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.

Exhibit 1
Enrollment at Full-Day Kindergarten Programs
2001-2002 School Year

	Title 1 Full-Day	Total Full-Day	Percent of Total	
Local School System	Enrollment	Enrollment	Kindergarten Enrollment	
Allegany	533	639	100.0%	
Anne Arundel	359	757	15.7%	
Baltimore City	5,771	6,485	99.9%	
Baltimore	2,006	3,531	55.9%	
Calvert	555	934	89.5%	
Caroline	361	361	100%	
Carroll	0	181	9.8%	
Cecil	95	161	15.0%	
Charles	104	104	7.7%	
Dorchester	0	0	0%	
Frederick	545	1,010	38.3%	
Garrett	300	333	100%	
Harford	0	0	0%	
Howard	0	0	0%	
Kent	0	0	0%	
Montgomery	1,728	2,010	21.5%	
Prince George's	5,437	8,836	95.7%	
Queen Anne's	58	58	12.1%	
St. Mary's	0	0	0%	
Somerset	207	209	100%	
Talbot	148	189	63.9%	
Washington	239	240	16.5%	
Wicomico	0	0	0%	
Worcester	0	0	0%	
Total	18,446	26,038	46.2%	
Source: Maryland State De	epartment of Education			

Accordingly, State expenditures would increase by \$29.2 million in fiscal 2004 for ten local school systems with existing full-day programs at Title 1 eligible schools. Consequently, 14 local school systems would realize a \$7.4 million reduction in State aid since they become wealthier compared to counties with a large proportion of kindergarten students already attending full-day programs and whose FTE count is increased under the bill. If all kindergarten students had attended full-day programs, State expenditures would increase by \$68.4 million in fiscal 2004 with Garrett County being the only county losing

Exhibit 2 shows the effect on State aid in fiscal 2004 by counting all students enrolled in a full-day kindergarten program at a Title 1 eligible school as a full student for purposes of calculating the student enrollment count for State aid purposes. **Exhibit 3** shows the HB 1135 / Page 2

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.

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

ncs/cer

Analysis by: Hiram L. Burch Jr. Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 946-5510 (301) 970-5510

Exhibit 2
Impact on State Education Aid
Including All Title 1 Kindergarten Students in the FTE Count
Based on the Fiscal 2004 Formula Calculation

<u>County</u>	Current <u>Expense</u>	Compensatory <u>Aid</u>	Special Education	Early <u>Education</u>	Targeted <u>Improvement</u>	Student <u>Transportation</u>	Total <u>Effect</u>
Allegany	\$1,062,784	\$30,035	\$3,438	\$5,807	\$4,182	\$26,631	\$1,132,877
Anne Arundel	-1,348,488	-98,426	-8,936	-15,091	-13,051	0	-1,483,991
Baltimore City	11,906,283	788,042	46,809	79,057	115,939	0	12,936,130
Baltimore	1,740,059	-108,691	-5,172	-8,735	-20,893	140,924	1,737,491
Calvert	915,825	-5,017	513	865	-581	45,591	957,196
Caroline	744,547	23,883	2,317	3,914	4,158	28,058	806,878
Carroll	-576,029	-42,104	-5,775	-9,754	-3,991	0	-637,653
Cecil	-65,262	-46,282	-3,551	-5,998	-5,839	7,803	-119,129
Charles	-226,875	-55,804	-3,677	-6,211	-8,503	8,543	-292,526
Dorchester	-85,297	-29,426	-1,058	-1,786	-4,326	0	-121,892
Frederick	438,435	-38,881	-3,380	-5,709	-5,539	44,769	429,694
Garrett	-97,015	-30,446	-1,229	-2,076	-3,949	0	-134,716
Harford	-805,216	-81,599	-8,684	-14,666	-10,818	0	-920,982
Howard	-1,367,212	-41,163	-5,073	-8,567	-5,667	0	-1,427,682
Kent	-72,949	-7,341	-382	-646	-1,418	0	-82,737
Montgomery	-1,135,583	-93,325	-7,772	-13,127	-20,154	141,947	-1,128,014
Prince George's	9,980,234	13,593	10,880	18,376	3,260	446,622	10,472,965
Queen Anne's	-50,945	-11,120	-887	-1,498	-1,184	4,765	-60,868
St. Mary's	-293,522	-53,311	-3,288	-5,553	-5,518	0	-361,191
Somerset	428,913	24,136	1,268	2,141	3,500	17,004	476,964
Talbot	137,419	-1,026	66	111	-148	0	136,422
Washington	145,804	-45,916	-2,621	-4,427	-6,586	18,042	104,296
Wicomico	-226,517	-76,263	-3,174	-5,361	-10,993	0	-322,308
Worcester	-297,358	-13,550	-631	-1,066	-1,881	0	-314,486
Total	\$20,852,036	\$0	\$0	\$1	\$0	\$930,699	\$21,782,737

Prepared by the Department of Legislative Services, March 2002

Exhibit 3
Impact on State Education Aid
Including All Full-Day Kindergarten Students in the FTE Count
Based on the Fiscal 2004 Formula Calculation

