

Small Entity Compliance Guide

COMAR 13A.05.13 State-Aided Educational Institutions

Table of Contents

Introduction.....	2
Purpose of This Regulatory Action.....	2
Definitions.....	2
Summary of the Major Provisions.....	2
Program Qualifications.....	2
Funding Qualifications.....	3
Accountability Measures.....	4
Compliance Date for Entities Subject to These Regulations.....	4
Entities Subject to the Regulations.....	4
Estimate of Economic Impact on Small Entities.....	4
Resources.....	5
Technical Assistance.....	5

Introduction

This Maryland State Department of Education, Division of Student Support, Academic Enrichment and Educational Policy (hereinafter “the Agency”), has prepared this document as the “Small Entity Compliance Guide” required by Chapter 212 of the Maryland Laws of 2019. This Guide summarizes and explains the new regulations adopted by the Maryland State Board of Education (hereinafter “State Board”).

Purpose of This Regulatory Action

On September 24, 2019, the State Board granted permission to publish new regulations .01—.06 under Code of Maryland Regulations (COMAR) 13A.05.13 State-Aided Educational Institutions (SAI) program. The purpose of these regulations is to codify in the COMAR certain requirements pertaining to the SAI program. The proposed regulations will further implement the requirements of the SAI program as set forth in statute, Education Article, §5-501, Annotated Code of Maryland.

Definitions

"Nonprofit organization" as referenced in Regulation .02 means an organization that: (1) based in the State; (2) incorporated or registered under the laws of the State; (3) exempt from Federal income tax under §501(c)(3), (4) or (6) of the Internal Revenue Code; and (4) is current in the payment of all tax obligations to the State or any unit or subdivision of the State.

Summary of the Major Provisions

These new regulations establish the SAI program qualifications, funding qualifications, and program accountability.

Program Qualifications

- A. To be considered for funding, an educational institution must qualify as a State-Aided Educational Institution.
- B. To qualify as a State-Aided Educational Institution, an educational institution shall submit to the Department the following documentation:
 - (1) Names of the members of an independent governing board for the institution;
 - (2) Proof of status as a nonprofit organization;
 - (3) A copy of the most recent independent annual audit or copies of the most recent internally generated financial statements until the annual audit is available;
 - (4) A detailed operating budget that:
 - (a) For an educational institution other than the Baltimore Zoo, indicates that less than 50% of the operating budget comes from State grants;
 - (b) Specifies all sources of income, including grants received, names of granting agencies, and the amount of each grant; and
 - (c) Specifies all expenditures.
 - (5) Plans for the use of any grant funds that may be awarded by the State-Aided Educational Institutions grants program;
 - (6) Evidence of the provision of a direct service to Maryland school groups or to individuals with disabilities, including:
 - (a) Data on age levels of students to be served;

- (b) Data on the projected number of students and teachers to be served both statewide and by local jurisdiction; and
- (c) Plans of the Institution to support the Maryland curricular and educational priorities.
- (7) Evidence of liability insurance coverage; and
- (8) Evidence that the educational program for which funding is sought is not a new program and can show a track record of success.

Funding Qualifications

- A. A qualified organization that seeks funding through the State-Aided Educational Institutions program in the fiscal year following the upcoming fiscal year shall submit to the Maryland State Department of Education:
 - (1) A Fiscal Impact Statement describing:
 - (a) The program for which funding is sought;
 - (b) Amount of funds requested;
 - (c) Population(s) to be served;
 - (d) Educational goals and objectives; and
 - (e) Anticipated outcomes.
 - (2) An augmentation request describing:
 - (a) Who will be served;
 - (b) Objectives of the educational program; and
 - (c) Anticipated outcomes.
 - (3) An application for qualification as a State-Aided Educational institution describing:
 - (a) Supporting documentation as described in .03 Program Qualifications.
- B. The department shall review applications for qualification as a State-Aided Educational Institution and shall submit a list of the qualified institutions to the State Superintendent of Schools.
- C. The State Superintendent shall:
 - (1) Review and comment on the institutions on the list of qualified institutions and the extent and manner in which each would forward the goals of the Maryland curricular and educational priorities; and
 - (2) Present the list of qualified institutions and comments on each institution to the State Board for review and comment by the Board at the August meeting.

- D. The State Board shall submit to the Governor:
 - (1) The list of qualified institutions;
 - (2) The Superintendent’s comments on each institution; and
 - (3) The Board’s comments, if any, on each institution.

Accountability Measures

- A. Each institution funded through the State-Aided Educational Institutions program must submit the following annual reports:
 - (1) Midyear/Interim Progress Report;
 - (2) Managing for Results (MFR) Report; and
 - (3) Annual Progress Report.

- B. The Maryland State Department of Education will conduct an annual site visit for each nonprofit organization funded through the State-Aided Educational Institutions program.

Compliance Date for Entities Subject to These Regulations

These new regulations tentatively go into effect March, 2020. State-Aided Educational Institutions applying for funds in fiscal year 2022 should refer to these newly developed regulations. Prior to that time, please refer to the requirements contained in statute, Education Article, §5-501, Annotated Code of Maryland.

Entities Subject to the Regulations

Nonprofit organizations applying for funds under the SAI program are subject to these regulations and the requirements of statute, Education Article, §5-501, Annotated Code of Maryland.

Estimate of Economic Impact on Small Entities

The funding of the State-Aided Educational Institutions economically impacts local school systems, the 47 nonprofits funded through the program, and Maryland citizens.

Each of the organizations receives funding from the Maryland State Department of Education. This funding provides field trip opportunities to students and teachers at a free or reduced price, thus reducing the financial burden on local school systems (LSS) and parents having to cover the full cost of the trip. Services are specifically targeted to Title I schools, thus providing the educational experience to support economically disadvantaged students and families. These funds can be used to provide services to students attending public, private/parochial, and home school, ensuring that a wide range are afforded the opportunity to participate in these unique educational experiences.

Nonprofit organizations receiving funding are also impacted economically. The State support allows organizations to leverage funding from other entities such as businesses and foundations. The funding also frees up organizational resources that can be used for program enhancement, hiring staff, and/or capital projects. The additional revenue increases the number of students who can visit the organizations.

Resources

The final regulations published for the Maryland State Department of Education, State-Aided Educational Institutions, can be found on the Department of Education's website at www.marylandpublicschools.org.

Technical Assistance

The Maryland State Department of Education, Division of Student Support, Academic Enrichment and Educational Policy, is available to respond to questions regarding the State-Aided Educational Institutions regulations. Please direct questions to:

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