

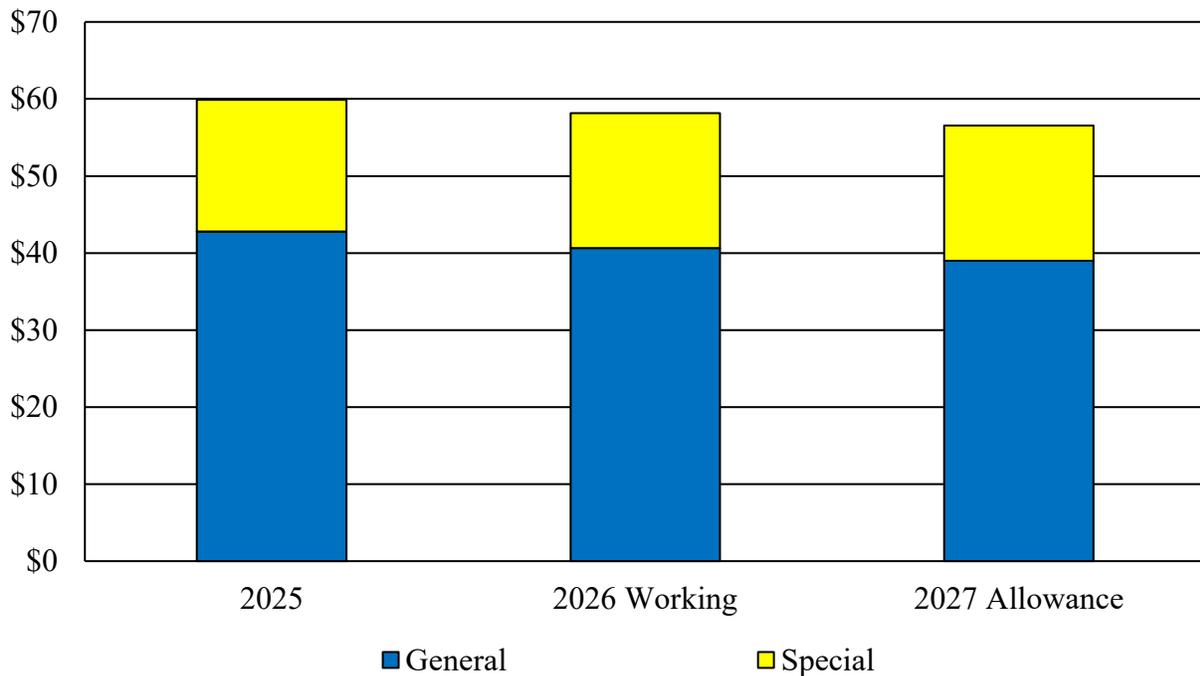
R00A03
Funding for Educational Organizations
Maryland State Department of Education

Executive Summary

Nonprofit organizations and nonpublic schools, including the Maryland School for the Blind (MSB) and Blind Industries and Services of Maryland (BISM), receive grants through the Maryland State Department of Education (MSDE) for various education programs operated under Funding for Educational Organizations.

Operating Budget Summary

**Fiscal 2027 Budget Decreases \$1.6 Million, or 2.8%, to \$56.5 Million
(\$ in Millions)**



- The fiscal 2027 allowance reflects a net decrease of \$1.6 million in general funds compared to the fiscal 2026 working appropriation. This reduction is primarily attributed to a \$2.4 million decrease in funding for State-aided Institutions (SAI). Special fund support remains unchanged in the fiscal 2027 allowance.

Key Observations

- ***Broadening Options and Opportunities for Students Today (BOOST) Receives \$9.0 Million:*** The fiscal 2027 proposed budget provides \$9.0 million for BOOST, which is level funded from the fiscal 2026 working appropriation.

Operating Budget Recommended Actions

1. Add language to restore the Broadening Options and Opportunities for Students Today Program administrative and reporting requirements.
2. Amend language to make a technical correction related to the Broadening Options and Opportunities for Students Today Program eligibility.

R00A03
Funding for Educational Organizations
Maryland State Department of Education

Operating Budget Analysis

Program Description

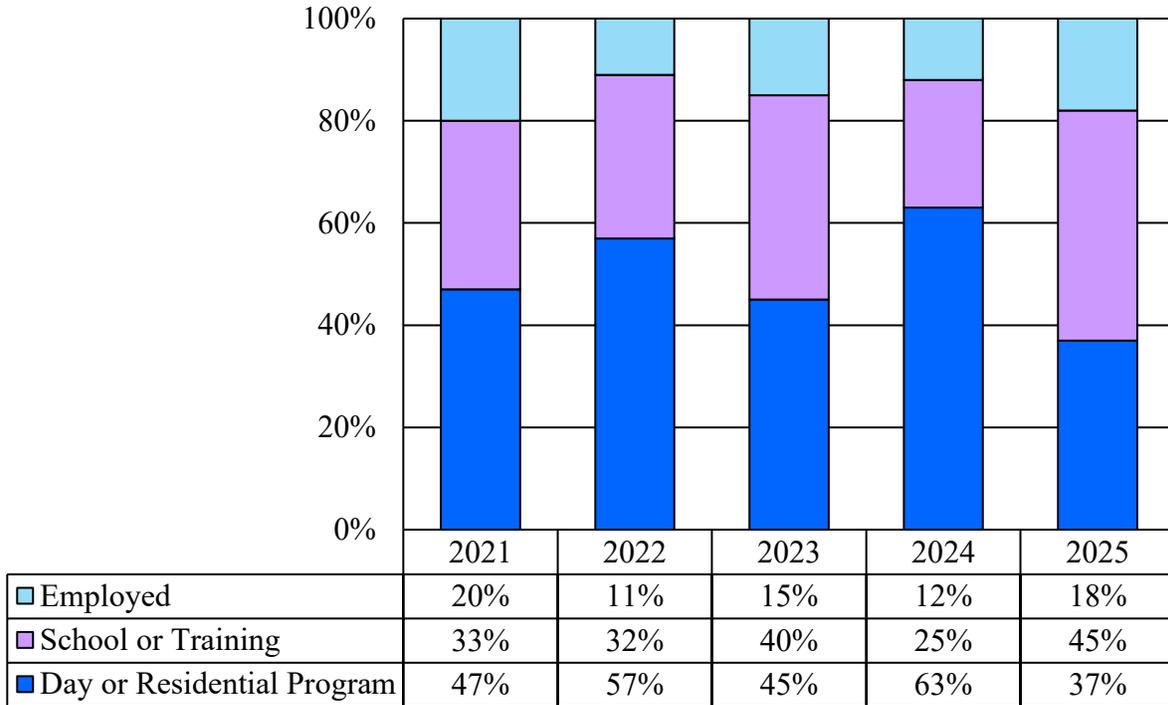
MSDE provides funding to certain nonprofit organizations that offer educational programs, including MSB, BISM, SAIs, and other educational institutions. This part of the MSDE budget also funds the Aid to Non-Public Schools Program, which provides eligible nonpublic schools with textbook and computer supplies, and the BOOST Program, which provides scholarships for students from low-income families to attend nonpublic schools. A brief description of each program is in **Appendix 2**.

