A MESSAGE FROM OUR PRESIDENT

Throughout our two-decade history, our guiding force has been the dedication, innovation and loyalty of our employees. I am convinced that these qualities will remain key factors for our success in the future.

Despite adverse economic conditions, we have devoted our full energies to providing the highest quality of services to our clients. We will stand committed to our clients, aiming to achieve dynamic organic growth, fuelled by the valuable contributions of our staff.

The challenges ahead are many. We will strengthen our position through alliances and collaboration to create a force that will bring great improvement to the social landscape. Channel Marker will prosper in this environment, because we possess the ability to transform ourselves while remaining on the steadfast path of our vision and core values.

As we move into our third decade of operation, client-centered care will continue to be our priority. We look forward to continuing support from our generous donors and to opportunities for forging new relationships.

Cheryl A. Willis
Board President

ORGANIZATIONAL OVERVIEW

Channel Marker, Inc., a nonprofit organization, has served Caroline, Dorchester, and Talbot Counties for more than twenty years. Originally established and licensed as a psychiatric rehabilitation program for adults, the organization has worked to reduce the stigma of mental illness and provide programs to enhance the functioning of people with psychiatric disorders. Channel Marker operates day, residential, and community support services for adults in all three counties. In 1998, Channel Marker began providing community-based rehabilitation services for children and families. The organization provides services for approximately 400 people each year.

CORE VALUES

Excellence
We are dedicated to systematic and continuous improvement in the quality of services.

Innovation
We sustain an organizational culture that supports creativity and change.

Integrity
We contribute to the mission of the organization through our actions and conduct with one another.

Respect
We treat others with dignity, recognizing the importance of diversity.

Responsiveness
We serve and support clients and families in achieving their rehabilitation goals while respecting their choice to make decisions.

Teamwork
We encourage teamwork, recognizing the valuable contribution of each member. Interdependency makes us stronger.

CREDITS

Cover photo of Trappe Creek by Cathy Cassell
Report designed and edited by Steven Glaros
Channel Marker, Inc., passed its milestone twentieth anniversary last year with many celebrations. Once the fun was over, however, the reality of running a nonprofit psychiatric rehabilitation organization in a state system facing severe deficits and cutbacks has become our daily focus. We have faced an uphill battle much of this past year and even Mother Nature was not kind to us with the now-famous winter of 2003. It seemed as though the snow would never end.

We have worked to develop positive relationships with new clinical providers and to maintain ties to those providers who we have worked with for so many years. Our youth services were dealt a blow at the end of the fiscal year. The state of Maryland will no longer reimburse for in-school psychiatric rehabilitation services and has reduced the rates for delivering in-home services to children. Our commitment to children remains strong; however, we need to deal with shrinking resources, authorization cuts, and ever-increasing administrative burdens. Although we continue to evaluate and change our service structure in order to most efficiently meet the needs of the clients who receive our psychiatric rehabilitation services, we were pleased that both of our grant programs—the Primary Project and the Child and Family Behavioral Support Program—have been funded again for another year.

On another positive note we renovated “The Lighthouse,” one of our residences in Easton. This renovation allowed us to convert three of our general-level residential beds to intensive-level beds, which will eventually allow three adults who are currently in the state hospital system to move back into the community with three other people who are already residing in this lovely old home.

An important part of any successful enterprise is planning. A team of senior employees joined the management team in conducting a situational analysis of Channel Marker’s strengths and weaknesses. Based on this analysis, a two-year strategic plan was developed to focus on correcting five of our most serious deficiencies.

Following the action plans developed in support of the strategic plan, several important changes have been made, including new job descriptions for all employees, a new performance-based employee evaluation system, a structured annual training calendar, a weekly supervisory and planning tool for our team coordinators, a zero-based budgeting system, a bonus plan for our employees, extensive work on a revised personnel policies manual, a new agency newsletter, and the initiation of our first annual appeal.

Lastly, and in support of the plan and the annual appeal, the agency began a marketing program to increase the name recognition of Channel Marker. Our actions included hosting, as well as attending, Chamber of Commerce events in both Talbot and Dorchester Counties; public service announcements on local radio stations; public television and local radio appearances by agency employees; very selective advertising; and messages about the agency on the Easton gateway signs.

It was a very busy year, but one that, we believe, has positioned us for a very successful start to our next twenty years of service.

Debra P. Jackson
Executive Director
Operations and Client Services

Paul W. Ray
Executive Director
Community and Business Affairs
Eighty-five percent of adult clients who participated in psychiatric rehabilitation services reported positive changes in their lives as a direct result of those services.

