

R99E
Maryland School for the Deaf

Operating Budget Data

(\$ in Thousands)

	<u>FY 12</u> <u>Actual</u>	<u>FY 13</u> <u>Working</u>	<u>FY 14</u> <u>Allowance</u>	<u>FY 13-14</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$27,063	\$27,412	\$28,491	\$1,079	3.9%
Contingent & Back of Bill Reductions	0	0	-34	-34	
Adjusted General Fund	\$27,063	\$27,412	\$28,457	\$1,045	3.8%
Special Fund	420	612	398	-214	-34.9%
Adjusted Special Fund	\$420	\$612	\$398	-\$214	-34.9%
Federal Fund	600	530	565	35	6.6%
Adjusted Federal Fund	\$600	\$530	\$565	\$35	6.5%
Reimbursable Fund	2,743	2,129	2,487	358	16.8%
Adjusted Reimbursable Fund	\$2,743	\$2,129	\$2,487	\$358	16.8%
Adjusted Grand Total	\$30,827	\$30,683	\$31,906	\$1,223	4.0%

- The fiscal 2014 allowance includes a proposed fiscal 2013 federal fund deficiency appropriation of \$48,000 to support special education activities.
- The fiscal 2014 allowance increases \$1.2 million, or 4.0%, over fiscal 2013. General funds increase \$1.0 million, or 3.8%, after back of the bill reductions are considered. Of this increase, \$181,075 is due to the replacement of fiscal 2013 Budget Restoration Funds, created by Chapter 1 of the First Special Session of 2012 with general funds.

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

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Personnel Data

	<u>FY 12</u> <u>Actual</u>	<u>FY 13</u> <u>Working</u>	<u>FY 14</u> <u>Allowance</u>	<u>FY 13-14</u> <u>Change</u>
Regular Positions	319.50	319.50	319.50	0.00
Contractual FTEs	<u>84.70</u>	<u>83.30</u>	<u>83.30</u>	<u>0.00</u>
Total Personnel	404.20	402.80	402.80	0.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	1.60	0.50%
Positions and Percentage Vacant as of 12/31/12	5.00	1.60%

- The fiscal 2014 allowance does not provide for any new regular positions or contractual full-time equivalents.
- Turnover in the fiscal 2014 allowance is budgeted at 0.5%, which will require the Maryland School for the Deaf (MSD) to maintain the equivalent of 1.6 positions vacant for the entire year. As of December 31, 2012, the school had 5.0 vacant positions.

Analysis in Brief

Major Trends

Lower Proportion of Students Attending College: The percentage of Essential Curriculum graduates pursuing college fluctuated around 90% between fiscal 2009 and 2011 but declined to 83.0% in fiscal 2012.

Kindergarteners Meet MSD Readiness Goals in Fiscal 2012: Students at both the Frederick and Columbia campuses met MSD's readiness goal that at least 75% of kindergarteners achieve full readiness for grade 1 in language and mathematical thinking. At the Frederick campus, 75% of kindergarteners achieved full readiness in both language and mathematical thinking, while 78 and 89% achieved readiness in language and mathematical thinking, respectively, at the Columbia campus.

Recommended Actions

1. Concur with Governor's allowance.

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Maryland School for the Deaf

Operating Budget Analysis

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 State Curriculum and are transitioning to the Common Core 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 on both campuses follow the Essential Curriculum or the Life-Based Curriculum. Student support services are directed 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.

