



Nancy S. Grasmick
State Superintendent of Schools

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TO: Members of the State Board of Education
FROM: Nancy S. Grasmick *Nancy*
DATE: January 27 - 28, 2009
SUBJECT: Major Budget Realignment Request

PURPOSE:

To review and respond to the major budget realignment request items for the months of November and December 2008.

BACKGROUND/HISTORICAL PERSPECTIVE:

This item is being presented in accordance with Maryland State Department of Education (MSDE) Policy 02.100.02.

As a part of the monthly consent calendar, the State Board reviews and authorizes budget adjustments affecting the current fiscal year's appropriation. Some adjustments require State Board action; others are reflected for information purposes only.

Budget Amendments (State Board Action Items):

Budget Amendments are required whenever an increase is requested for the current budget appropriation at the budgetary program and appropriated fund level (i.e., General, Special, Federal or Reimbursable Funds). The following are types of adjustments shown in the Major Budget Realignment (MBR) Request that require State Board approval:

- Tying in to grant awards received (Increases) – Special Fund and Federal Fund amounts included within the original appropriation are based upon estimated receipts. When the fiscal year begins and the actual grant or a more accurate estimated amount is higher, an adjustment is made to reflect the full amount.
- Carryover from prior fiscal year – Federal fund carryover results from the federal fiscal year overlap of three months as compared to the State fiscal year, and from the Tydings Amendment, which allows some federal formula grants to be



spent for an additional 12 months. These adjustments are required to make maximum use of the grants.

- Transfers between budgetary programs – The allocation of the funds between the budgetary units and between programs within the budgets are based upon original estimates available when the budget is prepared. During the fiscal year it may become necessary to adjust this allocation.
- Tying in to the approved Indirect Cost rates – On occasion, the actual indirect cost rates received may be materially different from the rates used in preparation of the budget. In those cases, it may be necessary to reallocate the assessment against non-State funds.
- Reorganizations – Organizational changes that cross budgetary programs are reflected by a budget amendment.

Other Budget Adjustments (State Board Information Items):

The following types of adjustments are reflected in the Major Budget Realignment Request and are shown for information purposes only:

- Recognition and Subsequent Release of Withheld Allotments – Withheld Allotments are funds appropriated in an agency's budget that have been held back pending the resolution of one or more contingencies identified in the annual Budget Bill. The funds are not made available to the agency until the identified condition(s) have been met.
- Deficiency Appropriations – Once Deficiency Requests are approved by the General Assembly as part of the Budget Bill, the approval is shown for information purposes.
- Tying in to grant awards received (Decreases) – The opposite of the adjustment type described above under Budget Amendments. These are decreases to the appropriation level in the Agency Budget (i.e., MSDE) to recognize lower than budgeted Grant Awards or Special Fund attainment.

The Major Budget Realignment (MBR) Request has several sections:

- The cover memo indicates whether there are items requiring approval or information items.
- The Synopsis of Current Pending items (if any) – On an item-by-item basis this explains and justifies any items presented for State Board approval. These items are identified as numbers (i.e., Item 1, Item 2, etc).

- The Summary of Current Pending Items (if any) – This summary schedule reflects the amount by budgetary program of each of the approval items.
- The Synopsis of Information Items (if any) – On an item-by-item basis this explains and justifies any items presented for State Board information. These items are identified as letters (i.e., Item A, Item B, etc).
- The Summary of Information Items (if any) – This summary schedule reflects the amount by budgetary program of each of the information items.
- The MBR Schedule – This schedule presents a great deal of information regarding the overall budget status and the effects of the adjustments being presented in the current month. The schedule presents the budget by Budgetary Unit (i.e., Headquarters, Aid to Education, Funding for Educational Organizations, and Children’s Cabinet Interagency Fund), by budgetary program and by appropriated fund. The columns reflect the following information:
 - The first column reflects the program and fund titles.
 - The second column, “Original Appropriation,” reflects the original appropriation level for the fiscal year.
 - The next two columns, “Approved Adjustments,” reflect adjustments that have already been made to the budget. The “DBM” column reflects adjustments made to the official appropriation level. The “MSDE” column includes those adjustments as well as decreases that would not be reflected in the official appropriation.
 - The following two columns entitled, “Approved Appropriation,” reflect the sum of the original appropriation and the approved adjustments for DBM and MSDE, respectively.
 - The next two columns reflect pending budget amendments:
 - “Prior” shows pending amendments that have been before the State Board in an earlier month but have not yet been approved; and
 - “Current” shows the items being presented to the State Board in this MBR for the approval period.
 - The final column shows the Information Item adjustments included in the current MBR.

ACTION:

We request permission to process the major budget realignments as identified in items 1 – 13 in the net amount of \$17,043,935.