Ten percent of adult clients served were competitively employed and another 15% participated in work crews or sheltered work.

Most families served (95%) reported that they were satisfied with, and felt involved in, the services their child was receiving.

Eighty-five percent of adult clients participating in services were satisfied with those services.

Medical records reflected an 85% compliance rate on selected indicators.

Selected by the Talbot County Chamber of Commerce as the “Non-Profit of the Year” in October 2002.

Presented with the “Outstanding Organization of the Year” award by the Talbot Family Network for the Primary Mental Health Project in November 2002.

The Primary Mental Health Project was cited in the governor’s Maryland’s Results for Child Well-Being Report as a model demonstration for helping young children reduce absences from school.

Received two “Caliber Awards” from Mid-Shore Mental Health Systems, Inc., in June 2003 for excellence in delivering public health services.

Honored by the Community Behavioral Health Association of Maryland in July 2003 for our work with a client who won the statewide “Life Achievement” award.

Hosted an event in October 2002 for the Chamber of Commerce members in Dorchester and Talbot counties in celebration of our twentieth anniversary.

Participated in a legislative rally in Annapolis in February 2003 to support the mental health budget.

Provided mental health information to 1,000 Talbot County high school students in April 2003 during their mental health awareness week.

Became sponsoring partner with the Mid-Shore Anti-Stigma Coalition who presented the “Summit on Defeating Stigma” in April 2003.

Chose staff members to present two workshops at the annual conference of the Community Behavioral Health Association of Maryland in June 2003.

The lighthouse and the buoy on our logo represent the channel markers that help to lead the way for those on the water. Hence, our saying “like a marker in the bay, we help each other find the way.”
**REHABILITATION SERVICES**

Channel Marker provides a spectrum of psychiatric rehabilitation services for adults and youths with mental illness. These coordinated services are designed to strengthen the person’s skills and to develop the environmental supports necessary to help that person to live in the community. Once the client’s goals are established, our staff provide opportunities for the client to learn or practice functional skill development in a variety of areas. Services may be provided in our office, the community, or client’s home.

We also provide a continuum of residential services: an intensive residential program, a general residential program, and respite services. The intensive residential program with overnight supervision is available for adults who have severe functional limitations because of their illness. The general residential program provides flexible support depending on the client’s needs. Respite services are available to clients who are involved in a psychiatric rehabilitation program. Respite services are an alternate living arrangement for a short period of time (not more than two weeks). These services may temporarily free caregivers of their responsibility to provide care. Respite services also provide a supportive environment when clients are experiencing increased stress that creates difficulties in their permanent living arrangements.

“*If it hadn’t been for Channel Marker, I don’t know what would have become of me.*”
—Adult client

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**Volume of Rehabilitation Services**
July 1, 2002–June 30, 2003

<table>
<thead>
<tr>
<th>Clients</th>
<th>Number of Clients</th>
<th>Number of Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adults</td>
<td>179</td>
<td>29,671</td>
</tr>
<tr>
<td>Youths</td>
<td>199</td>
<td>15,108</td>
</tr>
<tr>
<td>Total</td>
<td>378</td>
<td>44,779</td>
</tr>
</tbody>
</table>
EARLY INTERVENTION AND PREVENTION SERVICES

PRIMARY PROJECT

The Primary Mental Health Project (Primary Project) is a school-based early detection and prevention program designed to enhance learning and adjustment skills as well as maximize healthy school adjustment in children in kindergarten through third grade. Developed by the Children’s Institute, Inc., in New York, the program currently serves over 40,000 children in more than 600 school districts nationwide. The program uses non-directive expressive play to reduce social, emotional, and school adjustment difficulties in children with adjustment problems in the mild to moderate range, rather than those with already serious dysfunction. The key to Primary Project is to prevent problems rather than using traditional, and more costly, alternative services that undo problems after they develop.

Channel Marker is the only provider of Primary Project in Maryland. In our program, trained Child Associates meet with the children one-on-one during a 30-minute session each week in a playroom provided by the school. Through the “supportive” play, the child’s individual goals are met in a safe environment, and their competencies, social skills, and strengths are reinforced and built up. All children in these grades are screened using several different tools to identify those who may benefit most from the program. Parents must grant permission for their child to participate in the project.