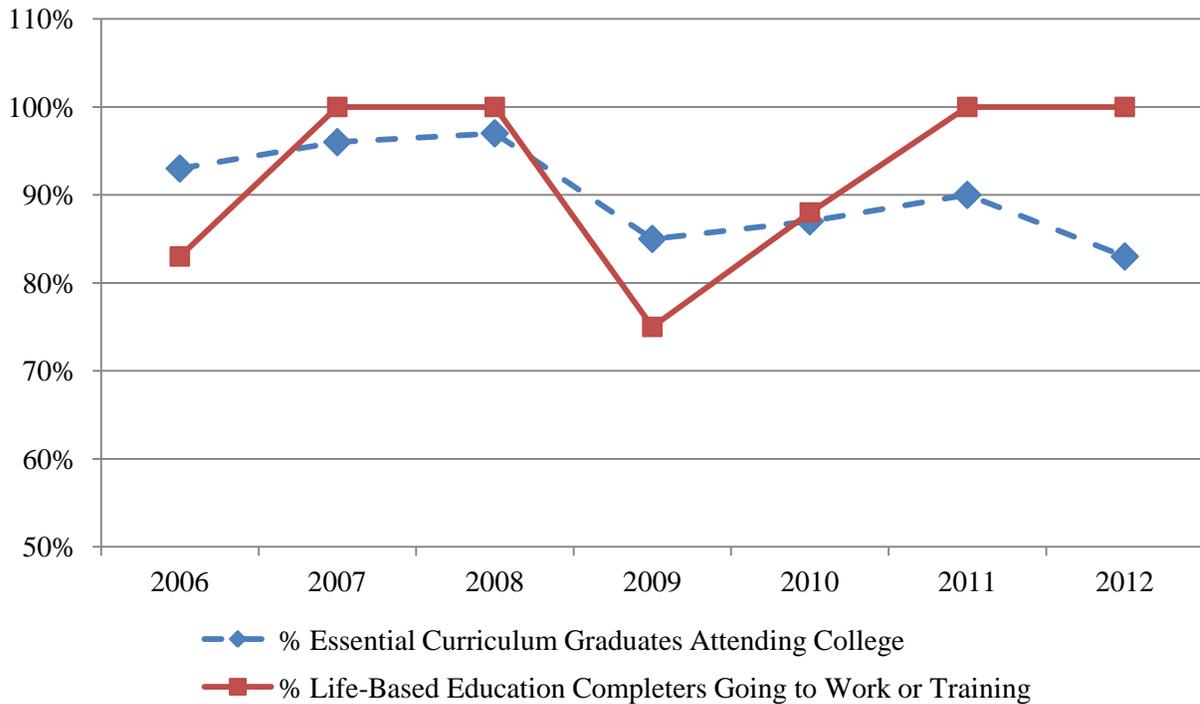
Performance Analysis: Managing for Results

1. Lower Proportion of Students Attending College

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. As with other Maryland high school seniors, MSD students must pass the Algebra/Data Analysis, English, and Biology High School Assessment (HSA) exams to receive a diploma.

Most of the Essential Curriculum graduates pursue higher education, as shown in **Exhibit 1**. From fiscal 2006 to 2008, nearly 100% of students attended college. The rate has fluctuated around 90% since fiscal 2009 but declined to 83% in fiscal 2012. MSD has averaged 28 graduates per year since fiscal 2006, and with small groups of graduates, the outcome of a few students can make a significant difference.

Exhibit 1
Students Going to College, Work, or Training
Fiscal 2006-2012



Note: Essential curriculum graduates receive Maryland State High School Diplomas. The Maryland School for the Deaf has averaged 28 Essential Curriculum graduates and 7 Life-Based Education completers each year since fiscal 2006.

Source: Governor’s Budget Books, Fiscal 2009-2014

MSD, like public schools throughout the State, is preparing to fully implement the Common Core Standards during the 2013-2014 school year. The Common Core Standards are academic standards in English/language Arts (ELA) and mathematics that define the knowledge and skills that all students should have at the conclusion of each grade level to be on track to attain college and career readiness. The school established a Curriculum Leadership Team in January 2012 to help prepare teachers for the upcoming curriculum changes. Beginning in August 2012, the Common Core Standards were fully implemented at the elementary level. Middle and high school students began to transition to the new curriculum in the spring 2013 semester. Like public schools throughout the State, MSD will fully implement the new Partnership for Assessment of Readiness for College and Careers (PARCC) assessments in the 2014-2015 school year. PARCC is an assessment system aligned with the Common Core Standards in ELA and mathematics that will measure student progress toward college and career readiness. PARCC will replace the Maryland School Assessment

(MSA) beginning in the 2014-2015 school year, though the HSAs will be phased out over time. **The Superintendent should comment on how MSD will integrate PARCC assessment outcomes into the school's performance measures.**

