

**R00A03**  
**Funding for Educational Organizations**  
Maryland State Department of Education

***Executive Summary***

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Nonprofit organizations and nonpublic schools under Funding for Educational Organizations receive grants through the Maryland State Department of Education (MSDE) for the various education programs that they operate.

***Operating Budget Data***

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(\$ in Thousands)

	<b><u>FY 18</u></b> <b><u>Actual</u></b>	<b><u>FY 19</u></b> <b><u>Working</u></b>	<b><u>FY 20</u></b> <b><u>Allowance</u></b>	<b><u>FY 19-20</u></b> <b><u>Change</u></b>	<b><u>% Change</u></b> <b><u>Prior Year</u></b>
General Fund	\$29,816	\$30,154	\$30,755	\$601	2.0%
Adjustments	0	0	0	0	
<b>Adjusted General Fund</b>	<b>\$29,816</b>	<b>\$30,154</b>	<b>\$30,755</b>	<b>\$601</b>	<b>2.0%</b>
Special Fund	11,440	13,040	16,040	3,000	23.0%
Adjustments	0	0	0	0	
<b>Adjusted Special Fund</b>	<b>\$11,440</b>	<b>\$13,040</b>	<b>\$16,040</b>	<b>\$3,000</b>	<b>23.0%</b>
<b>Adjusted Grand Total</b>	<b>\$41,256</b>	<b>\$43,194</b>	<b>\$46,795</b>	<b>\$3,601</b>	<b>8.3%</b>

- The fiscal 2020 allowance for the Maryland School for the Blind (MSB) increases by approximately \$601,000 according to its funding formula.
- The fiscal 2020 allowance includes a \$3.0 million increase for the Broadening Options and Opportunities for Students Today (BOOST) Program.

Note: Numbers may not sum to total due to rounding.

For further information contact: Kyle D. Siefering

Phone: (410) 946-5530

## ***Key Observations***

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- ***Blind Individuals Using Services in Increased Numbers:*** MSB enrollment increased in fiscal 2018, particularly in its community-based outreach program, which had an increase of 60 children. MSB is also reporting a growth in the percentage of preschoolers who have improved social skills and in students with increased fluency rate. However, to maintain its expenses, MSB is becoming more reliant on draws from its endowment, with a 17.3% draw budgeted for fiscal 2019. Blind Industries and Services of Maryland is also reporting growth in fiscal 2018 in training hours provided, percentage of individuals achieving independent life goals, and in individuals completing its career and higher education obtainment program.
- ***New Distribution for State Aided Institution (SAI) Funds:*** Total funding for SAIs is level between fiscal 2019 and 2020. However, NorthBay is receiving a decrease of \$427,558 in funding in fiscal 2020. With these available funds, five new SAIs have been added to the program in fiscal 2020, and the rest of the SAIs receive a 4.89% increase in funding over fiscal 2019.
- ***Challenges in Administering Aid Programs for Nonpublic Schools:*** Assessment results for the fiscal 2018 administration of BOOST indicate proficiency for a majority of BOOST students. However, few conclusions can be drawn from these results as tests were not standardized between schools. In fiscal 2019, students with special needs are also receiving higher scholarship awards, though these award amounts are limited by tuition rates in the BOOST administrative language. MSDE has had issues in identifying noncompliant nonpublic schools who have received aid and in distributing applications and payments in a timely manner. Administrative challenges for programs that provide aid to nonpublic schools exist due to these programs not having a set funding amount in statute. The Department of Legislative Services recommends restoring administrative language for these programs in the fiscal 2020 budget, adding language specifying when schools have to participate in the Aid to Non-Public Schools Program to participate in BOOST, and funding BOOST in fiscal 2020 at its fiscal 2019 level.

## **Operating Budget Recommended Actions**

### **Funds**

1. Amend language regarding the No Child Left Behind Act and distribution of funding for the Aid to Non-Public Schools Program.
2. Amend language to require programs participating in the Aid to Non-Public Schools Program to submit student handbooks or admissions policies.
3. Add language regarding nondiscrimination requirements for the Aid to Non-Public Schools Program.

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4. Amend language to the Broadening Options and Opportunities for Students Today Program to specify that participating nonpublic schools must have participated in the Aid to Non-Public Schools Program during the 2018-2019 school year.
  5. Amend language to restore Broadening Options and Opportunities for Students Today Program administrative and reporting requirements.
  6. Reduce funding for the Broadening Options and Opportunities for Students Today Program in line with the fiscal 2019 budget. \$ 3,514,000
- Total Reductions** **\$ 3,514,000**

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## ***Operating Budget Analysis***

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### **Program Description**

The Maryland State Department of Education (MSDE) provides funding to certain nonprofit organizations that offer educational programs. The nonprofits include the Maryland School for the Blind (MSB), the Blind Industries and Services of Maryland (BISM), and other institutions designated as State Aided Institutions (SAI). This part of the MSDE budget also funds the Aid to Non-Public Schools Textbook and Technology Program, which provides eligible nonpublic schools with textbook and computer supplies, and the Broadening Options and Opportunities for Students Today (BOOST) Program, which provides scholarships for students from low-income families to attend nonpublic schools.

The following educational services are provided by the nonprofits receiving funding:

- **MSB** educates students from birth through age 21 who are blind, severely visually impaired, or visually impaired/multidisabled.
- **BISM** provides employment, training, and rehabilitation services to blind adults at three locations.

### **SAI Programs**

- **Accokeek Foundation** (new in fiscal 2020) offers educational tours that supplement social studies and environmental education in the classroom.
- **Alice Ferguson Foundation** operates an environmental education center on the Potomac River, offering field trips and a summer science camp on a working farm.
- **Alliance of Southern Prince George's Communities, Inc.** partners with community organizations to provide Scholastic Aptitude Test courses, tutoring for students, and parent workshops.
- **American Visionary Art Museum** provides museum tours and library visits to students and teachers, along with Internet programs about self-taught artists.

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- **Annapolis Maritime Museum** (new in fiscal 2020) educates youth and adults about the Annapolis area's maritime heritage and the ecology of the Chesapeake Bay through programs, exhibits, and community events.
- **Baltimore Symphony Orchestra/Arts Excel** enhances teaching of the arts through midweek concerts for students and teachers.
- **B&O Railroad Museum** offers a program focusing on history, social studies, and sciences as related to railroad technology.
- **Baltimore Museum of Industry** provides hands-on exhibits enabling students to apply mathematics, science, and technology to work and industry as well as a training center for technology education teachers.
- **Best Buddies International (Maryland Program)** pairs special and general education students in middle and high schools in order to foster inclusion and build socialization skills.
- **Calvert Marine Museum** is a regionally oriented museum dedicated to the collection, preservation, research, and interpretation of the culture and natural history of Southern Maryland.
- **Chesapeake Bay Foundation** provides an environmental education program encompassing student field experiences at 16 centers and summer in-service courses for teachers.
- **Chesapeake Bay Maritime Museum** offers experiential learning programs about the Chesapeake Bay, including a field trip program for grade 3 students.
- **Citizenship Law-Related Education Program** gives students real-world experiences related to the legal system to promote productive citizenship.
- **CollegeBound Foundation** provides college advisors in Baltimore City public high schools to encourage and assist students in continuing their education beyond high school.
- **The Dyslexia Tutoring Program, Inc.** offers screening and tutoring services for dyslexic youth and adults who have average or higher basic intelligence and cannot afford private help.
- **Echo Hill Outdoor School** provides instruction in science, ecology, history, and the human environment through student field experiences.
- **Everyman Theater** (new in fiscal 2020) operates education programs serving schools and the community at large by utilizing teaching artists to engage students in subjects such as improvisation, page-to-stage, and high school matinee programs.

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- **Fire Museum of Maryland** educates the public about the history, technology, and innovation of the fire service through a unique collection of operating apparatus, memorabilia, and programs.
- **Imagination Stage** produces professional theatre productions for children as part of a theatre arts center for young people.
- **Jewish Museum of Maryland** supports onsite and outreach programs focusing on the history, tradition, and culture of Jewish life in Maryland.
- **Junior Achievement of Central Maryland** provides a one-day Exchange City program that simulates owning and operating business enterprises.
- **Living Classrooms Inc.** provides outdoor hands-on experience to at-risk children in mathematics, science, and social studies and runs job-training programs.
- **Maryland Academy of Sciences** cultivates interest in science through programs for visiting school groups, traveling science programs, and instructional materials for use by teachers.
- **Maryland Historical Society** enriches students' understanding of social studies through onsite and outreach programs.
- **Maryland Humanities Council** coordinates a year-long educational program that engages middle and high school students in original historical research projects on local, State, national, and world history.
- **Maryland Leadership** teaches middle and high school students effective leadership skills in a residential summer program setting.
- **Maryland Zoo in Baltimore** provides a conservation education experience at the zoo or through a mobile outreach program.
- **Mathematics, Engineering, and Science Achievement** partners with community organizations in providing programs aimed at improving Maryland students' preparation for the study of mathematics-related fields in college.
- **MdBio Foundation** (new in fiscal 2020) provides bioscience education to underserved communities through innovative science, technology, engineering, and math programs for middle and high school students and workforce development programs for adults.
- **National Aquarium in Baltimore** supports environmental and science education through onsite programs about aquatic environments.

