

R00A03
Funding for Educational Organizations
Maryland State Department of Education

Operating Budget Data

(\$ in Thousands)

	<u>FY 13</u> <u>Actual</u>	<u>FY 14</u> <u>Working</u>	<u>FY 15</u> <u>Allowance</u>	<u>FY 14-15</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$22,791	\$25,962	\$26,078	\$117	0.4%
Adjusted General Fund	\$22,791	\$25,962	\$26,078	\$117	0.4%
Special Fund	4,337	6,040	6,040	0	
Adjusted Special Fund	\$4,337	\$6,040	\$6,040	\$0	0.0%
Adjusted Grand Total	\$27,128	\$32,002	\$32,118	\$117	0.4%

- The fiscal 2015 allowance increases \$117,000, or 0.4%, over the 2014 working appropriation due to the Calvert Marine Museum being added as a State institution with a \$50,000 general fund appropriation and the Maryland School for the Blind's allowance increasing by \$66,582 in general funds.

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

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Analysis in Brief

Major Trends

Maryland School for the Blind: The school awarded 11 certificates and 2 diplomas in fiscal 2013. The school has a goal to help students learn independent living skills that allow them to achieve success as graduates or when they return to their local schools. The percent of graduates in school or training or employed in fiscal 2013 was slightly larger than in the previous year and in line with historical trends.

Blind Industries and Services of Maryland: In fiscal 2013, the number of training hours provided was above the objective of 45,540 hours annually, and the Blind Industries and Services of Maryland (BISM) provided more hours of training in fiscal 2013 than in any year. In fiscal 2013, BISM served 251 program participants. An intensive program to obtain employment or higher education had 25 participants in fiscal 2013.

Recommended Actions

1. Concur with Governor's allowance.

Updates

Effects of Legislation on the Blind Industries and Services of Maryland: Chapter 343 of 2013 removed not-for-profit entities that promote the interests of physically and mentally disabled individuals from the definition of minority business enterprise (MBE) and exempted specified contracts (entered into on or after July 1, 2015) with them from the calculation of MBE participation rates.

Modification of Per Student Funding in the Maryland Nonpublic Student Textbook Program: The Maryland General Assembly modified the per student funding for the Maryland Nonpublic Student Textbook Program through budget language during the 2013 session to \$65 and \$95 for each of the respective categories of students.

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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 (SAI). This part of MSDE's budget also funds the Maryland Nonpublic Student 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 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.

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- ***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*** pairs special and general education students in middle and high schools in order to foster inclusion and build socialization skills.
- ***Calvert Marine Museum***, new in fiscal 2015, 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.
- ***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.
- ***The 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.

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- *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.
- *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 prekindergarten through grade 6 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.

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- *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.
- *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 grade 3 and grade 4 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.
- *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

