

R00A03
Funding for Educational Organizations
Maryland State Department of Education

Operating Budget Data

(\$ in Thousands)

	<u>FY 09</u> <u>Actual</u>	<u>FY 10</u> <u>Working</u>	<u>FY 11</u> <u>Allowance</u>	<u>FY 10-11</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$23,800	\$21,926	\$22,516	\$590	2.7%
Adjusted General Fund	\$23,800	\$21,926	\$22,516	\$590	2.7%
Special Fund	3,586	4,440	4,440	0	
Adjusted Special Fund	\$3,586	\$4,440	\$4,440	\$0	0.0%
Adjusted Grand Total	\$27,386	\$26,366	\$26,956	\$590	2.2%

- The fiscal 2011 allowance increases \$590,000 over the 2010 working appropriation.
- Consistent with intent expressed in fiscal 2010 budget bill language, funds for State Aided Institutions increase by \$625,000 to reflect the transfer of the NorthBay environmental education program from the Aid to Education budget. Funds for the Maryland School for the Blind decrease by \$35,000 to account for lower enrollment.

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

For further information contact: Monica L. Kearns

Phone: (410) 946-5530

Analysis in Brief

Major Trends

Maryland School for the Blind Diplomas and Certificates Hold Steady in 2009: The school awarded 11 certificates and 2 diplomas in 2009. Performance estimates submitted by the school indicate that it anticipates increasing the proportion of graduates in school or employment in fiscal 2010 and 2011. **The Maryland School for the Blind should comment on how it plans to increase the proportion of graduates in school or employment.**

Blind Industries and Services of Maryland Participation and Training Declines in 2009: The number of training hours provided has been close to or above the objective of 35,030 annually since fiscal 2007. However, training hours declined from 2008 to 2009. The number of participants and those in employment or higher education also has declined. **The Blind Industries and Services of Maryland should comment on why the number of participants, training hours, and number of those employed or in higher education declined in fiscal 2009.**

Recommended Actions

	<u>Funds</u>
1. Reduce general funds for State Aided Institutions by \$413,145, which represents 10% of the allowance.	\$ 413,145
2. Add language to authorize special funds budgeted for nonpublic school textbooks to be transferred to Medicaid.	
Total Reductions	\$ 413,145

R00A03
Funding for Educational Organizations
Maryland State Department of Education

Operating Budget Analysis

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), Blind Industries and Services of Maryland (BISM), and other institutions designated as “State Aided Institutions” (SAIs). This part of MSDE’s budget also funds the Nonpublic School Textbook Program, which provides grants to eligible nonpublic schools for textbook and computer supplies.

The following educational services are provided by the nonprofits:

MSB educates students from birth through age 21 who are blind, severely visually impaired, or visually impaired/multi-disabled.

BISM provides employment, training, and rehabilitation services to blind adults at three locations.

SAI Programs

- ***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;
- ***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;
- ***Baltimore Symphony Orchestra/Arts Excel*** enhances teaching of the arts through mid-week concerts for students and teachers;
- ***B & O Railroad Museum, Inc.*** offers a program focusing on history, social studies, and sciences as related to railroad technology;

R00A03 – MSDE – Funding for Educational Organizations

- ***Best Buddies*** pairs special and general education students in middle and high schools in order to foster inclusion and build socialization skills;
- ***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 third grade students;
- ***Citizenship Law-related Education Program*** gives students real-world experiences related to the legal system to promote productive citizenship;
- ***College Bound*** provides college advisors in Baltimore City public high schools to encourage and assist students in continuing their education beyond high school;
- ***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;
- ***Imagination Stage*** produces professional theatre productions for children as part of a theatre arts center for young people;
- ***Jewish Museum of Maryland*** supports on-site and outreach programs focusing on the history, tradition, and culture of Jewish life in Maryland;
- ***Junior Achievement of Central Maryland, Inc.*** provides a one-day Exchange City program that simulates owning and operating business enterprises;
- ***Living Classrooms Foundation*** 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 on-site and outreach programs;
- ***Maryland Humanities Council*** promotes humanities programming throughout Maryland;