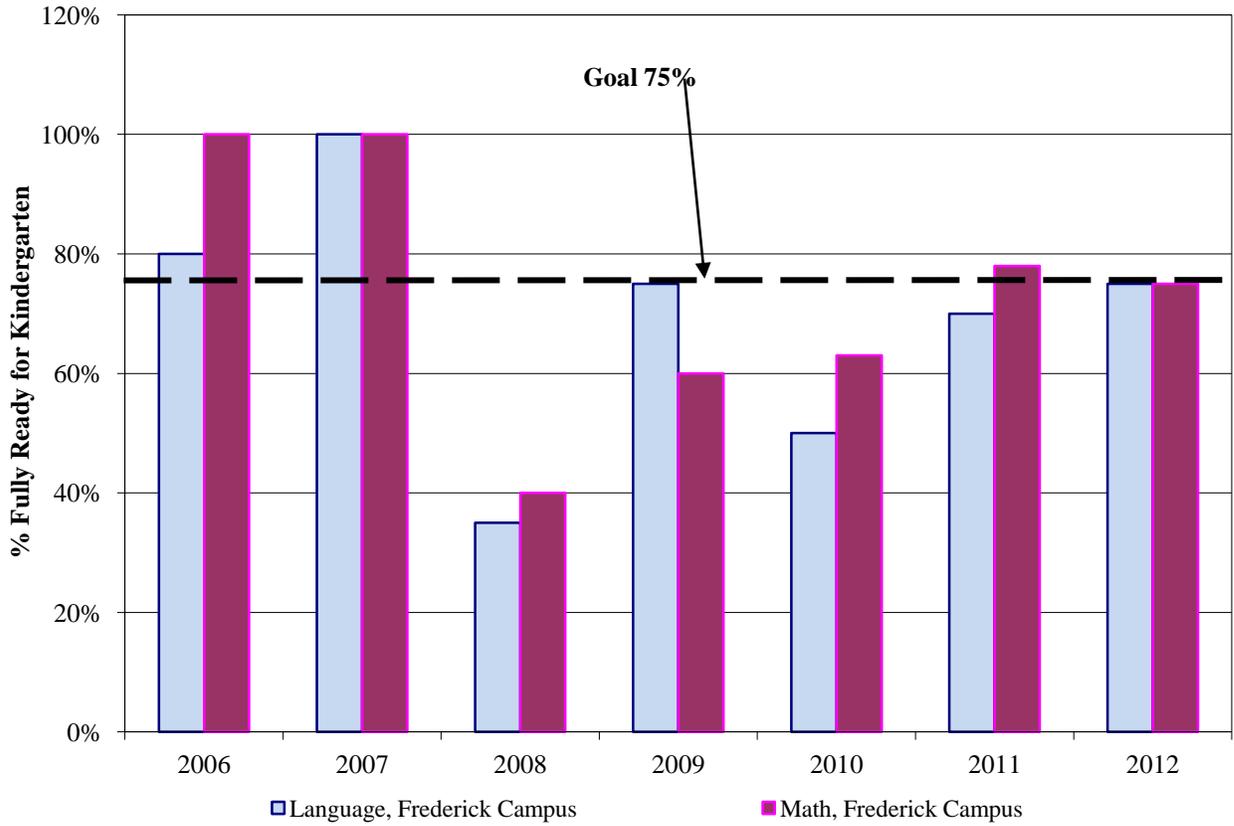
Unlike the current MSA and HSA exams, PARCC assessments will be computer-based and will require some specific information technology infrastructure, though to date, PARCC has only put out testing device requirements. **The Superintendent should comment on MSD's technological preparedness to implement PARCC assessments, and how the school will fund any technology infrastructure improvements needed to fully implement the new assessments.**

Another MSD 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 a certificate of program completion each year. Exhibit 1 shows that the percentage going to work or training remains at 100% in fiscal 2012. With such a small group of students, the outcome of each student can cause the results to vary widely from year to year.

