

Department of Legislative Services
 Maryland General Assembly
 2018 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 547 (Delegate Barron)
 Appropriations

Education - Head Start Program - Annual Appropriation

This bill requires the Governor to include an appropriation of at least \$3.0 million in the annual State budget for the Head Start Program. **The bill takes effect June 1, 2018.**

Fiscal Summary

State Effect: General fund expenditures increase by \$1.2 million annually beginning in FY 2020. **This bill establishes a mandated appropriation beginning in FY 2020.**

(\$ in millions)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	1.2	1.2	1.2	1.2
Net Effect	\$0.0	(\$1.2)	(\$1.2)	(\$1.2)	(\$1.2)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: Potential increase in local grant revenues and expenditures for jurisdictions that operate Head Start programs and receive new or increased State funding.

Small Business Effect: Potential meaningful to the extent that a small business is awarded new or increased grant funding.

Analysis

Current Law/Background: The Head Start program aims to promote the school readiness of low-income children by enhancing their cognitive, social, and emotional development. In some counties, Head Start is operated by county agencies or local school systems; private providers operate the program in most counties. Funding for Head Start comes largely from the federal government, though the State provides supplemental

funding. State funding may be used for the expansion and improvement of services, including expanding the hours of services, increasing the number of children served, and developing quality improvement measures such as staff development and program improvement. In 2017, 25 programs received a total of \$1.8 million in State supplemental funds to provide extended day and/or extended year services to 3,189 children for approximately 5,582 program hours.

Supplemental State funding for the Head Start program has been level funded at \$1.8 million since fiscal 2010. Prior to fiscal 2010, the annual appropriation was \$3.0 million. According to the Maryland State Department of Education (MSDE), restoring the original funding levels will reduce the summer learning loss, which is prevalent in lower socioeconomic families, and increase school readiness skills, including social and emotional skills. Extending the day and/or year for programs also allows for parents to participate in work and/or school activities. The Maryland Head Start Association estimates that an additional \$1.2 million in supplemental funds will allow programs to provide services to approximately 2,137 additional children or 3,740 additional program hours.

State Expenditures: General fund expenditures for MSDE increase by \$1.2 million annually beginning in fiscal 2020 to fund the program at the level required by the bill's mandated appropriation. This estimate assumes that in the absence of the bill, the program would have been funded at \$1.8 million annually and, therefore, accounts only for the increase over the historical funding amount.

Local Fiscal Effect: Beginning in fiscal 2020, as funding for Head Start increases pursuant to the mandated appropriation, jurisdictions operating Head Start programs may receive new or increased State funding.

Small Business Effect: Potential meaningful for any small business that operates a Head Start program and is awarded new or increased funding.

Additional Information

Prior Introductions: None.

Cross File: SB 373 (Senator Currie, *et al.*) - Budget and Taxation.

Information Source(s): Maryland State Department of Education; Department of Budget and Management; Maryland Head Start Association; Maryland Family Network; Department of Legislative Services

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md/rhh

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