
R00A03

Funding for Educational Organizations

Maryland State Department of Education

Response to the Analyst's Review and Recommendations

House Education and Economic Development Subcommittee –
January 30, 2019

Senate Education, Business, and Administration Subcommittee –
February 4, 2019



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

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 five budgetary programs:

- The Maryland School for the Blind
- Blind Industries and Services of Maryland
- State Aided Educational Institutions
- Aid to Nonpublic Schools
- Broadening Options and Opportunities for Students Today (BOOST)

With regard to the specific issues and recommendations noted in the analysis:

Maryland School for the Blind (MSB)

MSB should explain to the budget committees what costs are driving its endowment draws since fiscal 2017 and what it is doing to maintain its endowment.

MSDE Response: The Maryland School for the Blind will address the questions and recommendations noted in the DLS analysis pertaining to MSB.

Broadening Options and Opportunities for Students Today (BOOST) Funding and Program Data

DLS Recommendation: The Department of Legislative Services (DLS) recommends reducing the fiscal 2020 appropriation for BOOST by approximately \$3.5 million, thereby funding the program at the fiscal 2019 level when accounting for the funding being carried forward from fiscal 2019.

MSDE Response: MSDE respectfully disagrees with this recommendation. MSDE supports the amount in the Governor's Allowance.

DLS Recommendation: If the budget committees desire for students with special needs to receive larger BOOST awards in fiscal 2020 than they have in fiscal 2019, they may consider budget bill language that allows for special education students to be exempted from award limits.

MSDE Response: MSDE concurs.

DLS Recommendation: DLS recommends that language from the fiscal 2019 authorization of BOOST for the administration of that program be restored for the fiscal 2020 Budget Bill as it is applicable to BOOST for the 2019-2020 school year.

MSDE Response: MSDE concurs.

Administering Aid Programs for Nonpublic Schools

DLS Recommendation: MSDE should explain to the budget committees if it is possible for nonpublic schools which are found to be in violation of nondiscrimination requirements to return textbooks and technology purchased under the Aid to Non-Public Schools Program to the MSDE.

MSDE Response: It is possible for schools found to be noncompliant to return textbooks and technology made available through the Aid to Non-public Schools program. MSDE would have to determine a methodology for tracking the materials in an inventory system, identify options for offering returned materials to other eligible non-public schools, establish a process for distributing materials to other eligible nonpublic schools, and develop options for disposing unutilized materials. It is important to note that MSDE does not have the staff or the systems to manage a process for collecting materials from noncompliant schools on a large scale basis.

DLS Recommendation: DLS recommends that all language for the administration of the Aid to Non-Public Schools Program in the fiscal 2019 Budget Bill be restored for fiscal 2020.

MSDE Response: MSDE concurs.

Operating Budget Recommended Actions

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

, provided that this appropriation shall be for the purchase of textbooks or computer hardware and software and other electronically delivered learning materials ~~as permitted under Title II, Section 2416(b)(4), (6), and (7) of the No Child Left Behind Act~~ for loan to students in eligible nonpublic schools with a maximum distribution of \$65 per eligible nonpublic school student for participating schools, except that at schools ~~where at least 20%~~ from 20% to 40% of the students are eligible for the free or reduced-price lunch program there shall be a distribution of \$95 per student, and at schools where more than 40% of the students are eligible for the free or reduced-price lunch program there shall be a distribution of \$155 per student.

MSDE Response: MSDE concurs.

2. Amend the following language to the special fund appropriation:

(2) Not charge more tuition to a participating student that the statewide average per pupil expenditure by the local education agencies, as calculated by the department, with appropriate exceptions for special education students as determined by the department; ~~and~~

(3) Comply with Title VI of the Civil Rights Act of 1964, as amended; and

(4) Submit its student handbook or other written policy related to student admissions to the Maryland State Department of Education for review to ensure compliance with program eligibility requirements.

MSDE Response: MSDE concurs.

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

Further provided that a nonpublic school participating in the Aid to Non-Public Schools Program R00A03.04 shall certify compliance with Title 20, Subtitle 6 of the State Government Article. A nonpublic school participating in the program may not discriminate in student admissions on the basis of race, color, national origin, or sexual orientation. 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 on the basis of race, color, national origin, or sexual orientation. Any school found to be in violation of the requirements to not discriminate shall be required to return to the Maryland State Department of Education all textbooks or computer hardware and software and other electronically delivered learning materials loaned to students under the program. The only other legal remedy for violation of these provisions is ineligibility for participating in the Aid to Non-Public Schools Program. Any school that is found in violation of the nondiscrimination requirements in fiscal 2019 or 2020 may not participate in the program in fiscal 2020. It is the intent of the General Assembly that a school that violates the nondiscrimination requirements is ineligible to participate in the Aid to Non-Public Schools Program, the Broadening Options and Opportunities for Students Today Program, the James E. "Ed" DeGrange Nonpublic Aging Schools Program, and the Nonpublic School Security Improvements Program in the year of the violation and the following two years.