R00A03 – MSDE – Funding for Educational Organizations

- *Maryland Leadership Workshops, Inc.* teaches middle and high school students effective leadership skills in a residential summer program setting;
- *Maryland Mathematics, Engineering, and Science Achievement Program* partners with community organizations in providing programs aimed at improving Maryland students' preparation for the study of mathematics-related fields in college;
- *Maryland Zoo in Baltimore* provides a conservation education experience at the zoo or through a mobile outreach program;
- *National Aquarium in Baltimore* supports environmental and science education through on-site programs about aquatic environments;
- *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 Center* 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 Children's Museum* provides hands-on activities for pre-kindergarten through sixth grade student visitors, as well as lesson plans for teachers;
- *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, General Education Diploma classes, and career counseling;

R00A03 – MSDE – Funding for Educational Organizations

- *State Mentoring Resource Center* connects volunteer adult mentors with disadvantaged school children;
- *Sultana Projects, Inc.* 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 third and fourth grade students in Baltimore City;
- *The 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; and
- *Ward Museum of Wildfowl Art* provides environmental education programs focusing on art, history, and science through tours and hands-on activities adaptable to a school setting.

Performance Analysis: Managing for Results

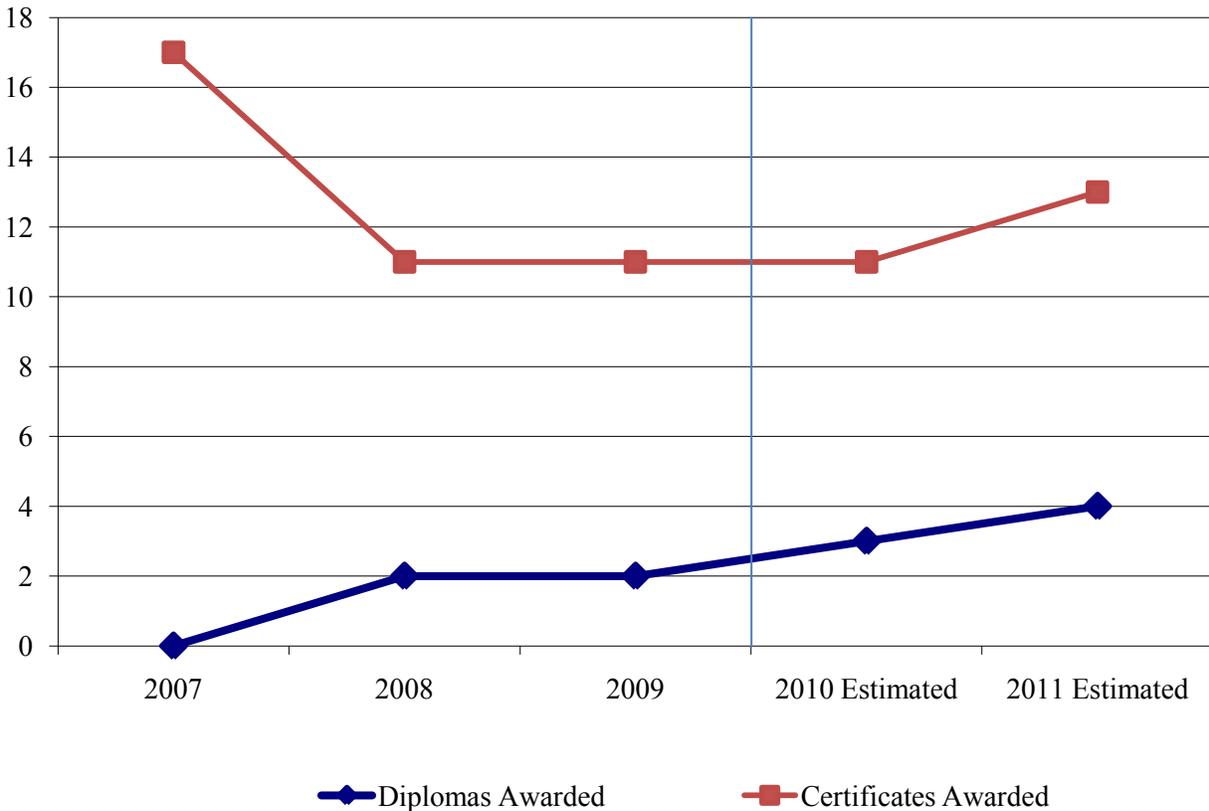
Maryland School for the Blind Diplomas and Certificates Hold Steady in 2009

MSB educates students referred from all 24 local school systems on a day or residential basis according to their Individualized Education Plans. The program includes regular education curriculum as well as instruction in Braille, orientation and mobility, and independent living skills. MSB has about 100 students each year in its residential program and about 88 students each year in its day program.