Performance Analysis: Managing for Results

1. Maryland School for the Blind

Exhibit 1 shows MSB’s post-graduation outcomes from fiscal 2021 to 2025. Although 100% of MSB’s students graduated, some students pursued post-secondary education, training, or employment, and others entered day, residential, or home programs. Post-graduation outcomes fluctuated over the period. In fiscal 2021 and 2022, 47% and 57% of graduates entered day or residential programs, respectively. In fiscal 2023, a larger share pursued school or training. In fiscal 2024, the percentage of graduates entering day or residential programs increased to 63%, while the share pursuing school or training declined to 25%. From fiscal 2024 to 2025, the distribution shifted again, with the percentage of graduates entering day or residential programs decreasing to 37% and the share of graduates pursuing school or training increasing to 45%. The percentage of graduates who were employed increased by 6 percentage points, from 12% to 18%, over the same period.

Exhibit 1
Maryland School for the Blind Post-graduation Outcomes
Fiscal 2021-2025

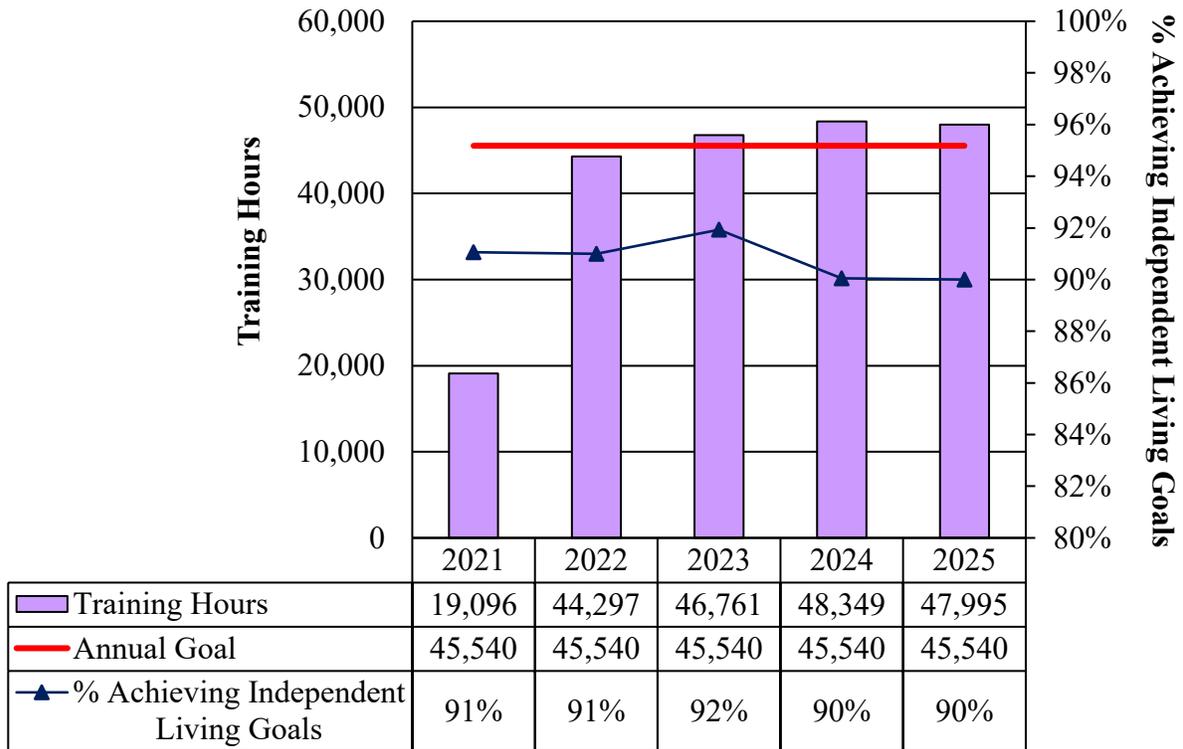


Source: Department of Budget and Management; Maryland School for the Blind

2. Blind Industries and Services of Maryland

Exhibit 2 shows BISM’s share of participants achieving independent living goals and the number of training hours from fiscal 2021 through 2025. BISM’s Managing for Results (MFR) goals focus on assisting individuals who are blind or have low vision in developing the skills necessary to live independently. One objective is to deliver at least 45,540 hours of annual training, including instruction in braille, assistive technology, orientation and mobility, and other independent living skills. Training hours increased from 46,761 in fiscal 2023 to 48,349 in fiscal 2024, an increase of 1,588 hours, or 3.4%. In fiscal 2025, training hours declined slightly to 47,995 but remained above the annual goal. Regarding independent living goals, 90% of participants achieved independent living goals in fiscal 2024, which was 2 percentage points lower than fiscal 2023. The percentage of participants achieving independent living goals remained unchanged at 90% in fiscal 2025.

Exhibit 2
Blind Industries and Services of Maryland
Achievement of Independent Living Goals and Training Hours
Fiscal 2021-2025



Source: Department of Budget and Management; Blind Industries and Services of Maryland

Fiscal 2026

Status of Legislative Additions

State-aided Institutions

Section 21 of the fiscal 2026 Budget Bill (Chapter 602 of 2025) added \$2,390,000 in general funds within the Funding for Educational Organizations budget for the following SAIs:

- \$1.5 million for the Living Classrooms Foundation to support Baltimore’s Sail 250. With this additional funding, in fiscal 2026, this SAI received a total of \$1.8 million. In the fiscal 2027 proposed budget, this SAI receives \$320,447;

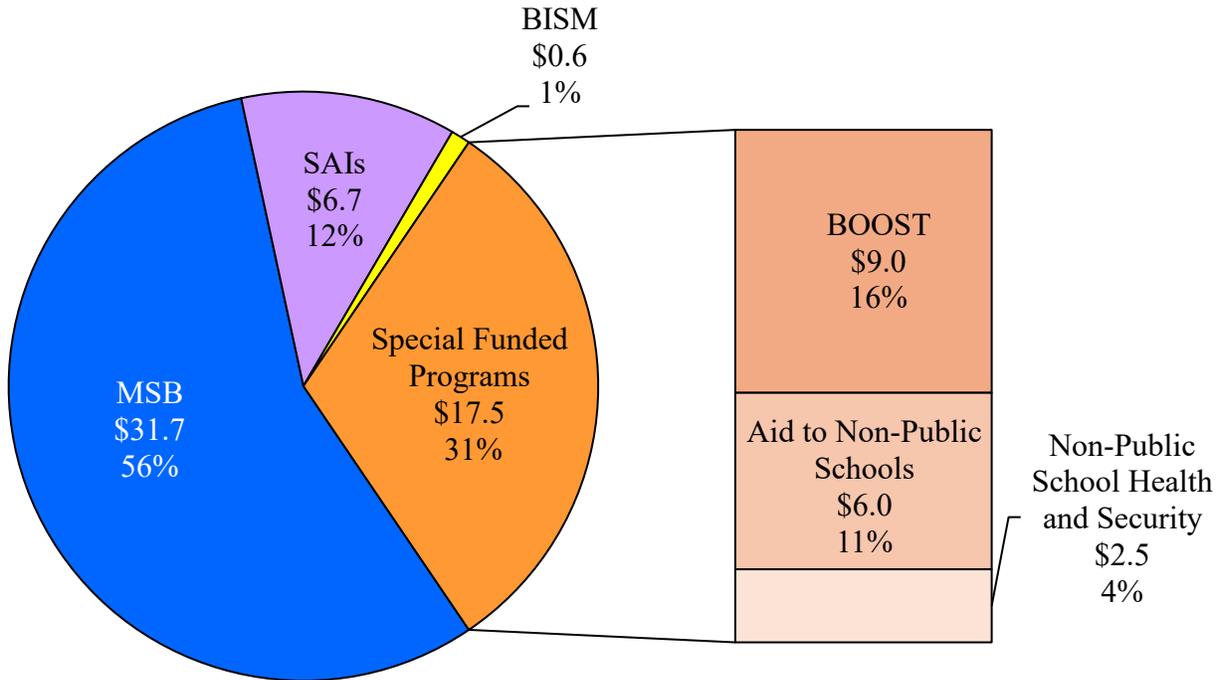
R00A03 – MSDE – Funding for Educational Organizations