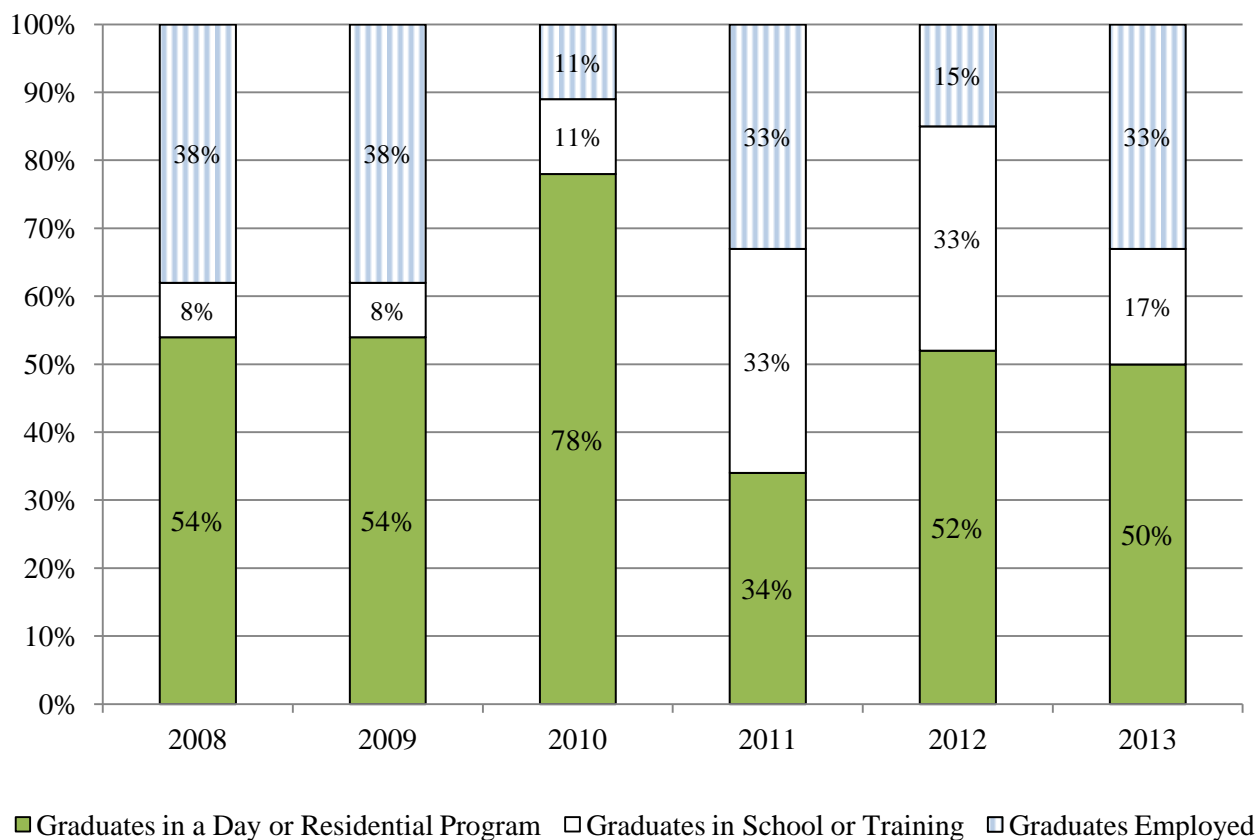
1. Maryland School for the Blind

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 93 students each year in its residential program and about 92 students each year in its day program.

One of MSB's goals is that all students who pursue an education will receive a diploma or certificate with zero dropouts. The school has achieved a zero-dropout rate since at least fiscal 2008. The number of certificates awarded in 2013 decreased to 11 from 15 the previous year, while the number of diplomas awarded decreased to 2 in 2013 from 6 the prior year.

MSB has another goal that students gain 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 MSB students is six years. **Exhibit 1** shows a breakdown of postgraduate outcomes since fiscal 2008, including whether graduates are in a day or residential program, school or training, or are employed. Day and residential programs can include habilitative day programs, group homes, sheltered employment, and institutional placement. The percent of graduates in school or training, or employed in fiscal 2013, was slightly larger than in the previous year, though in line with historical trends. Because the number of graduates each year is small, large year-to-year variation in the percentage of graduates in each postgraduate outcome is typical.