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- **National Great Blacks in Wax Museum** provides exhibit tours and other museum-related activities for students.
- **National Museum of Ceramic Art and Glass** offers an in-school and after-school ceramic art program for middle school students, relating art to other subjects in the curriculum.
- **NorthBay** is an environmental education center on the Elk Neck peninsula that focuses on five-day outdoor learning courses for middle school students.
- **Olney Theatre** supports the language arts high school curriculum through professional performances, interactive workshops, and teacher development.
- **Outward Bound** provides high school students a challenging educational experience in an outdoor setting, designed to develop self-esteem, community service involvement, and concern for the environment.
- **Port Discovery** provides hands-on activities for prekindergarten through grade 6 student visitors as well as lesson plans for teachers.
- **Reginald F. Lewis Museum** (new in fiscal 2020) provides experiences and resources for information about the lives of African American Marylanders.
- **Salisbury Zoological Park** provides programs that enhance the science curriculum and furnishes support material and in-service training for teachers.
- **Sotterley Foundation** provides a history enrichment program focusing on the people and culture surrounding the Tidewater Tobacco Plantation.
- **South Baltimore Learning Center** supports improving adult literacy to individuals in the South Baltimore area through one-on-one tutoring, GED classes, and career counseling.
- **State Mentoring Resource Center** connects volunteer adult mentors with disadvantaged school children.
- **Sultana Projects** provides educational programs to increase student understanding of history and awareness of the natural environment of the Chesapeake Bay and its watershed.
- **SuperKids Camp** provides an intensive summer reading and enrichment program for grades 3 and 4 students in Baltimore City.

- **Village Learning Place** provides students in the Margaret Brent Elementary School and in the Charles Village Community at large with programs aimed at increasing performance in reading and mathematics.
- **Walters Art Museum** offers educational programs through tours, studio experiences, outreach, and teacher development.
- **Ward Museum** provides environmental education programs focusing on art, history, and science through tours and hands-on activities adaptable to a school setting.
- **Young Audiences of Maryland** partners with professional artists from all disciplines and with schools throughout Maryland for hands-on arts learning experiences.

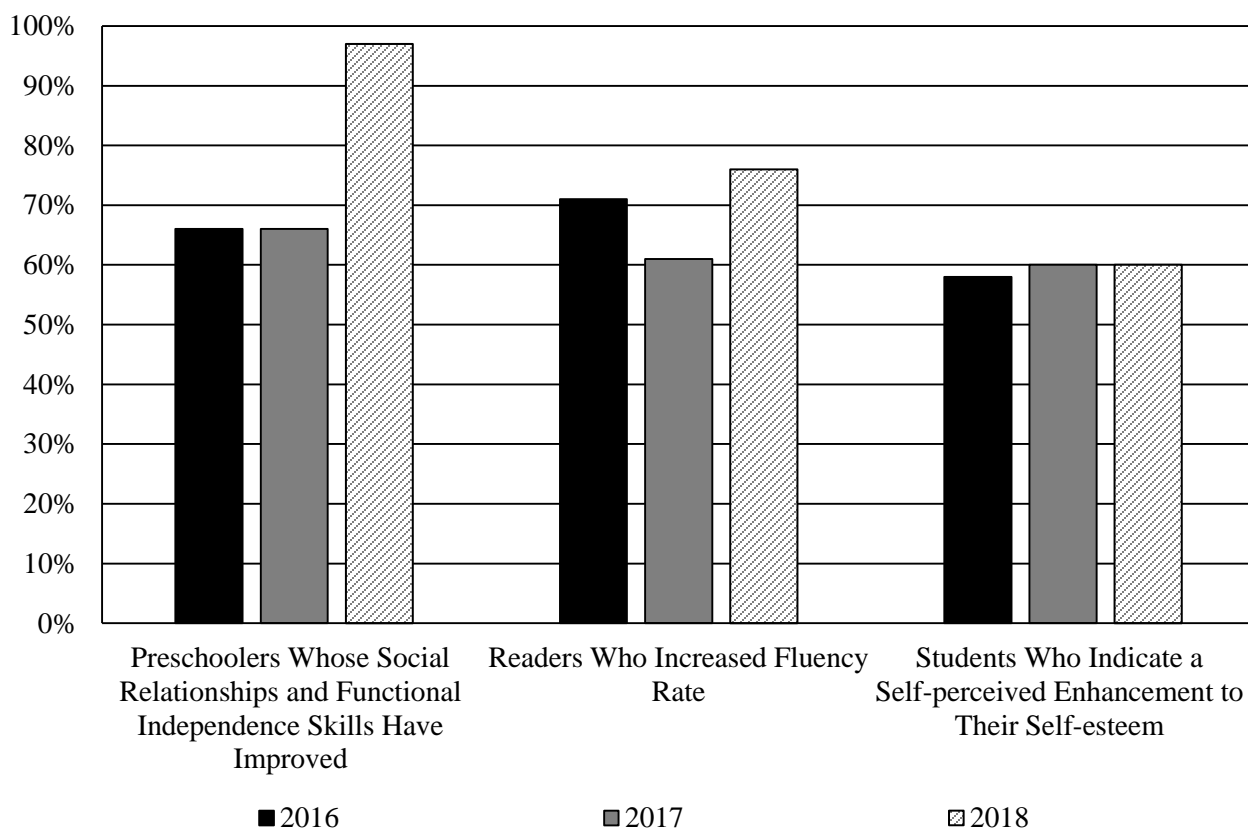
## **Performance Analysis: Managing for Results**

### **1. MSB**

MSB educates students referred from all 24 local school systems on a day or residential basis according to their Individualized Education Programs (IEP). The program includes regular education curriculum as well as instruction in Braille, orientation and mobility, and independent living skills. One of MSB's goals is that all students who pursue an education will receive a diploma or certificate and that there will be zero dropouts. MSB has achieved a zero-dropout rate since at least fiscal 2008. MSB had 12 graduates in fiscal 2018; 2 received diplomas, while 10 received certificates.

MSB maintains the goal that all of its students will acquire academic and independent living skills and reports on various measures to track its progress in pursuing this goal. The results from some of these measures from fiscal 2016 to 2018 are shown in **Exhibit 1**. As shown, the percentage of preschoolers whose social relationships and functional independence skills have improved increased significantly from 66% in fiscal 2017 to 97% in fiscal 2018. MSB credits this improvement to its new preschool facility that opened in the fall of 2017. MSB also saw an increase in fluency rate for its students, from 61% in fiscal 2017 to 76% in fiscal 2018. The percent of students who indicated a self-perceived enhancement in their self-esteem remained level from fiscal 2017 to 2018 at 60%.

**Exhibit 1**  
**Maryland School for the Blind**  
**Academic and Independent Living Skills Measures**  
**Fiscal 2016-2018**

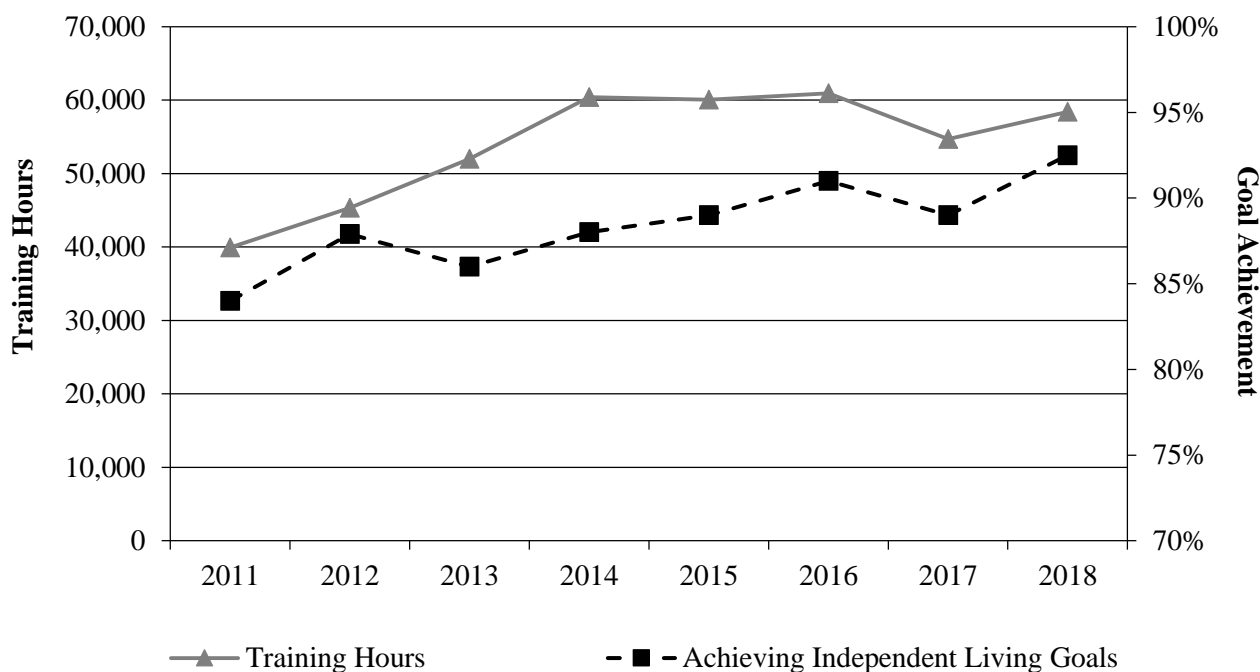


Source: Department of Budget and Management

## 2. BISM

One of the goals of BISM is to help people who are blind or have low vision gain the skills and confidence needed to live independently. A related objective is to provide at least 45,540 hours annually of training in blindness skills, such as Braille reading, cane travel, computer, independent living, career exploration, physical fitness, adjustment to blindness, and community-based training. As shown in **Exhibit 2**, BISM has essentially met or exceeded the goal of providing at least 45,540 training hours annually since fiscal 2012. BISM provided 58,400 hours of training in blindness skills in fiscal 2018. Exhibit 2 also shows that BISM has seen a general increase in the percentage of its training participants who achieve independent living goals. BISM experienced a slight decline to 89% in fiscal 2017 but increased its rate to 93% in fiscal 2018.