One of MSB's goals is that all students who pursue education at the school will receive a diploma or certificate with zero dropouts. The school has achieved a zero-dropout rate since at least fiscal 2008. **Exhibit 1** shows that the number of certificates awarded dropped to 11 in 2008, but the number of diplomas awarded increased to 2, and these numbers held steady in 2009.

MSB has another goal that students will learn independent living skills that allow them to achieve success as graduates or when they return to their local schools. The average length of stay for students at MSB is 5.3 years. MSB reports that since at least 2008, 100% of their graduates are in school or training, employed, or in a day or residential program. Performance estimates submitted by the school indicate that it anticipates increasing the proportion of graduates in school or employment in fiscal 2010 and 2011. **MSB should comment on how it plans to increase the proportion of graduates in school or employment.**

Exhibit 1
Maryland School for the Blind
Diplomas and Certificates Awarded
Fiscal 2007-2011



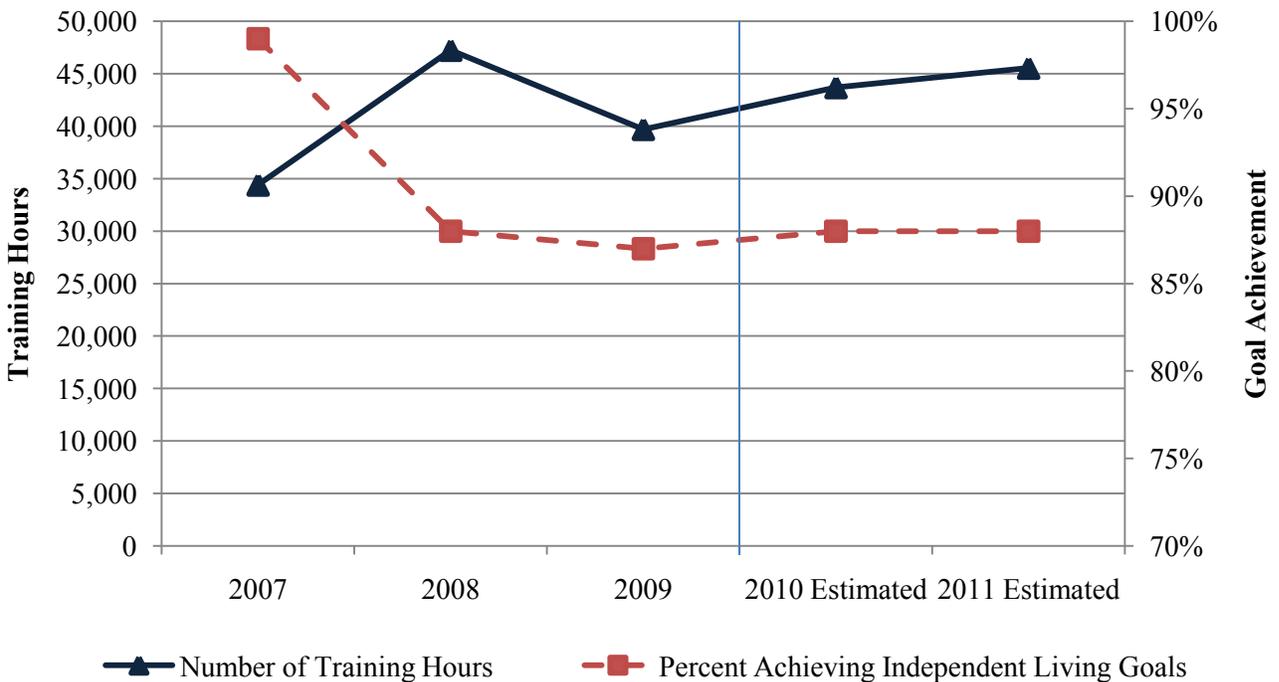
Source: Governor’s Budget Books, Fiscal 2010 and 2011

Blind Industries and Services of Maryland Participation and Training Decline in 2009

One of BISM’s goals is to help people who are blind or low vision to gain the blindness skills and confidence needed to live independently. A related objective is to provide at least 35,030 hours annually of training in blindness skills, such as Braille reading, cane travel, career exploration, woodshop, and community-based training.

