

**R99E**  
**Maryland School for the Deaf**

***Operating Budget Data***

(\$ in Thousands)

	<u>FY 11</u> <u>Actual</u>	<u>FY 12</u> <u>Working</u>	<u>FY 13</u> <u>Allowance</u>	<u>FY 12-13</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$24,634	\$27,063	\$27,481	\$418	1.5%
<b>Adjusted General Fund</b>	<b>\$24,634</b>	<b>\$27,063</b>	<b>\$27,481</b>	<b>\$418</b>	<b>1.5%</b>
Special Fund	2,448	444	431	-14	-3.1%
<b>Adjusted Special Fund</b>	<b>\$2,448</b>	<b>\$444</b>	<b>\$431</b>	<b>-\$14</b>	<b>-3.1%</b>
Federal Fund	754	482	529	46	9.6%
<b>Adjusted Federal Fund</b>	<b>\$754</b>	<b>\$482</b>	<b>\$529</b>	<b>\$46</b>	<b>9.6%</b>
Reimbursable Fund	1,966	2,187	2,129	-58	-2.6%
<b>Adjusted Reimbursable Fund</b>	<b>\$1,966</b>	<b>\$2,187</b>	<b>\$2,129</b>	<b>-\$58</b>	<b>-2.6%</b>
<b>Adjusted Grand Total</b>	<b>\$29,802</b>	<b>\$30,177</b>	<b>\$30,570</b>	<b>\$393</b>	<b>1.3%</b>

- The fiscal 2013 allowance increases \$392,570, or 1.3%, over the 2012 working appropriation. General funds increase \$417,999, or 1.5%, over fiscal 2012.

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

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## ***Personnel Data***

	<b><u>FY 11 Actual</u></b>	<b><u>FY 12 Working</u></b>	<b><u>FY 13 Allowance</u></b>	<b><u>FY 12-13 Change</u></b>
Regular Positions	319.50	319.50	319.50	0.00
Contractual FTEs	<u>88.20</u>	<u>81.00</u>	<u>83.30</u>	<u>2.30</u>
<b>Total Personnel</b>	<b>407.70</b>	<b>400.50</b>	<b>402.80</b>	<b>2.30</b>

### ***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	1.60	0.50%
Positions and Percentage Vacant as of 12/31/11	0.0	0.00%

- Contractual personnel fluctuate depending on student needs. The 2.3 contractual increase from fiscal 2012 to 2013 represents 1 additional teacher and 2 teacher aides.

## ***Analysis in Brief***

### **Major Trends**

***Proportion of Students Going to College and Entering Work or Training Increases in Fiscal 2011:*** Nearly 100% of Essential Curriculum students attended college between fiscal 2006 and 2008, but the rate dropped below 90% in 2009. By fiscal 2011, the college going rate reached 90%. The proportion of students receiving certificates of program completion, entering work or training, was 100% in fiscal 2007 and 2008 before declining sharply in 2009. The proportion increased in fiscal 2010 and returned to 100% in fiscal 2011. The Maryland School for the Deaf reports that fluctuation is common given the small number of students.

***Kindergarten Readiness Stabilizes in Fiscal 2011:*** Nearly 75% of children at both the Frederick and Columbia campuses entered kindergarten fully ready to learn in fiscal 2011, following declines in kindergarten readiness in fiscal 2010 at both campuses.

### **Recommended Actions**

1. Concur with Governor's allowance.

**R99E**  
**Maryland School for the Deaf**

***Operating Budget Analysis***

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**Program Description**

The Maryland School for the Deaf (MSD) provides comprehensive pre-kindergarten through grade 12 education to deaf students through day and residential programs. Students enroll in one of three main programs. Essential Curriculum students follow the Maryland Voluntary State Curriculum. The Enhanced Program of Services supports students who have multiple disabilities, are medically fragile, or are developmentally disabled. The Family Education/Early Intervention Program provides services for families of children age five or younger in developing early language skills, including American Sign Language (ASL) and English, for the child and family.