**Exhibit 2**  
**Blind Industries and Services of Maryland**  
**Achievement of Independent Living**  
**Fiscal 2011-2018**



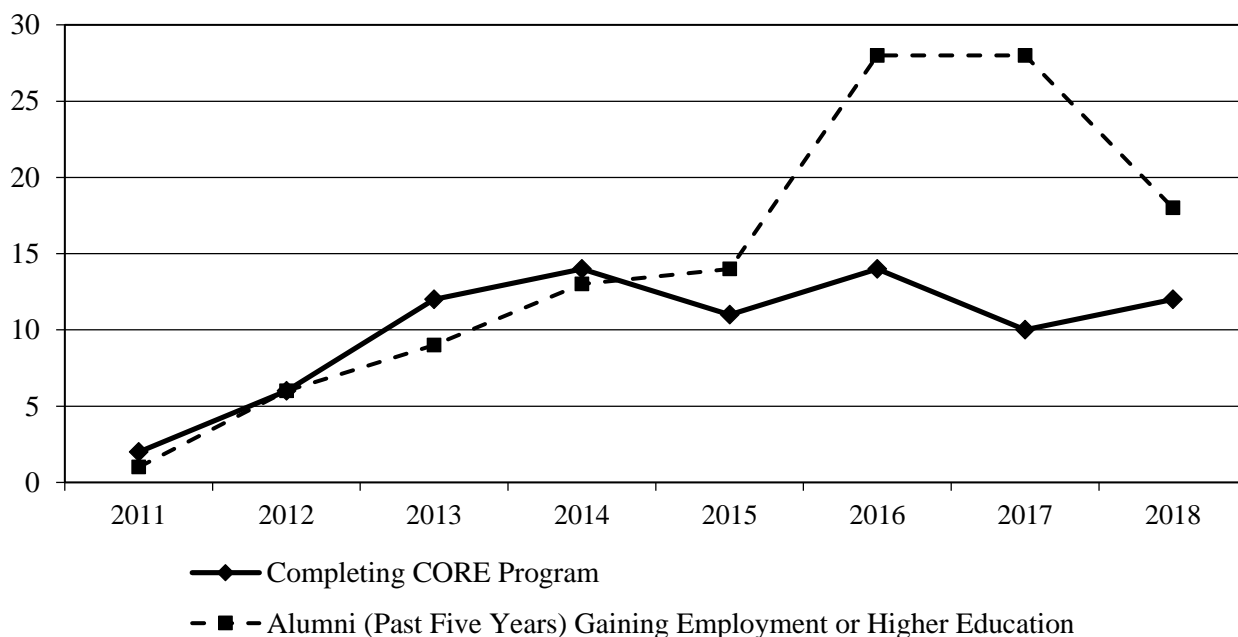
Note: Data for participants achieving independent living goals are from participant surveys.

Source: Department of Budget and Management

Another BISM goal is to help people who are blind or low vision to become successful in a career path commensurate with their skills, abilities, and interests. A related objective is for BISM to help participants of the Comprehensive Orientation, Rehabilitation, and Empowerment (CORE) program to obtain employment or higher education. This program is intensive, and residential housing is available for some participants. **Exhibit 3** shows the number of CORE graduates by fiscal year as well as how many alumni of the program from the past five years went on to be employed or began higher education.

From fiscal 2013 to 2018, the program has had a fairly steady number of graduates, fluctuating between a low of 10 (fiscal 2017) to 14 (fiscal 2014 and 2016), with 12 participants graduating in fiscal 2018. From the alumni who have graduated from the program in the last five years, 18 successfully gained employment or began higher education in fiscal 2018. This is lower than the 28 successful alumni in both fiscal 2016 and 2017 respectively, with both of those years representing the highest numbers that BISM has achieved.

**Exhibit 3**  
**Blind Industries and Services of Maryland**  
**CORE Program Results**  
**Fiscal 2011-2018**



CORE: Comprehensive Orientation, Rehabilitation, and Empowerment

Source: Department of Budget and Management

### 3. BOOST Assessment Results

In order to participate in BOOST in fiscal 2018, nonpublic schools were required to administer assessments in accordance with federal and State law and provide the results for BOOST students to MSDE. Nonpublic schools who administered nonstandardized assessments were required to submit results for all BOOST students and results for non-BOOST students to compare them against. These results were then included in the fiscal 2019 BOOST report in an aggregate manner. The results for general education norm-referenced exams, given for grades 3 through 12, are shown in **Exhibit 4**, while results for nonstandardized assessments are shown in **Exhibit 5**. All assessment results are disaggregated for general education students and students with disabilities. As shown, a majority of general education BOOST students scored as proficient on their assessments; on nonstandardized assessments, they scored lower than their non-BOOST peers for English/language arts and mathematics but higher on science and government. Most students with disabilities did not score as proficient on their assessments.

**Exhibit 4**  
**Norm-referenced Assessment Results**  
**BOOST**  
**School Year 2017-2018**  
**Grades 3-12**

**General Education BOOST Students**

<u><b>Assessment</b></u>	<u><b>Assessed</b></u>	<u><b>Proficient</b></u>	<u><b>Percent Proficient</b></u>
English/Language Arts	1,090	741	68%
Mathematics	1,054	663	63%
Science	247	153	62%
Government	14	13	93%

**BOOST Students with Disabilities**

English/Language Arts	58	26	45%
Mathematics	57	22	39%
Science	13	6	46%
Government	n/r	n/r	n/r

BOOST: Broadening Options and Opportunities for Students Today  
n/r: not reported

Source: Maryland State Department of Education

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**Exhibit 5**  
**Nonstandardized Assessment Results**  
**BOOST**  
**School Year 2017-2018**  
**Grades 3-12**

<u>Assessment</u>	<b>BOOST Students</b>			<b>Non-BOOST Students</b>		
	<b>General Education</b>			<b>General Education</b>		
	<u>Assessed</u>	<u>Proficient</u>	<u>Percent Proficient</u>	<u>Assessed</u>	<u>Proficient</u>	<u>Percent Proficient</u>
English/Language Arts	159	125	79%	2,129	1,886	89%
Mathematics	250	187	75%	2,097	1,780	85%
Science	386	289	75%	4,328	3,189	74%
Government	90	83	92%	1,962	1,770	90%
	<b>Students with Disabilities</b>			<b>Students with Disabilities</b>		
	<u>Assessed</u>	<u>Proficient</u>	<u>Percent Proficient</u>	<u>Assessed</u>	<u>Proficient</u>	<u>Percent Proficient</u>
English/Language Arts	1	0	0%	n/r	n/r	n/r
Mathematics	1	1	100%	14	11	79%
Science	9	1	11%	52	6	12%
Government	n/r	n/r	n/r	n/r	n/r	n/r

BOOST: Broadening Options and Opportunities for Students Today

n/r: not reported

Source: Maryland State Department of Education

MSDE cautions drawing conclusions from the assessment results in its BOOST report. The data is self-reported by the participating nonpublic schools, does not reflect a common assessment, and is not subject to a thorough verification and audit process by MSDE. It is worth noting that for the fiscal 2019 administration of BOOST, nonpublic schools are required to administer national, norm-referenced standardized assessments published by the U.S Department of Education (ED) to qualify for the National Blue Ribbon Schools Program. This may provide more comparability in assessment results for BOOST nonpublic schools in fiscal 2019.

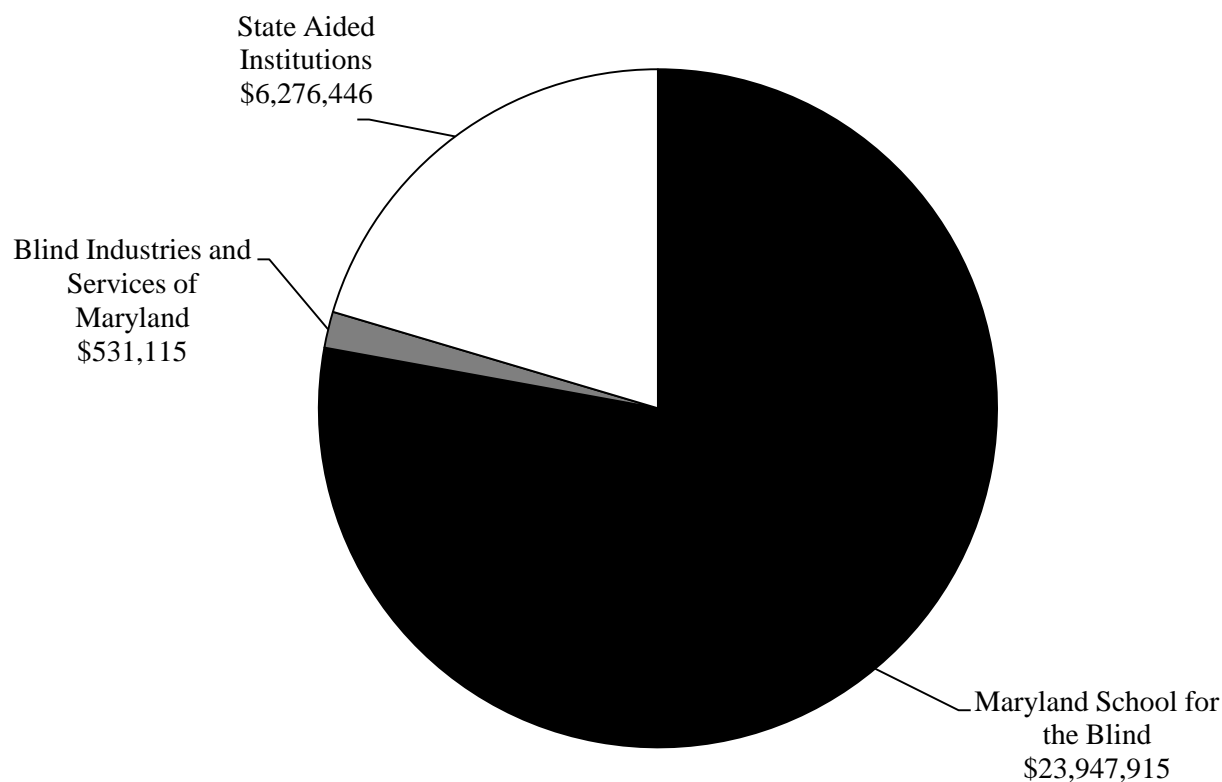
## **Fiscal 2020 Allowance**

### **Overview of Agency Spending**

The fiscal 2020 allowance for Funding for Educational Organizations is approximately \$46.8 million. This includes \$30.8 million in general funds, which is divided between MSB (\$23.9 million), BISM (\$0.5 million), and SAIs (\$6.3 million), as shown in **Exhibit 6**.