To align funds in the amount of \$2,284,819 to agree with Grant Award Notifications received as listed in Items 1 – 6:

Item 1 – 3099 – Blind Vendors Program	\$500,000
Item 2 – 3599 – Inmate Welfare Fund	\$213,000
Item 3 – 6037 – State Grants for Innovative Programs	\$1,914
Item 4 – 6538 – Team Nutrition Grants	\$243,129
Item 5 – 6799 – Improving Teacher Quality State Grants	\$99,802
Item 6 – 9529 – Department of Public Safety and Correctional Services (formerly RESTART)	\$1,226,974

To align the following funds in the amount of \$1,502,113 to recognize carryover balances available from prior fiscal years as listed in items 7 – 12:

Item 7 – 3566 & 3568 – Web Based Learning	\$127,901
Item 8 – 6518 – Library Services and Technology Act (LSTA)	\$89,769
Item 9 – 6798 – Improving Teacher Quality State Grants	\$131,794
Item 10 – 6878 – Advanced Placement II	\$92,795
Item 11 – 6947 – English Language Acquisition	\$32,147
Item 12 – 6958 – State Assessment and Related Activities	\$1,027,707

To align funding in the amount of \$13,257,003 pursuant to accounting procedures recommended by the Office of Legislative Audits and the Department of Budget and Management. Item 13 – General Funds

	\$13,257,003
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All items reflect adjustments of MSDE's budget by the Department of Budget and Management, increases to appropriate levels from higher than anticipated grant award(s), increases to recognize new grant awards, or increases to recognize unobligated carryover balances from prior fiscal years.

NSG: akss

Maryland State Department of Education
 Major Budget Realignment Request
 Summary Page for Current Pending Items

Program	Total Request	Item 1 Blind Vendors Program Special Funds	Item 2 Inmate Welfare	Item 3 State Grants for Innovative Programs
<i>HEADQUARTERS</i>				
02 Division of Business Services	370,919			
04 Division of Accountability and Assessment	936,834			
11 Division of Instruction	430,588			
15 Division of Correctional Education	1,441,888		213,000	1,914
24 Division of Rehabilitation Services - Blindness and Vision Services	500,000	500,000		
Total Headquarters	3,680,229	500,000	213,000	1,914
<i>AID TO EDUCATION</i>				
04 Children at Risk	13,257,003			
15 Language Assistance	16,934			
31 Public Libraries	89,769			
Total Aid to Education	13,363,706	-	-	-
Total Department	17,043,935	500,000	213,000	1,914

Maryland State Department of Education
 Major Budget Realignment Request
 Summary Page for Current Pending Items

Program	Item 4 Team Nutrition Grants	Items 5 & 9 Improving Teacher Quality State Grants	Item 6 DPSCS (formerly RESTART Funds) Reimbursable Funds	Item 7 Web Based Learning	Item 8 LSTA Grants to States
HEADQUARTERS					
02 Division of Business Services	243,129	20,479		11,309	
04 Division of Accountability and Assessment					
11 Division of Instruction		211,117		116,592	
15 Division of Correctional Education			1,226,974		
24 Division of Rehabilitation Services - Blindness and Vision Services					
Total Headquarters	243,129	231,596	1,226,974	127,901	
AID TO EDUCATION					
04 Children at Risk					
15 Language Assistance					
31 Public Libraries					89,769
Total Aid to Education	-	-	-	-	89,769
Total Department	243,129	231,596	1,226,974	127,901	89,769

Maryland State Department of Education
 Major Budget Realignment Request
 Summary Page for Current Pending Items

Program	Item 10 Advanced Placement Incentive Program	Item 11 Language Assistance	Item 12 Grants for State Assessments and Related Activities	Item 13 Temporary Aid to Needy Families General Funds
HEADQUARTERS				
02 Division of Business Services	3,784	1,345	90,873	
04 Division of Accountability and Assessment			936,834	
11 Division of Instruction	89,011	13,868		
15 Division of Correctional Education				
24 Division of Rehabilitation Services - Blindness and Vision Services				
Total Headquarters	92,795	15,213	1,027,707	-
AID TO EDUCATION				
04 Children at Risk				13,257,003
15 Language Assistance Public Libraries		16,934		
Total Aid to Education	-	16,934	-	13,257,003
Total Department	92,795	32,147	1,027,707	13,257,003

SYNOPSIS
CURRENT PENDING ITEMS

ITEM 1

This adjustment recognizes additional Special Fund attainment in the amount of \$500,000 in the Division of Rehabilitation Services – Blindness and Vision Services in the Headquarters budget. These funds are available from revenue received from three additional sources by the Blind Vendors Program as follows: (1) U.S. Post Office in the amount of \$116,339; (2) Andrews Air Force Base in the amount of \$356,930; and (3) Baltimore City Community College in the amount of \$52,000. These sources were not identifiable during the FY 2009 budget development process. The additional funds will allow MSDE to demonstrate compliance with the Federal Randolph-Sheppard Act by facilitating distribution of vending machine income to blind vendors.

ITEM 2

This adjustment recognizes additional Special Fund attainment in the amount of \$213,000 in the Division of Correctional Education in the Headquarters budget. These funds are available through 06/30/09 under the Inmate Welfare Fund and will be used to hire teachers and to procure related educational materials and services in an effort to reduce inmate recidivism.

ITEM 3

This adjustment increases the Federal Fund Appropriation in the amount of \$1,914 in the Division of Correctional Education in the Headquarters budget. These additional funds are the result of a grant award modification and are available through 09/30/09 under State Grants for Innovative Programs. The objective of these grants is to assist State and local educational agencies in the reform of elementary and secondary education. These funds will be used for: (1) training in technology-related school-based reform; (2) the implementation of school improvement and parental involvement activities; and (3) activities that are designed to meet the educational needs of gifted and talented children.

