,568,798</td>
</tr>
<tr>
<td>Racetrack Facility Renewal Account</td>
<td>1.1% - $9,504,290</td>
</tr>
<tr>
<td>Local Impact Grants</td>
<td>3.7% - $30,842,302</td>
</tr>
<tr>
<td>Horse Racing Purse Dedication Account</td>
<td>4.7% - $38,900,422</td>
</tr>
<tr>
<td>Casino Share</td>
<td>48.7% - $405,987,521</td>
</tr>
</tbody>
</table>

EDUCATION TRUST FUND CONTRIBUTIONS

<table>
<thead>
<tr>
<th>Year</th>
<th>Contributions to the Education Trust Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$49.9</td>
</tr>
<tr>
<td>2012</td>
<td>$94.9</td>
</tr>
<tr>
<td>2013</td>
<td>$704.3</td>
</tr>
<tr>
<td>2014</td>
<td>$328.1</td>
</tr>
</tbody>
</table>

The Maryland Lottery and Gaming Control Agency encourages responsible play. If you or someone you know needs help with a gambling problem, call 800-522-4706 or go to mdgaminghelp.org.
FY2014 TRADITIONAL LOTTERY AND CASINO GAMING COMBINED REVENUE

In Fiscal Year 2014, Maryland’s General Fund and Education Trust Fund received more than $849.2 million in revenue generated from both traditional lottery and casino gaming. This combined revenue is $19.7 million, or 2.4%, more than Fiscal Year 2013.

TRADITIONAL LOTTERY

YEAR-END SUMMARY

In Fiscal Year 2014, the Maryland Lottery generated $1.724 billion in sales and more than $521.1 million in revenue, which is contributed to the State General Fund. Since its inception in 1973, the Maryland Lottery has generated more than $13.9 billion in revenue to support the good causes of Maryland, including pre-K–12 and higher education; public health; public safety; and the environment. The Maryland Lottery is the fourth largest contributor to the state after income, sales and corporate taxes.

WHERE THE MONEY GOES

Traditional Lottery FY14 — $1,723,990,568 in sales*

Revenue**
30.2% — $521,106,646

Prizes to Players
59.4% — $1,024,222,684

Administrative Expenses
3.3% — $56,552,165

Retailer Commissions
7.1% — $122,109,073

*All Fiscal Year 2014 figures are unaudited. **Includes Stadium Authority revenue of $19,265,000.

HIGHLIGHTS

- 4,490 Maryland businesses served as Lottery retailers in FY2014
- 60,632,194 winning Maryland Lottery tickets were claimed in FY2014
- Jackpot games produced 25 new millionaires in Maryland in FY2014
- There were 886 winners of $10,000 or more in Maryland in FY2014

SALES BY LOTTERY GAME

JACKPOT GAMES

- $100.5 million in sales
- 5.8% of total sales

- $26.7 million in sales
- 1.6% of total sales

- $105.8 million in sales
- 6.1% of total sales

DAILY DRAW GAMES

- $244.5 million in sales
- 14.2% of total sales

- $270.8 million in sales
- 15.7% of total sales

- $8.4 million in sales
- 0.5% of total sales

MONITOR GAMES

- $308.1 million in sales
- 17.6% of total sales

- $158.1 million in sales
- 9.2% of total sales

INSTANT GAMES

- $470.6 million in sales
- 27.8% of total sales
FY2013 CASINO GAMING AND TRADITIONAL LOTTERY COMBINED REVENUE

In Fiscal Year 2013, the State of Maryland — including the State General Fund and Education Trust Fund — received more than $829.5 million in revenue generated from both traditional lottery and casino gaming. The combined revenue is $179.4 million, or 27.6%, more than Fiscal Year 2012.

CASINO GAMING

YEAR-END SUMMARY

The casino gaming industry in Maryland continues to grow. Casinos generated $608.35 million in gross gaming revenue in FY2013, with $284.34 million going to the state’s Education Trust Fund. Four casinos are operating in the state: Hollywood Casino Perryville in Cecil County, Casino at Ocean Downs in Worcester County, Maryland Live! Casino in Anne Arundel County, and Rocky Gap Casino Resort in Allegany County. Baltimore City’s Horseshoe Casino is expected to open in the second half of 2014, and a casino in Prince George’s County — approved by voters in November 2012 — will be allowed to open as early as July 2016.

In November 2012, voters also approved a gaming expansion that legalized table games and allowed for 24-hour casino operations. Three casinos feature table games—Hollywood Casino Perryville, Maryland Live! and Rocky Gap. Approximately 3,500 employees work for the state’s casinos, with full-time employees benefiting from comprehensive health care and retirement investment options.

Casino revenue numbers are posted monthly on gaming.mldlottery.com.

WHERE THE MONEY GOES

Casino Gaming FY13 — $608.3 million in revenue

Maryland Education Trust Fund
46.7% — $284,340,606

Small, Minority and Women-Owned Business
1.4% — $8,383,654

MLGCA
Operational Expenses
1.8% — $11,206,214

Racetrack Facility Renewal Account
1.9% — $10,773,338

Local Impact Grants
5.1% — $36,740,864

Horse Racing Purse Dedication Account
6.4% — $39,095,709

Casino Share
36.8% — $223,808,930

CASINO REVENUE HISTORY

Contributions to the Education Trust Fund
Total Revenue

CASINO REVENUE

HOLLYWOOD Casino
PERRYVILLE, MD

Opened September 2010
Revenue: $81,958,790
399 Employees

CASINO OCEAN DOWNS

Opened January 2011
Revenue: $50,390,126
227 Employees

Live! CASINO

Opened June 2012
Revenue: $472,737,405
2,358 Employees

Rocky Gap

Opened May 2013
Revenue: $3,262,193
526 Employees*

*Seasonal employment varies

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If you or someone you know needs help with a gambling problem, call 800-522-4706 or go to mdgamblinghelp.org.