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**Exhibit 6**  
**General Fund Allowance**  
**Fiscal 2020**



Source: Governor's Fiscal 2020 Budget Books

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It is worth noting that though there is no change in the approximately \$6.3 million in total funding for the SAIs between fiscal 2019 and 2020, the distribution of funding among the programs is budgeted to change. To achieve this, funding for NorthBay has been reduced by \$427,558 and redistributed among the other SAIs, including five that are receiving funding for the first time in fiscal 2020. This distribution is shown in **Exhibit 7**. In fiscal 2019, NorthBay receives the largest grant among SAIs with \$927,558; following the reduction, NorthBay receives \$500,000 in fiscal 2020.

**Exhibit 7**  
**State Aided Institutions**  
**Fiscal 2019-2020**

<b><u>State Aided Institution</u></b>	<b><u>2019 Working</u></b>	<b><u>2020 Allowance</u></b>	<b><u>Difference</u></b>	<b><u>Percent Growth</u></b>
Accokeek Foundation	\$0	\$20,978	\$20,978	n/a
Alice Ferguson Foundation	79,378	83,261	3,883	4.89%
Alliance of Southern Prince George's Communities, Inc.	31,752	33,305	1,553	4.89%
American Visionary Art Museum	15,040	15,776	736	4.89%
Annapolis Maritime Museum	0	40,037	40,037	n/a
Baltimore Symphony Orchestra/Arts Excel	63,503	66,609	3,106	4.89%
B&O Railroad Museum	60,161	63,104	2,943	4.89%
Baltimore Museum of Industry	80,214	84,138	3,924	4.89%
Best Buddies International (Maryland Program)	158,756	166,522	7,766	4.89%
Calvert Marine Museum	50,000	52,446	2,446	4.89%
Chesapeake Bay Foundation	416,945	437,341	20,396	4.89%
Chesapeake Bay Maritime Museum	20,053	21,034	981	4.89%
Citizenship Law-Related Education	29,244	30,675	1,431	4.89%
Collegebound Foundation	35,930	37,688	1,758	4.89%
The Dyslexia Tutoring Program, Inc.	35,930	37,688	1,758	4.89%
Echo Hill Outdoor School	53,476	56,092	2,616	4.89%
Everyman Theater	0	52,446	52,446	n/a
Fire Museum of Maryland	10,000	10,489	489	4.89%
Imagination Stage	238,136	249,785	11,649	4.89%
Jewish Museum of Maryland	12,533	13,146	613	4.89%
Junior Achievement of Central Maryland	40,106	42,068	1,962	4.89%
Living Classrooms Inc.	304,145	319,023	14,878	4.89%
Maryland Academy of Sciences	873,169	915,879	42,710	4.89%
Maryland Historical Society	119,484	125,329	5,845	4.89%
Maryland Humanities Council	41,777	43,821	2,044	4.89%
Maryland Leadership	43,450	45,575	2,125	4.89%
Maryland Zoo in Baltimore	812,171	851,900	39,729	4.89%
Mathematics, Engineering and Science Achievement	76,035	79,754	3,719	4.89%
MdBio Foundation	0	26,223	26,223	n/a
National Aquarium in Baltimore	474,601	497,817	23,216	4.89%
National Great Blacks in Wax Museum	40,106	42,068	1,962	4.89%

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<u>State Aided Institution</u>	<u>2019 Working</u>	<u>2020 Allowance</u>	<u>Difference</u>	<u>Percent Growth</u>
National Museum of Ceramic Art and Glass	20,053	21,034	981	4.89%
NorthBay	927,558	500,000	-427,558	-46.10%
Olney Theatre	139,539	146,365	6,826	4.89%
Outward Bound	127,006	133,219	6,213	4.89%
Port Discovery	111,130	116,566	5,436	4.89%
Reginald F. Lewis Museum	0	26,223	26,223	n/a
Salisbury Zoological Park	17,546	18,404	858	4.89%
Sotterly Foundation	12,533	13,146	613	4.89%
South Baltimore Learning Center	40,106	42,068	1,962	4.89%
State Mentoring Resource Center	76,036	79,755	3,719	4.89%
Sultana Projects	20,053	21,034	981	4.89%
SuperKids Camp	391,043	410,172	19,129	4.89%
Village Learning Place	43,450	45,575	2,125	4.89%
Walters Art Museum	15,875	16,652	777	4.89%
Ward Museum	33,423	35,058	1,635	4.89%
Young Audiences of Maryland	85,000	89,158	4,158	4.89%
<b>Total</b>	<b>\$6,276,446</b>	<b>\$6,276,446</b>	<b>\$0</b>	<b>0%</b>

Source: Governor's Fiscal 2020 Budget Books

The 5 SAIs receiving funds for the first time in fiscal 2020 are the Accokeek Foundation, the Annapolis Maritime Museum, the Everyman Theater, the MdBio Foundation, and the Reginald F. Lewis Museum of Maryland African American History and Culture, with funds totaling \$165,907. It is worth noting that the Reginald F. Lewis Museum receives \$2.0 million in State funding elsewhere in the budget through the Maryland African American Museum Corporation budget and maintains a Memorandum of Understanding with the State regarding the portion of its funding that the State provides. However, some SAIs that are funded in fiscal 2019, such as the Maryland Zoo in Baltimore, do receive separate State funding through other programs. For the 41 other SAIs, the remaining \$261,651 is distributed among them in such a way that all receive a 4.89% increase in fiscal 2020 over their fiscal 2019 amount.

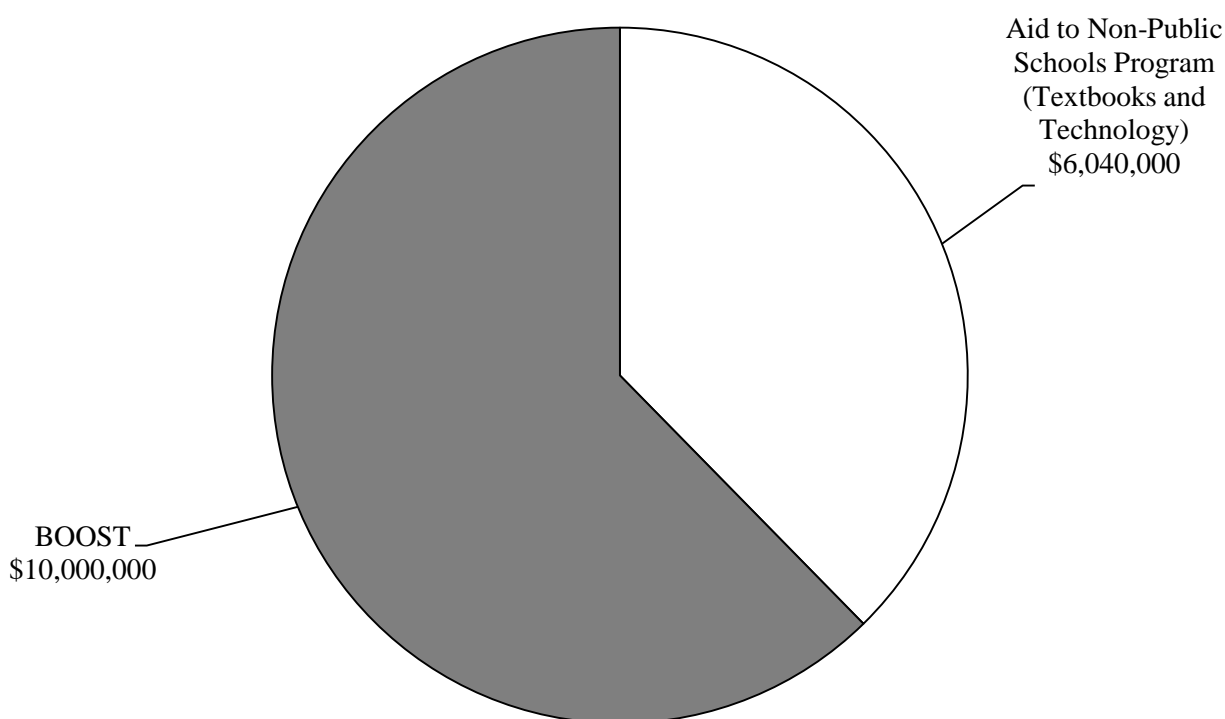
SAIs are recommended annually from a pool of applicants by MSDE and the Maryland State Board of Education and forwarded to the Governor for consideration and for inclusion in the State budget. The Department of Budget and Management has informed that the decision to reduce NorthBay's funding was made by the Administration.