Initial funding for Primary Project came in September 2000 to the Talbot Family Network through the Coalitions for Prevention Grant from the Substance Abuse and Mental Health Services Administration. In January 2002, the Talbot Family Network selected Channel Marker as the service provider for the key component of this federal grant. The initial pilot program was launched at St. Michaels Elementary School in March 2002. During the pilot project, our staff served fifteen children; during the 2002-2003 school year, the project was expanded to include Easton Elementary-Dobson, Easton Elementary-Moton, and Chapel District Elementary and served more than ninety children.

Evaluations of the local project completed by the Children’s Institute have shown significant changes and achievement in several of the intended outcomes, including improved social skills, task orientation, and performance in the classroom. A teacher at St. Michaels Elementary School commented that she had “seen positive improvement” in her students as they completed the program and “improvement in both their social and academic skills.”

The governor’s Maryland’s Results for Child Well-Being Report, which was published by the Maryland Partnership for Children, Youth, and Families, credits Primary Project for helping children to be successful in school. Funding for the 2003-2004 school year for the project will be sustained locally through the Talbot Family Network’s Community Incentive Grant and an anonymous foundation.

“His social behavior is greatly improved, he is a very happy child and looks forward to school daily. We know that [Primary Project] helped him by the increasingly positive reports from his teacher and our interaction with him at home.”

—Parent
extensive research has demonstrated that proactive, positive behavioral intervention is highly effective in altering problem behaviors in children and, when applied consistently, almost always results in significant behavioral change. With this in mind, Channel Marker established the Child and Family Behavioral Support Program (CFBSP) in July 1998. The program began as a pilot program funded by the Caroline County Human Services Council and was designed to address the behavioral needs of youths in the county. With this funding, the program continues to serve children in Caroline County today.

CFBSP provides behavioral consultation to families, educators, and caregivers to bolster their ability to manage or change problem behaviors in children. CFBSP’s approach includes: training in ways to achieve positive, proactive behavioral change; collaborating with families, educators, and others on the development of behavior management programs; training on the implementation of behavior strategies; providing follow-up training and support; and consulting with psychiatric and medical practitioners, as necessary.

The CFBSP team includes Behavioral Specialists who work intensively with the children and caregivers. A consulting psychologist, Barbara A. Allgood-Hill, Ph.D., provides weekly clinical supervision and continued training to the Behavioral Specialists.

CFBSP has provided services to more than sixty youths between the ages of 3 and 18 years. Over the past two years, increasing numbers of younger children, aged 3 to 6 years, have been referred. Referral behaviors have included non-compliance, tantrums, verbal aggression, physical aggression, inappropriate language, and deficits in social skills. In line with expected research findings, overall outcomes indicate that problem behaviors have decreased 50% to 100% in those children who experienced a reduction.

In addition to the positive outcome of symptom reduction, we also measure satisfaction of the caregivers involved. Caregiver responses to a satisfaction survey indicate an extremely high level of satisfaction with the program. On a scale of 1 to 4 (with 4 being the highest rating), the average responses to the following questions were:

❖ “How satisfied are you with the quantity of service your child has received?” —3.7
❖ “In an overall general sense, how satisfied are you with the quality of service your family has received?” —3.8

Volume of Early Prevention and Intervention Services
July 1, 2002–June 30, 2003

<table>
<thead>
<tr>
<th>Total Number Served</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Project</td>
</tr>
<tr>
<td>CFBSP</td>
</tr>
<tr>
<td>93 children</td>
</tr>
<tr>
<td>16 families</td>
</tr>
</tbody>
</table>
**OUR VISION**

**A Leader in the Provision of Preventive and Rehabilitative Mental Health Services in Maryland . . .**

- Board members and staff, in partnership with our clients, create a learning environment.
- There is an atmosphere of acceptance, support, empowerment, compassion, and empathy.
- The leadership is responsive to the needs of clients, families, and the community.
- Clients realize their potential and are encouraged to establish community relationships and experience personal fulfillment.
- Services are constantly evolving to meet the changing needs of clients, family, and the community.
- Leadership is provided by the board and staff who are a diverse group of dedicated, competent people who believe in change, flexibility, and stability.

**SPECIAL RESOURCE, SPECIAL PEOPLE**

“Staff members have provided and assisted me in understanding how to live a better way in life.”

“The staff is knowledgeable and helpful.”

“I am enormously grateful and very appreciative and thankful to God for these special people.”

These quotes about Channel Marker staff come from the clients served by our organization. The direct care staff and their interactions and concern make the difference in the lives of clients and families. The staff are our most important resource!

At the end of FY 03 Channel Marker had sixty-seven full-time and part-time employees. They are a diverse staff representing the cultural and ethnic profile of the Eastern Shore communities. The majority of the direct care staff have a bachelor’s degree, and many are pursuing graduate education.