The school has two campuses. The Frederick location serves students in pre-kindergarten through grade 12, while the Columbia location serves students through grade 8. Students graduating from the Frederick campus are eligible for the Maryland State High School Diploma or a Certificate of Completion. Students at both campuses follow the Essential Curriculum or the Life-Based Curriculum. Both lay out various benchmarks and require different levels of student support services, as dictated by the students' Individual Education Plan.

MSD has one overarching goal: to enable students in pre-kindergarten through grade 12 to achieve their developmental potential.

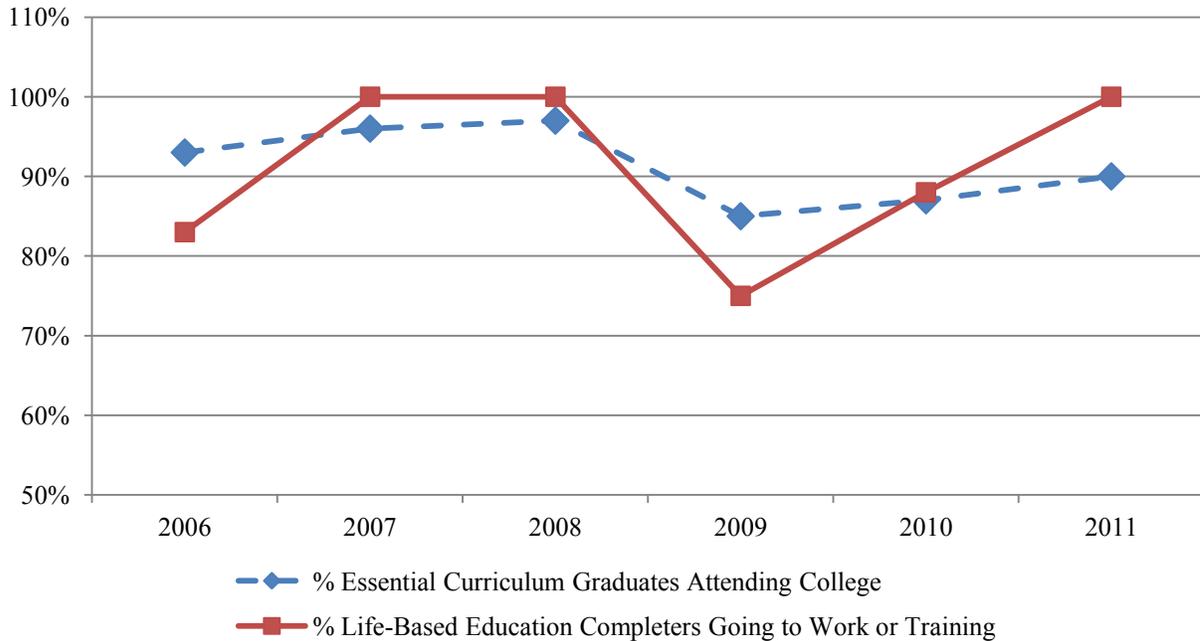
**Performance Analysis: Managing for Results**

**Proportion of Students Going to College, Work, or Training Stabilizes in Fiscal 2011**

The Frederick campus has several objectives that guide its measurement of success. The first is for 70% of the Essential Curriculum students to receive a Maryland State High School Diploma and attend college. MSD students may remain at the school until age 21, and the school offers support services to help each Essential Curriculum student earn a diploma, ensuring a 100% graduation rate. As with other Maryland high school seniors, MSD students must pass all three Maryland High School Assessment (HSA) exams to receive a diploma.

Most Essential Curriculum graduates pursue higher education, as show in **Exhibit 1**. From fiscal 2006 to 2008, nearly 100% of students attended college. The rate dropped to 85% in 2009, and was 90% in 2011. MSD has averaged 27 graduates per year since 2006, and with small groups of graduates, outcomes of a few students can make a significant difference.

**Exhibit 1**  
**Students Going to College, Work, or Training**  
**Fiscal 2006-2011**



Notes: Essential Curriculum graduates receive Maryland State High School Diplomas. Maryland School for the Deaf has averaged 27 Essential Curriculum graduates and 7 Life-Based Education completers each year since fiscal 2006.