The fiscal 2020 allowance also includes \$16.0 million in special funds from the Cigarette Restitution Fund (CRF), which is divided between the Aid to Non-Public Schools Program

(\$6.0 million) and BOOST (\$10.0 million), as shown in **Exhibit 8**. It is worth noting that the fiscal 2019 Budget Bill authorized BOOST to reserve unexpended funds from the fiscal 2019 administration of BOOST for the fiscal 2020 administration. However, that amount is not included in the \$10.0 million shown. Further discussion on BOOST’s year-to-year funding can be found in the Issues section of this analysis.

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**Exhibit 8**  
**Special Fund Allowance**  
**Fiscal 2020**



BOOST: Broadening Options and Opportunities for Students Today

Source: Governor’s Fiscal 2020 Budget Books

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### **Proposed Budget Change**

The fiscal 2020 allowance for Funding for Educational Organizations represents a \$3.6 million increase over the fiscal 2019 working appropriation. This increase is composed of a \$3.0 million special fund increase for BOOST and a \$601,158 general fund increase for MSB according to its formula funding, as shown in **Exhibit 9**.

**Exhibit 9**  
**Proposed Budget**  
**MSDE – Funding for Educational Organizations**  
**(\$ in Thousands)**

<b>How Much It Grows:</b>	<b><u>General</u> <u>Fund</u></b>	<b><u>Special</u> <u>Fund</u></b>	<b><u>Total</u></b>
Fiscal 2018 Actual	\$29,816	\$11,440	\$41,256
Fiscal 2019 Working Appropriation	30,154	13,040	43,194
Fiscal 2020 Allowance	<u>30,755</u>	<u>16,040</u>	<u>46,795</u>
Fiscal 2019-2020 Amount Change	\$601	\$3,000	\$3,601
Fiscal 2019-2020 Percent Change	2.0%	23.0%	8.3%
<b>Where It Goes:</b>			
<b>General Fund Increase</b>			
Maryland School for the Blind increase.....			\$601
<b>Special Fund Increase</b>			
BOOST Program increase .....			3,000
<b>Total</b>			<b>\$3,601</b>

BOOST: Broadening Options and Opportunities for Students Today

MSDE: Maryland State Department of Education

Note: Numbers may not sum to total due to rounding.

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## **MSB**

The fiscal 2020 allowance provides MSB with a grant of \$23.9 million in general funds, an increase of \$601,158 when compared to the working appropriation. MSB's funding under Funding for Educational Organizations is composed of two components: a \$1 million residential services grant and formula funding. The formula for MSB is based on four-year adjusted enrollment growth and growth in State per pupil foundation funding provided to local school systems. MSB's entire \$601,158 increase is through its formula, due to both an increase in the underlying State per pupil foundation amount and an increase in enrollment, primarily for MSB's outreach population. MSB's funding is discussed in more detail in the Issues section of this analysis.

## **BOOST**

Funding for BOOST increases from \$7.0 million in fiscal 2019 to \$10.0 million in fiscal 2020, all in special funds from the CRF. Further discussion on funding for the BOOST Program can be found in the Issues section of this analysis.

## ***Issues***

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### **1. Funding for MSB**

MSB serves students from birth to age 21 who are blind or visually impaired, including some with multiple disabilities. MSB educates students whose needs cannot be met in their respective 24 local school systems through community-based outreach and comprehensive on-campus programs on a day or residential basis. Each student has a mandated IEP tailored to his or her needs. The MSB program includes general education subjects and, in addition, special instruction in the disability-specific areas of the expanded CORE curriculum that includes Braille, orientation and mobility, career education, and independent living skills. Exit goals for students, depending on their abilities, are to earn either a high school diploma or a certificate of attendance at graduation or, prior to graduation, return to their local school systems with increased skill levels essential for successful reintegration and academic achievement.

MSB receives the majority of its funding through a State formula grant that is based on growth in enrollment and growth in State per pupil funding. MSB receives additional State funding through the Enhanced Services grant, which provides supplemental funding for blind students with additional disabilities who are at-risk for out-of-state placement, though this funding is located outside of the Funding for Educational Organizations budget. MSB has budgeted receiving approximately \$5.3 million for enhanced services in fiscal 2019, which is estimated to be 18.4% of MSB's total State funding for that year.

MSB's funding formula uses enrollment growth that is adjusted with a four-year enrollment average in order to soften enrollment increases and decreases. The enrollment count for MSB includes prekindergarten through grade 12 students attending MSB, children served through MSB's Early Intervention Program, and, since fiscal 2018, children served through MSB's Outreach Program. The adjusted formula enrollment only includes 50% of the children in the Early Intervention and Outreach programs. **Exhibit 10** shows MSB's enrollment for these three categories from fiscal 2014 to 2018. In fiscal 2018, MSB had an increase of 60 children in its Outreach Program, which is the primary driver for its enrollment increase in that year.

**Exhibit 11** provides detail on MSB's use of its endowment to support expenses. As shown, MSB has recently relied heavily on its endowment, drawing 6.5% in fiscal 2017 and 8.1% in fiscal 2018, largely to fund capital expenditures. However, MSB's budgeted endowment draw for fiscal 2019 is even larger, with \$2.5 million for operating expenditures and \$4.1 million for capital, amounting to 17.3% of its endowment. Endowment draw policies usually suggest taking out no more than the expected rate of return on principal, which is typically up to 5%. These large endowment draws indicate issues with increasing expenditures at MSB. The \$2.5 million operating draw is particularly concerning, as it represents what would be the largest operating draw since fiscal 2005, and operating costs, unlike capital costs, usually are due to ongoing expenses. It is worth noting that MSB has continued to grow its endowment over this time period, up to \$38.2 million at the beginning of fiscal 2019. **MSB should explain to the budget committees what costs are driving its endowment draws since fiscal 2017 and what it is doing to maintain its endowment.**

**Exhibit 10**  
**Maryland School for the Blind**  
**Annual Enrollment Counts for Formula Funding**  
**Fiscal 2014-2018**

	<u><b>2014</b></u>	<u><b>2015</b></u>	<u><b>2016</b></u>	<u><b>2017</b></u>	<u><b>2018</b></u>
School Age	179	192	205	191	194
Early Intervention	76	79	81	71	60
Outreach	296	283	328	343	403
<b>Total</b>	<b>551</b>	<b>554</b>	<b>614</b>	<b>606</b>	<b>658</b>
<b><i>Formula Total</i></b>	<b><i>365</i></b>	<b><i>373</i></b>	<b><i>410</i></b>	<b><i>399</i></b>	<b><i>426</i></b>

Note: Early Intervention and Outreach enrollment counts are reduced by 50% when calculating enrollment growth in the funding formula.

Source: Department of Budget and Management

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**Exhibit 11**  
**History of Maryland School for the Blind Endowment Draws**  
**Fiscal 2005-2019**

<u>Fiscal Year</u>	<u>Endowment Draw for Operations</u>	<u>Endowment Draw for Capital</u>	<u>Total Endowment (As of Previous Year-end)</u>	<u>Percentage Drawn from Endowment</u>
Actual 2005	\$1,147,008	*	\$20,900,515	5.5%
Actual 2006	1,095,204	*	20,872,018	5.2%
Actual 2007	1,732,59	*	21,868,682	7.9%
Actual 2008	1,237,092	*	23,057,308	5.4%
Actual 2009	1,308,591	*	22,600,805	5.8%
Actual 2010	912,520	*	20,865,075	4.4%
Actual 2011	427,467	*	21,976,048	1.9%
Actual 2012	0	\$0	27,043,529	0.0%
Actual 2013	116,327	763,673	27,098,914	3.2%
Actual 2014	243,770	1,883,990	29,646,049	7.2%
Actual 2015	191,600	2,000,000	33,064,314	6.6%
Actual 2016	0	0	32,470,011	0.0%
Actual 2017	0	2,200,000	33,601,337	6.5%
Actual 2018	745,662	1,964,486	33,621,470	8.1%
Budget 2019	2,529,132	4,066,511	38,232,188	17.3%

\* Endowment draws were not broken down in this time period.

Source: Maryland School for the Blind

## **2. BOOST Funding and Program Data**

BOOST provides scholarships to eligible low-income Maryland students to attend nonpublic schools. Since BOOST's beginning in fiscal 2017, it has been authorized through budget bill language. Therefore, the administration of the program for the 2018-2019 school year, authorized by the fiscal 2019 budget, marks BOOST's third year. BOOST is administered by MSDE, while determinations for scholarship amounts and recipients are made by a BOOST Program Advisory Board (BOOST Board).

Similar to the fiscal 2018 administration of BOOST, the fiscal 2019 Budget Bill specified that all students participating in BOOST must be eligible for free and reduced-price meals (FRPM); that participating schools may not discriminate in student admissions on the basis of race, color, national

origin, or sexual orientation, or in employment as specified in Title 20, Subtitle 6 of the State Government Article; and that students who had already received BOOST scholarships would be eligible for renewal scholarships, and that for new applicants priority would be given to students who had attended public schools in the prior year.

The fiscal 2019 Budget Bill did include some new requirements for BOOST. First, it stipulated that in order to qualify for BOOST, nonpublic schools must administer norm-referenced assessments for English/language arts, mathematics, and science that are included on the list published by ED to qualify for the National Blue Ribbon Schools Program, and submit the results for BOOST students to MSDE. Second, it added a new reporting requirement on the number of BOOST students who have withdrawn from school or been expelled. And third, it created new specifications for students with special needs under BOOST.

## **BOOST Awards Methodology and Funding**

BOOST is funded with special funds from the CRF. For the fiscal 2019 administration of the program, BOOST received \$7.0 million in new funding as well as the authorization to spend unexpended funds from the fiscal 2018 administration, of which there was \$442,052, resulting in approximately \$7.4 million in available funding for fiscal 2019.