Exhibit 1
Maryland School for the Blind
Post-graduate Outcomes
Fiscal 2008-2013

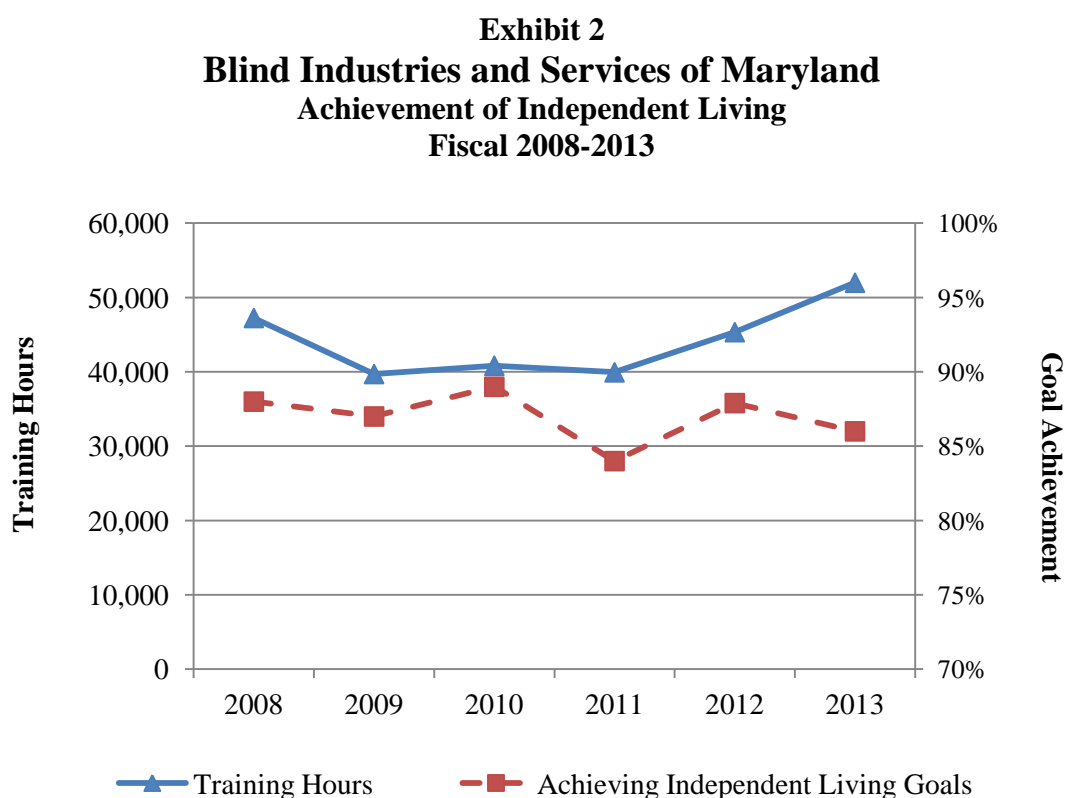


Source: Governor's Budget Books, Fiscal 2010-2015

2. Blind Industries and Services of Maryland

One of BISM’s goals is to help people who are blind or low vision gain the blindness 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. This goal, established in fiscal 2011, is higher than in previous years, when the objective was 35,030 hours. As shown in **Exhibit 2**, the number of training hours provided was close to or above the objective in fiscal 2008 through 2011. After falling just below the new goal of 45,540 hours in fiscal 2012, the number of training hours provided in fiscal 2013 surpassed the target, reaching 51,989.

Exhibit 2 also shows that the percent of participants achieving independent living goals have averaged 87% from fiscal 2008 to 2013. In fiscal 2013, the target was 86%, which is just below the average of the last five years.



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

Source: Governor’s Budget Books, Fiscal 2010-2015

Proposed Budget

The fiscal 2015 allowance for the Funding for Educational Organizations program is \$32.1 million, an \$116,582 increase from the 2014 working appropriation. **Exhibit 3** shows changes by fund and program.

Exhibit 3
Proposed Budget
MSDE – Funding for Educational Organizations
(\$ in Thousands)

How Much It Grows:	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Fund</u>	<u>Total</u>
2014 Working Appropriation	\$25,962	\$6,040	\$32,002
2015 Allowance	<u>26,078</u>	<u>6,040</u>	<u>32,118</u>
Amount Change	\$117	\$0	\$117
Percent Change	0.4%		0.4%

Where It Goes:

Other Changes

Maryland School for the Blind per pupil and enrollment adjustment	\$67
Calvert Marine Museum	50
Total	\$117

Note: The fiscal 2014 working appropriation reflects negative deficiencies and contingent reductions. The fiscal 2015 allowance reflects back of the bill and contingent reductions. Numbers may not sum to total due to rounding.

The Maryland Nonpublic Student Textbook Program is level-funded in the fiscal 2015 allowance. There is one new program in SAI – the Calvert Marine Museum, which receives general fund appropriation of \$50,000; all organizations funded in fiscal 2014 are funded at the same amount in fiscal 2015. **Exhibit 4** highlights all the program and funding amounts for fiscal 2014 and 2015.