Source: Governor’s Budget Books, Fiscal 2009-2013

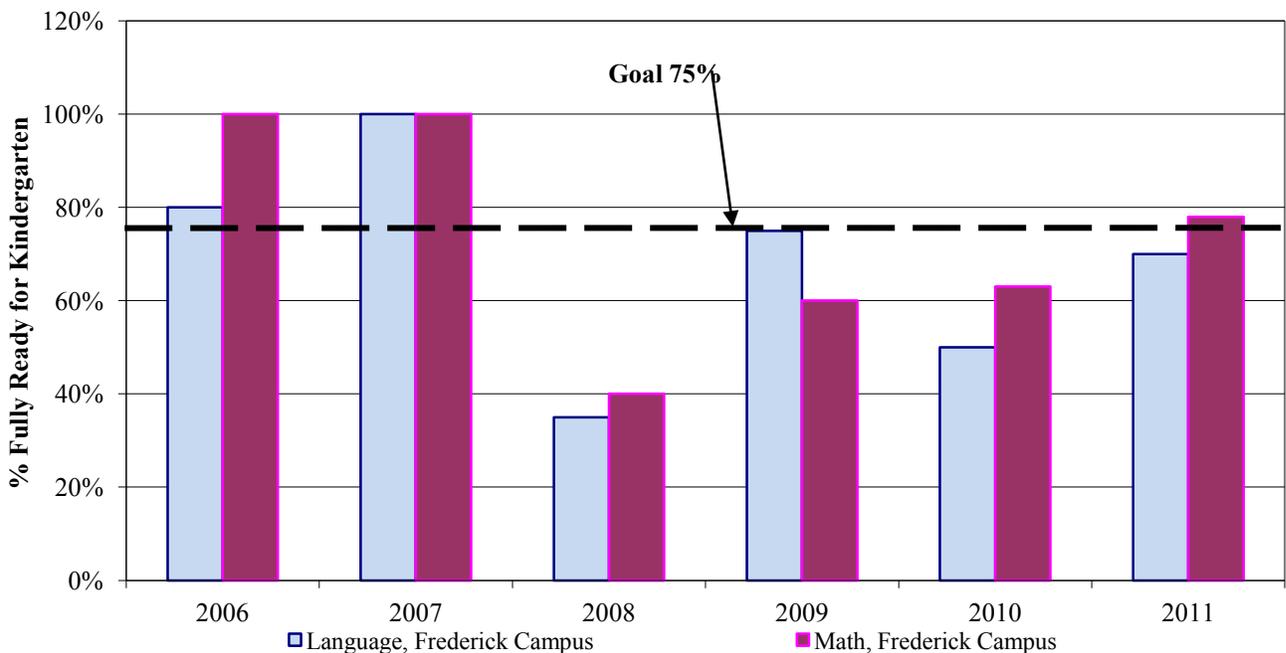
MSD no longer reports on the proportion of Essential Curriculum students that perform at a higher proficiency rate on the HSA exams than the State’s overall performance rate. MSD reports that the measure was abandoned due to the fact that MSD is no longer reported on the Maryland Report Card. MSD did not meet this objective in any exam subject – Algebra, English, Biology, and Government in fiscal 2008 or 2009. **MSD should comment on whether the school continues to collect data on the proportion of Essential Curriculum students that perform at a higher proficiency rate on the HSA exams than the State’s overall performance rate, and why the measure is no longer useful, given that students must pass these exams, complete a bridge project, or receive a waiver to earn a Maryland State High School Diploma.**

Another objective is for students in the Life-Based Education Curriculum to receive a Maryland State Certificate of Program Completion and go on to work or to a training program. Since fiscal 2006, an average of seven students has received the certificate of program completion each year. Exhibit 1 shows that the percent going to work or training returned to 100% in fiscal 2011, following a dip in fiscal 2009 and 2010. With such a small group of students, the outcome of each student can cause the results to vary widely from year to year.