The BOOST Board has determined award amounts with the same methodology for all three administrations of BOOST. This methodology uses two qualifying factors: whether a student qualified for free meals or reduced-price meals under the FRPM criteria and whether or not students attended public school during the prior school year. Students with renewal scholarships received scholarships of equal value to the first administration. Some applicants list their previous school as “none,” usually indicating that they were previously homeschooled. The BOOST Board considers these students at the free/private level. The BOOST Board made its category-based award amounts the same in fiscal 2019 as it did in fiscal 2018. Though the BOOST Board could have made larger base-awards in fiscal 2019, it stated that it was hesitant to commit to larger awards for students before knowing if they would be able to sustain those awards with the funding provided in the fiscal 2020 budget. **Exhibit 12** details award amounts by category, the number of students in each category, and the total value of awards, differentiated by renewal awards and new applicants. **Exhibit 13** details the awards amounts according to the applicants’ county of residence. It is worth noting that the numbers in the exhibit represent maximum awards; award amounts are adjusted down to account in cases where BOOST aid and non-BOOST aid exceed tuition. Additionally, MSDE is in communication with some nonpublic schools to confirm student enrollment, receive assessment results, or receive teacher certification surveys. If these nonpublic schools do not respond to MSDE, as many as 32 awards may be withheld.

**Exhibit 12**  
**BOOST Scholarship Award**  
**Fiscal 2019**

Income-eligible Applicants: 3,613

	<u>Students</u>	<u>Scholarship Amount for this Category</u>	<u>Total Value of Renewals</u>
<b>Renewals – Awarded and Accepted</b>			
Qualified for Free Meals, Attended Public School	321	\$4,400	\$1,412,400
Qualified for Reduced Meals, Attended Public School	139	3,400	472,600
Qualified for Free Meals, Attended Private School	773	1,400	1,082,200
Qualified for Reduced Meals, Attended Private School	291	1,000	291,000
Qualified for Free Meals, Type of Prior School Is None	12	1,400	16,800
Qualified for Reduced Meals, Type of Prior School Is None	4	1,000	4,000
<b>Subtotal Renewals</b>	<b>1,540</b>		<b>\$3,279,000</b>
<b>New Applicants – Awarded and Accepted</b>			
Qualified for Free Meals, Attended Public School	235	4,400	\$1,034,000
Qualified for Reduced Meals, Attended Public School	127	3,400	431,800
Qualified for Free Meals, Attended Private School	730	1,400	1,022,000
Qualified for Reduced Meals, Attended Private School	453	1,000	453,000
Qualified for Free Meals, Type of Prior School Is None	68	1,400	95,200
Qualified for Reduced Meals, Type of Prior School Is None	15	1,000	15,000
<b>Subtotal New</b>	<b>1,628</b>		<b>\$3,051,000</b>
Total Awards Offered	3,381		\$6,941,800
Declined Renewal Awards	-51		-142,600
Declined New Awards	-162		-469,200
<b>Total Awards Offered and Accepted as of December 30, 2018</b>	<b>3,168</b>		<b>\$6,330,000</b>
<b>Special Education Student Award Adjustment</b>	<b>156</b>	<b>\$1,000</b>	<b>\$156,000</b>

*R00A03 – MSDE – Funding for Educational Organizations*

	<u>Students</u>	<u>Scholarship Amount for this Category</u>	<u>Total Value of Renewals</u>
Appropriation for 2018-2019			\$7,000,000
Balance Remaining from 2017-2018 That Was Carried Forward			442,052
Total Available for 2018-2019			7,442,052
<b>Remaining Balance</b>			<b>\$956,052</b>

BOOST: Broadening Options and Opportunities for Students Today

Note: These numbers represent maximum awards.

Source: Maryland State Department of Education

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**Exhibit 13**  
**BOOST Awards by Applicant County of Residence**  
**Fiscal 2019**

<u><b>Applicant County of Residence</b></u>	<u><b>Students</b></u>	<u><b>Value of Awards</b></u>	<u><b>Percent of Total Award Amount</b></u>
Allegany	34	\$64,600	1.0%
Anne Arundel	121	253,200	4.0%
Baltimore City	1,286	2,504,400	39.6%
Baltimore	658	1,279,800	20.2%
Calvert	2	2,800	>0.0%
Caroline	5	15,200	0.2%
Carroll	21	29,600	0.5%
Cecil	20	54,200	0.9%
Charles	23	47,400	0.7%
Dorchester	22	60,000	0.9%
Frederick	30	65,800	1.0%
Garrett	0	0	0.0%
Harford	67	153,200	2.4%
Howard	20	48,400	0.8%
Kent	0	0	0.0%
Montgomery	380	744,200	11.8%
Prince George's	388	822,000	13.0%
Queen Anne's	0	0	0.0%
St. Mary's	37	61,600	1.0%
Somerset	1	1,000	>0.0%
Talbot	8	25,400	0.4%
Washington	40	87,600	1.4%
Wicomico	5	9,600	0.2%
Worcester	0	0	0.0%
<b>Total</b>	<b>3,168</b>	<b>\$6,330,000</b>	

BOOST: Broadening Options and Opportunities for Students Today

Note: Does not include higher awards for students with special needs.

Source: Maryland State Department of Education

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In total, the BOOST Board received 3,381 applications that were eligible for awards in fiscal 2019 and made awards for all of these applicants. There is no waitlist for BOOST in fiscal 2019. This is primarily due to there being significantly fewer than the 4,531 eligible BOOST applications in fiscal 2018. Of the 3,381 awards that were made, 213 declined their awards. According to MSDE, the most frequently cited reasons from parents of BOOST students for why awards were declined include their student being accepted at a public charter school, students not being accepted into the BOOST-eligible nonpublic school, costs being too high even with a BOOST scholarship, or deciding to send their student to a nonpublic school that is not eligible for BOOST. Therefore, MSDE has made or is in the process of making 3,168 BOOST award payments. These awards are valued at \$6.5 million when accounting for higher special needs awards. Therefore, the fiscal 2019 program has at least \$1.0 million more than is necessary to cover all awards. This funding will be carried forward for awards in fiscal 2020. As the Governor has included \$10.0 million for BOOST in the fiscal 2020 budget, this means that approximately \$11.0 million will be available for awards in fiscal 2020. **The Department of Legislative Services (DLS) recommends reducing the fiscal 2020 appropriation for BOOST by approximately \$3.5 million, thereby funding the program at the fiscal 2019 level when accounting for the funding being carried forward from fiscal 2019.**

## **BOOST Students with Special Needs**

During the 2018 session, various concerns were raised about how there have not been provisions in the nondiscrimination guidelines for the BOOST authorizations to protect BOOST students with special needs. The omission in language has been due in part to the fact that many nonpublic schools do not have the facilities or educational resources necessary to accommodate the vast array of special needs that students have, which would thereby disqualify them from participating in the program at all. As a remedy, budget bill language was added to the 2019 BOOST authorization, requiring the BOOST Board to make recommendations regarding a policy to encourage nonpublic schools to admit special needs BOOST students and consider students with special needs when determining award amounts and set aside \$600,000 of the BOOST appropriation to be used only for higher scholarship awards for students with special needs.

MSDE submitted a report on behalf of the BOOST Board on December 1, 2018. This report did not contain a recommendation beyond expressing the BOOST Board's belief that children should get what they need to be successful in school in the most appropriate setting for the child. This report also announced the BOOST Board's decision to award an additional \$1,000 for each BOOST student who was identified as special needs. The BOOST Board arrived at this amount in part due to the fact that the BOOST authorization limits BOOST awards to be no larger than the lesser of the statewide average per pupil expenditure by local education agencies or the tuition of the nonpublic school. Therefore, larger awards may have resulted in returned unused funds. For the fiscal 2019 administration, MSDE determined that 156 students qualify as having special needs (approximately 4.9% of all BOOST students), resulting in \$156,000 in larger awards. **If the budget committees desire for students with special needs to receive larger BOOST awards in fiscal 2020 than they have in fiscal 2019, they may consider budget bill language that allows for special education students to be exempted from award limits.**

## **BOOST Program Data**

The following data on BOOST was reported by MSDE in its January 15, 2019 report according to the requirements for the program:

- across all subjects and grade levels, 4,000 of the 7,510 teachers in BOOST participating nonpublic schools are certified;
- the average household income for BOOST students is \$30,059;
- out of the 3,168 students who have accepted awards for fiscal 2019, 1,791 (56.5%) are non-White, and 1,014 (32.0%) are reported to be English language learners;
- during the 2018-2019 school year, 39 out of 159 nonpublic schools reported having BOOST students who withdrew or were expelled, totaling 61 students across schools. The most frequently cited reasons were private school not being a good fit, the student moving, private school being too costly, and transportation issues;
- among students who received BOOST awards in fiscal 2018 and 2019, the number of students who received non-BOOST financial aid rose slightly from 1,222 to 1,228, while the average amount of non-BOOST aid received per student rose from \$5,819 to \$5,475; and
- according to a survey of parents whose students participated in BOOST in fiscal 2018 but did not in fiscal 2019, the most frequently cited reasons were missing the deadline to apply, their nonpublic school of choice no longer participating in BOOST, or their student graduating.