<u>County</u>	Current <u>Expense</u>	Compensatory <u>Aid</u>	Special Education	Early <u>Education</u>	Targeted <u>Improvement</u>	Student <u>Transportation</u>	Total <u>Effect</u>
Allegany	\$1,242,348	\$32,909	\$3,622	\$6,118	\$4,072	\$35,339	\$1,324,409
Anne Arundel	-1,347,719	-109,074	-10,348	-17,477	-15,099	14,184	-1,485,534
Baltimore City	13,033,485	734,021	44,564	75,265	99,111	39,958	14,026,404
Baltimore	4,026,930	-80,388	-2,346	-3,962	-17,256	266,195	4,189,173
Calvert	1,632,339	5,548	2,058	3,474	457	76,724	1,720,600
Caroline	713,684	15,600	1,740	2,940	2,435	28,058	764,456
Carroll	-405,796	-44,948	-6,318	-10,670	-4,432	14,868	-457,296
Cecil	-32,638	-53,084	-4,325	-7,304	-6,991	13,225	-91,117
Charles	-419,802	-70,202	-5,049	-8,527	-11,100	8,543	-506,137
Dorchester	-120,863	-36,164	-1,391	-2,350	-5,498	0	-166,266
Frederick	1,160,354	-34,202	-2,679	-4,524	-5,255	82,967	1,196,661
Garrett	-137,468	-37,419	-1,617	-2,732	-5,021	0	-184,256
Harford	-1,140,964	-100,286	-11,425	-19,295	-13,751	0	-1,285,721
Howard	-1,937,292	-50,589	-6,674	-11,272	-7,203	0	-2,013,030
Kent	-103,366	-9,022	-503	-850	-1,802	0	-115,543
Montgomery	-2,603,417	-117,840	-11,191	-18,900	-26,701	165,112	-2,612,938
Prince George's	16,708,364	190,057	25,477	43,028	46,036	725,833	17,738,795
Queen Anne's	-127,025	-14,340	-1,278	-2,160	-1,589	4,765	-141,626
St. Mary's	-415,910	-65,520	-4,326	-7,306	-7,014	0	-500,075
Somerset	416,578	17,440	1,005	1,697	2,326	17,168	456,215
Talbot	147,756	-978	69	115	-191	2,920	149,691
Washington	-17,100	-61,138	-4,059	-6,855	-9,169	18,124	-80,196
Wicomico	-320,966	-93,729	-4,176	-7,053	-13,974	0	-439,899
Worcester	-421,346	-16,653	-830	-1,403	-2,390	0	-442,622
Total	\$29,530,166	\$0	\$0	\$0	\$0	\$1,513,983	\$31,044,149

Prepared by the Department of Legislative Services, March 2002

Exhibit 4
Impact on State Education Aid
Including All Kindergarten Students in the FTE Count
Based on the Fiscal 2004 Formula Calculation

<u>County</u>	Current Expense	Compensatory <u>Aid</u>	Special Education	Early <u>Education</u>	Targeted <u>Improvement</u>	Student <u>Transportation</u>	Total <u>Effect</u>
Allegany	\$998,489	(\$5,903)	(\$289)	(\$488)	(\$871)	\$35,339	\$1,026,277
Anne Arundel	4,259,352	-7,874	-765	-1,291	-1,091	348,350	4,596,681
Baltimore City	11,072,011	102,978	5,146	8,692	14,560	40,368	11,243,755
Baltimore	5,651,032	-39,123	-3,530	-5,962	-7,606	495,215	6,090,026
Calvert	1,306,387	-4,128	-519	-877	-479	85,678	1,386,062
Caroline	589,875	-982	-24	-41	-193	28,058	616,692
Carroll	2,415,173	-2,265	-282	-476	-228	151,968	2,563,890
Cecil	1,561,319	249	139	235	7	87,977	1,649,928
Charles	1,651,989	-16,775	-1,476	-2,494	-2,579	111,635	1,740,301
Dorchester	371,366	-5,924	-265	-447	-882	23,001	386,849
Frederick	3,520,426	2,508	545	920	326	216,781	3,741,505
Garrett	-299,740	-51,377	-2,804	-4,736	-6,653	0	-365,310
Harford	3,888,409	7,616	1,322	2,233	968	230,991	4,131,540
Howard	2,281,312	-6,779	-1,016	-1,716	-949	235,674	2,506,526
Kent	92,066	-2,594	-175	-296	-504	11,500	99,997
Montgomery	5,584,537	2,617	705	1,190	460	767,974	6,357,482
Prince George's	13,685,464	17,126	2,058	3,477	4,252	758,609	14,470,986
Queen Anne's	522,402	-176	9	16	-24	39,348	561,575
St. Mary's	1,358,367	-1,156	-16	-27	-138	82,063	1,439,092
Somerset	348,905	2,987	138	233	420	17,168	369,851
Talbot	58,910	185	20	33	23	11,710	70,880
Washington	2,066,262	10,445	1,090	1,841	1,457	117,601	2,198,695
Wicomico	1,399,858	209	91	153	-8	76,066	1,476,367
Worcester	31,364	-1,863	-103	-174	-264	34,419	63,379
Total	\$64,415,534	\$0	\$0	\$0	\$0	\$4,007,493	\$68,423,026

Prepared by the Department of Legislative Services, March 2002