2. Kindergarteners Meet MSD Readiness Goals in Fiscal 2012

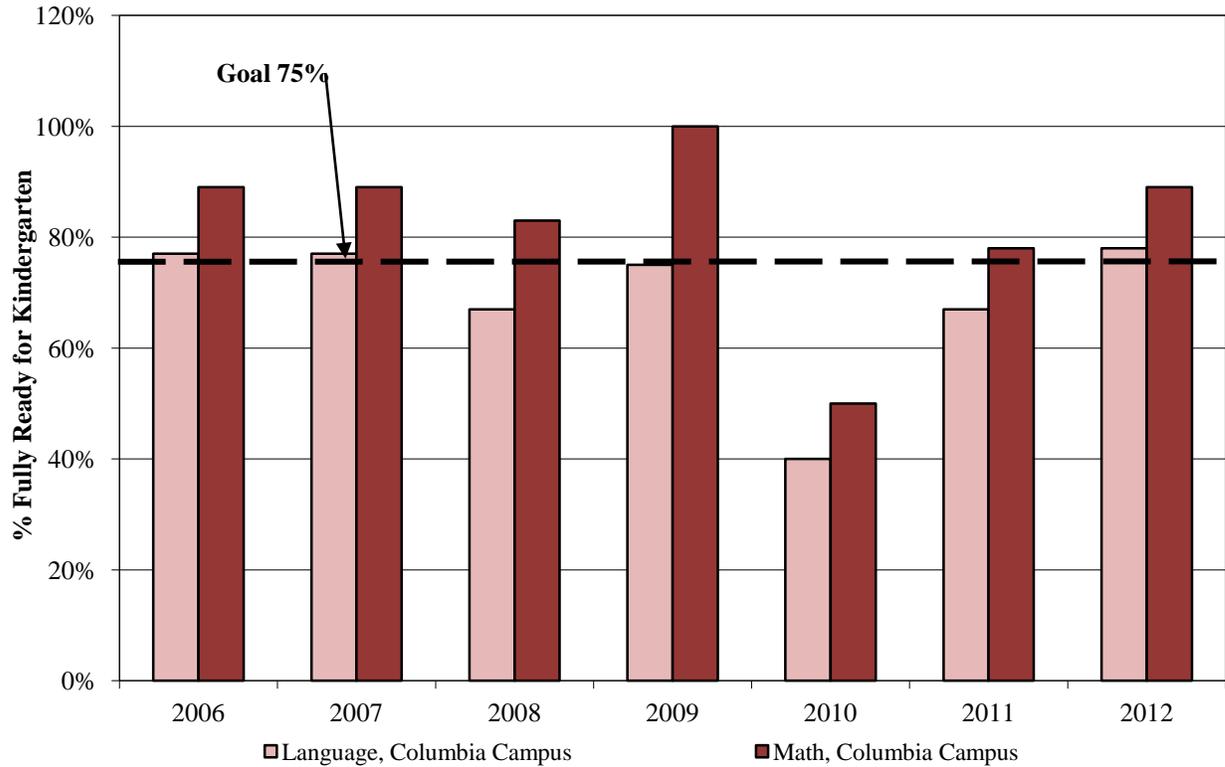
The final objective for both the Frederick and Columbia campuses is for 75% of kindergarteners to be fully ready in language and mathematical thinking for grade 1 by 2016. To measure this outcome, MSD uses the Maryland Model for School Readiness (MMSR). As shown in **Exhibit 2**, the Frederick campus was below the objective from fiscal 2006 to 2011 but met the objective in fiscal 2012 with 75% of kindergarteners achieving full readiness in both language and mathematical 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 and 2011. In fiscal 2012, kindergarteners at the Columbia campus exceeded the objective with 78% achieving readiness for grade 1 in language thinking and 89% in mathematical thinking. 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 pre-kindergarten 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 kindergarten year focused on language acquisition rather than other readiness skills.

Exhibit 2
Maryland School for the Deaf – Frederick Campus
Kindergarten Readiness
Fiscal 2006-2012



Source: Governor’s Budget Books, Fiscal 2009-2014

Exhibit 3
Maryland School for the Deaf – Columbia Campus
Kindergarten Readiness
Fiscal 2006-2012



Source: Governor’s Budget Books, Fiscal 2009-2014

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 from school years 2009-2010 through 2011-2012. Kindergarten readiness levels for grade 1 have increased significantly over this period. MSD has worked to improve kindergarten readiness by utilizing MMSR grant money to send teachers to MMSR workshops and MMSR for Preschool training. MSD also purchased additional Vocabulary Improvement and Oral Language Enrichment Through Stories kits, materials for the family education department, and library books, and kindergarten teachers participated in Curriculum Learning Teams to prepare to implement the curriculum developed around the new Common Core Standards.

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

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Fully Ready	19%	79%	81%
Approaching Ready	43%	10%	14%
Still Developing	38%	10%	5%

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

Source: Maryland School for the Deaf

Fiscal 2013 Actions

Proposed Deficiency

Proposed fiscal 2013 deficiencies total \$48,000 in federal funds to support special education activities.