Maryland Lottery and Gaming Control Agency • Montgomery Business Park, 1600 Washington Blvd., Suite 330, Baltimore, MD 21230 • 410-230-8800 • Stephen Martino, Director
FY2013 TRADITIONAL LOTTERY AND CASINO GAMING COMBINED REVENUE

In Fiscal Year 2013, the State of Maryland — including the State General Fund and Education Trust Fund — received more than $829.5 million in revenue generated from both traditional lottery and casino gaming. The combined revenue is $179.4 million, or 27.6%, more than Fiscal Year 2012.

TRADITIONAL LOTTERY

YEAR-END SUMMARY

In Fiscal Year 2013, the Maryland Lottery generated $1.756 billion in sales and more than $545.2 million in revenue, which is contributed to the state's General Fund. Since its inception in 1973, the Maryland Lottery has generated more than $13.3 billion in revenue to support the good causes of Maryland, including K-12 and higher education; public health; public safety; and the environment. The Maryland Lottery is the fourth largest contributor to the state after income, sales and corporate taxes.

WHERE THE MONEY GOES

Traditional Lottery FY13 — $1,756,119,267 in sales*

Revenue**
31.1% — $545,253,700

Administrative Expenses
3.1% — $54,753,259

Retailer Commissions
6.8% — $119,788,227

Prizes to Players
59.0% — $1,036,324,081

HIGHLIGHTS

- There were a total of 4,422 Lottery retailers at the end of FY2013;
- 55,406,316 winning Maryland Lottery tickets were claimed in FY2013;
- There were 936 winners of $10,000 or more in FY2013;
- The Maryland Lottery conducted 1,476 midday, evening, semiweekly and second chance drawings in FY2013.

*All Fiscal Year 2013 figures are unaudited. **Includes Stadium Authority revenue of $19,265,000.
FY12 — CASINO GAMING

In a 2008 constitutional referendum, voters approved casinos in Allegany County, Anne Arundel County, Baltimore City, Cecil County and Worcester County. Three casinos are operating: Hollywood Casino Perryville in Cecil County, which opened in September 2010; Casino at Ocean Downs in Worcester County, which opened in January 2011; and Maryland Live Casino in Anne Arundel County, which opened in June 2012.

The three operating casinos combined brought in $194.5 million in Fiscal Year 2012 with 48.5% — $94.3 million — going to the state’s Education Trust Fund, which benefits K-12 public education and higher education construction, including community colleges. That’s up from last year’s fund contribution of $49.98 million.

WHERE THE MONEY GOES

<table>
<thead>
<tr>
<th>Education Trust Fund</th>
<th>Casino Operators</th>
<th>Horse Racing Purse Account</th>
<th>Local Impact Grants</th>
<th>MD Lottery Operational Expenses</th>
<th>Racetrack Renewal Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>48.5% — $94,338,578</td>
<td>33% — $64,189,136</td>
<td>7.0% — $13,615,877</td>
<td>5.5% — $10,698,189</td>
<td>2.0% — $3,890,251</td>
<td>2.5% — $4,862,813</td>
</tr>
</tbody>
</table>

Small, Minority and Women-Owned Businesses Fund 1.5% — $2,917,688

FY12 FINANCIAL HIGHLIGHTS

- Hollywood Casino Perryville generated $118.08 million in revenue.
- Casino at Ocean Downs generated $47.95 million in revenue.
- Maryland Live Casino generated $28.48 million in revenue.
- $94.3 million was generated for Maryland’s Education Trust Fund, which benefits K-12 public education and higher education.
- Approximately 1,400 employees work for the three casinos with that number expected to increase during the next fiscal year. Those employees benefit from full-time employment, comprehensive health care and retirement investment options.

Maryland State Lottery Agency
1800 Washington Blvd., Suite 330
Baltimore, MD 21230
410-230-8800
Stephen Martino, Director

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FY12 — TRADITIONAL LOTTERY

In Fiscal Year 2012, the Maryland Lottery achieved its 15th straight year of record-breaking sales at $1.795 billion. More than $556 million was contributed to the state, an increase of $36.67 million from the last fiscal year and the highest contribution in the Lottery’s history. Since its inception in 1973, the Maryland Lottery has contributed more than $12.8 billion in revenue to the state to support the good causes of Maryland, including education, public health, public safety and the environment. The Maryland Lottery is the fourth largest contributor to the state after income, sales and corporate taxes.

WHERE THE MONEY GOES

<table>
<thead>
<tr>
<th>TRADITIONAL LOTTERY FY12 — $1.795 BILLION IN SALES*</th>
<th>FY12 FINANCIAL HIGHLIGHTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>State-Funded Programs** 31% — $556,064,522</td>
<td>• $556 million was contributed to the State of Maryland to support state-funded services and programs, including K-12 education, higher education, public health, public safety and the environment, an increase of 7% over last year.</td>
</tr>
<tr>
<td>Operational Expenses 3% — $53,914,842</td>
<td>• More than $1.066 billion in prizes was awarded to players.</td>
</tr>
<tr>
<td>Retailer Commissions 6.6% — $118,334,927</td>
<td>• $118.3 million in commissions and fees was earned by Maryland Lottery retailers.</td>
</tr>
<tr>
<td>Prizes to Players 51.4% — $1,066,609,230</td>
<td>• Operational expenses remain among the lowest in the country at 3%.</td>
</tr>
</tbody>
</table>

15 STRAIGHT YEARS OF RECORD-BREAKING SALES

*All Fiscal Year 2012 figures are unaudited. **Includes Stadium Authority revenue of $20,000,000.