- \$200,000 for the Cal Ripken Sr. Foundation to support operating expenses for science technology, engineering, and mathematics (STEM) centers. This SAI did not receive funding in the fiscal 2026 budget as introduced, and funding is not renewed in the fiscal 2027 proposed budget;
- \$150,000 for the Autism Society of Maryland to expand services. This SAI did not receive funding in the fiscal 2026 budget as introduced, and funding is not renewed in the fiscal 2027 proposed budget;
- \$65,000 for the Assateague Coastal Trust Coast Kids program for educational programming. This SAI did not receive funding in the fiscal 2026 budget as introduced, and funding is not renewed in the fiscal 2027 proposed budget;
- \$50,000 for the Bright Minds Foundation for educational programming. This SAI did not receive funding in the fiscal 2026 budget as introduced, and funding is not renewed in the fiscal 2027 proposed budget;
- \$250,000 for the 100 Black Men of Greater Washington DC. This SAI did not receive funding in the fiscal 2026 budget as introduced. The fiscal 2027 proposed budget provides \$76,419;
- \$125,000 for the Water’s Edge Museum for the Chesapeake Bay Mapping and Youth Leadership Program. This SAI did not receive funding in the fiscal 2026 budget as introduced, and funding is not renewed in the fiscal 2027 proposed budget; and
- \$50,000 for the Water’s Edge Museum Hero Empowerment Development Program. This SAI did not receive funding in the fiscal 2026 budget as introduced, and funding is not renewed in the fiscal 2027 proposed budget.

Fiscal 2027 Overview of Agency Spending

The fiscal 2027 allowance for Funding for Educational Organizations totals \$56.5 million. Of this amount, \$39.0 million, or 69%, consists of general funds, and \$17.5 million, or 31%, consists of special funds. **Exhibit 3** shows that the general fund portion supports educational institutions, including \$31.7 million for MSB, \$6.7 million for SAIs, and \$600,000 for BISM. The special fund portion supports nonpublic school programs, including \$9.0 million for the BOOST Program, \$6.0 million for Aid to Non-Public Schools, and \$2.5 million for the Non-Public School Health and Security grant program.

Exhibit 3
Overview of Agency Spending
Fiscal 2027 Allowance
(\$ in Millions)



BISM: Blind Industries and Services of Maryland
 BOOST: Broadening Options and Opportunities for Students Today
 MSB: Maryland School for the Blind
 SAI: State-aided Institution

Source: Governor’s Fiscal 2027 Budget Books

Proposed Budget Change

Exhibit 4 shows the fiscal 2027 proposed budget changes for Funding for Educational Organizations. The allowance reflects a net decrease of \$1.6 million in general funds, or 2.8%, compared to the fiscal 2026 working appropriation. This net decrease results from a \$2.4 million reduction for SAIs that is partially offset by an increase of \$779,803 for MSB. Special fund support remains unchanged in the fiscal 2027 allowance.

Exhibit 4
Proposed Budget
Maryland State Department of Education – Funding for Educational Organizations
(\$ in Thousands)

How Much It Grows:	General Fund	Special Fund	Total
Fiscal 2025 Actual	\$42,791	\$17,121	\$59,912
Fiscal 2026 Working	40,629	17,540	58,169
Fiscal 2027 Allowance	38,990	17,540	56,530
Fiscal 2026-2027 \$ Change	-\$1,639	\$0	-\$1,639
Fiscal 2026-2027 % Change	-4.03%	0.00%	-2.82%

Where It Goes:	Change
Grant Changes	
Net increase for the Maryland School for the Blind.....	\$780
State-aided Institutions	-2,418
Total	-\$1,639

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

Maryland School for the Blind

Enrollment

An enrollment formula in § 8-313 of the Education Article determines MSB’s annual enrollment count, which includes a four-year average to soften increases and decreases. Early intervention and outreach students are counted at 50%, and school-age students are counted at 100%. For school year 2026-2027 (fiscal 2027), MSB’s total projected enrollment count is 523, which includes 200 school-age students, 148 outreach students, and 175 early intervention students. For the purposes of formula funding, the fiscal 2027 enrollment totals 362. **Exhibit 5** shows MSB’s enrollment from school year 2021-2022 (fiscal 2022) actual to fiscal 2027 estimated.

Exhibit 5
Maryland School for the Blind Enrollment
Fiscal 2022-2027 Est.

<u>Fiscal Year</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026 Est.</u>	<u>2027 Est.</u>
School Year	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
School Age Students	224	220	201	193	199	200
Outreach Students	168	365	290	144	146	148
Early Intervention Students	135	117	74	175	175	175
Total	527	702	565	512	520	523
<i>Enrollment for Formula Funding</i>	<i>376</i>	<i>461</i>	<i>383</i>	<i>353</i>	<i>360</i>	<i>362</i>

Source: Department of Budget and Management; Maryland School for the Blind

In a calendar 2023 audit of the school’s enrollment, MSB discovered data missing in its monthly count of outreach students in the 2021-2022 school year (fiscal 2022). As a result of this error, in the enrollment data submitted for fiscal 2024, MSB’s outreach student count for fiscal 2022 declined sharply from fiscal 2021. Committee narrative in the 2023 *Joint Chairmen’s Report* (JCR) requested a report on this issue with information on MSB’s updated procedures for counting outreach students and the impact of this lower count on formula funding as well as the inclusion of MSB’s enrollment data in the fiscal 2025 MFR. MSB reported that the school has updated its procedures and will include enrollment data in the MFR submission but unfortunately, the school could not provide a retroactive count of outreach students for fiscal 2022. In the fiscal 2027 submission, MSB’s outreach student undercount remains in the fiscal 2022 enrollment data.