ITEM 4

This adjustment increases Federal Fund Appropriation in the amount of \$243,129 in the Division of Business Services in the Headquarters budget. These additional funds are the result of a new grant award under the Team Nutrition (TN) Grants. The objective of these grants is to improve children's lifelong eating and physical activity habits by using the principles of the Dietary Guidelines for Americans and the Food Guide System. Team Nutrition Grants offer funding to State agencies to establish or enhance sustainable infrastructures for implementing TN using three behavior-focused strategies: (1) provide training and technical assistance to child nutrition food service professionals to enable them to prepare and serve nutritious meals that appeal to students; (2) promote nutrition curriculum and education in schools through multiple communication channels (i.e., food services initiatives, classroom activities, school wide events, home activities, community programs and events, and media events and coverage) to reinforce positive nutrition messages and encourage students to make healthy food physical activity choices as part of a healthy lifestyle; and (3) build school and community support for creating healthy school environments that are conducive to healthy eating and physical activity. The funds will be used to train food service staff, teachers, principals and other faculty in the school system.

ITEMS 5 & 9

These adjustments recognize unobligated Federal Fund carryover balances and funding to recognize the full current year grant award in the Division of Business Services in the amount of \$20,479 and in the Division of Instruction in the amount of \$211,117 in the Headquarters budget. These funds are available from a grant award modification under the Improving Teacher Quality State Grants. The objective of these grants is to provide grants to State Educational Agencies (SEAs) on a formula basis in an effort to increase student academic achievement through strategies such as: (1) improving teacher and principal quality; (2) increasing the number of highly qualified teachers in the classroom as well as the number of highly qualified principals and assistant principals in schools; and (3) holding Local Educational Agencies (LEAs) and schools accountable for improvements in student academic achievement. The funds will be used to cover the salary-related costs for a contractual Education Program Specialist as well as contracted Program Specialists and other related administrative costs. Supplies and equipment will also be purchased to facilitate the realization of the program's goals.

ITEM 6

This adjustment increases the Reimbursable Fund authorization within the Division of Correctional Education in the Headquarters budget in the amount of \$1,226,974. The request is to provide funding in accordance with an agreement between the Department of Public Safety and Correctional Services (DPSCS) and the Maryland State Department of Education. This funding will be used to provide educational services and transitional services to inmates re-entering the community. In addition, these funds will facilitate the expansion of existing services within the Department of Corrections in an effort to improve library services and to eliminate lengthy waiting lists.

ITEM 7

This adjustment recognizes an unobligated Special Fund carryover balance in the Division of Business Services in the amount of \$11,309 and in the Division of Instruction in the amount of \$116,592 in the Headquarters budget. This non-lapsing Special Fund revenue is available under the Web Based Learning program and will offer online courses for high school credit in collaboration with local school systems through the Maryland Virtual Learning Program, and associated central support costs.

ITEM 8

This adjustment recognizes an unobligated Federal Fund carryover balance in the amount of \$89,769 in the Public Libraries program in the Aid to Education budget. These funds are available under LSTA Grants to States. The objectives of these grants are to: (1) promote improvement in library services in all types of libraries in an effort to better serve the people of the United States; (2) facilitate access to resources in all types of libraries for the purpose of cultivating an educated and informed citizenry; and (3) encourage resource sharing among all types of libraries for the purpose of achieving economical and efficient delivery of library services to the public. These funds will be used to improve the capacity of libraries in an effort to meet community needs for the Library Services Technology Act program and related services through assessment, planning, training, and evaluation.

ITEM 9 (See Item 5)

ITEM 10

This adjustment recognizes an unobligated Federal Fund carryover balance in the Division of Business Services in the amount of \$3,784 and in the Division of Instruction in the amount of \$89,011 in the Headquarters budget. These funds are available under the Advanced Placement Incentive Program. The objectives of this program are to: (1) award grants to States in support of State and local efforts to increase access to advanced placement classes and tests for low-income students; and (2) to cover part or all of the test fees for low-income students enrolled in advanced placement courses. These funds are available through 05/30/09 and will be used to cover the salary of contractual support staff as well as associated central support costs. In addition the funds will be used to purchase supplies and equipment to facilitate the realization of the program's goals.

ITEM 11

This adjustment recognizes an unobligated Federal Fund carryover balance in the Division of Business Services in the amount of \$1,345 and in the Division of Instruction in the amount of \$13,868 in the Headquarters budget as well as in the Language Assistance program in the amount of \$16,934 in the Aid to Education budget. These funds are available under English Language Acquisition Grants. The objectives of these grants are to: (1) ensure that Limited English Proficient children and youth, including immigrant children and youth, attain English proficiency and meet the same challenging State academic content and student academic achievement standards as all children and youth are expected to meet; and (2) provide assistance to Native American, Native Hawaiian, Native American Pacific Islander, and Native Alaska children with certain modifications relative to the unique status of native American language under Federal Law. These funds will be used to meet obligations to sub-grantees as prescribed in the grant's requirements. In addition the salary of a contracted specialist will be covered as well as other related central support costs.

