

Department of Legislative Services  
 Maryland General Assembly  
 2000 Session

FISCAL NOTE

House Bill 124 (Delegates Gordon and Carlson)

Ways and Means

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Education - Admission of Students to Kindergarten - Age Requirement

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This bill requires a child to be at least five years old on or before the first day of school in order to attend a public school kindergarten program.

This bill takes effect July 1, 2000.

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Fiscal Summary

**State Effect:** General fund expenditures could decrease by \$13.9 million in FY 2002 and by \$30.5 million by FY 2005. Revenues would not be affected.

(in millions)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
GF Revenues	\$0	\$0.0	\$0.0	\$0.0	\$0.0
GF Expenditures	0	(13.9)	(28.5)	(29.6)	(30.5)
Net Effect	\$0	\$13.9	\$28.5	\$29.6	\$30.5

Note: ( ) = decrease; GF = general funds

**Local Effect:** State education aid could decrease by \$13.9 million in FY 2002 and by \$30.5 million by FY 2005.

**Small Business Effect:** Meaningful.

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Analysis

**Current Law:** Title 13A.08.01 of the Code of Maryland Regulations (COMAR) requires children admitted to a public school kindergarten program to be at least five years old on or before December 31 of the year in which they apply for entrance. A local board of education may adopt regulations permitting a four-year old child, upon request by the parent or

guardian, to be admitted to kindergarten if the local school superintendent determines that the child demonstrates capabilities warranting early admission.

**Background:** Approximately 56,500 children attend public school kindergarten programs and 16,000 children attend nonpublic kindergarten programs. Most local school systems operate half-day kindergarten programs. For the 1998-1999 school year, 9,335 students attended full-day kindergarten programs. Most of these students were in Baltimore, Calvert, Caroline, Garrett, and Prince George's counties. All kindergarten students in Caroline and Garrett counties attend a full-day program.

**State Fiscal Effect:** State education aid under the basic current expense formula distributes funding on the basis of enrollment and wealth. The student count includes one half of the number of students enrolled in kindergarten programs, except in Garrett County where the student count includes the full number.

Establishing an earlier "cut-off" date for kindergarten eligibility would make approximately 13,000 children ineligible to attend public school kindergarten programs in the 2000-2001 school year. This would decrease the September 30th (FTE) student enrollment count in 2000 by 6,500 students (one-half the affected students), resulting in a \$13.9 million decrease in State education aid under the basic current expense formula in fiscal 2002.

The decrease in the kindergarten enrollment in the 2000-2001 school year would have a ripple effect for the next 12 years. For example, the first grade enrollment for the 2001-2002 school year would decrease by 13,000 students with a corresponding decrease in the following grade in the next year. The second grade enrollment for the 2002-2003 school year would decrease by 13,000 students and the twelfth grade enrollment for the 2012-2013 school year would decrease by 13,000 students. Accordingly, State education aid would decrease by \$28.5 million in fiscal 2003 and by \$30.5 million by fiscal 2005.

**Local Fiscal Effect:** Any potential cost savings resulting from fewer students attending public school kindergarten programs may be eliminated due to the increase in the number of new students entering pre-kindergarten programs. Approximately 20,000 students attend public school pre-kindergarten programs and 40,000 children attend nonpublic pre-kindergarten programs. This bill may result in an increase in the number of students using public school pre-kindergarten programs.

All 24 local school systems in Maryland provide pre-kindergarten programs. The State provides about \$19.3 million in funding for the Extended Elementary Education Programs, a public school pre-kindergarten program for four-year old children identified as having a high potential for failure in school. The cost for an average public pre-kindergarten program

totals around \$2,300 per student. These costs are based on expenses for the extended elementary education program in Prince George's County.

**Small Business Effect:** There are about 12,100 family child care providers serving 81,000 children and 2,300 licensed child care group centers serving 120,000 children in Maryland. A preschool program costs about \$100 a week or \$3,600 per child for the duration of the school year (36 weeks). Unless local school systems expand current pre-kindergarten programs, up to 13,000 children may need child care services. The aggregate cost for the additional child care programs would total about \$46.8 million a year. The increased demand for child care programs may drive up the cost for existing child care programs. According to a report by the Maryland Child Care Resource Network, child care expenses are the leading household expense in five counties (Allegany, Baltimore, Dorchester, Garrett, Washington) and Baltimore City. In Baltimore City, approximately 26% of a household's median income is spent on child care. On average, the annual salary for a family child care provider totals \$16,100.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 1, 2000  
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