Orientation and training for staff is critical for a healthy, growing organization. In FY 03, we oriented fourteen new employees and conducted seventy-three in-house training sessions for staff. In May 2003, Channel Marker had its annual retreat at the Chesapeake Bay Maritime Museum in St. Michaels. Staff participated in a day-long program, including a workshop on combating stigma in the morning and team-building exercises in the afternoon.
**The People of Channel Marker**

**Board of Directors**
As of June 30, 2003

- Cheryl A. Willis (President)
  Marydel, MD
- Susan A. Bishop (Vice President)
  Cambridge, MD
- Philip Bernot (Secretary)
  Easton, MD
- Gloria Dill (Treasurer)
  Federalsburg, MD
- Joyce Balderson
  Woolford, MD
- Walter Chase
  Trappe, MD
- Ralph Fleishman
  Preston, MD
- Harriet Hayes
  Denton, MD
- Sarah Jackson
  Cambridge, MD
- Bruce Kimball
  Hurlock, MD
- Rev. Douglas Ridley
  Cambridge, MD
- Jacqueline Thomas
  Denton, MD

**Channel Marker Foundation, Inc.**

**Board of Directors**
As of June 30, 2003

- James Buckley
  Easton, MD
- Joy Carpenter
  Cambridge, MD
- James R. Griswold
  Easton, MD
- Debra P. Jackson
  Easton, MD
- David W. Leap
  Cambridge, MD
- John B. Moore
  Denton, MD
- Joseph Quinn
  Denton, MD
- C. Tolbert Rowe
  Greensboro, MD
- Richard Slaughter
  Oxford, MD

**Program Sites**

- Caroline County
  508 Kerr Ave.
  Denton, MD 21629
  410-479-2318
  Fax: 410-820-0124

- Talbot County
  222 Port St.
  Easton, MD 21601
  410-822-4611
  Fax: 410-822-6186

- Dorchester County
  420 Dorchester Ave.
  Cambridge, MD 21613
  410-228-8330
  Fax: 410-221-6459

**Administrative Office**

218 North Washington St.
Suite 52
Easton, MD 21601
410-822-4619
Fax: 410-822-0984
Visit us on the web @
www.channelmarker.org

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**In Memory**

On December 1, 2002, Channel Marker lost a wonderful friend and ardent supporter with the death of Raleigh Cline. Raleigh’s voluntary involvement with the organization spanned the last twenty years. He provided significant contributions to strategic planning, grant acquisition, and sound fiscal development. He was most visible as a member and former president of the Board of Directors and the Board Foundation. It was through his hard work and dedication that Channel Marker grew from a small gathering in a church basement to a sustainable not-for-profit organization. His spirit and commitment to the mental health community will be greatly missed.
Contributors

Channel Marker would like to thank all the individuals, foundations, businesses, and organizations that made donations between July 1, 2002, and October 27, 2003, in support of our general activities or specific projects. Every effort has been made to ensure the accuracy of this list. Please notify us of any discrepancies. We are grateful for your generous support and are pleased to count you among our community partners.

Annual Donors

Gold Circle: $1,000-$2,499.99
E.E. Streets Memorial Post No. 5118 VFW
Knights of Columbus/Regina Coeli Council 2274
St. Mark’s United Methodist Church
Wal-Mart of Easton No. 1715
Mr. and Mrs. Roger Willis

Silver Circle: $500-$999.99
American Legion Caroline Post No. 29
American Legion Dorchester Post No. 91
American Legion Post No. 87
Black & Decker
Benevolent Protective Order of Elks Lodge No. 1272
Episcopal Church Women
Hope R. Harrington
Mr. and Mrs. John J. Krieger
Mid-Atlantic Arts Festival
Mr. and Mrs. James Miller, Jr.
Nuttle Builders, Inc., Keith A. Neal, President
VFW Choptank Memorial Post No. 7460