ITEM 12

To recognize an unobligated Federal Fund carryover balance in the Division of Business Services in the amount of \$90,873 and in the Division of Accountability and Assessment in the amount of \$936,834 in the Headquarters budget. These funds are available under Grants for State Assessments and Related Activities. The objectives of these grants are to: (1) support the development of the additional State assessments and standards required by the Elementary and Secondary Education Act, as amended; and to support the administration of those assessments or to carry out other activities related to ensuring that States' schools and local education agencies are held accountable for results. These funds will be used to cover the costs of the reading and math portions of the Maryland State Assessments as well as related administrative costs.

ITEM 13

This adjustment increases the General Fund Appropriation in the Children at Risk program in the amount of \$13,257,003 in the Aid to Education budget. The Agency is requesting these funds as directed by DBM as a result of the 2006 legislative audit which found that MSDE had unreimbursed federal funds for Temporary Aid to Needy Families (TANF) eligible expenditures from FY 2003 and FY 2004. These expenditures were due from the Department of Human Resources, but were not available upon request. Based on legal advice pertaining to the 2006 Office of Legislative Audit finding, the appropriate accounting procedure is to request funding to offset this unrecoverable balance.

Maryland State Department of Education
Major Budget Realignment Request
Summary Page for Information Items

Program	Total Request	Item A		Item B	Item C	Item D
		BPW Cost Containment #2 October 2008	General Funds			
HEADQUARTERS						
01 Office of the State Superintendent	(224,448)	(224,448)				
02 Division of Business Services	(130,877)	(130,877)	(224,448)			
03 Division for Leadership Development	(66,689)	(66,689)	(130,877)			
04 Division of Accountability and Assessment	(2,138,190)	(2,141,453)	(66,689)		(5,245)	
05 Office of Information Technology	(13,912)	(13,912)	(2,141,453)			
10 Division of Early Childhood Development	(1,804,388)	(1,804,388)	(13,912)			
11 Division of Instruction	(412,024)	(442,178)	(1,804,388)		(70,904)	
12 Division of Student, Family, and School Support	(146,131)	(146,131)	(442,178)			
13 Division of Special Education/Early Intervention Services	218,943	(29,723)	(146,131)	243,528		
14 Division of Career Technology and Adult Learning	(97,244)	(97,244)	(29,723)			
15 Division of Correctional Education	(1,139,507)	(1,140,451)	(97,244)			944
17 Division of Library Development and Services	(82,737)	(82,737)	(1,140,451)			
18 Division of Certification and Accreditation	(146,250)	(146,250)	(82,737)			
20 Division of Rehabilitation Services - Headquarters	(261,509)	(261,509)	(146,250)			
21 Division of Rehabilitation Services - Client Services	(176,389)	(176,389)	(261,509)			
22 Division of Rehabilitation Services - Workforce and Technology Center	(48,136)	(48,136)	(176,389)			
24 Division of Rehabilitation Services - Blindness and Vision Services	(114,843)	(114,843)	(48,136)			
Total Headquarters	(6,784,931)	(7,067,358)	(114,843)	243,528	(76,149)	944
AID TO EDUCATION						
01 State Share of Foundation Program	(102,044)	(102,044)	(102,044)			
07 Students with Disabilities	(189)	(189)	(189)			
09 Gifted and Talented	(121,000)	(121,000)	(189)			
13 Innovative Programs	(379,700)	(144,000)	(121,000)		(235,700)	
24 Limited English Proficient	(86,721)	(86,721)	(144,000)			
25 Guaranteed Tax Base	(2,756)	(2,756)	(86,721)			
27 Food Services	(312,000)	(312,000)	(2,756)			
52 Science and Mathematics Education Initiative	(169,000)	(169,000)	(312,000)			
54 School Quality, Accountability and Recognition of Excellence	(2,750,000)	(2,750,000)	(169,000)			
59 Child Care Subsidy Program	(5,300,000)	(5,300,000)	(2,750,000)			
Total Aid to Education	(9,223,410)	(8,987,710)	(5,300,000)		(235,700)	
FUNDING FOR EDUCATIONAL ORGANIZATIONS						
03 Other Institutions	(600,000)	(600,000)	(600,000)			
Total Funding for Educational Organizations	(600,000)	(600,000)	(600,000)			
CHILDREN'S CABINET INTERAGENCY FUND						
01 Children's Cabinet Interagency Fund	(1,988,000)	(1,988,000)	(1,988,000)			
Total Children's Cabinet Interagency Fund	(1,988,000)	(1,988,000)	(1,988,000)			
Total Department	(18,596,341)	(18,643,068)	(18,643,068)	243,528	(311,849)	944

Maryland State Department of Education
 Major Budget Realignment Request
 Summary Page for Information Items