Proposed Budget

Chapter 511 of 1997 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 2014, the four-year enrollment average is 447, which is an increase from 445 in the fiscal 2013 budget. The State per pupil foundation amount increases \$68, or 1.0%, from fiscal 2013 to \$6,829. This results in a \$507,991 increase in the MSD budget for fiscal 2014. In addition, MSD received a \$471,333 general fund increase to support increased retirement costs and statewide controlled expenses. Contribution rates for the regular employees, teachers, State Police, and Law Enforcement Officers pension plans increase in fiscal 2014. The rate increases are attributable to underattaining investment returns, adjusting actuarial assumptions, and increasing the reinvestment of savings achieved in the 2011 pension reform. In addition, the fiscal 2014 budget includes \$200,651 to support the second

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half of the statewide 2.0% cost-of-living adjustment (COLA) instituted on January 1, 2013, bringing the total general fund increase to \$1.1 million, or 3.9%, as shown in **Exhibit 5**.

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

How Much It Grows:	<u>General</u>	<u>Special</u>	<u>Federal</u>	<u>Reimb.</u>	<u>Total</u>
	Fund	Fund	Fund	Fund	
2013 Working Appropriation	\$27,412	\$612	\$530	\$2,129	\$30,683
2014 Allowance	<u>28,491</u>	<u>398</u>	<u>565</u>	<u>2,487</u>	<u>31,941</u>
Amount Change	\$1,079	-\$214	\$35	\$358	\$1,258
Percent Change	3.9%	-34.9%	6.6%	16.8%	4.1%
Contingent Reduction	-\$34	\$0	\$0	\$0	-\$34
Adjusted Change	\$1,045	-\$214	\$35	\$358	\$1,223
Adjusted Percent Change	3.8%	-34.9%	6.5%	16.8%	4.0%
Where It Goes:					
Personnel Expenses					
Salary adjustments					\$137
Annualized fiscal 2013 cost-of-living adjustment					201
State contribution to employee retirement.....					493
Employee and retiree health insurance, net of across the board reductions.....					364
Workers' compensation					43
Other fringe benefit adjustments.....					14
Other Changes					
Change in contractual employee mix.....					93
Fuel and electricity.....					-171
Classroom equipment replacement					55
Other changes					-6
Total					\$1,223

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

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Special funds are expected to decrease \$213,622 due to the replacement of \$181,075 in fiscal 2013 Budget Restoration Funds with general funds in fiscal 2014 and fluctuation in the ratio of day to residential students. MSD expects to collect \$286,602 in fiscal 2013 and 2014 in out-of-state tuition revenues. 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. Reimbursable funds increase \$357,736 due to an increase in dorm students at the Columbia Campus.

Personnel Expenditures

Regular earnings in the fiscal 2014 allowance increase \$137,211 after adjusting for the annualized fiscal 2013 statewide COLA. The increase is due to the implementation of a new faculty pay plan. Section 8-313 of the Education Article states that MSD's board of trustees will review the school's faculty pay plan in relation to Frederick and Howard County public schools and recommend revised salary levels adequate to recruit and retain qualified teachers and professional personnel. Every third fiscal year, the Department of Budget and Management is to adjust the pay plan if necessary. MSD's revised pay plan will be implemented over a two-year period in order to fund it within the school's minimum funding formula.

Other Changes

Increases in the fiscal 2014 allowance include \$92,831 due to a change in the mix of contractual employees and additional behavior specialist and ASL teacher hours, as well as \$55,147 to replace aging classroom equipment such as projectors and smartboards. Expenditures for fuel and electricity decrease \$171,878 due to the demolition of the old elementary school and a rate decrease in fiscal 2012, as the fiscal 2014 fuel and electricity budget is based on fiscal 2012 actuals.

Recommended Actions

1. Concur with Governor's allowance.

Current and Prior Year Budgets

Current and Prior Year Budgets Maryland School for the Deaf (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2012					
Legislative Appropriation	\$26,837	\$444	\$477	\$2,187	\$29,945
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	227	1	147	625	999
Reversions and Cancellations	0	-24	-24	-68	-117
Actual Expenditures	\$27,063	\$420	\$600	\$2,743	\$30,827
Fiscal 2013					
Legislative Appropriation	\$27,412	\$431	\$528	\$2,129	\$30,499
Budget Amendments	0	181	2	0	183
Working Appropriation	\$27,412	\$612	\$530	\$2,129	\$30,683