## Kindergarten Readiness

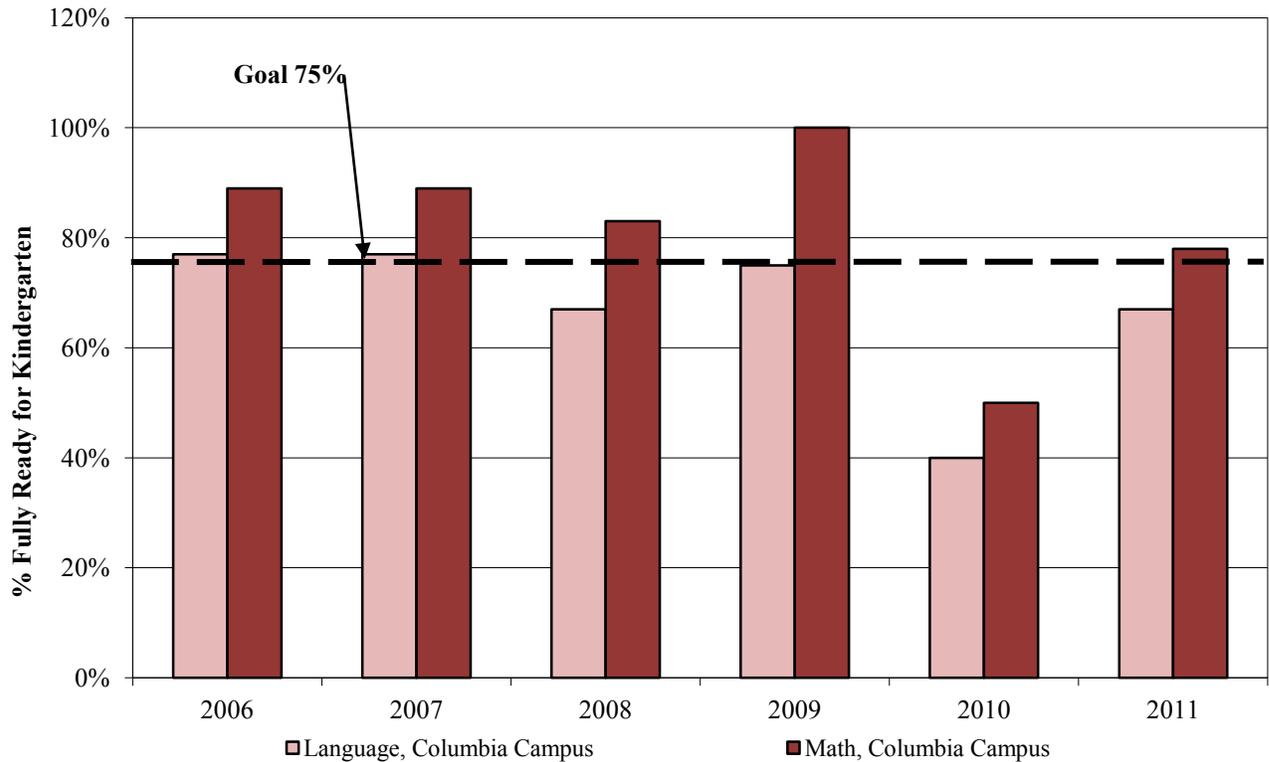
The final objective for both the Frederick and Columbia campuses is for 75% of kindergarteners to be fully ready in language and mathematical thinking by 2011. To measure this outcome, MSD uses the Maryland Model for School Readiness (MMSR). As shown in **Exhibit 2**, the Frederick campus exceeded the objective in fiscal 2006 and 2007 but was below the objective from fiscal 2008 to 2010. In fiscal 2011, kindergarteners at the Frederick campus nearly met the objective, but fell slightly short of 75% in language thinking. **Exhibit 3** shows that the Columbia campus exceeded or nearly met the objective from fiscal 2006 to 2009, but was below the objective in fiscal 2010. Like the Frederick campus, kindergarten readiness nearly met the objective in 2011, but fell slightly short of the language benchmark. MSD reports that the small number of kindergarten students each year causes significant fluctuation in this indicator, as well as the number of kindergarteners in a given year born into families with parents fluent in ASL. Classes with large proportions of children who enter the pre-kindergarten level already fluent in ASL and English typically have average or above average MMSR results, while classes with large proportions of children entering without ASL or English fluency spend much of the preparation for kindergarten focused on language acquisition rather than other kindergarten readiness skills.