Program	Item E Grants for State Assessments and Related Activities	Item F Chesapeake Bay Studies	Item G Special Education Technical Assistance on State Data Collection	Item H MD Efficiency Act - MD Energy Administration
HEADQUARTERS				
01 Office of the State Superintendent				
02 Division of Business Services				
03 Division for Leadership Development				
04 Division of Accountability and Assessment	8,508			
05 Office of Information Technology				
10 Division of Early Childhood Development		50,458		50,000
11 Division of Instruction				
12 Division of Student, Family, and School Support				
13 Division of Special Education/Early Intervention Services			5,138	
14 Division of Career Technology and Adult Learning				
15 Division of Correctional Education				
17 Division of Library Development and Services				
18 Division of Certification and Accreditation				
20 Division of Rehabilitation Services - Headquarters				
21 Division of Rehabilitation Services - Client Services				
22 Division of Rehabilitation Services - Workforce and Technology Center				
24 Division of Rehabilitation Services - Blindness and Vision Services				
Total Headquarters	8,508	50,458	5,138	50,000
AID TO EDUCATION				
01 State Share of Foundation Program				
07 Students with Disabilities				
09 Gifted and Talented				
13 Innovative Programs				
24 Limited English Proficient				
25 Guaranteed Tax Base				
27 Food Services				
52 Science and Mathematics Education Initiative				
54 School Quality, Accountability and Recognition of Excellence				
59 Child Care Subsidy Program				
Total Aid to Education				
FUNDING FOR EDUCATIONAL ORGANIZATIONS				
03 Other Institutions				
Total Funding for Educational Organizations				
CHILDREN'S CABINET/INTERAGENCY FUND				
01 Children's Cabinet Interagency Fund				
Total Children's Cabinet Interagency Fund				
Total Department	8,508	50,458	5,138	50,000

SYNOPSIS
CURRENT INFORMATION ITEMS

ITEM A

This adjustment decreases General Fund Appropriation amongst various Divisions within the Headquarters budget in the amount of \$18,643,068 to recognize the cost containment approved by the Board of Public Works on October 15, 2008. (The attached schedule summarizes the changes to MSDE's budget).

ITEM B

This adjustment recognizes an unobligated Federal Fund carryover balance from FY 2008 in the amount of \$243,528 in the Division of Special Education/Early Intervention Services in the Headquarters budget. These funds are available from a grant under the Special Education – Grants to States program. The objective of this program is to provide grants to States in an effort to assist them in providing a free and appropriate public education to all children with disabilities. The funds are available through 09/30/2009 and will be used for Special Education State level technical support to include conferences with LEA officials and MSDE contractual employees. This Federal Fund increase offsets a prior Federal Fund decrease in the Division of Special Education/Early Intervention Services in the Headquarters budget as reported to the State Board in the Major Budget Realignment Request dated December 2008 (refer to Information Item B).

ITEM C

This adjustment reduces the Reimbursable Fund Appropriation in the Division of Accountability and Assessments in the amount of \$5,245 and in the Division of Instruction in the amount of \$70,904 in the Headquarters budget as well as in Innovative Programs in the amount of \$235,700 in the Aid to Education budget. This total reduction of \$311,849 will bring the Reimbursable Fund Appropriation in agreement with the actual grant award received under the Injury Prevention and Control Research and State and Community-Based Programs for FY 2009. The objectives of this grant are: (1) to support injury control research on priority issues; (2) to integrate aspects of engineering, public health, behavioral sciences, medicine, engineering, health policy, economics and other disciplines in order to prevent and control injuries more effectively; (3) to rigorously apply and evaluate current and new interventions, methods, and strategies that focus on the prevention and control of injuries; (4) to stimulate and support Injury Control Research Centers (ICRCs) in academic institutions for the purpose of developing a comprehensive and integrated approach to injury control research and training; and (5) to bring the knowledge and expertise of ICRCs to bear on the development of effective public health programs for injury control.

ITEM D

This adjustment recognizes an unobligated Federal Fund carryover balance from FY 2008 in the amount of \$944 in the Division of Correctional Education in the Headquarters budget. These funds are available from a grant under the Grants to States for Incarcerated Youth Offenders program and are available through 09/30/2009. The objective of this program is to assist and encourage incarcerated youth to acquire functional literacy, life, and job skills through the pursuit of postsecondary education certificates, associate in arts degrees, and bachelor of arts degrees. The funds will be used to provide incarcerated and paroled youth with education, training, and

life and job skills by supporting education instruction contracts with various State and local community colleges. This Federal Fund increase offsets a prior Federal Fund decrease in the Division of Correctional Education in the Headquarters budget as reported to the State Board in the Major Budget Realignment Request dated September 2008 (refer to Information Item E).

ITEM E

This adjustment recognizes an unobligated carryover balance from FY 2008 in the Division of Accountability and Assessment in the amount of \$8,508 in the Headquarters budget. These funds are available under the Grants for State Assessments and Related Activities. The objectives of these grants are to: (1) support the development of the additional State assessments and standards required by the Elementary and Secondary Education Act, as amended and; (2) support the administration of those assessments or to carry out other activities related to ensuring that the participating States' schools and local education agencies are held accountable for the results. These funds are available until 09/30/2009 and will be used to cover the costs associated with the administration of the Maryland State Reading and Math Assessments in FY 2009. This Federal Fund increase offsets a prior Federal Fund decrease in the Division of Accountability and Assessment in the Headquarters budget as reported to the State Board in the Major Budget Realignment Request dated December 2008 (refer to Information Item B).