Due to the methodology by which MSB’s enrollment for formula funding is calculated over six years, this undercount in outreach student enrollment in fiscal 2022 impacts MSB’s formula funding through fiscal 2027. **MSB should quantify the annual impact of the fiscal 2022 outreach student undercount on MSB’s formula funding through fiscal 2027.**

Maryland School for the Blind Funding and Expenditures

MSB receives an annual State appropriation based on a formula that includes enrollment, an allocation based on the per pupil amount in the State Share of the Foundation formula in § 5-201 of the Education Article, and an additional grant of \$1.0 million for residential services as mandated in Chapters 671 and 672 of 2016. With the implementation of Chapter 55 of 2021, Blueprint for Maryland’s Future Grant Program – Revisions, MSB’s per pupil allocation increases by \$335 from \$ \$9,226 in fiscal 2026 to \$9,561 in fiscal 2027.

In addition to its State appropriation, MSB receives other State revenues from an enhanced services grant, which is supplemental funding for blind students with additional disabilities who are at risk for out-of-state placement as well as grants for a statewide vision consultant and funds for the Maryland Information Resource Center. Local revenue sources include tuition, extended school year, and direct orientation and mobility payments from local education agencies (LEA), which are determined by a formula based on property wealth in each jurisdiction. Revenues also include federal grants and private donations.

Exhibit 6 shows MSB’s revenues and expenditures for fiscal 2023 through 2027 estimated. MSB estimates fiscal 2027 revenues will total \$45.6 million, with State and local revenue sources accounting for \$44.4 million, or 97% of this amount. Fiscal 2027 expenses, including depreciation, total \$52 million, which is a \$2.8 million increase from fiscal 2026. When excluding depreciation costs, fiscal 2027 expenses total \$49.9 million, which is a \$3.2 million increase over fiscal 2026. Less depreciation and including the fund balance from the prior year, MSB is projected to have a cash balance of \$15.7 million at the end of fiscal 2027. MSB indicates that spending in previous years is aligned with available revenues through annual cost-cutting measures, private gifts, and when necessary, the use of funds from the school’s endowment.

Exhibit 6
Maryland School for the Blind Revenues and Expenditures
Fiscal 2023-2027 Est.
(\$ in Thousands)

	<u>Source</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026 Est.</u>	<u>2027 Est.</u>
<u>Revenues</u>						
<i>Fund Balance from Prior Year</i>		<i>\$10,739</i>	<i>\$14,399</i>	<i>\$19,238</i>	<i>\$21,636</i>	<i>\$19,986</i>
State Appropriation	State	\$27,726	\$28,884	\$28,769	\$30,932	\$31,712
Enhanced Services	State	6,926	9,321	9,127	9,100	9,400
Sponsored Projects	Federal, State	1,079	1,268	1,393	1,101	950
Tuition	Local	2,289	2,366	2,221	2,250	2,291
Extended School Year	Local	680	775	863	750	550
Direct Orientation and Mobility	Local	950	680	611	650	500
Private Gifts	Private	0	0	0	0	0
Reimbursable Funds for COVID-19 Expenditures	Federal, Local	535	0	0	0	0
Other		179	243	234	215	200
Total Revenues		<i>\$40,364</i>	<i>\$43,537</i>	<i>\$43,218</i>	<i>\$44,998</i>	<i>\$45,603</i>
Total State and Local Revenue Sources (Approximate)		\$38,571	\$42,026	\$41,591	\$43,682	\$44,453
Percentage of State and Local Revenue Sources (Approximate)		96%	97%	96%	97%	97%
Expenses		<i>\$39,418</i>	<i>\$41,231</i>	<i>\$43,667</i>	<i>\$49,148</i>	<i>\$51,990</i>
Capitalized Costs and Depreciation		2,714	2,533	2,847	2,500	2,100
<i>Expenses Excluding Depreciation</i>		<i>\$36,704</i>	<i>\$38,698</i>	<i>\$40,820</i>	<i>\$46,648</i>	<i>\$49,890</i>
Cash Balance (Revenues Including Fund Balance – Expenses)		\$14,399	\$19,238	\$21,636	\$19,986	\$15,699

Note: The amount received through private gifts is subject to change and does not include endowment funds. Other expenses include communications, food, insurance, taxes, and financing costs.

Source: Maryland School for the Blind

R00A03 – MSDE – Funding for Educational Organizations

In the past three fiscal years, MSB has seen a steady increase in personnel costs associated with salaries, wages, and benefits, which in fiscal 2027, account for 75% of total spending. As required in Chapter 423, in calendar 2022 and 2023, the Department of Budget and Management conducted a review of MSB’s pay plan, and Supplemental Budget No. 5 of the fiscal 2023 budget provided \$1.2 million for increased salaries and wages for MSB personnel, budgeted in the Dedicated Purpose Account. These funds were allocated to MSB in fiscal 2024 in addition to funds added by the legislature for this purpose, including \$500,000 in fiscal 2024 and \$1.0 million in fiscal 2025. From fiscal 2026 to 2027, MSB has a projected increase in salaries, wages, and benefits of approximately \$2.6 million, or 7%, when compared to the fiscal 2026 estimate. Salaries, wages and benefits have increased \$6.1 million, or 18% since fiscal 2025. **Exhibit 7** shows MSB’s expenses by spending category from fiscal 2025 through 2027 estimated. **MSB should comment on the reasons for the steep rise in personnel costs since fiscal 2025.**

Exhibit 7
Maryland School for the Blind Spending by Category
Fiscal 2025-2027 Est.
(\$ in Thousands)

<u>Expenses</u>	<u>2025</u>	<u>2026 Est.</u>	<u>2027 Est.</u>	<u>\$ Change</u> <u>2026-2027</u>	<u>% Change</u> <u>2026-2027</u>
Salaries, Wages, and Benefits	\$33,131	\$36,602	\$39,193	\$2,591	7%
Fixed Charges	5,235	6,233	6,358	125	2%
Contractual Services	2,021	2,830	2,886	56	2%
Supplies and Materials	1,813	1,699	1,733	34	2%
Transportation Costs	130	122	124	2	2%
Other Expenses	1,337	1,662	1,696	34	2%
Total	\$43,667	\$49,148	\$51,990	\$2,842	6%
<i>Change in Personnel Costs from Fiscal 2025 through 2027</i>				<i>\$6,062</i>	<i>18%</i>

Note: Expenses do not include anticipated cash outlay towards depreciation and maintenance costs.

Source: Maryland School for the Blind

State-aided Institutions

To determine the budget for SAIs, MSDE and the Maryland State Board of Education review and select applicants from nonprofit organizations that offer educational programming to Maryland students. MSDE forwards this list to the Governor, who determines SAIs that will receive grants in any given fiscal year, for consideration.