As shown in **Exhibit 2**, the number of training hours provided was close to or above the objective in fiscal 2007 to 2009, averaging 40,500 annually. However, there was a decrease from 2008 to 2009. The percent of participants achieving their independent living goals has been at least 87% since 2007, as shown in Exhibit 2. BISM had an average of 137 participants annually during this time.

Exhibit 2
Blind Industries and Services of Maryland
Achievement of Independent Living
Fiscal 2007-2011



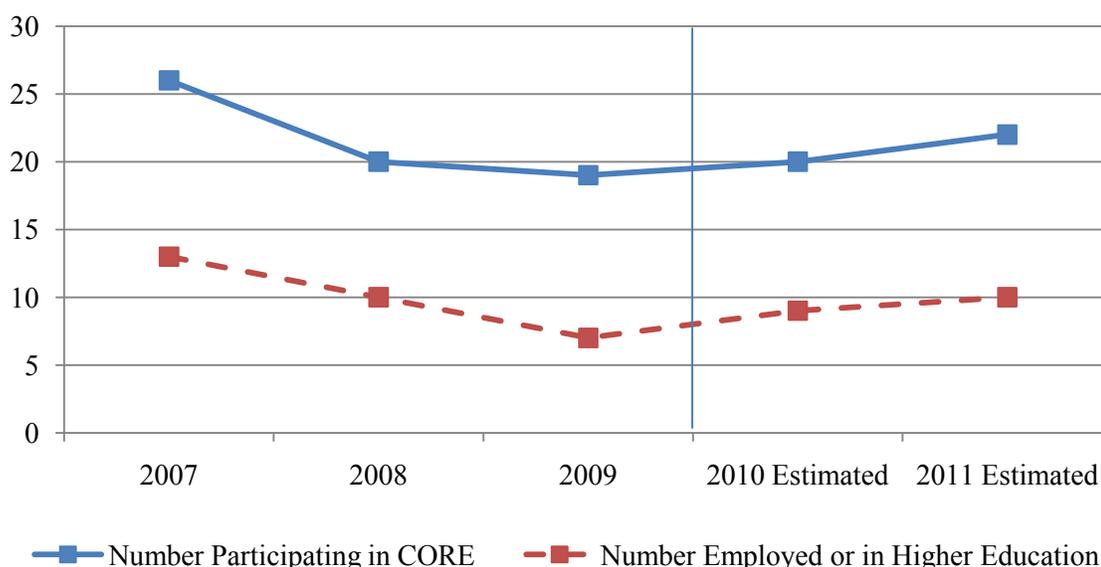
Note: Data for participants achieving independent living goals are from participant surveys.

Source: Governor’s Budget Books, Fiscal 2010 and 2011

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 10 participants of the Comprehensive Orientation, Rehabilitation, and Empowerment (CORE) program to obtain employment or higher education by fiscal 2011. This program is intensive, and residential housing is available for some participants.

Exhibit 3 shows the number of CORE participants, which declined from 26 in fiscal 2007 to 19 in 2009. Exhibit 3 also shows the number of participants who completed the CORE program and are employed or pursuing higher education. This number was 13 in 2007 and 7 in 2009. **BISM should comment on why the number of participants, training hours, and number of those employed or in higher education declined in fiscal 2009.**

Exhibit 3
Blind Industries and Services of Maryland
Employment and Higher Education
Fiscal 2007-2011



CORE: Comprehensive Orientation, Rehabilitation, and Empowerment

Source: Governor’s Budget Books, Fiscal 2010 and 2011

Fiscal 2010 Actions

Impact of Cost Containment

The fiscal 2010 working appropriation is \$1.3 million less than the legislative appropriation. The Board of Public Works reduced appropriations to State Aided Institutions across the board by 10.0% in July 2009 (amounting to \$478,000) and by \$800,000 in August 2009. The \$800,000 represented 16.7% of the legislative appropriation. The Blind Industries and Services of Maryland received a 5.0% reduction, amounting to \$30,000. **Exhibit 4** shows the 2010 appropriations and reductions by SAI.