ITEM F

This adjustment recognizes an unobligated carryover balance from FY 2008 in the amount of \$50,458 in the Division of Instruction in the Headquarters budget. The funds are available from a grant under the Chesapeake Bay Studies program. The objective of this program is to provide financial assistance for projects that provide education related to the Chesapeake Bay such as the Chesapeake Bay Watershed Education and Training Initiative (B-WET). The B-WET Program will work with and support organizations that provide environment-based education to students, teachers, and communities throughout the Chesapeake Bay watershed. Assistance is also provided for research and restoration of Submerged Aquatic Vegetation in the Chesapeake Bay. The funds will be used to research and to develop projects that will provide information related to the living marine resources of the Chesapeake Bay Watershed. This Federal Fund increase offsets a prior Federal Fund decrease in the Division of Instruction in the Headquarters budget as reported to the State Board in the Major Budget Realignment Request dated December 2008 (refer to Information Item A).

ITEM G

This adjustment recognizes an unobligated carryover balance from FY 2008 in the amount of \$5,138 in the Division of Special Education/Early Intervention Services in the Headquarters budget. These funds are available from a grant under the Special Education – Technical Assistance on State Data Collection program. The objective of this program is to provide technical assistance to States in an effort to enable them to meet the data collection requirements of the Individuals with Disabilities Education Improvement Act (IDEA). The funds will be used to support test development with the Educational Testing Service for the Modified High School Assessment (HSA). This Federal Fund increase offsets a prior Federal Fund decrease in the Division of Special Education/Early Intervention Services in the Headquarters budget as reported to the State Board in the Major Budget Realignment Request dated December 2008 (refer to Information Item B).

ITEM H

This adjustment increases Reimbursable Fund Appropriation in the Division of Instruction in the amount of \$50,000 in the Headquarters budget. The Maryland State Department of Education entered into a memorandum of understanding with the Maryland Energy Administration. This increase offsets a previous unrelated decrease in Reimbursable Fund Appropriation in the Division of Instruction's Headquarters budget (refer to Item C above). The funds will be used to train Maryland's teachers, administrators, and facility managers about the importance of energy efficiency and conservation.

Maryland State Department of Education
Summary of General Fund Reductions Taken by the Board of Public Works - October 15, 2008

Unit	Title	Description	GF Reduction
HQ	Operating costs	Reduce funds for secretarial support, Project Phoenix (Reboot), Charter School funds, budget system, and computer maintenance	207,724
HQ	Positions Reduction	Abolish 28 positions. 4 of the positions are in adult correctional education and 2 are in juvenile education (Victor Cullen).	1,546,668
HQ	Professional Development	Reduce resources available for professional development for principals and educators.	50,349
HQ	Modified Assessments	MSDE has received approval from the USDOE to delay the implementation of this assessment until FY10.	2,000,000
HQ	Fund Swap	Use federal funds in lieu of general funds for programs in Early Childhood Development, Instruction, and the Division of Library	790,622
AID	Child Care	Achieve savings through fund swap and revised estimates based on favorable enrollment trends	5,300,000
HQ	Child Care Resource & Referral & Family Support Centers	Reduce each contract by 5%. Both organizations have been spared from reductions during previous cost containments.	500,000
HQ	Fine Arts Grants	Eliminate several professional development institutes and seminars.	300,000
HQ	Chess Program	Reduce funds for the Chess program by 10%.	25,500
HQ	Equipment and Operating Costs	Reduce funds for department-wide operating expenses and equipment and 0 5 contractual position	431,960
AID	State Formulas	The reduction is based on revised enrollment	191,710
SAI	State Aided Institutions	Additional reduction of 10%. BPW approved a 5% reduction in June	600,000
AID	Gifted & Talented Summer Centers	Reduce funding for the Gifted and Talented Summer Centers by 10%.	46,000
AID	Destination Imagination	Eliminate funds for Destination Imagination.	75,000
AID	Breakfast Pilot program	Reduce funds for the Breakfast Pilot program by 10%.	312,000
AID	School Based Health Centers	Reduce funds for School Based Health Centers by 5%.	144,000
AID	School Improvement Funds	Reduce by 25%. Leaves \$8.6 million GF in FY 2009	2,750,000
AID	Math and Science Initiatives	Local Education Agencies absorb 50% of the program cost.	169,000
HQ		MSDE Share of Statewide Reductions Health Insurance balance (228,257), No further OPEB contribution (\$983,871). Out of State Travel reduction (\$2,407)	1,214,535

Subtotal of Specific Reductions:

Total Headquarters	7,067,358
Total Aid to Education	8,987,710
Total State Aided Educational Institutions	600,000
Total Children's Cabinet Interagency Fund	1,988,000
Total Specific Reductions	18,643,068

MARYLAND STATE DEPARTMENT OF EDUCATION

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Document No: 2009-04

Date Prepared: 01/09/09

Headquarters

Board Approval Date:

Program/Revenue Source	Authorized Appropriations	Approved Adjustments		Approved Appropriation		Budget Amendments Pending		Current Information Items
		MSDE	DBM	MSDE	DBM	Prior	Current	
Office of the State Superintendent (01)								
General.....	7,022,206	(630,051)	(630,051)	6,392,155	6,392,155	0	0	(224,448)
Special.....	532,637	0	0	532,637	532,637	0	0	0
Federal.....	6,386,592	(2,147,605)	(2,147,605)	4,238,987	4,238,987	0	0	0
Reimbursable.....	0	0	0	0	0	0	0	0
Total.....	13,941,435	(2,777,656)	(2,777,656)	11,163,779	11,163,779	0	0	(224,448)
Div of Business Services (02)								
General.....	2,295,380	(244,590)	(244,590)	2,050,790	2,050,790	0	0	(130,877)
Special.....	55,112	0	0	55,112	55,112	0	11,309	0
Federal.....	6,958,475	(33,439)	(33,439)	6,925,036	6,925,036	0	359,610	0
Reimbursable.....	0	0	0	0	0	0	0	0
Total.....	9,308,967	(278,029)	(278,029)	9,030,938	9,030,938	0	370,919	(130,877)
Div for Leadership Development (03)								
General.....	1,614,696	(221,250)	(221,250)	1,393,446	1,393,446	0	0	(66,689)
Special.....	0	0	0	0	0	0	0	0
Federal.....	510,329	(520)	(520)	509,809	509,809	0	0	0
Reimbursable.....	0	0	0	0	0	0	0	0
Total.....	2,125,025	(221,770)	(221,770)	1,903,255	1,903,255	0	0	(66,689)
Div of Accountability & Assessment (04)								
General.....	37,288,722	(2,146,590)	(2,146,590)	35,142,132	35,142,132	0	0	(2,141,453)
Special.....	485,391	1,377	1,377	486,768	486,768	0	0	0
Federal.....	6,874,989	(2,381)	(2,381)	6,872,608	6,872,608	0	936,834	8,508
Reimbursable.....	6,007	(5,245)	0	762	6,007	0	0	(5,245)
Total.....	44,655,109	(2,152,839)	(2,147,594)	42,502,270	42,507,515	0	936,834	(2,138,190)

Prepared by MSDE Division of Business Services

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		MSDE	DBM	MSDE	DBM	Prior	Current	
Office of Information Technology (05)								
General.....	357,006	(25,984)	(25,984)	331,022	331,022	0	0	(13,912)
Special.....	0	0	0	0	0	0	0	0
Federal.....	2,468,865	(9,090)	(9,090)	2,459,775	2,459,775	0	0	0
Reimbursable.....	0	0	0	0	0	0	0	0
Total.....	2,825,871	(35,074)	(35,074)	2,790,797	2,790,797	0	0	(13,912)
Major Information Technology Projects (06)								
General.....	0	0	0	0	0	0	0	0
Special.....	0	0	0	0	0	0	0	0
Federal.....	3,794,316	0	0	3,794,316	3,794,316	0	0	0
Reimbursable.....	0	0	0	0	0	0	0	0
Total.....	3,794,316	0	0	3,794,316	3,794,316	0	0	0
Div of Early Childhood Development (10)								
General.....	18,562,140	(1,885,663)	(1,885,663)	16,676,477	16,676,477	0	0	(1,804,388)
Special.....	0	0	0	0	0	0	0	0
Federal.....	20,234,189	(50,535)	(50,535)	20,183,654	20,183,654	0	0	0
Reimbursable.....	0	0	0	0	0	0	0	0
Total.....	38,796,329	(1,936,198)	(1,936,198)	36,860,131	36,860,131	0	0	(1,804,388)
Div of Instruction (11)								
General.....	6,212,309	(945,692)	(945,692)	5,266,617	5,266,617	0	0	(442,178)
Special.....	628,835	236	236	629,071	629,071	0	116,592	0
Federal.....	4,136,335	2,119,010	2,119,010	6,255,345	6,255,345	0	313,996	50,458
Reimbursable.....	74,596	(20,904)	(20,904)	53,692	74,596	0	0	(20,904)
Total.....	11,052,075	1,152,650	1,173,554	12,204,725	12,225,629	0	430,588	(412,624)
Div of Student, Family, and School Support (12)								
General.....	3,298,010	(317,451)	(317,451)	2,980,559	2,980,559	0	0	(146,131)
Special.....	41,500	0	0	41,500	41,500	0	0	0
Federal.....	4,595,565	(12,549)	(12,549)	4,583,016	4,583,016	0	0	0
Reimbursable.....	9,012	0	0	9,012	9,012	0	0	0
Total.....	7,944,087	(330,000)	(330,000)	7,614,087	7,614,087	0	0	(146,131)