R00A03 – MSDE – Funding for Educational Organizations

In fiscal 2026, 8 programs received an additional \$2.4 million in one-time funding as part of § 21 legislative additions. Of these programs, 7 received only funding allocated through § 21, and 1 received § 21 funding as an enhancement to the grant provided in the budget as introduced. In the fiscal 2027 allowance, 57 programs receive grants totaling approximately \$6.7 million. **Exhibit 8** shows SAI grant awards supported in the fiscal 2026 working appropriation and the fiscal 2027 allowance, with most of the grantees receiving level-funded awards, except for organizations that received one-time or enhanced funding through § 21 in fiscal 2026. Four grantees did not receive renewed funding in fiscal 2027 after receiving a grant in the fiscal 2026 budget as introduced.

Exhibit 8
State-aided Institutions
Fiscal 2026-2027 Est.

<u>Institution</u>	<u>2026 Est.</u>	<u>2027 Est.</u>	<u>Change from 2026</u>
Accokeek Foundation	\$21,072	\$21,072	\$0
Adventure Theater	18,080	18,080	0
Alice Ferguson Foundation	83,633	83,633	0
Alliance of Southern P.G. Communities, Inc.	33,454	0	-33,454
American Visionary Art Museum	18,080	18,080	0
Annapolis Maritime Museum	40,216	40,216	0
Assateague Coastal Trust*	65,000	0	-65,000
Audubon Naturalist Society	18,080	18,080	0
Autism Society*	150,000	0	-150,000
Baltimore Center Stage	18,080	18,080	0
Baltimore Museum of Art	18,080	0	-18,080
Baltimore Museum of Industry	84,514	84,514	0
Baltimore Symphony Orchestra	66,906	66,906	0
B&O Railroad Museum	63,386	63,386	0
Best Buddies International (MD Program)	167,265	167,265	0
Bright Minds Foundation*	50,000	0	-50,000
Cal Ripken, Sr. Foundation*	200,000	0	-200,000
Calvert Marine Museum	52,680	52,680	0
Chesapeake Bay Foundation	439,296	439,296	0
Chesapeake Bay Maritime Museum	21,128	21,128	0
Chesapeake Shakespeare Company	18,080	18,080	0
Citizenship Law-Related Education	30,812	30,812	0
CollegeBound Foundation	37,856	37,856	0
The Dyslexia Tutoring Program, Inc.	37,856	37,856	0

R00A03 – MSDE – Funding for Educational Organizations

<u>Institution</u>	<u>2026 Est.</u>	<u>2027 Est.</u>	<u>Change from 2026</u>
Echo Hill Outdoor School	56,342	56,342	0
Everyman Theater	52,680	52,680	0
Fire Museum of Maryland	18,080	18,080	0
Greater Baltimore Urban League	18,080	0	-18,080
Hippodrome Foundation	70,000	70,000	0
Historic London Town & Gardens	18,080	18,080	0
Imagination Stage	250,900	250,900	0
Irvine Nature Center	18,080	18,080	0
Jewish Community Center	15,000	15,000	0
Jewish Museum of Maryland	18,080	18,080	0
Junior Achievement of Central Maryland	42,256	42,256	0
KID Museum	18,080	18,080	0
Learning Undefeated	23,706	23,706	0
Living Classrooms Foundation, Inc.*	1,820,447	320,447	-1,500,000
Maryland Academy of Sciences	919,967	919,967	0
Maryland Historical Society	125,888	125,888	0
Maryland Humanities Council	44,017	44,017	0
Maryland Leadership Workshops	45,778	45,778	0
Maryland Zoo in Baltimore	855,702	855,702	0
Math, Engineering and Science Achievement	80,110	80,110	0
National Aquarium in Baltimore	500,039	500,039	0
National Great Blacks in Wax Museum	42,256	42,256	0
Northbay Environmental Education Program	502,232	502,232	0
Olney Theatre	147,018	147,018	0
Outward Bound	133,814	133,814	0
Pickering Creek Audubon Center	36,000	36,000	0
Port Discovery	117,086	117,086	0
Reginald F. Lewis Museum	26,340	26,340	0
Round House Theater	18,080	18,080	0
Salisbury Zoological Park	18,486	18,486	0
ShoreRivers, Inc.	76,725	76,725	0
Sotterly Foundation	18,080	18,080	0
South Baltimore Learning Center	42,256	42,256	0
State Mentoring Resource Center	80,111	80,111	0
Sultana Projects	21,128	21,128	0
SuperKids Camp	412,003	412,003	0
Village Learning Place	72,118	72,118	0
Walters Art Museum	18,080	18,080	0

R00A03 – MSDE – Funding for Educational Organizations

<u>Institution</u>	<u>2026 Est.</u>	<u>2027 Est.</u>	<u>Change from 2026</u>
Ward Museum	35,214	0	-35,214
Waters Edge Museum*	175,000	0	-175,000
Young Audiences of Maryland	89,556	89,556	0
100 Black Men of Greater Washington*	250,000	76,419	-173,581
Total	\$9,096,449	\$6,678,040	-\$2,418,409

*Denotes grantees that received supplemental grant funding added through § 21 of the fiscal 2026 Budget Bill.

Source: Governor’s Fiscal 2027 Budget Books

Issues

1. BOOST

Since fiscal 2017, BOOST has provided scholarships to nonpublic, K-12 students who are eligible for the federal free or reduced-price lunch program. The annual budget bill and budget bill language authorize and support the program with special funds from the Cigarette Restitution Fund (CRF). MSDE administers BOOST with the assistance of the BOOST Advisory Board, which is responsible for the annual selection of BOOST scholarship recipients. Fiscal 2027 is the eleventh year of the BOOST Program.

The Governor’s fiscal 2027 budget as introduced details the criteria for nonpublic schools that have students who are eligible for a BOOST scholarship and would like to participate. These criteria include schools that:

- provide more grades than only prekindergarten and kindergarten;
- administer national, norm-referenced standardized assessments chosen from a list of assessments published by the U.S. Department of Education that qualify nonpublic schools for Blue Ribbon Schools. Assessments must be administered in English/language arts and mathematics each year in grades 3 through 8 and at least once in grades 9 through 12 and in science at least once in grades 3 through 5, grades 6 through 8, and grades 9 through 12;
- comply with Title VI of the Civil Rights Act of 1964 as amended and Title 20, Subtitle 6 of the State Government Article (related to employment nondiscrimination);
- do not discriminate in student admissions, retention, or expulsion based on race, color, national origin, sexual orientation, or gender identity or expression; and
- participated in the Aid to Non-Public Schools Program in a prior school year. **The Department of Legislative Services (DLS) notes that the budget language is not updated to refer to the immediately preceding school year and recommends a technical correction to refer to updated school years throughout the language.**

Language in the fiscal 2027 Budget Bill also specifies that the BOOST Advisory Board shall prioritize awards for current BOOST recipients and their siblings, and a student shall receive no less than the fiscal 2024 base award amount.

When MSDE receives BOOST applications, the agency ranks eligible applicants by their percentage of family income compared to federal poverty levels. MSDE submits this list to the BOOST Advisory Board, which is responsible for the review and certification of the ranked list of applicants, determining the scholarship award amounts, and making final scholarship decisions. The amount of the scholarship award may not exceed the lesser of the statewide average per pupil

expenditure by LEA or the tuition of the nonpublic school, with the exception of special education students who may receive an award that exceeds their tuition if needed for tutoring or academic support. If a nonpublic school does not comply with these requirements, it must forfeit all scholarship funds received under the BOOST Program and may not charge the student tuition and fees instead.