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

Fiscal 2012

The fiscal 2012 budget closed at \$30.8 million, which was \$882,252 higher than the legislative appropriation. Of this increase, \$226,775 in general funds, \$807 in special funds, and \$4,843 in federal funds reflects the one-time \$750 employee bonus. Federal funds increased \$142,000 due to additional Vocational Rehabilitation Grants to States to support a work to learn program and Individuals with Disabilities Education Act funds that were used to support supplies, sign language interpreters, and other expenses associated with Maryland Model for School Readiness curriculum training. Reimbursable funds increased \$624,617 to reflect salary adjustments and an increase in one-to-one aides due to increased enrollment. Cancellations reduced the appropriation by \$116,790.

Fiscal 2013

The fiscal 2013 appropriation increased \$181,075 in special funds, and \$2,391 in federal funds to reflect the statewide COLA.

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

<u>Object/Fund</u>	<u>FY 12 Actual</u>	<u>FY 13 Working Appropriation</u>	<u>FY 14 Allowance</u>	<u>FY 13 - FY 14 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	319.50	319.50	319.50	0.00	0%
02 Contractual	84.70	83.30	83.30	0.00	0%
Total Positions	404.20	402.80	402.80	0.00	0%
Objects					
01 Salaries and Wages	\$ 24,243,099	\$ 23,959,835	\$ 25,245,940	\$ 1,286,105	5.4%
02 Technical and Spec. Fees	3,467,783	3,211,834	3,289,598	77,764	2.4%
03 Communication	96,128	112,779	120,288	7,509	6.7%
04 Travel	25,822	800	4,000	3,200	400.0%
06 Fuel and Utilities	1,321,147	1,321,557	1,191,382	-130,175	-9.9%
07 Motor Vehicles	91,667	69,614	98,415	28,801	41.4%
08 Contractual Services	738,826	998,165	934,206	-63,959	-6.4%
09 Supplies and Materials	680,249	883,661	896,039	12,378	1.4%
10 Equipment – Replacement	92,209	56,840	90,247	33,407	58.8%
13 Fixed Charges	69,861	67,508	70,401	2,893	4.3%
Total Objects	\$ 30,826,791	\$ 30,682,593	\$ 31,940,516	\$ 1,257,923	4.1%
Funds					
01 General Fund	\$ 27,063,231	\$ 27,411,818	\$ 28,490,583	\$ 1,078,765	3.9%
03 Special Fund	420,042	611,643	398,021	-213,622	-34.9%
05 Federal Fund	600,284	530,067	565,111	35,044	6.6%
09 Reimbursable Fund	2,743,234	2,129,065	2,486,801	357,736	16.8%
Total Funds	\$ 30,826,791	\$ 30,682,593	\$ 31,940,516	\$ 1,257,923	4.1%

Note: The fiscal 2013 appropriation does not include deficiencies. The fiscal 2014 allowance does not include contingent reductions.

**Fiscal Summary
Maryland School for the Deaf**

<u>Program/Unit</u>	<u>FY 12 Actual</u>	<u>FY 13 Wrk Approp</u>	<u>FY 14 Allowance</u>	<u>Change</u>	<u>FY 13 - FY 14 % Change</u>
01 Maryland School for the Deaf – Frederick Campus	\$ 20,730,449	\$ 20,324,660	\$ 21,287,624	\$ 962,964	4.7%
02 Maryland School for the Deaf – Columbia Campus	10,096,342	10,357,933	10,652,892	294,959	2.8%
Total Expenditures	\$ 30,826,791	\$ 30,682,593	\$ 31,940,516	\$ 1,257,923	4.1%
General Fund	\$ 27,063,231	\$ 27,411,818	\$ 28,490,583	\$ 1,078,765	3.9%
Special Fund	420,042	611,643	398,021	-213,622	-34.9%
Federal Fund	600,284	530,067	565,111	35,044	6.6%
Total Appropriations	\$ 28,083,557	\$ 28,553,528	\$ 29,453,715	\$ 900,187	3.2%
Reimbursable Fund	\$ 2,743,234	\$ 2,129,065	\$ 2,486,801	\$ 357,736	16.8%
Total Funds	\$ 30,826,791	\$ 30,682,593	\$ 31,940,516	\$ 1,257,923	4.1%

Note: The fiscal 2013 appropriation does not include deficiencies. The fiscal 2014 allowance does not include contingent reductions.