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		MSDE	DBM			Prior	Current	
Div of Special Education/ Early Intervention Svcs (13)								
General.....	868,207	(32,852)	(32,852)	835,355	835,355	0	0	(29,723)
Special.....	633,339	5,243	5,243	638,582	638,582	0	0	0
Federal.....	11,227,561	(20,972)	(20,972)	11,206,589	11,206,589	0	0	248,666
Reimbursable.....	0	0	0	0	0	0	0	0
Total.....	12,729,107	(48,581)	(48,581)	12,680,526	12,680,526	0	0	218,943
Div of Career Tech & Adult Learning (14)								
General.....	1,946,818	(223,134)	(223,134)	1,723,684	1,723,684	0	0	(97,244)
Special.....	1,028,459	1,939	1,939	1,030,398	1,030,398	0	0	0
Federal.....	3,471,564	(10,047)	(10,047)	3,461,517	3,461,517	0	0	0
Reimbursable.....	775,000	0	0	775,000	775,000	0	0	0
Total.....	7,221,841	(231,242)	(231,242)	6,990,599	6,990,599	0	0	(97,244)
Div of Correctional Education (15)								
General.....	24,112,536	(974,386)	(974,386)	23,138,150	23,138,150	0	0	(1,140,451)
Special.....	1,000,000	0	0	1,000,000	1,000,000	0	213,000	0
Federal.....	1,186,560	(2,572)	(2,572)	1,183,988	1,183,988	0	1,914	944
Reimbursable.....	0	0	0	0	0	0	1,226,974	0
Total.....	26,299,096	(976,958)	(976,958)	25,322,138	25,322,138	0	1,441,888	(1,139,507)
Div of Library Development & Svcs (17)								
General.....	1,398,987	(125,018)	(125,018)	1,273,969	1,273,969	0	0	(82,737)
Special.....	0	0	0	0	0	0	0	0
Federal.....	1,692,661	(2,480)	(2,480)	1,690,181	1,690,181	0	0	0
Reimbursable.....	0	0	0	0	0	0	0	0
Total.....	3,091,648	(127,498)	(127,498)	2,964,150	2,964,150	0	0	(82,737)

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		MSDE	DBM			Prior	Current	
Div of Certification & Accreditation (18)								
General.....	2,971,260	(279,386)	(279,386)	2,691,874	2,691,874	0	0	(146,250)
Special.....	217,402	359	359	217,761	217,761	0	0	0
Federal.....	705,181	(1,472)	(1,472)	703,709	703,709	0	0	0
Reimbursable.....	0	0	0	0	0	0	0	0
Total.....	3,893,843	(280,499)	(280,499)	3,613,344	3,613,344	0	0	(146,250)
Child w/Autism Spectrum Disorder (19)								
General.....	10,817,928	0	0	10,817,928	10,817,928	0	0	0
Special.....	0	0	0	0	0	0	0	0
Federal.....	0	0	0	0	0	0	0	0
Reimbursable.....	0	0	0	0	0	0	0	0
Total.....	10,817,928	0	0	10,817,928	10,817,928	0	0	0
Div of Rehabilitation Services (20)								
General.....	1,371,612	(252,504)	(252,504)	1,119,108	1,119,108	0	0	(261,509)
Special.....	190,563	0	0	190,563	190,563	0	0	0
Federal.....	7,794,383	(25,673)	(25,673)	7,768,710	7,768,710	0	0	0
Reimbursable.....	0	0	0	0	0	0	0	0
Total.....	9,356,558	(278,177)	(278,177)	9,078,381	9,078,381	0	0	(261,509)
DORS Client Services (21)								
General.....	11,273,749	(156,732)	(156,732)	11,117,017	11,117,017	0	0	(176,389)
Special.....	0	0	0	0	0	0	0	0
Federal.....	25,021,085	(83,142)	(83,142)	24,937,943	24,937,943	0	0	0
Reimbursable.....	0	0	0	0	0	0	0	0
Total.....	36,294,834	(239,874)	(239,874)	36,054,960	36,054,960	0	0	(176,389)

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		MSDE	DBM			Prior	Pending Current	
DORS Workforce & Technology Center (22)								
General.....	1,774,607	(29,161)	(29,161)	1,745,446	1,745,446	0	0	(48,136)
Special.....	0	0	0	0	0	0	0	0
Federal.....	7,678,514	(38,688)	(38,688)	7,639,826	7,639,826	0	0	0
Reimbursable.....	0	0	0	0	0	0	0	0
Total.....	9,453,121	(67,849)	(67,849)	9,385,272	9,385,272	0	0	(48,136)
DORS Disability Determination Svcs (23)								
General.....	0	0	0	0	0	0	0	0
Special.....	0	0	0	0	0	0	0	0
Federal.....	32,862,484	(108,650)	(108,650)	32,753,834	32,753,834	0	0	0
Reimbursable.....	0	0	0	0	0	0	0	0
Total.....	32,862,484	(108,650)	(108,650)	32,753,834	32,753,834	0	0	0
Office of Blindness & Vision Services (24)								
General.....	746,717	(109,473)	(109,473)	637,244	637,244	0	0	(114,843)
Special.....	3,323,013	5,366	5,366	3,328,379	3,328,379	0	500,000	0
Federal.....	3,991,626	(12,381)	(12,381)	3,979,245	3,979,245	0	0	0
Reimbursable.....	0	0	0	0	0	0	0	0
Total.....	8,061,356	(116,488)	(116,488)	7,944,868	7,944,868	0	500,000	(114,843)
SUMMARY TOTAL								
General.....	133,932,890	(8,599,917)	(8,599,917)	125,332,973	125,332,973	0	0	(7,067,358)
Special.....	8,136,251	14,520	14,520	8,150,771	8,150,771	0	840,901	0
Federal.....	151,591,274	(443,186)	(443,186)	151,148,088	151,148,088	0	1,612,354	308,576
Reimbursable.....	864,615	(26,149)	(26,149)	838,466	864,615	0	1,226,974	(26,149)
GRAND TOTAL.....	294,525,030	(9,054,732)	(9,028,583)	285,470,298	285,496,447	0	3,680,229	(6,784,931)

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