

Department of Legislative Services
 Maryland General Assembly
 2002 Session

FISCAL NOTE

House Bill 189 (Delegate Rosenberg, *et al.*)
 Appropriations

Building Foundations for School Success Act of 2002

This bill requires the Subcabinet for Children, Youth, and Families to develop a comprehensive plan that promotes early childhood social and emotional development for school readiness for children five years old and younger. A \$50,000 State matching grant is provided to local management boards for early childhood screening and consultation services. The Subcabinet for Children, Youth, and Families must report to the Senate Budget and Taxation Committee and the House Appropriations Committee on or before August 1, 2002 on the comprehensive plan.

The bill takes effect June 1, 2002.

Fiscal Summary

State Effect: General fund expenditures for matching grants could increase by \$200,000 in FY 2003. Future year expenditures reflect additional local management boards receiving annual State matching grants. Revenues would not be affected.

(in dollars)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	200,000	450,000	700,000	750,000	1,200,000
Net Effect	(\$200,000)	(\$450,000)	(\$700,000)	(\$750,000)	(\$1,200,000)

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

Local Effect: Local management boards can use existing funding under the community partnership agreement to satisfy the matching grant requirement. In fiscal 2002, 19 jurisdictions used funding under the community partnership agreement to serve as a local match.

Small Business Effect: : None.

Analysis

Bill Summary: The Subcabinet for Children, Youth, and Families (OCYF) must develop a comprehensive plan that establishes a system to promote early childhood social and emotional development leading to school readiness for children five years old and younger.

The plan must include a thorough assessment of the availability and adequacy of existing early childhood mental health services in each county and the State, a detailed timeline for the implementation and funding of services identified in the legislation, recommendations for increasing the number of early childhood trained mental health professionals through support of higher education training and scholarship programs, and mechanisms to provide objective performance standards and outcome measurements of services.

The system must include mental health screenings and consultation services for children, the establishment of community-based early childhood mental health services, formal training of child care providers in the social and emotional development of young children, and partnerships among the State, local governments, and early childhood mental health providers.

A local management board is eligible to receive a \$50,000 matching grant for early childhood mental health screening and consultation services at the time the board enters into or renews a community partnership agreement. The local management board must develop a plan with the assistance of the local school system, the local department of social services, the local core service agency, and local early childhood programs in the jurisdiction. Local matching funds may include funds provided as a part of a community partnership agreement.

Current Law: Maryland has developed several programs to promote school readiness including the Judith P. Hoyer Early Child Care and Education Enhancement Program that was enacted in 2000. This program is intended to promote school readiness through developing and expanding high quality, comprehensive, full-day early child care and educational programs, and family support services.

Background: There are about 430,000 children in Maryland under the age of six. Approximately 70%, or 300,000, of these children live in a home where their parents are working at least part-time. Available child care services for working parents include child care centers, family day care homes, Head Start, and pre-school programs. However, a majority of children under the age of five do not attend pre-school or a

regulated child care program. These children may be cared for by a parent, family member, neighbor, and/or unregulated child care provider.

There are roughly 200,000 regulated child care slots in the State, with only a small percentage being subsidized by the State. Low-salaries for child care workers in some jurisdictions have contributed to the concerns about quality. Data compiled by the Maryland Committee for Children indicates that the salaries of public school teachers are more than double most child care workers. Oversight of the current system of early childhood programming focuses on child safety and health and does not offer parents much assurance about the quality of the experiences. In 2000 the Maryland State Department of Education (MSDE) established the state's Early Childhood Accreditation Project which is designed to increase the number of early child care and education programs that have completed state or national accreditation.

Early Childhood Assessment

In 1999 the Maryland Joint Committee on Children, Youth, and Families decided to focus its work on improving services for children under the age of six. To assist in this effort, MSDE has developed and implemented an early childhood assessment system of the social, physical, linguistic, and cognitive skills of children entering kindergarten. During the 2000-2001 school year, public school teachers participating in the MSDE assessment system collected information on the readiness of children entering kindergarten. Results from the assessment indicate that 40% of kindergarten students in Maryland were fully ready to do kindergarten work. Fifty percent of students needed targeted support and 10% of students needed considerable support. On average, boys needed more help than girls. Information from the assessment indicates that additional services are needed to ensure that children are ready to succeed in school.