Exhibit 4
State Aided Institutions
Fiscal 2014-2015

	2014	2015
	<u>Working</u>	<u>Allowance</u>
Alice Ferguson Foundation	\$79,378	\$79,378
Alliance of Southern Prince George's Communities, Inc	31,752	31,752
American Visionary Art Museum	15,040	15,040
Baltimore Symphony Orchestra	63,503	63,503
B&O Railroad Museum, Inc.	60,161	60,161
Baltimore Museum of Industry	80,214	80,214
Best Buddies International (MD Program)	158,756	158,756
Calvert Marine Museum	0	50,000
Chesapeake Bay Foundation	416,945	416,945
Chesapeake Bay Maritime Museum	20,053	20,053
Citizenship Law-related Education Program	29,244	29,244
Collegebound Foundation	35,930	35,930
The Dyslexia Tutoring Program, Inc.	35,930	35,930
Echo Hill Outdoor School	53,476	53,476
Imagination Stage	238,136	238,136
Jewish Museum of Maryland	12,533	12,533
Junior Achievement of Central Maryland, Inc.	40,106	40,106
Living Classrooms Foundation	304,145	304,145
Maryland Academy of Sciences	873,169	873,169
Maryland Historical Society	119,484	119,484
Maryland Humanities Council	41,777	41,777
Maryland Leadership Workshops, Inc.	43,450	43,450
Maryland Mathematics, Engineering and Science Achievement	76,035	76,035
Maryland Zoo in Baltimore – Education Component	812,171	812,171
National Aquarium in Baltimore	474,601	474,601
National Great Blacks in Wax Museum	40,106	40,106
National Museum of Ceramic Art and Glass	20,053	20,053
Northbay	927,558	927,558
Olney Theatre Center	139,539	139,539
Outward Bound	127,006	127,006
Port Discovery Children's Museum	111,130	111,130
Salisbury Zoological Park	17,546	17,546
Sotterly Foundation	12,533	12,533
South Baltimore Learning Center	40,106	40,106

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	2014	2015
	<u>Working</u>	<u>Allowance</u>
State Mentoring Resource Center	76,036	76,036
Sultana Projects	20,053	20,053
SuperKids Camp	391,043	391,043
The Village Learning Place, Inc.	43,450	43,450
Walters Art Museum	15,875	15,875
Ward Museum of Wildfowl Art	33,423	33,423
Total	\$6,131,446	\$6,181,446

Source: Governor's Budget Books, Fiscal 2015

MSB's allowance increases by \$66,582 in general funds from fiscal 2014 to 2015. The formula for the school is based on enrollment and growth in the State per pupil funding provided to local school systems, which is set to increase 0.46% in fiscal 2015. Enrollment in fiscal 2015 is estimated to be 211, which is an increase of 1 student from fiscal 2014. The school's formula has an adjustment that reflects the four-year moving average of student enrollment, which softens the effect of enrollment increases and decreases. The school's funding increase is a result of an increase in the per pupil foundation amount, from \$6,829 to \$6,860.

Since fiscal 2008, there has been minimal growth in the per pupil foundation, which impacts the mandated funding for MSB. Consequently, compared to the \$19.4 million allowance in fiscal 2015, MSB received \$17.9 million in State funding in fiscal 2008. In essence, MSB's State support has only increased by \$1.5 million from fiscal 2008. **The President of MSB should discuss how they have addressed the low growth in funding since fiscal 2008.**

Recommended Actions

1. Concur with Governor's allowance.

Updates

1. Effects of Legislation on the Blind Industries and Services of Maryland

Under State procurement law, State agencies and State-aided or -controlled entities had to procure services and supplies from Maryland Correctional Enterprises, BISM, the Employment Works Program, or a business owned by an individual with a disability, in that order of preference. Only if none of those entities produces or provides the desired supplies or services would a State agency issue a competitive procurement. After passage of Chapter 343 of 2013, procurements from these four entities, among others, became exempt from the calculation of total procurement spending for the purpose of calculating agencies' minority business enterprise (MBE) participation rates.

Chapter 343 removed not-for-profit entities that promote the interests of physically and mentally disabled individuals from the definition of MBE and exempted specified contracts (entered into on or before July 1, 2015) with them from the calculation of MBE participation rates. The Maryland Department of Disabilities will evaluate the bill's effect on the participation of not-for-profit entities in State procurement and issue a final report by December 1, 2016.

The legislation also included a provision that, to the extent practicable, a maintenance contract entered into by a State agency or State-aided or -controlled entity that includes a component for housekeeping or janitorial services must include a requirement that the prime contractor purchase janitorial products from BISM if the specified products are available.

2. Modification of Per Student Funding in the Maryland Nonpublic Student Textbook Program

Since fiscal 2001, the Maryland General Assembly has provided an annual appropriation for the Maryland Nonpublic Student Textbook Program. The purpose of the program is to provide funding for the purchase of textbooks, computer hardware, and computer software for loan to students in eligible nonpublic schools, with a maximum distribution of \$60 per eligible nonpublic school student for participating schools except at schools where at least 20% of the students are eligible for the free and reduced price meals program, the distribution will be \$90 per student. The modification of per student funding was changed through budget language during the 2013 session to \$65 and \$95 for each of the respective category of students.

