

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 234 (Senator King, *et al.*)

Budget and Taxation and Education, Health,
and Environmental Affairs

Ways and Means

Education - Maryland's Preschool for All Business Plan - Final Report
Requirements

This bill requires the Maryland State Department of Education (MSDE) to consult with and accept comments from the county superintendents and local governing bodies regarding Maryland's Preschool for All Business Plan before preparing and publishing a final version. The finalized business plan is due to the Governor and the General Assembly before December 1, 2009. MSDE may not implement the finalized business plan until it has identified an ongoing funding source.

The bill takes effect July 1, 2009.

Fiscal Summary

State Effect: MSDE can handle the bill's requirements with existing budgeted resources.

Local Effect: Local superintendents of schools and local governing bodies can submit comments on the Preschool for All Business Plan with existing budgeted resources.

Small Business Effect: None.

Analysis

Background: Chapter 498 of 2006 established the Task Force on Universal Preschool Education, which submitted its final report, *Preschool for All in Maryland*, in December 2007. The task force report notes that 38 of the 50 states have state-funded

pre-kindergarten programs, the majority of which are similar to Maryland in that they serve four-year-old children from disadvantaged backgrounds. The task force listed several educational benefits for children who attend high quality preschool programs, including greater academic achievement, lower rates of grade retention, and higher rates of high school graduation. Lower rates of teen pregnancy and criminal justice involvement, higher rates of employment, and better overall health were mentioned as societal benefits associated with quality preschool opportunities. Under the Bridge to Excellence Act, all local school systems are required to provide access to preschool to all four-year-olds from families with incomes at or below 185% of the federal poverty guidelines (FPG). Because that target population for mandatory pre-kindergarten is four-year-olds whose family incomes would qualify them for free and reduced price meals, State funding for pre-kindergarten programs is provided through the compensatory education formula, which allocates aid based on enrollments of students eligible for subsidized meals.

The task force charged MSDE with developing a business plan, including cost estimates, to expand access to quality preschool to all four-year-olds in the State. MSDE published a draft version in September 2008. The draft business plan proposes the State establish a restricted fund and determine allocations for each of the State's 24 jurisdictions based on a formula. Under the proposal, local jurisdictions would be responsible for 30% of the costs and the State would be responsible for the other 70%.

The draft business plan estimates the cost per child for half-day pre-kindergarten at \$2,700, and the cost for a full-day pre-kindergarten block is estimated at \$5,300. The total additional cost for pre-kindergarten for families at or below 300% FPG is estimated at \$20 to \$32 million. The additional total estimated cost for providing pre-kindergarten to all four-year-olds in the State would be approximately \$115 million, with a State share of \$80.5 million and a local share of \$34.5 million.

Additional Information

Prior Introductions: None.

Cross File: HB 184 (Delegate Hucker, *et al.*) - Ways and Means.

Information Source(s): Maryland State Department of Education, Department of Legislative Services

Fiscal Note History: First Reader - February 15, 2009
mlm/mwc Revised - Senate Third Reader - April 2, 2009

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