Promoting School Readiness

At the local level, Anne Arundel County has developed the Behavioral/Emotional Support and Training Program (BEST) to provide mental health screenings to children in childcare. BEST is one component of the Early Childhood Community Partnership grant that is funded by the Local Management Board of Anne Arundel County. The grant provides funding for two full-time behavioral specialists who are employed by Anne Arundel Community College. The program provides mental health consultation, behavioral assessment, program planning, support, and training to licensed and registered child care providers who care for children exhibiting challenging behaviors. The program's purpose is to provide behavioral intervention and parent/provider training and support to help children maintain placement in traditional child care placements, as well as providing early identification of special needs that may require more specialized intervention. From March 2000 to July 2001, the program has served 78 children, of whom 21% were referred for other specialized services.

State Fiscal Effect: State general fund expenditures would increase by at least \$200,000 in fiscal 2003 due to awarding of matching grants to four jurisdictions. If consultants were hired to prepare the comprehensive plan, State expenditures would increase by \$450,000.

Comprehensive Plan

OCYF contends that consultants, at a cost of \$250,000, would be needed to develop the comprehensive plan by August 1, 2002 since existing staff would not be able to develop the plan within such a short time-period. However, if the reporting requirement was delayed until August 1, 2003, the comprehensive plan could be prepared with existing resources. MSDE advises that existing staff and resources will be used to assist in the development of the comprehensive plan. In addition, MSDE anticipates that the comprehensive plan will identify the need for additional resources to serve children with mental health problems.

State Matching Grants

State matching funds in the amount of \$50,000 are provided to local management boards for early childhood screening and consultation services at the time the board enters into or renews a community partnership agreement. Most local management boards operate under a five-year agreement, except Montgomery County, which operates under a three-year agreement. In fiscal 2003, four local management boards will be entering into a new community partnership agreement. These boards include Baltimore, Calvert, Montgomery, and Somerset counties. However, nine jurisdictions are not scheduled to renew their agreement until fiscal 2007. **Exhibit 1** shows the anticipated allocation of State matching grants based upon the renewal of each board's community partnership agreement.

Early Childhood Trained Mental Health Professionals

MSDE, through the Judith P. Hoyer Early Child Care and Education Enhancement Program, provides monetary incentives for early child care and education programs to pursue program accreditation. It is assumed that the comprehensive plan will identify existing State scholarship programs that could increase the number of early childhood trained mental health professionals.

Exhibit 1
Anticipated Allocation of State Matching Grants

<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Baltimore County	Allegany	Anne Arundel	Talbot	Baltimore City
Calvert	Caroline	Dorchester		Carroll
Montgomery	Charles	Kent		Cecil
Somerset	Garrett	Prince George's		Frederick
	St. Mary's	Wicomico		Harford
				Howard
				Queen Anne's
				Washington
				Worcester
\$200,000	\$450,000	\$700,000	\$750,000	\$1,200,000

Source: Office for Children, Youth, and Families

Local Fiscal Effect: State matching grants are provided to local management boards for early childhood mental health screening and consultation services. The local match may include funds provided as a part of a community partnership agreement. In fiscal 2002, 19 jurisdictions had community partnership funding that could serve as the local matching requirement.

Mental Health Screening and Consultation Services

The salaries and fringe benefits for a behavioral specialist cost approximately \$62,500 annually. Assuming each jurisdiction hires two behavior specialists, expenditures could increase by \$3 million annually. State matching grants (\$1.2 million in fiscal 2007) will only cover approximately 40% of the estimated costs for the behavioral specialists.

Based on the BEST model program in Anne Arundel County, two behavioral specialists can serve approximately 100 children each year. Statewide, approximately 2,400 children may receive services through this program. This represents, however, less than 2% of the total number of children in regulated child care slots.

Based on the limited grant funding authorized in this legislation, mental health screenings and consultation services cannot be provided to all children exhibiting problematic behavior. It is assumed that the comprehensive plan will establish guidelines on the types of behavioral problems that will warrant intervention services.

Additional Information

Prior Introductions: None.

Cross File: SB 75 (Senator Van Hollen, *et al.*) – Budget and Taxation.

Information Source(s): Anne Arundel County Local Management Board; Wicomico County; Allegany County; Montgomery County; Prince George's County; Department of Human Resources; Governor's Office of Children, Youth, and Families; Department of Education; Department of Health and Mental Hygiene; Department of Legislative Services

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