MSDE Response: MSDE concurs.

4. Amend the following language to the special fund appropriation:

(c) ~~participate~~ have participated in Program R00A03.04 Aid to Non-Public Schools Program for textbooks and computer hardware and software administered by MSDE during the 2018-2019 school year;

MSDE Response: MSDE concurs.

5. Amend the following language to the special fund appropriation:

(d) administer assessments to all students in accordance with federal and State law; and 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. 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 9, and at least once for students in grades 10 through 12; and

(e) 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 on the basis of race, color, national origin, or sexual orientation. 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 based on race, color, national origin, or sexual orientation. If a nonpublic school does not comply with these requirements, it shall reimburse MSDE all scholarship funds received under the BOOST Program 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.

(2) MSDE shall establish procedures for the application and award process for scholarships for students who are eligible for the free or reduced-price lunch program. The procedures shall include consideration for award adjustments if an eligible student becomes ineligible during the course of the school year.

(3) MSDE shall submit the ranked list of applicants to the BOOST Advisory Board.

(4) MSDE shall compile and certify a list of applicants that ranks eligible students by family income expressed as a percent of the most recent federal poverty levels.

(5) There is a BOOST Advisory Board that shall be appointed as follows: 2 members appointed by the Governor, 2 members appointed by the President of the Senate, 2 members appointed by the Speaker of the House of Delegates, and 1 member jointly appointed by the President and the Speaker to serve as the chair. A member of the BOOST Advisory Board may not be an elected official and may not have any financial interest in an eligible nonpublic school.

(6) The BOOST Advisory Board shall review and certify the ranked list of applicants and shall determine the scholarship award amounts. The BOOST Advisory Board shall take into account the special needs of students with disabilities when determining scholarship award amounts, and subject to the scholarship award amount limits in paragraph (8) below, may award higher scholarship amounts for students with special needs.

(7) MSDE shall make scholarship awards to eligible students as determined by the BOOST Advisory Board.

(8) The amount of a scholarship award may not exceed the lesser of:

- (a) the statewide average per pupil expenditure by local education agencies, as calculated by MSDE; or
- (b) the tuition of the nonpublic school.

(9) In order to meet its BOOST Program reporting requirements to the budget committees, MSDE shall specify a date by which participating nonpublic schools must submit information to MSDE so that it may complete its required report. Any nonpublic schools that do not provide the necessary information by that specified date shall be ineligible to participate in the BOOST Program.

(10) Students who received a BOOST Program scholarship award in the prior year who still meet eligibility criteria for a scholarship shall receive a scholarship renewal award. For students who are receiving a BOOST Program scholarship for the first time, priority shall be given to students who attended public schools in the prior school year. Further provided that the BOOST Advisory Board shall make all scholarship awards no later than January 15, 2020, for the 2019-2020 school year to eligible individuals. Any unexpended funds not awarded to students for scholarships shall be encumbered at the end of fiscal 2020 and available for scholarships in the 2020-2021 school year.

Further provided that \$600,000 of this appropriation shall be used only for higher scholarship awards for students with special needs in accordance with paragraph (6) above.

Further provided that MSDE shall submit a report to the budget committees by January 15, 2020, 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 2019-2020 school year by the student; and (c) if the student attended the same nonpublic school in the 2018-2018-2019 school year, whether, what type, and how much nonpublic scholarship aid the student received in the 2018-2019 school year and will receive in the 2019-2020 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 students attending public and nonpublic schools for students who declined scholarships;

(12) the number of students who received BOOST Program scholarships for the 2018-2019 school year who are attending public school for the 2019-2020 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 2018-2019 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.

MSDE Response: MSDE concurs.

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| 6. | Reduce Cigarette Restitution Funding for the Broadening Options and Opportunities for Students Today Program in line with the fiscal 2019 budget. | \$ 3,514,000 | SF |
| | Total Special Fund Reductions | \$ 3,514,000 | |

MSDE Response: MSDE respectfully disagrees with this recommendation. MSDE supports the amount in the Governor's Allowance.