BOOST Appropriations and Fund Balances

The fiscal 2026 BOOST appropriation for the 2025-2026 school year is \$9.0 million. The total amount available for awards includes the \$9.0 million appropriation plus an additional \$738,509 in funds retained from fiscal 2025, for a total of \$9.7 million available for awards. The BOOST Advisory Board offered approximately \$9.9 million in awards and \$9.5 million of the awards were accepted. MSDE will retain a \$233,355 fund balance for fiscal 2027 awards. **Exhibit 9** displays fiscal 2026 BOOST awards and the program’s remaining balance for fiscal 2027.

Exhibit 9 BOOST Current Appropriation and Fund Balance Fiscal 2026

	<u>Fund Balance</u>
Fiscal 2026 Working Appropriation	\$9,000,000
Fiscal 2025 Balance Remaining	738,509
Total Funds Available for Awards in the 2025-2026 School Year	\$9,738,509
Total Awards Offered and Accepted, including award adjustments	\$9,943,050
Total Declined Awards	437,896
Total Awards Offered and Accepted as of December 2025	\$9,505,154
<i>Remaining Balance</i>	<i>\$233,355</i>

BOOST: Broadening Options and Opportunities for Students Today

Source: Maryland State Department of Education

BOOST Student Awards

The fiscal 2026 Budget Bill required the BOOST Advisory Board to give priority to current BOOST recipients, their siblings, and students who are applying for the first time and attended a public school in the prior fiscal year. Students must receive no less than the fiscal 2024 base award amount, and students with the lowest incomes have priority for awards. In addition, \$617,522 of

R00A03 – MSDE – Funding for Educational Organizations

the appropriation must be used for awards for students with special needs that are at least equal in amount to the student’s BOOST scholarship award.

In fiscal 2026, 2,796 students received a total of \$9.5 million in awards. Of this amount, \$3.3 million was awarded to 692 students who qualified for free meals and attended public school, \$1.2 million was awarded to 319 students who qualified for reduced-price meals and attended public school, \$2.3 million was awarded to 1,440 students who qualified for free meals and attended private school, and \$414,000 was awarded to 345 students who qualified for reduced-price meals and attended private school. A total of 724 high school students received \$2.2 million in additional awards, and 228 special education students received a total of \$569,800. Adjustments for awards that exceeded tuition totaled \$437,896. **Exhibit 10** displays these awards by category of student.

Exhibit 10
BOOST Total Student Awards Offered
Fiscal 2026

<u>BOOST Scholarships Awarded and Accepted</u>	<u>Students</u>	<u>Average Income</u>	<u>Maximum Scholarship Amount</u>	<u>Total</u>
Qualified for Free Meals, Attended Public School	692	\$27,143	\$4,750	\$3,287,000
Qualified for Reduced Meals, Attended Public School	319	53,166	3,750	1,196,250
Qualified for Free Meals, Attended Private School	1,440	35,092	1,600	2,304,000
Qualified for Reduced Meals, Attended Private School	345	68,323	1,200	414,000
<i>Subtotal – Base Awards</i>	<i>2,796</i>	<i>\$44,868</i>		<i>\$7,201,250</i>
Adjusted Award – Special Education	228		2,499	\$569,800
Adjusted Award – High School	724		3,000	2,172,000
Adjustments When Award Exceeded Tuition				-437,896
<i>Subtotal</i>	<i>952</i>			<i>\$2,303,904</i>
Total Amount Awarded				\$9,505,154

BOOST: Broadening Options and Opportunities for Students Today

Source: Maryland State Department of Education

Review of Assessment Data

Exhibit 11 shows assessment data for BOOST and non-BOOST students in grades 3 through 12 for the 2024-2025 (fiscal 2025) school year in terms of subject area. BOOST students scored 15 percentage points lower in English/language arts compared to non-BOOST students; 12 percentage points lower in mathematics (49% for BOOST students versus 61% for non-BOOST students); and 11 percentage points lower in science (55% for BOOST students versus 66% for non-BOOST students). The overall difference across subjects between BOOST and non-BOOST students is 13 percentage points.

Exhibit 11
BOOST and Non-BOOST Student Proficiency by Subject Area
School Year 2024-2025

<u>Assessment</u>	<u>Assessed</u>	<u>Proficient</u>	<u>% Proficient</u>
BOOST Students Only			
English/Language Arts	1,425	796	56%
Mathematics	1,409	696	49%
Science	713	392	55%
Total	3,547	1,884	53%
Non-BOOST Students			
English/Language Arts	28,420	20,212	71%
Mathematics	28,044	17,165	61%
Science	14,865	9,866	66%
Total	71,329	47,243	66%
Difference between BOOST and Non-BOOST Students			-13%

BOOST: Broadening Options and Opportunities for Students Today

Source: Maryland State Department of Education; Department of Legislative Services

DLS recommends that language from the fiscal 2026 Budget Bill be restored regarding awards for special education students and a report on the BOOST Program. MSDE should comment on:

- **why special education awards did not meet the \$617,522 legislative directive; and**
- **the efforts of BOOST schools to close the gap between BOOST and non-BOOST students on standardized assessments.**

Operating Recommended Actions

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

Further provided that \$569,800 of this appropriation shall be used only to provide an additional award for each student with special needs that is at least equal in amount to the Broadening Options and Opportunities for Students Today (BOOST) Program scholarship award that a student is awarded in accordance with paragraph (6) above.

Further provided that the Maryland State Department of Education (MSDE) shall submit a report to the budget committees by January 15, 2027, 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 2025-2026 school year by the student; and (c) if the student attended the same nonpublic school in the 2025-2026 school year, whether, what type, and how much nonpublic scholarship aid the student received in the 2025-2026 school year and will receive in the 2026-2027 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

R00A03 – MSDE – Funding for Educational Organizations

students attending public and nonpublic schools for students who declined scholarships;

- (12) the number of students who received BOOST Program scholarships for the 2025-2026 school year who are attending public school for the 2026-2027 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 2025-2026 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 requires MSDE to report, by January 15, 2027, 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 2025-2026 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 \$569,800 of the BOOST appropriation shall be used to provide higher awards for these students.