**Exhibit 2**  
**Maryland School for the Deaf – Frederick Campus**  
**Kindergarten Readiness**  
**Fiscal 2006-2011**



Source: Governor’s Budget Books, Fiscal 2009-2013

**Exhibit 3**  
**Maryland School for the Deaf – Columbia Campus**  
**Kindergarten Readiness**  
**Fiscal 2006-2011**



Source: Governor’s Budget Books, Fiscal 2009-2013

The MMSR is a standardized assessment with seven domains: language and literacy; mathematical thinking; scientific thinking; social studies; the arts; physical development; and personal and social development. **Exhibit 4** shows readiness across these domains for children at both MSD campuses in the 2009-2010 and 2010-2011 school year. Kindergarten readiness levels increased significantly over this period, with the percentage of students entering kindergarten fully ready increasing from 19% in 2009-2010 to 79% in 2010-2011. MSD has worked to improve kindergarten readiness in recent years by promoting more parent involvement through a partnership with the local Barnes and Noble Bookstore to offer storytelling events; providing more teacher professional development in differentiated instruction and curriculum connections to a work sampling system and MathWorks training; and instituting new instructional strategies including the use of several new assessment tools.

**Exhibit 4**  
**Kindergarten Readiness – Maryland School for the Deaf**  
**All Learning Domains**  
**(School Years)**

	<u>2009-2010</u>	<u>2010-2011</u>
Fully Ready	19%	79%
Approaching Ready	43%	10%
Still Developing	38%	10%

Note: Columns may not sum to 100% due to rounding

Source: Maryland School for the Deaf

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## **Proposed Budget**

Chapter 511 of 1997 (House Bill 1023) established a State funding formula for MSD based on enrollment growth and growth in State formula funding provided to local school systems. The formula is based 75% on the increase in the per pupil foundation under the basic current expense State aid formula and enrollment growth, and 25% solely on enrollment growth. Adjustments for enrollment reflect 20% of the change in the four-year moving average of MSD student enrollment. This adjustment softens the impact of increases and decreases in student population. For fiscal 2013, the four-year enrollment average is 445, which is an increase from 438 in the 2011 budget. The State per pupil foundation amount increases \$67, or 1.0%, from fiscal 2012 to \$6,761. This results in a \$266,864 increase in the MSD budget for fiscal 2013. In addition, MSD received a \$151,135 general fund increase to support added Statewide Personnel System Allocation costs, bringing the total general fund increase to \$417,999, or 1.5%, as shown in **Exhibit 5**.

Special funds are expected to decrease \$13,884 due to an adjustment in expected out-of-state tuition revenue and reimbursement from local education agencies for students in the enhanced program grant, while federal funds increase \$46,341 due to an anticipated increase in medical assistance reimbursement in the fiscal 2013 budget. Reimbursable funds decline \$57,886 due to an expected reduction in direct services required by students in the form of one-to-one classroom and dormitory aides, occupational and physical therapy, speech, behavioral intervention, and Extended School Year services. In addition, MSD is expected to collect \$331,000 in out-of-state tuition revenues in fiscal 2012 and \$337,272 in fiscal 2013 from the enrollment of 4 out-of-state students. Historically, MSD recognized these funds as special fund revenue throughout the fiscal year by budget amendment. Beginning in fiscal 2011, 50% of these funds are reverted to the general fund at the end of the fiscal year, though the amount may fluctuate based on mid-year enrollment changes.

**Exhibit 5**  
**Proposed Budget**  
**Maryland School for the Deaf**  
**(\$ in Thousands)**

<b>How Much It Grows:</b>	<b>General Fund</b>	<b>Special Fund</b>	<b>Federal Fund</b>	<b>Reimb. Fund</b>	<b>Total</b>
2012 Working Appropriation	\$27,063	\$444	\$482	\$2,187	\$30,177
2013 Allowance	<u>27,481</u>	<u>431</u>	<u>529</u>	<u>2,129</u>	<u>30,570</u>
Amount Change	\$418	-\$14	\$46	-\$58	\$393
Percent Change	1.5%	-3.1%	9.6%	-2.6%	1.3%
 Contingent Reduction	 \$0	 \$0	 \$0	 \$0	 \$0
Adjusted Change	\$418	-\$14	\$46	-\$58	\$393
Adjusted Percent Change	1.5%	-3.1%	9.6%	-2.6%	1.3%

