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State Superintendent of Schools

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TO: Members of the State Board of Education
FROM: Nancy S. Grasmick *Nancy*
DATE: August 26, 2008
SUBJECT: Fiscal Year 2010 Budget Estimates and Requests

PURPOSE:

To review and approve the Maryland State Department of Education's Fiscal Year (FY) 2010 budget estimates and budget enhancement requests for Headquarters, Aid to Education, Funding for Educational Organizations, and the Children's Cabinet Interagency Fund. Approval will authorize the State Superintendent of Schools to submit these budget requests to the Department of Budget and Management (DBM).

Additionally, to approve the FY 2010 budget request for State Aided Educational Institutions in accordance with Education Article Sections 5-504 and 5-505, and to review other budget related information.

BACKGROUND/HISTORICAL PERSPECTIVE:

The Board is being requested to approve the FY 2010 base budget and Deficiency and Over-the-Target enhancement requests. The FY 2009 General Fund budget changes (shown in section A of the attachment) are for information and context purposes only.

This item is being presented in accordance with Maryland State Department of Education Policy 02.100.02, and Education Article, Sections 5-504 and 5-505.

SUMMARY:

The FY 2010 estimates reflect a combination of the General Fund budget targets established in cooperation with DBM for State sources, and this Department's best estimate of funding expected from non-State sources.

Aid to Education funding reflects a request for 100% funding of the Geographic Cost of Education Index. Estimates for Aid to Education formula programs shown on the attached documents are very preliminary and are based on estimated data. These will be adjusted throughout the remainder of the year as the variables used by the respective formulas are updated.

In the Funding for Educational Organizations budget, the Maryland School for the Blind funding is estimated at the statutory formula level. Other funding has been subject to an across the board



reduction. Consistent with the State Board's action and position in prior years, no funding is being requested for the Nonpublic School Textbooks program.

The State Board was briefed at the July meeting on budget enhancement requests. The enhancement requests that were considered the highest priority for FY 2010 have been updated to reflect the most recent instructions from DBM regarding estimated fringe benefits. While MSDE will notify DBM of all priority requests, the official request is limited to no more than three items, in accordance with DBM instructions. The requests shown reflect the result of a multi-step process ensuring reviews at both the division level and Departmentally.

Note, as was done last year, the FY 2010 Headquarters budget target provided by DBM did not include the baseline adjustment for the State's Assessment program. We expect that DBM will fund this program when they establish the budget Allowance.

ACTION:

The State Board is requested to approve for submission to DBM the following items:

- the FY 2010 base budget estimates, including confirmation on whether to request funding for the Nonpublic School Textbooks Program;
- the FY 2010 prioritized Over-the-Target Requests;
- the FY 2009 Deficiency Requests; and
- the FY 2010 Requests for State Aided Educational Institutions.

FY 2010 Base Budget Estimates

	Headquarters	Aid to Education	Funding for Educational Organizations	Children's Cabinet Interagency Fund	Total
General Funds	\$130,567,331	\$5,654,438,000	\$24,540,825	\$38,944,504	\$5,848,490,660
Special Funds	8,575,500	1,932,487	-0-	710,000	11,217,987
Federal Funds	147,559,261	774,806,693	-0-	7,323,989	929,689,943
Reimbursable Funds	889,500	664,500	-0-	2,539,588	4,093,588
Total	\$287,591,592	\$6,431,841,680	\$24,540,825	\$49,518,081	\$6,793,492,178

FY 2010 Over-the-Target Requests

General Funds	\$4,465,518	\$12,398,400	\$416,400	n/a	\$17,280,318
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FY 2009 Deficiency Requests

General Funds	\$9,800,000	\$3,449,000	-0-	n/a	\$13,249,000
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