Information Request	Author	Due Date
BOOST Program participation	MSDE	January 15, 2027

2. Amend the following language:

, provided that this appropriation shall be for a Broadening Options and Opportunities for Students Today (BOOST) Program that provides scholarships for students who are eligible for the free or reduced price lunch program to attend eligible nonpublic schools. The Maryland State Department of Education (MSDE) shall administer the grant program in accordance with the following guidelines:

- (1) To be eligible to participate in the BOOST Program, a nonpublic school must:
 - (a) have participated in Program R00A03.04 Aid to Non-Public Schools Program for textbooks and computer hardware and software administered by MSDE during the ~~2024-2025~~ 2025-2026 school year;

R00A03 – MSDE – Funding for Educational Organizations

- (b) provide more than only prekindergarten and kindergarten programs;
- (c) administer national, norm-referenced standardized assessments chosen from the list of assessments published by the U.S. Department of Education ~~used for the 2024-25 school year~~ 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 ~~8~~ 9, and at least once for students in grades ~~9~~ 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, retention, or expulsion or otherwise discriminate against any student on the basis of race, color, national origin, sexual orientation, or gender identity or expression. 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, retention, or expulsion or otherwise discriminate against any student based on race, color, national origin, sexual orientation, or gender identity or expression. If a nonpublic school does not comply with these requirements, it shall reimburse MSDE all scholarship funds received under the BOOST Program for the ~~2025-2026~~ 2026-2027 school year 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.

Explanation: This language makes technical changes to align annual language related to the BOOST Program with policies set in the fiscal 2026 Budget Bill. This language specifies that to be eligible to participate in the BOOST Program, a nonpublic school must have participated in the program for textbooks and computer hardware and software administered by MSDE during the prior school year (2025-2026), and must 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. This language also specifies that if a nonpublic school does not comply with these requirements, it shall reimburse MSDE all scholarship funds received under the BOOST Program for the 2026-2027 school year.

Appendix 1
2025 Joint Chairmen’s Report Responses from Agency

The 2025 JCR requested that MSDE prepare one report. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***BOOST Program Participation:*** Language in the fiscal 2026 Budget Bill required MSDE to report on the distribution of the BOOST scholarships, student assessments, and additional information about students in the BOOST program. MSDE reported that out of \$9.0 million budgeted for the program in fiscal 2026 and funds remaining from prior years, a total of \$9.5 million was awarded to 2,796 students. Assessment scores for BOOST students remain below non-BOOST students by 13 percentage points across all subject areas. Further discussion of this information can be found in Issue 1 of this analysis.

Appendix 2
Funding for Educational Organizations Program Descriptions
Maryland State Department of Education

Maryland School for the Blind

MSB is a nonprofit school and resource center that provides outreach, educational, and residential programs in all 24 Maryland jurisdictions for blind and visually impaired students from birth to age 21, including those with multiple disabilities. MSB currently serves 65% of the 2,000 Maryland students identified as blind or visually impaired either on its campus in Baltimore City or through outreach programs and the Maryland Instructional Resource Center. MSB receives general fund allocations from the State, funding from LEAs, federal funds, and private funds through gifts and its endowment.

Blind Industries and Services of Maryland

BISM offers two programs that assist Maryland residents with blindness and low vision to gain employment opportunities and training. The Comprehensive Orientation, Rehabilitation, and Empowerment (CORE) program serves blind or low-vision adults who are employable. CORE incorporates a positive philosophy of blindness to prepare graduates for employment, continuing education, or independent living. The BISM Senior program serves Maryland residents with blindness or low vision who are age 55 and over. This program incorporates braille teaching, cane travel, computer technology, arts and crafts, and independent living skills so that seniors can continue to be active. The State allocation for BISM is \$600,000 in general funds.

State-aided Institutions

The SAI Program provides annual general fund grants to institutions that impact education statewide and merit State funds. Programs that receive grants can change from year to year. In fiscal 2027, 57 programs receive \$6.7 million in grants. A list of these programs in alphabetical order follows.

- **Accokeek Foundation** in Accokeek offers educational tours that supplement social studies and environmental education.
- **Adventure Theatre** in Glen Echo is a musical theatre academy for youth, with an integrated, nationally renowned professional theatre company.
- **Alice Ferguson Foundation** in Accokeek is an environmental education center and working farm on the Potomac River that offers educational field trips and a summer science camp.

R00A03 – MSDE – Funding for Educational Organizations

- **American Visionary Art Museum** in Baltimore City offers students and teachers museum tours, library visits, and online programs with self-taught artists.
- **Annapolis Maritime Museum** in Annapolis educates youth and adults about Annapolis’ maritime heritage and the ecology of the Chesapeake Bay.
- **Audubon Naturalist Society** in Chevy Chase offers camp and daily nature programs for schools, families, and scouts.
- **Baltimore Center Stage** in Baltimore City provides theater programs for youth, families, and the community, regardless of financial, racial, or orientation barriers.
- **Baltimore Museum of Industry** in Baltimore City has hands-on exhibits for students in math, science, and technology as well as a training center for technology education teachers.
- **Baltimore Symphony Orchestra** in Baltimore City enhances teaching of the arts through midweek concerts for students and teachers.
- **B&O Railroad Museum** in Baltimore City offers programs that focus on history, social studies, and science related to railroads and railroad technology.
- **Best Buddies International (MD Program)** operates in multiple jurisdictions and pairs special and general education students in middle and high schools to foster inclusion and build socialization skills.
- **Calvert Marine Museum** in Solomons is 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 and summer in-service courses for teachers.
- **Chesapeake Bay Maritime Museum** in St. Michaels offers experiential learning programs on the Chesapeake Bay, including a field trip program for grade 3 students.
- **Chesapeake Shakespeare Company** in Baltimore City allows students the opportunity to experience Shakespeare’s work through live performances and discussion.
- **Citizenship Law-Related Education Program** in Baltimore City (now Maryland Youth and the Law) teaches youth to foster an appreciation of the American judicial and legal system.
- **CollegeBound Foundation** in Baltimore City provides college advisors to Baltimore City public high schools to encourage and assist students in their education beyond high school.

R00A03 – MSDE – Funding for Educational Organizations

- **The Dyslexia Tutoring Program, Inc.** in Baltimore City works with low-income children and adults who are dyslexic or have a language-based learning disability.
- **Echo Hill Outdoor School** in Worton offers students the opportunity to participate in experiential, environmental education classes and residential programs.
- **Everyman Theatre** in Baltimore City provides students with the opportunity to experience the theater through programs in improvisation, Page-to-Stage, and subsidized high school matinees.
- **Fire Museum of Maryland** in Lutherville educates students about the history, technology, and innovation of the fire service through its collection of operating apparatus and memorabilia.
- **Hippodrome Foundation** in Baltimore City facilitates access to experts in the fields of music, dance, and theater and instructs students about the Hippodrome and the world of theater.
- **Historic London Town and Gardens** in Annapolis instructs students about daily life and activities in a 1700s colonial port.
- **Imagination Stage** in Bethesda provides students with performing arts education through theater productions by professional actors and artists.
- **Irvine Nature Center** in Owings Mills offers environmental education programs, classes, and camps for children and adults.
- **Jewish Community Center** of Greater Baltimore provides health and fitness opportunities for children and teens through fun, enriching, and immersive experiences.
- **Jewish Museum of Maryland** in Baltimore City supports onsite and outreach programs that focus on the history, tradition, and culture of Jewish life in Maryland.
- **Junior Achievement of Central Maryland** in Owings Mills offers economic and financial literacy programs for young people to prepare them to succeed in a global economy.
- **KID Museum** in Bethesda offers hands-on learning experiences that incorporate STEM, art, culture, creativity, and critical thinking.
- **Learning Undefeated** in Gaithersburg provides STEM experiences for high-needs communities through innovative and experiential K-12 education programs.