**Where It Goes:**

**Personnel Expenses**

State contribution to employee retirement.....	\$282
Salary adjustments.....	-228
Completion of one-time \$750 employee bonus.....	-232
Employee and retiree health insurance.....	91
Workers' compensation premium assessment.....	-24
Turnover adjustments.....	1
Training for faculty on new statewide Common Core Curriculum.....	94
Other fringe benefit adjustments.....	-9

**Other Changes**

Contractual personnel.....	149
Building repairs to replace aged windows and repair HVAC systems.....	78
Statewide Personnel System allocation.....	151
Retirement administrative fee.....	40

**Total** **\$393**

HVAC: heating, ventilation, and air conditioning

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

## **Personnel Expenditures**

Regular earnings in the fiscal 2013 allowance are budgeted to decrease \$228,330 after accounting for the one-time \$750 employee bonus in fiscal 2012. At the same time, contractual personnel increase \$148,809. MSD explains that some positions vacated by retirements of higher paid administrative staff and faculty in fiscal 2012 were subsequently filled at lower steps. Contractual expenditures increase due to 1 additional teacher and 2 teacher aides to facilitate an all-day three-year-old program. Contractual staff is hired to meet student needs which fluctuate from year to year based on the make-up of student enrollment. Overall, the number of regular positions remains the same while contractual full-time equivalents increase by 2.3.

## **Other Changes**

Increases in the fiscal 2013 allowance include \$93,843 to cover additional training for faculty on the new statewide Common Core Curriculum Frameworks for English Language Arts and Mathematics to be initiated next year; \$78,000 for building repairs and maintenance to replace aged windows and repair the heating, ventilation, and air conditioning systems; \$151,135 for MSD's Statewide Personnel System Allocation; and \$39,952 to support the new Retirement Administrative fee.

## ***Recommended Actions***

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1. Concur with Governor's allowance.

## *Current and Prior Year Budgets*

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### **Current and Prior Year Budgets Maryland School for the Deaf (\$ 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 2011</b>					
Legislative Appropriation	\$25,084	\$228	\$970	\$2,075	\$28,357
Deficiency Appropriation	0	180	0	0	180
Budget Amendments	0	2,040	0	0	2,040
Reversions and Cancellations	-450	0	-216	-110	-776
<b>Actual Expenditures</b>	<b>\$24,634</b>	<b>\$2,448</b>	<b>\$754</b>	<b>\$1,966</b>	<b>\$29,802</b>
<b>Fiscal 2012</b>					
Legislative Appropriation	\$26,837	\$444	\$477	\$2,187	\$29,945
Budget Amendments	227	1	5	0	232
<b>Working Appropriation</b>	<b>\$27,063</b>	<b>\$444</b>	<b>\$482</b>	<b>\$2,187</b>	<b>\$30,177</b>

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

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## **Fiscal 2011**

The fiscal 2011 budget closed at \$29.8 million, which was \$1.4 million higher than the legislative appropriation. A special fund deficiency of \$180,147 increased the appropriation to recognize tuition revenue from out-of-state students. The funds were used to support educational equipment, computer maintenance contracts, building repairs, and salaries and fringe benefits at the Frederick and Columbia campuses. Per Chapter 484 of 2010, \$2.0 million was added by budget amendment to reflect the use of special fund balance from the Universal Service Trust Fund. Reversions and cancellations reduced the appropriation by \$775,554.

***Reversions and Cancellations:*** Cancellations totaled \$775,554. A reversion of \$450,000 in general funds represented the school's contribution to statewide salary reductions. Federal funds of \$215,994 were cancelled due to a reduction in the school's Individuals with Disabilities Education Act Part B grant. The Maryland State Department of Education (MSDE) had been incorrectly calculating the grant and made a correction in fiscal 2011. Reimbursable funds of \$109,560 were cancelled due to lower than anticipated enrollment of students requiring support through the Enhanced Program of Services grant from MSDE and the Emotional Disturbed pilot program on the Frederick campus.

