

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

House Bill 1434
Ways and Means

(Delegate Doory)

Education - Full-Day Kindergarten and Prekindergarten Programs –
Alternative Providers

This bill requires each local board of education to determine its current capacity to provide pre-kindergarten and full-day kindergarten for the 2006-2007 school year and, if its current capacity is insufficient, report in its comprehensive master plan the process it will use to contract with alternative private early learning and child care providers. A local board may only contract with a provider that: (1) is licensed by the Department of Human Resources; and (2) is accredited or commits to being accredited by the Maryland State Department of Education (MSDE) or a national accrediting body recognized by MSDE prior to the 2007-2008 school year.

The bill takes effect June 1, 2004.

Fiscal Summary

State Effect: None.

Local Effect: Local school expenditures could increase to the extent that using private kindergarten and pre-kindergarten providers is more expensive than providing the services through the local school system. Local expenditures for public school construction could decrease to the extent that the use of private providers eliminates some of the need for additional school facilities or improvements to existing school facilities.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: Beginning with the plans that are submitted by July 1, 2004, each local board of education must report in its comprehensive master plan the process it will use to contract with one or more alternative early learning and child care providers for either 20% of the additional pre-kindergarten and full-day kindergarten capacity required or the difference between the board's current capacity and the capacity required for the programs in the 2007-2008 school year, whichever is less. If a county board demonstrates that there is insufficient capacity from alternative providers to meet this requirement, then it must describe the process it will use to contract for the available capacity. In order to determine whether providers have the required capacity, local boards must conduct a survey of providers in the county.

Current Law: By the 2007-2008 school year, local school systems must implement full-day kindergarten for all students and must make publicly funded pre-kindergarten available to all economically disadvantaged four-year-old children. Each local board of education must submit a comprehensive master plan that, among other requirements, identifies the strategies that will be used to ensure that the programs are available by the deadline.

Background: The Commission on Education, Finance, Equity, and Excellence (Thornton Commission) recommended that full-day kindergarten programs be provided for all students and that pre-kindergarten programs be available to all disadvantaged four-year-old children. These recommendations were codified in the Bridge to Excellence in Public Schools Act of 2002, and local school systems are required to provide the services by the 2007-2008 school year. Increased formula funding under the Act is tied to these mandates. Funding for full-day kindergarten is provided through an increase (from 0.5 to 1.0) in the kindergarten FTE rate used to calculate State aid. Funding for pre-kindergarten is provided through the compensatory education formula.

Local school systems have been providing pre-kindergarten programs for high risk children for many years, with some of the funding for the programs coming from Extended Elementary Education Program (EEEP) grants from the State. Just over half of Maryland kindergartners (54%) currently attend full-day programs, and six school systems, Baltimore City and Allegany, Caroline, Garrett, Prince George's, and Talbot counties, provide full-day programs for virtually all of their kindergarten students. In contrast, 13 school systems provide full-day programs for less than 40% of their kindergarten students. **Exhibit 1** shows the percentage of kindergarten students attending full-day programs in each school system.

A recent study conducted by Montgomery County Public Schools, where full-day kindergarten programs have been strategically targeted in areas with many high need

students, found significant gains in the performance of second-graders who attended full-day kindergarten programs. The gains successfully narrowed achievement disparities between schools in less affluent areas and schools in wealthier areas.

Exhibit 1
Percentage of Kindergarten Students in Full-Day Programs
2003-2004 School Year

<u>County</u>	<u>Percent</u>	<u>County</u>	<u>Percent</u>
Allegany	100%	Harford	28%
Anne Arundel	14%	Howard	5%
Baltimore City	95%	Kent	30%
Baltimore	64%	Montgomery	51%
Calvert	15%	Prince George's	100%
Caroline	100%	Queen Anne's	34%
Carroll	4%	St. Mary's	45%
Cecil	19%	Somerset	67%
Charles	22%	Talbot	100%
Dorchester	16%	Washington	28%
Frederick	24%	Wicomico	30%
Garrett	100%	Worcester	82%

Source: Maryland State Department of Education

Local Fiscal Effect: Local school systems are currently required to develop plans for the implementation of the required pre-kindergarten and kindergarten programs. If a school system is unable to acquire sufficient space to implement the requirements by the 2007-2008 school year, it is expected that it would make plans to use alternative early learning and child care providers at least until adequate capacity is available in more traditional school settings. However, there is no current requirement that a certain percentage of the unmet capacity for kindergarten and pre-kindergarten be met through the use of private providers. To the extent that private providers are more expensive than providing the programs through the local school systems, school expenditures could increase.

There could also be a decrease in local capital expenditures for public school facilities if the bill results in greater use of private providers. Plans to build, improve, or add to existing school facilities to accommodate required pre-kindergarten and kindergarten

programs could be delayed, reduced, or eliminated. It is assumed that local boards of education could make the necessary changes to comprehensive master plans and, where necessary, survey alternative early learning and child care providers with existing resources.

Small Business Effect: Small business providers of accredited early learning and child care programs would benefit if the bill results in more local school systems using private providers for required kindergarten and pre-kindergarten programs.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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