R00A03 – MSDE – Funding for Educational Organizations

- **Living Classrooms Foundation** in Baltimore City offers programs for children, youth, and adults in hands-on education, workforce development, health, wellness, and violence prevention.
- **Maryland Academy of Sciences** in Baltimore City provides student visits to the Maryland Science Center, traveling science programs, and instructional materials for teachers.
- **Maryland Historical Society** in Baltimore City provides museum visits, a research center, historical investigations, and a virtual tour of Maryland history.
- **Maryland Humanities Council** supports educational experiences in the humanities so that students embrace lifelong learning, exchange ideas openly, and enrich their communities.
- **Maryland Leadership Workshops** in Annapolis offers week-long residential programs that allow middle and high school students to immerse themselves in all aspects of leadership.
- **Maryland Zoo in Baltimore** provides school visits, conservation education, classes, and summer camps for students in pre-K through 12.
- **Math, Engineering, Science Achievement of Maryland** is a precollege program that prepares students for careers in STEM.
- **National Aquarium in Baltimore** supports environmental and science education through school visits, fellowships for high school students, and a youth ocean conservation summit.
- **National Great Blacks in Wax Museum** in Baltimore City provides school tours and other museum-related activities for students to learn about African American history and culture.
- **Northbay Environmental Education Program** in North East provides an academically rigorous and engaging science curriculum that inspires middle school students to take responsibility for their surroundings and decisions.
- **Olney Theatre** in Olney offers student matinees, campus tours, and field trips to encourage and support arts education.
- **Outward Bound** provides high school students with challenging educational experiences in Baltimore and on the Chesapeake Bay.
- **Pickering Creek Audubon Center** in Easton conserves natural habitats on Maryland's Eastern Shore and engages the community through exploration, education, and stewardship.

R00A03 – MSDE – Funding for Educational Organizations

- **Port Discovery** in Baltimore City provides interactive and fun educational programs for toddlers and children prekindergarten through grade 5.
- **Reginald F. Lewis Museum** in Baltimore City provides curricula and teacher training that explores local African American heritage through themes of family, community, slavery, and art.
- **Round House Theatre** in Silver Spring offers programs that encourage students to explore all aspects of theatre such as acting, movement, design, and play creation.
- **Salisbury Zoological Park** in Salisbury offers school visits, hands-on classroom programs, and teacher training on conservation, wildlife, and native animals of the Americas and Australia.
- **ShoreRivers, Inc.** in Easton protects and restores Eastern Shore waterways through science-based advocacy, restoration, and education.
- **Sotterly Foundation** in Hollywood provides tours, STEM programs, and a junior docent academy designed to educate students about life on a tidewater plantation.
- **South Baltimore Learning Center** in Baltimore City provides a supportive, rigorous, and transformative education for adults who are eager to learn and motivated to succeed.
- **State Mentoring Resource Center (Y of Central Maryland)** connects volunteer adult mentors with disadvantaged school children.
- **Sultana Education Foundation (Sultana Projects)** in Chestertown provides educational programs to increase student understanding of history and awareness of the natural environment of the Chesapeake Bay.
- **SuperKids Camp** in Baltimore City is a six-week academic enrichment program designed to help elementary school-age students maintain their scholastic skills during the summer months.
- **Village Learning Place** is an independent, nonprofit library that offers educational programs, enrichment opportunities, and resources for Charles Village and throughout Baltimore City.
- **Walters Art Museum** in Baltimore City offers first-hand experiences with art that encourage learning and creativity including school tours, family activities, Art Babies, and summer camp.

R00A03 – MSDE – Funding for Educational Organizations

- **Young Audiences of Maryland** in Baltimore City hosts professional artists who deliver academic lessons through the arts and create hands-on arts learning experiences for students.
- **100 Black Men of Greater Washington** in Washington, DC is devoted to improving the quality of life for African American youth in the Washington, DC metropolitan area through programs focused on mentoring, education, health and wellness, economic empowerment, and leadership development.

Aid to Non-Public Schools Program

The Aid to Non-Public Schools Program provides grants that support the purchase of textbooks and technology for nonpublic schools statewide. The Governor authorizes this program annually through the budget bill and budget bill language. This program receives CRF special funds.

BOOST Program

The BOOST Program provides scholarships for students who are eligible for free- and reduced-price lunches to attend nonpublic schools. The annual budget bill and budget bill language provide authorization for this program. This program receives CRF special funds.

Appendix 3
Object/Fund Difference Report
Maryland State Department of Education – Funding for Educational Organizations

<u>Object/Fund</u>	<u>FY 25 Actual</u>	<u>FY 26 Wrk. Approp.</u>	<u>FY 27 Allowance</u>	<u>FY 26 - 27 \$ Change</u>	<u>% Change</u>
Positions					
01 Regular	0.00	0.00	0.00	0.00	n/a
02 Contractual	0.00	0.00	0.00	0.00	n/a
Total Positions	0.00	0.00	0.00	0.00	n/a
Objects					
12 Grants, Subsidies, and Contributions	\$59,912,048	\$58,168,887	\$56,530,281	-\$1,638,606	-2.8%
Total Objects	\$59,912,048	\$58,168,887	\$56,530,281	-\$1,638,606	-2.8%
Funds					
01 General Funds	\$42,791,160	\$40,628,887	\$38,990,281	-\$1,638,606	-4.0%
03 Special Funds	17,120,888	17,540,000	17,540,000	0	0.0%
Total Funds	\$59,912,048	\$58,168,887	\$56,530,281	-\$1,638,606	-2.8%

Appendix 4
Fiscal Summary
Maryland State Department of Education – Funding for Educational Organizations

<u>Program/Unit</u>	<u>FY 25 Actual</u>	<u>FY 26 Wrk. Approp.</u>	<u>FY 27 Allowance</u>	<u>FY 26 - 27</u>	
				<u>\$ Change</u>	<u>% Change</u>
01 Maryland School for the Blind	29,922,090	30,932,438	31,712,241	779,803	2.5%
02 Blind Industries and Services of Maryland	600,000	600,000	600,000	0	0.0%
03 Other Institutions	12,269,070	9,096,449	6,678,040	-2,418,409	-26.6%
04 Aid to Non-Public Schools	8,120,888	6,040,000	6,040,000	0	0.0%
05 Broadening Options and Opportunities for Students Today	9,000,000	9,000,000	9,000,000	0	0.0%
07 Non-Public School Health and Security	0	2,500,000	2,500,000	0	0.0%
Total Expenditures	\$59,912,048	\$58,168,887	\$56,530,281	-\$1,638,606	-2.8%
General Funds	42,791,160	40,628,887	38,990,281	-1,638,606	-4.0%
Special Funds	17,120,888	17,540,000	17,540,000	0	0.0%
Total Appropriations	\$59,912,048	\$58,168,887	\$56,530,281	-\$1,638,606	-2.8%