



Karen B. Salmon, Ph.D.
State Superintendent of Schools

TO: Members of the State Board of Education
FROM: Karen B. Salmon, Ph.D.
DATE: August 27, 2019
SUBJECT: COMAR 13A.05.13
State-Aided Educational Institutions
PERMISSION TO PUBLISH

PURPOSE:

The purpose of this action is to request permission to publish COMAR 13A.05.13 *State-Aided Educational Institutions*. This regulation outlines the process for non-profit organizations to qualify and apply as a State-Aided Educational Institution.

REGULATION PROMULGATION PROCESS:

Under Maryland law, a state agency, such as the State Board, may propose a new or amended regulation whenever the circumstances arise to do so. After the State Board votes to propose such a regulation, the proposed regulation is sent to the Administrative, Executive, and Legislative Review Committee (AELR) for a 15-day review period. If the AELR Committee does not hold up the proposed regulation for further review, it is published in the Maryland Register for a 30-day public comment period. At the end of the comment period, the Maryland State Department of Education (MSDE) staff reviews and summarizes the public comments. Thereafter, the MSDE staff will present a recommendation to the State Board of Education to either: (1) adopt the regulation in the form it was proposed; (2) revise the regulation and adopt it as final because the suggested revision is not a substantive change; or (3) revise the regulation and re-propose it because the suggested revision is a substantive change. At any time during the process, the AELR Committee may stop the promulgation process and hold a hearing. Thereafter, it may recommend to the Governor that the regulation not be adopted as a final regulation or the AELR Committee may release the regulation for final adoption.

BACKGROUND/HISTORICAL PERSPECTIVE:

COMAR 13A.05.13 *State-Aided Educational Institutions* requires non-profit organizations who are interested in qualifying as a State-Aided Educational Institution to apply annually to the MSDE by providing information as outlined in the regulation. The program was established in 1998 in the Annotated Code of Maryland §5-501 *Qualifications for State-Aided Educational Institutions*. This regulation will add a new chapter to COMAR 13A Subtitle .05 Special Instructional Programs.

EXECUTIVE SUMMARY:

The proposed COMAR 13A.05.13 *State-Aided Educational Institutions* requires non-profit organizations interested in qualifying as a State-Aided Educational Institution to apply annually to the MSDE by providing information as outlined in the regulation.

ACTION:

Request permission to publish COMAR 13A.05.13 *State-Aided Educational Institutions*.

Attachment:

COMAR 13A.05.13 *State-Aided Educational Institutions*

Title 13A
STATE BOARD OF EDUCATION
Subtitle 05. Special Instructional Programs
Chapter 13. State-Aided Educational Institutions
Maryland Education Code Ann. §5-501 et. seq.

.01 Purpose.

The State-Aided Educational Institutions program is created to provide State funding and support to non-profit organizations that provide unique, educational experiences to students and teachers that cannot be replicated in the classroom. These educational experiences are aligned with Maryland curricular and educational priorities.

.02 Definitions.

A. *In this regulation, the following terms have the meanings indicated.*

B. *Terms Defined.*

(1) *“Nonprofit organization” means an organization that:*

(a) *Is based in the State;*

(b) *Is incorporated or registered under the laws of the State;*

(c) *Is exempt from Federal income tax under §501(c)(3), (4) or (6) of the Internal Revenue Code; and*

(d) *Is current in the payment of all tax obligations to the State or any unit or subdivision of the State.*

.03 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.

.04 Funding Qualifications

- A. An educational institution that seeks to qualify as a State-Aided Educational Institution for funding 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.

.05 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.