## **Fiscal 2012**

The fiscal 2012 appropriation increased \$226,775 in general funds, \$807 in special funds, and \$4,843 in federal funds to reflect the one-time \$750 employee bonus.

**Object/Fund Difference Report  
Maryland School for the Deaf**

<u>Object/Fund</u>	<u>FY 11 Actual</u>	<u>FY 12 Working Appropriation</u>	<u>FY 13 Allowance</u>	<u>FY 12 - FY 13 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	319.50	319.50	319.50	0.00	0%
02 Contractual	88.20	81.00	83.30	2.30	2.8%
<b>Total Positions</b>	<b>407.70</b>	<b>400.50</b>	<b>402.80</b>	<b>2.30</b>	<b>0.6%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 23,267,980	\$ 23,872,425	\$ 23,846,777	-\$ 25,648	-0.1%
02 Technical and Spec. Fees	3,249,828	3,045,412	3,211,834	166,422	5.5%
03 Communication	103,396	127,149	112,779	-14,370	-11.3%
04 Travel	23,414	2,050	800	-1,250	-61.0%
06 Fuel and Utilities	1,438,991	1,304,818	1,321,557	16,739	1.3%
07 Motor Vehicles	61,741	76,269	69,614	-6,655	-8.7%
08 Contractual Services	797,929	783,297	998,165	214,868	27.4%
09 Supplies and Materials	632,208	877,360	883,661	6,301	0.7%
10 Equipment – Replacement	151,759	24,000	56,840	32,840	136.8%
13 Fixed Charges	74,489	64,185	67,508	3,323	5.2%
<b>Total Objects</b>	<b>\$ 29,801,735</b>	<b>\$ 30,176,965</b>	<b>\$ 30,569,535</b>	<b>\$ 392,570</b>	<b>1.3%</b>
<b>Funds</b>					
01 General Fund	\$ 24,633,690	\$ 27,063,320	\$ 27,481,319	\$ 417,999	1.5%
03 Special Fund	2,448,055	444,452	430,568	-13,884	-3.1%
05 Federal Fund	754,402	482,242	528,583	46,341	9.6%
09 Reimbursable Fund	1,965,588	2,186,951	2,129,065	-57,886	-2.6%
<b>Total Funds</b>	<b>\$ 29,801,735</b>	<b>\$ 30,176,965</b>	<b>\$ 30,569,535</b>	<b>\$ 392,570</b>	<b>1.3%</b>

Note: The fiscal 2012 appropriation does not include deficiencies.

**Fiscal Summary  
Maryland School for the Deaf**

<u>Program/Unit</u>	<u>FY 11 Actual</u>	<u>FY 12 Wrk Approp</u>	<u>FY 13 Allowance</u>	<u>Change</u>	<u>FY 12 - FY 13 % Change</u>
01 Maryland School for the Deaf – Frederick Campus	\$ 19,945,021	\$ 20,056,076	\$ 20,251,286	\$ 195,210	1.0%
02 Maryland School for the Deaf – Columbia Campus	9,856,714	10,120,889	10,318,249	197,360	2.0%
<b>Total Expenditures</b>	<b>\$ 29,801,735</b>	<b>\$ 30,176,965</b>	<b>\$ 30,569,535</b>	<b>\$ 392,570</b>	<b>1.3%</b>
General Fund	\$ 24,633,690	\$ 27,063,320	\$ 27,481,319	\$ 417,999	1.5%
Special Fund	2,448,055	444,452	430,568	-13,884	-3.1%
Federal Fund	754,402	482,242	528,583	46,341	9.6%
<b>Total Appropriations</b>	<b>\$ 27,836,147</b>	<b>\$ 27,990,014</b>	<b>\$ 28,440,470</b>	<b>\$ 450,456</b>	<b>1.6%</b>
Reimbursable Fund	\$ 1,965,588	\$ 2,186,951	\$ 2,129,065	-\$ 57,886	-2.6%
<b>Total Funds</b>	<b>\$ 29,801,735</b>	<b>\$ 30,176,965</b>	<b>\$ 30,569,535</b>	<b>\$ 392,570</b>	<b>1.3%</b>

Note: The fiscal 2012 appropriation does not include deficiencies.