The fiscal 2020 Budget Bill authorizing language for BOOST does not include many of the same requirements that were included in the fiscal 2019 authorization, particularly in regard to assessments, students with special needs, deadlines for awarding funds, and reporting requirements. **DLS recommends that language from the fiscal 2019 authorization of BOOST for the administration of that program be restored for the fiscal 2020 Budget Bill as it is applicable to BOOST for the 2019-2020 school year.**

### **3. Administering Aid Programs for Nonpublic Schools**

The Aid to Non-Public Schools Program to provide nonpublic schools with textbooks and technology for eligible nonpublic schools has been in operation since fiscal 2001. For the entirety of its existence, it has been authorized annually through budget bills, as have the other annual programs that provide support to nonpublic schools: BOOST, as well as the Senator James E. “Ed” DeGrange Nonpublic Aging Schools Program (DeGrange) and the Nonpublic School Security Improvement Program. To qualify for BOOST or DeGrange, nonpublic schools must first be participants in the Aid to Non-Public Schools Program. Therefore, compliance requirements as they pertain to discrimination

in student admissions and employment are implemented for all three programs through the Aid to Non-Public Schools Program.

In fiscal 2018, some schools that had signed nondiscrimination assurances were reported to have been in violation of the agreement. In response, the BOOST Board made schools who were found to be in violation ineligible to receive BOOST awards in fiscal 2018. During the 2018 session, the General Assembly added language to the Aid to Non-Public Schools Program in the fiscal 2019 Budget Bill to require discriminatory schools to return materials acquired under the program to MSDE, disallowed schools that were found to be in violation of the agreement in fiscal 2018 to participate in fiscal 2019, and expressed the intent that any school found to be in violation of the nondiscrimination agreement to be ineligible to participate in the Aid to Non-Public Schools Program, BOOST, or DeGrange in the year of the violation and the following two years. The General Assembly also acted through the Budget Reconciliation and Financing Act of 2018 (Chapter 10) to specify that any nonpublic school that the BOOST Board had deemed to be in violation in fiscal 2018 would also not be funded in the Aid to Non-Public Schools Program in that year. Finally, the General Assembly added language to require all schools participating in the Nonpublic Aging Schools program to submit their student handbook or other written policy regarding student admissions to MSDE to ensure compliance. MSDE has dedicated staff to review these handbooks for fiscal 2019 and has cleared its first review with no issues found.

However, a school that was determined to be in violation of the nondiscrimination agreement in fiscal 2018 by the BOOST Board in fiscal 2018 is receiving funds under BOOST in fiscal 2019. This indicates that this school is also participating in the Aid to Non-Public Schools Program, after having changed its student handbook or admission policies after fiscal 2018. Under the requirements put in place by the General Assembly, this school should not be allowed to participate in BOOST or the nonpublic school aid programs in fiscal 2019. **MSDE should explain to the budget committees if it is possible for nonpublic schools which are found to be in violation of nondiscrimination requirements to return textbooks and technology purchased under the Aid to Non-Public Schools Program to MSDE.** It is worth noting that the language included in the fiscal 2019 Budget Bill to administer the Aid to Non-Public Schools program's nondiscrimination requirements and for the distribution of funds to nonpublic schools based on their FRPM enrollment is not included in the fiscal 2020 Budget Bill as introduced. **DLS recommends that all language for the administration of the Aid to Non-Public Schools Program in the fiscal 2019 Budget Bill be restored for fiscal 2020.**

It is possible that difficulties in the schedule to allocate funds for these programs contributed to issues in identifying ineligible schools. MSDE has explained that the deadline for nonpublic schools participating in the Aid to Non-Public Schools Program does not occur until January each year. This means that for BOOST eligibility review, MSDE has to work from a list of nonpublic schools participating in the Aid to Non-Public Schools Program from the prior year, creating possibilities for nonpublic schools that should not be eligible remaining on the list. **DLS recommends including budget language for the fiscal 2020 BOOST administration to specify that eligible nonpublic schools must have participated in the Aid to Non-Public Schools Program in the prior year, thereby eliminating any ambiguity for MSDE as it administers BOOST.**

***R00A03 – MSDE – Funding for Educational Organizations***

Schedule issues exist throughout the aid programs for nonpublic schools due to their funding schedule. Because programs are authorized on an annual basis through budget bills, MSDE cannot prepare to receive applications for funding until after the budget is finalized, as it does not know until that point how much funding will be available along with what requirements there will be for these programs. As a result, orders for textbooks and technology are not finalized until halfway through the school year, meaning that participating nonpublic schools must anticipate what materials it will need a year in advance. Additionally, applications for students to apply for BOOST cannot be released until the spring, creating a very short period for MSDE to process applications and payments for the program and for families to make decisions regarding whether or not BOOST awards will allow them to afford to send their children to nonpublic schools. Without annual appropriation amounts being set in statute for these programs, these scheduling issues are likely to continue.

## ***Operating Budget Recommended Actions***

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1. Amend the following language to the special fund appropriation:

, provided that this appropriation shall be for the purchase of textbooks or computer hardware and software and other electronically delivered learning materials ~~as permitted under Title III, Section 2416(b)(4), (6), and (7) of the No Child Left Behind Act~~ for loan to students in eligible nonpublic schools with a maximum distribution of \$65 per eligible nonpublic school student for participating schools, except that at schools where ~~at least 20%~~ from 20% to 40% of the students are eligible for the free or reduced-price lunch program there shall be a distribution of \$95 per student, and at schools where more than 40% of the students are eligible for the free or reduced-price lunch program there shall be a distribution of \$155 per student.

**Explanation:** This action amends language modifying the distribution of funding for the Aid to Non-Public Schools Program so that schools where more than 40% of the students are eligible for the free or reduced-price lunch program receive \$155 per student. Similar language has been included in the budget since fiscal 2017. It also strikes language regarding the No Child Left Behind Act due to technical differences with the re-authorized Elementary and Secondary Education Act.

2. Amend the following language to the special fund appropriation:

- (2) Not charge more tuition to a participating student that the statewide average per pupil expenditure by the local education agencies, as calculated by the department, with appropriate exceptions for special education students as determined by the department; ~~and~~
- (3) Comply with Title VI of the Civil Rights Act of 1964, as amended; and
- (4) Submit its student handbook or other written policy related to student admissions to the Maryland State Department of Education for review to ensure compliance with program eligibility requirements.

**Explanation:** This action adds language to require that nonpublic schools participating in the Nonpublic Textbook and Technology Program submit their student handbooks or other written policies related to student admissions to the Maryland State Department of Education for review to ensure compliance with program eligibility requirements.

3. Add the following language to the special fund appropriation:

Further provided that a nonpublic school participating in the Aid to Non-Public Schools Program R00A03.04 shall certify compliance with Title 20, Subtitle 6 of the State Government Article. A nonpublic school participating in the program may not discriminate in student admissions on the basis of race, color, national origin, or sexual orientation. Nothing herein shall require any school or institution to adopt any rule, regulation, or policy that conflicts with its religious or moral teachings. However, all participating schools must agree that they will not discriminate in student admissions on the basis of race, color, national origin, or sexual orientation. Any school found to be in violation of the requirements to not discriminate shall be required to return to the Maryland State Department of Education all textbooks or computer hardware and software and other electronically delivered learning materials loaned to students under the program. The only other legal remedy for violation of these provisions is ineligibility for participating in the Aid to Non-Public Schools Program. Any school that is found in violation of the nondiscrimination requirements in fiscal 2019 or 2020 may not participate in the program in fiscal 2020. It is the intent of the General Assembly that a school that violates the nondiscrimination requirements is ineligible to participate in the Aid to Non-Public Schools Program, the Broadening Options and Opportunities for Students Today Program, the James E. “Ed” DeGrange Nonpublic Aging Schools Program, and the Nonpublic School Security Improvements Program in the year of the violation and the following two years.

**Explanation:** This action requires a nonpublic school participating in the Aid to Non-Public Schools Program to certify compliance with Title 20, Subtitle 6 of the State Government Article (Discrimination in Employment). It also specifies that a participating school may not discriminate in student admissions on the basis of race, color, national origin, or sexual orientation. Violating the provisions makes a school ineligible for participating in the Aid to Non-Public Schools Program. Similar language has been included in the budget since fiscal 2017. This action also adds language specifying that schools that violate the provisions must return all textbooks and technology received through the program to the Maryland State Department of Education. It also states that a school that violates the nondiscrimination requirements in fiscal 2019 or 2020 is not eligible to participate in the program in fiscal 2020 and states legislative intent that any school that violates the nondiscrimination requirements is ineligible to participate in any program providing funding to nonpublic schools for a total of three years.

*R00A03 – MSDE – Funding for Educational Organizations*

4. Amend the following language to the special fund appropriation:

- (c) ~~participate~~ have participated in Program R00A03.04 Aid to Non-Public Schools Program for textbooks and computer hardware and software administered by MSDE during the 2018-2019 school year;

**Explanation:** This language specifies that in order to participate in the Broadening Options and Opportunities for Students Today (BOOST) Program during the 2019-2020 school year, a nonpublic school must have already participated in the Aid to Non-Public Schools Program during the 2018-2019 school year. This language eliminates ambiguity for the Maryland State Department of Education, specifying that nonpublic schools are eligible for BOOST for the 2019-2020 school year by participating in the Aid to Non-Public Schools Program in the previous school year.

5. Amend the following language to the special fund appropriation:

- (c) ~~administer assessments to all students in accordance with federal and State law; and~~ administer national, norm-referenced standardized assessments chosen from the list of assessments published by the U.S. Department of Education to qualify nonpublic schools for the National Blue Ribbon Schools Program. The nonpublic schools must administer the assessments to all students as follows:
  - (i) English/language arts and mathematics assessments each year for students in grades 3 through 8, and at least once for students in grades 9 through 12; and
  - (ii) a science assessment at least once for students in grades 3 through 5, at least once for students in grades 6 through 9, and at least once for students in grades 10 through 12; and
- (d) comply with Title VI of the Civil Rights Act of 1964 as amended, Title 20, Subtitle 6 of the State Government Article, and not discriminate in student admissions on the basis of race, color, national origin, or sexual orientation. Nothing herein shall require any school or institution to adopt any rule, regulation, or policy that conflicts with its religious or moral teachings. However, all participating schools must agree that they will not discriminate in student admissions based on race, color, national origin, or sexual orientation. If a nonpublic school does not comply with these requirements, it shall reimburse MSDE all scholarship funds received under the BOOST Program and may not charge the student tuition and fees instead. The only other legal remedy for violation of this provision is ineligibility for participating in the BOOST Program.

