
R00A03

Funding for Educational Organizations

Maryland State Department of Education

Response to the Analyst's Review and Recommendations

House Education and Economic Development Subcommittee –
February 28, 2013
Senate Education, Business, and Administration Subcommittee –
March 7, 2013



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State Superintendent of Schools



Maryland Public Schools: ***#1 in the Nation Five Years in a Row***

The Maryland State Department of Education (MSDE) welcomes the opportunity to respond to the items noted in the budget analysis. The analysis provides a comprehensive overview of the goals and activities of the Funding for Educational Organizations budget. As noted in the analysis, this budget provides grants to organizations with unique operations through four budgetary programs:

- The Maryland School for the Blind
- Blind Industries and Services of Maryland
- State Aided Educational Institutions
- Aid to Nonpublic Schools

With regard to the specific recommendations noted in the analysis:

Proposed Budget

The Department of Legislative Services (DLS) recommends that the fiscal 2014 appropriation for the Nonpublic School Textbook Program remain at the fiscal 2013 level due to uncertainty in future CRF revenues, and to preserve CRF funds for health related expenses.

The State Board of Education has traditionally taken the position that, while recognizing the value of this program, its primary advocacy is for public education. The Maryland State Department of Education will continue to operate this program effectively and efficiently at whatever level is appropriated by the General Assembly.

Due to the continuing structural deficit, DLS recommends that increases for State Aided Institutions be limited to 10.0% in fiscal 2014, excluding the Maryland Academy of Sciences, which would be limited to a 48.4% increase to facilitate the institution's refinancing effort. This would result in an \$1,360,874 reduction to the fiscal 2014 allowance.

MSDE respectfully disagrees with the analyst's recommended reduction and fully supports the Governor's FY 2014 allowance. The 39 organizations comprising the State Aided Institutions (SAI) program provide exemplary, engaging, hands-on, experiential learning opportunities for Maryland students and teachers that cannot be replicated in the classroom.

The educational programs are aligned with Maryland's curriculum and are transitioning to the Common Core State Standards, many with an emphasis on Science Technology Engineering and Mathematics (STEM). Additionally, these organizations give priority to economically disadvantaged students and Title I schools. Student experiences in these programs are often what keep students in school or spark an interest in a career path.

For every dollar the SAIs receive in State funds, they are able to leverage a minimum of three additional dollars – with a current average of eight additional dollars – to provide direct educational experiences for Maryland students, including public and non-public schools, family and group child care centers and homeschoolers. However, as the State investment has decreased, it has become more challenging for these organizations to leverage outside funding.

The SAI programs have endured almost 50% decrease in funding through years of budget cuts and cost containment. Despite the reduction in funding they strive to provide quality services to students and teachers without significantly decreasing the number of students they serve. It is

unlikely that they will be able to continue this level of service without a significant restoration of funding. For these reasons, MSDE disagrees with the analyst's recommendations and fully supports the Governor's FY 2014 allowance.

Recommended Actions

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

, provided that each institution is limited to an increase of 10.0%, except the Maryland Academy of Sciences, which is limited to an increase of 48.4%.

As noted above, MSDE respectfully disagrees with the recommended reduction.

- 2. Reduce funds for State Aided Institutions by \$1,360,874. \$ 1,360,874 GF**
Due to the continuing structural deficit, increases should be limited to 10.0% in fiscal 2014, excluding the Maryland Academy of Sciences, which would be limited to a 48.4% increase to facilitate the institution's refinancing effort.

As noted above, MSDE respectfully disagrees with the recommended reduction.

- 3. Reduce funds for Aid to Nonpublic School Textbook Program to provide funds at the fiscal 2013 level due to uncertainty in future Cigarette Restitution Fund (CRF) revenues, and to preserve CRF funds for health related expenses. 1,100,000 SF**

As noted above, MSDE will continue to operate this program effectively and efficiently at whatever level is appropriated by the General Assembly.