Exhibit 4
Reductions to Fiscal 2010 Working Appropriation

<u>Program / Grantee</u>	<u>Fiscal 2010 Legislative Appropriation</u>	<u>Total Board of Public Works Reductions</u>	<u>Fiscal 2010 Working Appropriation</u>
Alice Ferguson Foundation	\$72,988	\$19,502	\$53,486
Alliance of Southern Prince George’s Communities, Inc.	29,195	7,801	21,394
American Visionary Art Museum	13,829	3,695	10,134
B & O Railroad Museum, Inc.	55,317	14,780	40,537
Baltimore Museum of Industry	73,756	19,707	54,049
Baltimore Symphony Orchestra	58,390	15,601	42,789
Best Buddies	145,976	39,004	106,972
Chesapeake Bay Foundation	383,379	102,436	280,943
Chesapeake Bay Maritime Museum	18,439	4,927	13,512
Citizenship Law-related Education	26,890	7,185	19,705
College Bound Foundation	33,037	8,827	24,210
Dyslexic Tutoring Program, Inc.	33,037	8,827	24,210
Echo Hill Outdoor School	49,171	13,138	36,033
Imagination Stage	218,964	58,505	160,459
The Jewish Museum of Maryland	11,524	3,079	8,445
Junior Achievement of Central Maryland	36,878	9,854	27,024
Living Classrooms Foundation	279,660	74,723	204,937
Maryland Academy of Sciences	802,868	214,516	588,352
Maryland Historical Society	109,866	29,356	80,510
Maryland Humanities Council	38,415	10,265	28,150
Maryland Leadership Workshops	39,951	10,674	29,277
Maryland Mathematics, Engineering, and Science Achievement	69,915	18,681	51,234
Maryland Zoo in Baltimore	746,784	199,533	547,251
National Aquarium in Baltimore	436,391	116,599	319,792
National Great Blacks in Wax Museum	36,878	9,854	27,024
National Museum of Ceramic Art and Glass	18,439	4,927	13,512
Olney Theater	128,306	34,283	94,023
Outward Bound	116,781	31,203	85,578
Port Discovery Children’s Museum	102,183	27,302	74,881
Salisbury Zoological Park	16,134	4,311	11,823
Sotterley Foundation	11,524	3,079	8,445
South Baltimore Learning Center	36,878	9,854	27,024
State Mentoring Resource Center	69,915	18,681	51,234
Sultana Projects	18,439	4,927	13,512
SuperKids Camp	359,562	96,072	263,490
Village Learning Place	39,951	10,674	29,277
Walters Art Museum	14,598	3,901	10,697
Ward Museum	30,732	8,211	22,521
Total State Aided Educ. Institutions	\$4,784,940	\$1,278,494	\$3,506,446

Note: The Board of Public Works reduced appropriations to State Aided Institutions by 10% in July 2009 and by \$800,000 in August 2009.

Source: Maryland State Department of Education; Governor’s Budget, Fiscal 2011

Proposed Budget

The fiscal 2011 allowance for the Funding for Educational Organizations program is \$27 million, a \$590,000 increase over the 2010 working appropriation. **Exhibit 5** shows appropriations by major program.

Exhibit 5
Funding for Educational Organizations
Fiscal 2009-2011
(\$ in Thousands)

	<u>2009</u>	<u>2010 Leg.</u> <u>Approp.</u>	<u>2010</u> <u>Working</u> <u>Approp.</u>	<u>2011</u> <u>Allowance</u>
Maryland School for the Blind	\$17,882	\$17,848	\$17,848	\$17,813
Blind Industries and Services of Maryland	601	601	571	571
State Aided Educational Institutions	5,317	4,785	3,506	4,131
Nonpublic School Textbook and Technology Grants	3,586	4,440	4,440	4,440
Total	\$27,386	\$27,674	\$26,366	\$26,956

Note: Funding for NorthBay was moved from the Aid to Education budget to the State Aided Institutions budget beginning in fiscal 2011.

Source: Governor's Budget, Fiscal 2011

Exhibit 6 shows detail on the changes from fiscal 2010 to 2011. Funds for State Aided Institutions increase by \$625,000 to reflect the transfer of the NorthBay environmental education program from the Aid to Education budget, per fiscal 2010 budget bill language. Funds for the Maryland School for the Blind decrease by \$35,000 to account for lower enrollment. State funding for this school is based on student enrollment and growth in the per pupil foundation formula for public primary and secondary schools. The State per pupil foundation amount does not change from 2010 to 2011.