Bronze Circle: $100-$499.99
American Legion Blake Blackston Post No. 77
Atlantic Roofing Systems, Inc.
Avon-Dixion Agency, LLC
CBIZ-Beatty Satchell Business Services, Inc.
Caroline Memorial Post No. 7937
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Mr. and Mrs. Bruce Chase
Conectiv, of Salisbury
Robert M. and Gloria W. Dill
Dorchester Ruritan Club, Inc.
Easton Ruritan Club, Inc.
Mr. and Mrs. Ralph F. Fleischman
Michael and Becky Fletcher
Fletcher’s Fleet
Ken and Wendy Gibson
Gootee’s Marine, Inc.
Health Enhancement Center, Inc.
Cynda Hill, D.D.S.
David Hill, D.D.S.
Mrs. Richard J. Holt
Hurlock American Legion Post No. 243
Fred and Lesley Israel
Mr. and Mrs. David C. Lee
Loyal Order of Moose No. 1520
Pierce-Chance, Inc.
Brenda Ramage
Mr. and Mrs. Paul W. Ray
Mr. and Mrs. C. Tolbert Rowe
Mr. and Mrs. Kenneth Sappington
Mrs. Richard A. Springs, Jr.
St. Michael’s Bank
St. Paul’s United Methodist Women
Telbot Bank of Easton
Telbot County Women’s Club
Tidewater Physical Therapy
Tom Walter
Washington Square Collection, Mark D. Greene

Friend: $0.01-$99.99
Affordable Business Systems, Inc.
Herbert L. and Della Andrew Rasmus and Ann Apenes
Behrens Automotive, Inc.
Mrs. Alice Buchholz
Lynda and George Carlson
Chesapeake Wildlife Heritage
Mr. and Mrs. Douglas A. Collison
Peggy D. Cox
Jennifer Dowling
Dr. Hines Bible Class
Garden Treasures, Inc.
Sarah L. Shockley Financial Services
Jim and Karen Silverstein
Special Homes
Mrs. Muriel Unwin
Carolyn Vinci
Patti and Craig Willis
Anonymous donors: 14

Foundation Gifts
A.T. and Mary H. Blades Foundation
Van Strum Foundation Trust
The Waddell Foundation

Brighter Christmas Fund
Chesapeake Publishing Company

Channel Marker respects the right of donors and potential donors to restrict the use of contributions made to Channel Marker to specified purposes. Any restricted use contribution by any of the donors listed above has been placed in a separate account with limited access only for the specified use.
## Financial Information
### Fiscal Year 2003

### Operating Revenue

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rehabilitation Program Revenue</td>
<td>2,647,010</td>
</tr>
<tr>
<td>Support Revenue</td>
<td>200,640</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>15,579</td>
</tr>
</tbody>
</table>

**Total Revenue All Sources**: 2,863,229

### Operating Expenses (Allocated by Program)

#### Caroline

- **Adult Program**: 398,341
- **Youth Program**: 274,839
- **Beacon Residence**: 23,040
- **Misty Port Residence**: 114,739
- **Vocational Program**: 7,150

**Total Expenses**: 818,109  
**Percent of Total**: 26.38%

#### Dorchester

- **Adult Program**: 398,417
- **Youth Program**: 216,523
- **Anchorage Residence**: 18,517
- **Cove Residence**: 91,431
- **Mariner Residence**: 94,115
- **Vocational Program**: 7,150

**Total Expenses**: 826,153  
**Percent of Total**: 26.64%

#### Talbot

- **Adult Program**: 312,597
- **Youth Program**: 173,335
- **Harborloft Residence**: 23,311
- **Lighthouse Residence**: 22,931
- **Vocational Program**: 7,150

**Total Expenses**: 539,324  
**Percent of Total**: 17.39%

#### Grants

- **Primary Project Grant**: 76,045
- **CFBSP Grant**: 77,330

**Total**: 153,375  
**Percent of Total**: 4.95%

#### Administration

- **Support/Administration**: 757,000  
  **Percent of Total**: 24.41%

#### Restricted Funds/Fundraising

- **Restricted Funds/Fundraising**: 7,340  
  **Percent of Total**: 0.24%

**Total Expenses**: 3,101,301

**Total Net Assets**: 249,408

### Revenue Sources

- **Talbot Family Network**: 2.6%
- **Caroline County Human Services Council**: 2.7%
- **Community Donors**: 0.5%
- **Client Rent**: 3.0%
- **Federal (CACFP) Food Program**: 1.1%
- **Mental Health Administration/Maryland Health Partners (Medicaid)**: 90.3%
- **Client Rent**: 3.0%

### Financial Information

- **Fiscal Year 2003**
- **Mental Health Administration/Maryland Health Partners (Medicaid)**: 90.3%
- **Caroline County Human Services Council**: 2.7%
- **Community Donors**: 0.5%
- **Client Rent**: 3.0%
- **Federal (CACFP) Food Program**: 1.1%
- **Mental Health Administration/Maryland Health Partners (Medicaid)**: 90.3%

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- **Caroline County Human Services Council**: 2.7%
- **Community Donors**: 0.5%
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