

Department of Legislative Services  
 Maryland General Assembly  
 2002 Session

**FISCAL NOTE**

House Bill 1135 (Delegate Rudolph, *et al.*)  
 Ways and Means

**Education - All-Day Kindergarten - Phase-In State Funding Program**

This bill alters the definition of full-time equivalent (FTE) enrollment for calculating State education aid by including all students enrolled in a full-day kindergarten program at a Title 1 eligible school beginning in fiscal 2004. Full-time equivalent enrollment would include all students enrolled in a full-day kindergarten program beginning in fiscal 2006.

The bill takes effect July 1, 2002.

**Fiscal Summary**

**State Effect:** General fund expenditures would increase by approximately \$21.8 million in FY 2004. Future year expenditures reflect increases in the current expense foundation amount and a further change in the FTE definition in FY 2006.

(\$ in millions)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	21.8	23.0	34.0	35.8
Net Effect	\$0	(\$21.8)	(\$23.0)	(\$34.0)	(\$35.8)

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

**Local Effect:** State education aid to ten local school systems would increase by \$29.2 million in FY 2004 and would decrease by \$7.4 million in 14 local school systems.

**Small Business Effect:** None.

## Analysis

**Current Law:** Local boards of education are not required to provide full-day kindergarten programs. Six State education funding programs use the student enrollment count to allocate funding to local school systems. The student enrollment count includes one-half of the number of students enrolled in kindergarten programs, except in Garrett County where the enrollment count includes the full number.

**Background:** Approximately 56,400 children currently attend public school kindergarten programs in Maryland. Local school systems in Baltimore City and Allegany, Caroline, Garrett, and Somerset counties provide full-day programs to all of its kindergarten students. Prince George's County has almost 96% of its kindergarten students enrolled in full-day programs. The full-day kindergarten programs in the other local school systems are concentrated in Title 1 eligible schools. Seven local school systems (Dorchester, Harford, Howard, Kent, St. Mary's, Wicomico, and Worcester) did not report any students in full-day kindergarten programs during the 2001-2002 school year. For the 2001-2002 school year, 46% of kindergarten students attended full-day programs, representing 26,000 students. Of the children attending full-day kindergarten programs, approximately 71% of them attend a Title 1 school. **Exhibit 1** shows the estimated number of students and Title 1 students attending full-day kindergarten programs for the 2001-2002 school year.

**State and Local Fiscal Effect:** This legislation affects State education aid under six programs: current expense, compensatory aid, special education, early education initiative, targeted improvement grants, and student transportation. The current expense formula is affected by the additional students being included in the student enrollment count and by the relative change in per pupil wealth among local school systems. The compensatory aid program, special education, early education initiative, and targeted improvement grants are affected by the relative change in per pupil wealth among local school systems. Student transportation funding is affected by the increase in the school system's FTE enrollment count.

Since State education aid is based on the FTE enrollment count in the prior year, State education aid in fiscal 2004 would only increase for local school systems that had full-day kindergarten programs at Title 1 eligible schools during the 2002-2003 school year. It is estimated that 18,446 students in 16 counties attended full-day kindergarten programs at Title 1 schools. However, five counties had only a few students enrolled in full-day kindergarten programs and would not realize an increase in State aid.



effect by counting all kindergarten students enrolled in a full-day kindergarten program as a full student and **Exhibit 4** shows the impact of counting all kindergarten students as a full student.

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### **Additional Information**

**Prior Introductions:** A similar bill was introduced at the 2001 session as HB 1121. The House Ways and Means Committee did not take action on the bill.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - March 4, 2002  
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