The fiscal 2015 allowance for the Maryland Nonpublic Student Textbook Program is level-funded at the fiscal 2014 working appropriation level of \$6.0 million. The fiscal 2014 appropriation increased by \$1.7 million above fiscal 2013. All funds to the program are provided by special funds from the Cigarette Restitution Fund.

Exhibit 5 shows the number of schools and students who took advantage of the program from fiscal 2012 to the estimates in fiscal 2015. Fiscal 2014 figures are not available until late February, as applications are still being processed. MSDE's estimates are shown in Exhibit 5.

Exhibit 5
Nonpublic Textbook Program
Fiscal 2012-2015 Est.

	<u>2012</u>	<u>2013</u>	<u>2014 Est.</u>	<u>2015 Est.</u>
Nonpublic Schools Using Program	346	359	359	359
Nonpublic Schools Receiving \$60/\$65	252	273	273	273
Nonpublic Schools Receiving \$90/\$95	94	86	86	86
Students Using Program	83,429	83,487	83,487	83,487

Source: Maryland State Department of Education

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 2013					
Legislative Appropriation	\$22,791	\$4,440	\$0	\$0	\$27,231
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	0	0	0	0	0
Reversions and Cancellations	0	-103	0	0	-103
Actual Expenditures	\$22,791	\$4,337	\$0	\$0	\$27,128
Fiscal 2014					
Legislative Appropriation	\$25,962	\$6,040	\$0	\$0	\$32,002
Budget Amendments	0	0	0	0	0
Working Appropriation	\$25,962	\$6,040	\$0	\$0	\$32,002

Note: The fiscal 2014 working appropriation does not include deficiencies or contingent reductions. Numbers may not sum to total due to rounding.

Fiscal 2013

The fiscal 2013 budget closed at \$27.13 million, which was \$103,166 less than the legislative appropriation, representing unexpended funds in the Maryland Nonpublic Student Textbook Program.

Object/Fund Difference Report
MSDE – Funding for Educational Organizations

<u>Object/Fund</u>	<u>FY 13 Actual</u>	<u>FY 14 Working Appropriation</u>	<u>FY 15 Allowance</u>	<u>FY 14 - FY 15 Amount Change</u>	<u>Percent Change</u>
Objects					
12 Grants, Subsidies, and Contributions	\$ 27,127,694	\$ 32,001,824	\$ 32,118,406	\$ 116,582	0.4%
Total Objects	\$ 27,127,694	\$ 32,001,824	\$ 32,118,406	\$ 116,582	0.4%
Funds					
01 General Fund	\$ 22,790,860	\$ 25,961,824	\$ 26,078,406	\$ 116,582	0.4%
03 Special Fund	4,336,834	6,040,000	6,040,000	0	0%
Total Funds	\$ 27,127,694	\$ 32,001,824	\$ 32,118,406	\$ 116,582	0.4%

Note: The fiscal 2014 appropriation does not include deficiencies. The fiscal 2015 allowance does not include contingent reductions.

Fiscal Summary
MSDE – Funding for Educational Organizations

<u>Program/Unit</u>	<u>FY 13 Actual</u>	<u>FY 14 Wrk Approp</u>	<u>FY 15 Allowance</u>	<u>Change</u>	<u>FY 14 - FY 15 % Change</u>
01 Maryland School for the Blind	\$ 18,128,299	\$ 19,299,263	\$ 19,365,845	\$ 66,582	0.3%
02 Blind Industries and Services of Maryland	531,115	531,115	531,115	0	0%
03 Other Institutions	4,131,446	6,131,446	6,181,446	50,000	0.8%
04 Aid to Nonpublic Schools	4,336,834	6,040,000	6,040,000	0	0%
Total Expenditures	\$ 27,127,694	\$ 32,001,824	\$ 32,118,406	\$ 116,582	0.4%
General Fund	\$ 22,790,860	\$ 25,961,824	\$ 26,078,406	\$ 116,582	0.4%
Special Fund	4,336,834	6,040,000	6,040,000	0	0%
Total Appropriations	\$ 27,127,694	\$ 32,001,824	\$ 32,118,406	\$ 116,582	0.4%

Note: The fiscal 2014 appropriation does not include deficiencies. The fiscal 2015 allowance does not include contingent reductions.