Funds for Blind Industries and Services of Maryland do not change from fiscal 2010 to 2011. Grants to nonpublic schools for textbooks and technology do not change. These grants are supported by special funds from the Cigarette Restitution Fund. **Exhibit 7** shows the 2011 allowance by SAI.

Exhibit 6
Proposed Budget
MSDE – Funding for Educational Organizations
(\$ in Thousands)

How Much It Grows:	General Fund	Special Fund	Total
2010 Working Appropriation	\$21,926	\$4,440	\$26,366
2011 Allowance	<u>22,516</u>	<u>4,440</u>	<u>26,956</u>
Amount Change	\$590	\$0	\$590
Percent Change	2.7%		2.2%
 Contingent Reductions	 \$0	 \$0	 \$0
Adjusted Change	\$590	\$0	\$590
Adjusted Percent Change	2.7%	0.0%	2.2%

Where It Goes:

General Fund Changes

NorthBay funds moved to the State Aided Institutions budget in fiscal 2011	\$625
Maryland School for the Blind enrollment adjustment	-35
Total	\$590

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

**Exhibit 7
Fiscal 2011 Allowance**

<u>Program/Grantee</u>	<u>Fiscal 2010 Working Appropriation</u>	<u>Fiscal 2011 Allowance</u>
Alice Ferguson Foundation	\$53,486	\$53,486
Alliance of Southern Prince George's Communities, Inc.	21,394	21,394
American Visionary Art Museum	10,134	10,134
B & O Railroad Museum, Inc.	40,537	40,537
Baltimore Museum of Industry	54,049	54,049
Baltimore Symphony Orchestra	42,789	42,789
Best Buddies	106,972	106,972
Chesapeake Bay Foundation	280,943	280,943
Chesapeake Bay Maritime Museum	13,512	13,512
Citizenship Law-related Education	19,705	19,705
College Bound Foundation	24,210	24,210
Dyslexic Tutoring Program, Inc.	24,210	24,210
Echo Hill Outdoor School	36,033	36,033
Imagination Stage	160,459	160,459
The Jewish Museum of Maryland	8,445	8,445
Junior Achievement of Central Maryland	27,024	27,024
Living Classrooms Foundation	204,937	204,937
Maryland Academy of Sciences	588,352	588,352
Maryland Historical Society	80,510	80,510
Maryland Humanities Council	28,150	28,150
Maryland Leadership Workshops	29,277	29,277
Maryland Mathematics, Engineering, and Science Achievement	51,234	51,234
Maryland Zoo in Baltimore	547,251	547,251
National Aquarium in Baltimore	319,792	319,792
National Great Blacks in Wax Museum	27,024	27,024
National Museum of Ceramic Art and Glass	13,512	13,512
NorthBay *	0	625,000
Olney Theater	94,023	94,023
Outward Bound	85,578	85,578
Port Discovery Children's Museum	74,881	74,881
Salisbury Zoological Park	11,823	11,823
Sotterley Foundation	8,445	8,445
South Baltimore Learning Center	27,024	27,024
State Mentoring Resource Center	51,234	51,234
Sultana Projects	13,512	13,512
SuperKids Camp	263,490	263,490
Village Learning Place	29,277	29,277
Walters Art Museum	10,697	10,697
Ward Museum	22,521	22,521
Total State Aided Educational Institutions	\$3,506,446	\$4,131,446

* Funding for NorthBay was moved from the Aid to Education budget to the State Aided Institution budget beginning in fiscal 2011.

Source: Governor's Budget, Fiscal 2011

Recommended Actions

- | | <u>Amount
Reduction</u> | |
|---|------------------------------------|----|
| 1. Reduce general funds for State Aided Institutions by \$413,145, which represents 10% of the fiscal 2011 allowance. With this reduction, \$3.7 million would remain for 2011. | \$ 413,145 | GF |

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

. provided that \$444,000 of this appropriation, made for the purpose of providing grants for nonpublic school textbooks and technology, may not be spent for that purpose, but may only be transferred by budget amendment to the Medicaid Program. Funds not expended for this purpose may not be transferred, by budget amendment or otherwise, to any other purpose, or shall be cancelled and revert to the Cigarette Restitution Fund.