*R00A03 – MSDE – Funding for Educational Organizations*

- (2) MSDE shall establish procedures for the application and award process for scholarships for students who are eligible for the free or reduced-price lunch program. The procedures shall include consideration for award adjustments if an eligible student becomes ineligible during the course of the school year.
- (3) MSDE shall submit the ranked list of applicants to the BOOST Advisory Board.
- (4) MSDE shall compile and certify a list of applicants that ranks eligible students by family income expressed as a percent of the most recent federal poverty levels.
- (5) There is a BOOST Advisory Board that shall be appointed as follows: 2 members appointed by the Governor, 2 members appointed by the President of the Senate, 2 members appointed by the Speaker of the House of Delegates, and 1 member jointly appointed by the President and the Speaker to serve as the chair. A member of the BOOST Advisory Board may not be an elected official and may not have any financial interest in an eligible nonpublic school.
- (6) The BOOST Advisory Board shall review and certify the ranked list of applicants and shall determine the scholarship award amounts. The BOOST Advisory Board shall take into account the special needs of students with disabilities when determining scholarship award amounts, and subject to the scholarship award amount limits in paragraph (8) below, may award higher scholarship amounts for students with special needs.
- (7) MSDE shall make scholarship awards to eligible students as determined by the BOOST Advisory Board.
- (8) The amount of a scholarship award may not exceed the lesser of:
  - (a) the statewide average per pupil expenditure by local education agencies, as calculated by MSDE; or
  - (b) the tuition of the nonpublic school.
- (9) In order to meet its BOOST Program reporting requirements to the budget committees, MSDE shall specify a date by which participating nonpublic schools must submit information to MSDE so that it may complete its required report. Any nonpublic schools that do not provide the necessary information by that specified date shall be ineligible to participate in the BOOST Program.
- (10) Students who received a BOOST Program scholarship award in the prior year who still meet eligibility criteria for a scholarship shall receive a scholarship renewal award. For students who are receiving a BOOST Program scholarship for the first time, priority shall be given to students who attended public schools in the prior school year.

*R00A03 – MSDE – Funding for Educational Organizations*

Further provided that the BOOST Advisory Board shall make all scholarship awards no later than January 15, 2020, for the 2019-2020 school year to eligible individuals. Any unexpended funds not awarded to students for scholarships shall be encumbered at the end of fiscal 2020 and available for scholarships in the 2020-2021 school year.

Further provided that \$600,000 of this appropriation shall be used only for higher scholarship awards for students with special needs in accordance with paragraph (6) above.

Further provided that MSDE shall submit a report to the budget committees by January 15, 2020, that includes the following:

- (1) the number of students receiving BOOST Program scholarships;
- (2) the amount of the BOOST Program scholarships received;
- (3) the number of certified and noncertified teachers in core subject areas for each nonpublic school participating in the BOOST Program;
- (4) the assessments being administered by nonpublic schools participating in the BOOST Program and the results of these assessments. MSDE shall report the assessment results reported by nonpublic schools to the budget committees in an aggregate manner that does not violate student data privacy;
- (5) in the aggregate, for each BOOST Program scholarship awarded (a) the nonpublic school and grade level attended by the student; (b) the school attended in the 2019-2020 school year by the student; and (c) if the student attended the same nonpublic school in the 2018-2019 school year, whether, what type, and how much nonpublic scholarship aid the student received in the 2018-2019 school year and will receive in the 2019-2020 school year;
- (6) the average household income of students receiving BOOST Program scholarships;
- (7) the racial breakdown of students receiving BOOST Program scholarships;
- (8) the number of students designated as English language learners receiving BOOST Program scholarships;
- (9) the number of special education students receiving BOOST Program scholarships;
- (10) the county in which students receiving BOOST Program scholarships reside;
- (11) the number of students who were offered BOOST Program scholarships but declined them as well as their reasons for declining the scholarships and the breakdown of students attending public and nonpublic schools for students who declined scholarships;

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- (12) the number of students who received BOOST Program scholarships for the 2018-2019 school year who are attending public school for the 2019-2020 school year as well as their reasons for returning to public schools; and
- (13) the number of students who received BOOST Program scholarships for the 2018-2019 school year who withdrew or were expelled from the nonpublic schools they were attending and the reasons for which they withdrew or were expelled; the schools they withdrew or were expelled from; and the length of time students receiving BOOST Program scholarships were enrolled at a nonpublic school before withdrawing or being expelled.

**Explanation:** This language specifies priorities for the Broadening Options and Opportunities for Students Today (BOOST) Program scholarship awards and makes nonpublic schools that do not provide required information to the Maryland State Department of Education (MSDE) by a certain date ineligible for participating in the BOOST Program. The language also provides that for the 2019-2020 school year, the BOOST Advisory Board shall make all scholarship awards no later than January 15, 2020, and any unexpended funds not awarded to students shall be encumbered for scholarships in the next year. This language also requires MSDE to report by January 15, 2020, on the distribution of the BOOST scholarships, information on the students receiving BOOST scholarships, teacher certifications for nonpublic schools participating in the BOOST Program, and assessments being administered in nonpublic schools participating in the BOOST Program, including student performance. The language also requires that MSDE report on students who choose to decline scholarships or attend public schools after participating in the BOOST Program in the past, along with their reasons for doing so, and information on students receiving scholarships for the 2018-2019 school year who withdrew or were expelled from the nonpublic schools that they were attending. Finally, the language requires that the BOOST Advisory Board shall take into account the special needs of students with disabilities as it is determining scholarship award amounts and that \$600,000 of the BOOST appropriation shall be used to provide higher awards for these students.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
BOOST report	MSDE	January 15, 2020

	<b><u>Amount Reduction</u></b>
6. Reduce Cigarette Restitution Funding for the Broadening Options and Opportunities for Students Today Program in line with the fiscal 2019 budget.	\$ 3,514,000 SF
<b>Total Special Fund Reductions</b>	<b>\$ 3,514,000</b>

**Appendix 1**  
**Current and Prior Year Budgets**  
**MSDE – Funding for Educational Organizations**  
**(\$ in Thousands)**

	<b><u>General Fund</u></b>	<b><u>Special Fund</u></b>	<b><u>Federal Fund</u></b>	<b><u>Reimb. Fund</u></b>	<b><u>Total</u></b>
<b>Fiscal 2018</b>					
Legislative Appropriation	\$29,816	\$11,540	\$0	\$0	\$41,356
Deficiency/Withdrawn Appropriation	0	0	0	0	0
Cost Containment	0	0	0	0	0
Budget Amendments	0	-100	0	0	-100
Reversions and Cancellations	0	0	0	0	0
<b>Actual Expenditures</b>	<b>\$29,816</b>	<b>\$11,440</b>	<b>\$0</b>	<b>\$0</b>	<b>\$41,256</b>
<b>Fiscal 2019</b>					
Legislative Appropriation	\$30,154	\$13,040	\$0	\$0	\$43,194
Budget Amendments	0	0	0	0	0
<b>Working Appropriation</b>	<b>\$30,154</b>	<b>\$13,040</b>	<b>\$0</b>	<b>\$0</b>	<b>\$43,194</b>

MSDE: Maryland State Department of Education

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. Numbers may not sum to total due to rounding.

## **Fiscal 2018**

General fund expenditures totaled approximately \$29.8 million in fiscal 2018, reflecting no change from the working appropriation.

Special fund expenditures totaled approximately \$11.4 million in fiscal 2018, reflecting a \$100,000 decrease due to actions taken by the General Assembly in the Budget Reconciliation and Financing Act of 2018 (Chapter 10) to reduce funding for the Aid to Non-Public Schools Program.

## **Fiscal 2019**

The fiscal 2019 working appropriation is approximately \$30.2 million in general funds and \$13.0 million in special funds. These amounts both reflect no change from the legislative appropriation.

**Appendix 2**  
**Fiscal Summary**  
**MSDE – Funding for Educational Organizations**

<u>Program/Unit</u>	<u>FY 18 Actual</u>	<u>FY 19 Wrk Approp</u>	<u>FY 20 Allowance</u>	<u>Change</u>	<u>FY 19 - FY 20 % Change</u>
01 Maryland School for the Blind	\$ 23,018,459	\$ 23,346,757	\$ 23,947,915	\$ 601,158	2.6%
02 Blind Industries and Services of Maryland	531,115	531,115	531,115	0	0%
03 Other Institutions	6,266,446	6,276,446	6,276,446	0	0%
04 Aid to Non-Public Schools	5,940,000	6,040,000	6,040,000	0	0%
05 Broadening Options and Opportunities for Students Today	5,500,000	7,000,000	10,000,000	3,000,000	42.9%
<b>Total Expenditures</b>	<b>\$ 41,256,020</b>	<b>\$ 43,194,318</b>	<b>\$ 46,795,476</b>	<b>\$ 3,601,158</b>	<b>8.3%</b>
General Fund	\$ 29,816,020	\$ 30,154,318	\$ 30,755,476	\$ 601,158	2.0%
Special Fund	11,440,000	13,040,000	16,040,000	3,000,000	23.0%
<b>Total Appropriations</b>	<b>\$ 41,256,020</b>	<b>\$ 43,194,318</b>	<b>\$ 46,795,476</b>	<b>\$ 3,601,158</b>	<b>8.3%</b>

MSDE: Maryland State Department of Education

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