Explanation: The nonpublic school textbook and technology program is budgeted to receive \$4.44 million in the fiscal 2011 allowance. This action authorizes 10%, or \$444,000, of the amount to instead be transferred to support Medicaid expenditures.

Total General Fund Reductions	\$ 413,145
--------------------------------------	-------------------

Current and Prior Year Budgets

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

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2009					
Legislative Appropriation	\$24,743	\$3,598	\$0	\$0	\$28,341
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	0	0	0	0	0
Cost Containment	-943	0	0	0	-943
Reversions and Cancellations	0	-12	0	0	-12
Actual Expenditures	\$23,800	\$3,586	\$0	\$0	\$27,386
Fiscal 2010					
Legislative Appropriation	\$23,234	\$4,440	\$0	\$0	\$27,674
Cost Containment	-1,309	0	0	0	-1,309
Budget Amendments	0	0	0	0	0
Working Appropriation	\$21,926	\$4,440	\$0	\$0	\$26,366

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

Fiscal 2009

The fiscal 2009 budget closed at \$27.4 million, \$1.0 million less than the legislative appropriation. Actual general fund expenditures were \$23.8 million, \$0.9 million less than the legislative appropriation. Funding for the State Aided Institutions Program was reduced by \$911,400, and funding for the Blind Industries and Services of Maryland was reduced by \$31,649. Special funds closed at \$3.6 million. A total of \$11,993 in funds for the nonpublic textbook program was cancelled.

Fiscal 2010

The fiscal 2010 working appropriation is \$1.3 million less than the legislative appropriation. The Board of Public Works reduced appropriations to State Aided Institutions across the board by \$478,000 in July 2009 and by \$800,000 in August 2009. The Blind Industries and Services of Maryland received a 5% reduction, amounting to \$30,000.

**Object/Fund Difference Report
MSDE – Funding for Educational Organizations**

<u>Object/Fund</u>	<u>FY09 Actual</u>	<u>FY10 Working Appropriation</u>	<u>FY11 Allowance</u>	<u>FY10 - FY11 Amount Change</u>	<u>Percent Change</u>
Objects					
08 Contractual Services	\$ 3,586,007	\$ 0	\$ 0	\$ 0	0.0%
12 Grants, Subsidies, and Contributions	23,800,169	26,365,558	26,955,902	590,344	2.2%
Total Objects	\$ 27,386,176	\$ 26,365,558	\$ 26,955,902	\$ 590,344	2.2%
Funds					
01 General Fund	\$ 23,800,169	\$ 21,925,558	\$ 22,515,902	\$ 590,344	2.7%
03 Special Fund	3,586,007	4,440,000	4,440,000	0	0%
Total Funds	\$ 27,386,176	\$ 26,365,558	\$ 26,955,902	\$ 590,344	2.2%

Note: The fiscal 2010 appropriation does not include deficiencies.

Fiscal Summary
MSDE – Funding for Educational Organizations

<u>Program/Unit</u>	<u>FY09 Actual</u>	<u>FY10 Wrk Approp</u>	<u>FY11 Allowance</u>	<u>Change</u>	<u>FY10 - FY11 % Change</u>
01 Maryland School for the Blind	\$ 17,882,219	\$ 17,847,830	\$ 17,813,174	-\$ 34,656	-0.2%
02 Blind Industries and Services of Maryland	601,350	571,282	571,282	0	0%
03 Other Institutions	5,316,600	3,506,446	4,131,446	625,000	17.8%
04 Aid to Nonpublic Schools	3,586,007	4,440,000	4,440,000	0	0%
Total Expenditures	\$ 27,386,176	\$ 26,365,558	\$ 26,955,902	\$ 590,344	2.2%
General Fund	\$ 23,800,169	\$ 21,925,558	\$ 22,515,902	\$ 590,344	2.7%
Special Fund	3,586,007	4,440,000	4,440,000	0	0%
Total Appropriations	\$ 27,386,176	\$ 26,365,558	\$ 26,955,902	\$ 590,344	2.2%

Note: The fiscal 2010 appropriation does not include deficiencies.