

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

House Bill 695 (Calvert County Delegation)
Ways and Means

Education - Full-Day Kindergarten Programs - Calvert County Exemption

This bill exempts Calvert County from the requirement that local school systems implement full-day kindergarten for all students by the 2007-2008 school year.

The bill takes effect July 1, 2007 contingent on: (1) the failure of the General Assembly to pass the joint resolution that is required to proceed with full implementation of the education funding formulas established in the Bridge to Excellence in Public Schools Act; or (2) a determination by the Interagency Committee on Public School Construction (IAC) that the public school construction needs of Calvert County relating to full-day kindergarten have not been funded. If the joint resolution is passed and Calvert County's full-day kindergarten school construction needs have been fully funded, this bill is null and void.

Fiscal Summary

State Effect: Education aid formulas would not be affected by the legislation. The allocation of public school construction funding to local jurisdictions could change slightly, but the overall amount of funding would not be altered.

Local Effect: Calvert County school expenditures could be reduced by \$1.9 million in FY 2008 if the school system is not required to provide full-day kindergarten.

Small Business Effect: Minimal.

Analysis

Current Law: Local boards of education are required to implement full-day kindergarten programs for all students by the 2007-2008 school year.

For full funding of the Bridge to Excellence State aid formulas to be provided in fiscal 2005, the General Assembly must pass a joint resolution by the fiftieth day of the 2004 legislative session affirming that the additional aid is within the State's resources. An emergency bill that repealed the provision requiring the joint resolution, HB 345, was officially passed by the General Assembly on March 1, 2004. Unless the Governor vetoes the bill, it will go into effect a week after it was presented to the Governor. A joint resolution affirming that the State has the resources to proceed with full implementation of Bridge to Excellence formulas has not been introduced.

Under the State/local Shared Cost Formula, the State pays 55% of Calvert County's eligible school construction costs, and the county pays 45%.

Background: In appreciation of the growing body of research that clearly displays the positive impact of early childhood educational experiences, 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 full-time equivalent rate used to calculate State aid. Funding for pre-kindergarten is provided through the compensatory education formula.

Just over half of Maryland kindergartners currently attend full-day programs, and six local school systems, Baltimore City and Allegany, Caroline, Garrett, Prince George's, and Talbot counties, provide full-day programs for all kindergarten students. 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.

In Calvert County, only 15% of kindergarten students attend full-day programs, and the county has been focused on providing adequate facilities for a rapidly-growing student population. Enrollment in county schools has increased 13.5% in the last four years, the largest increase in the State. Even without the full-day kindergarten mandate, building

and renovating school facilities to accommodate growth will be difficult for the county. From fiscal 2001 to 2004, Calvert County received \$18.5 million in school construction funding from the State.

State Fiscal Effect: If a joint resolution affirming the State's ability to afford State aid increases required by the Bridge to Excellence Act is passed, the distribution of public school construction funding could be affected by the bill. If all other factors are equal, requests for projects in Calvert County could receive higher priority from the IAC to ensure that the county would have to comply with the full-day kindergarten mandate. Total funding for public school construction, however, would not change. The State's capital improvement plan for fiscal 2005 to 2009 includes approximately \$100 million per year in general obligation bonds for public school construction.

If the joint resolution is not passed in 2004 and the elimination of the provision requiring the joint resolution is not considered an acceptable alternative, Calvert County would not be required to implement full-day kindergarten. There would be no reason in that case for the State to give additional consideration to Calvert County school construction requests.

The Task Force to Study Public School Facilities estimated that the cost to build and renovate facilities in order to accommodate full-day kindergarten for all students is approximately \$178 million statewide, including an estimated \$5.4 million in Calvert County. The amounts include the State and local shares of the costs.

Local Expenditures: If a joint resolution affirming the State's ability to afford State aid increases required by the Bridge to Excellence is not passed or the required school construction funding for Calvert County is not provided, local school operating expenditures for full-day kindergarten in Calvert County could decrease by an estimated \$1.9 million in fiscal 2008 and 2009. This estimate is based on the following assumptions.

- Calvert County would continue full-day kindergarten programs for 15% of its students. If Calvert County instead opts to provide half-day programs for all students, savings would be greater.
- The primary savings would be driven by teacher salary costs that would not be incurred. The average fiscal 2003 teacher salary for Calvert County (\$51,756), increased by 3.5% annually, was used to develop the savings estimate.
- Full-day kindergarten class sizes in Calvert County would average 20 students.

- In addition to the teacher salary costs that would be saved, the county would also save on school supplies. Additional per pupil costs of \$100 per year were assumed for students in full-day kindergarten programs.

Calvert County expenditures for public school construction would also decrease if the mandate is lifted. The county estimates that the local cost for school construction relating to full-day kindergarten is \$2.3 million.

Additional Information

Prior Introductions: None. HB 412 of 2003 would have exempted Carroll County public schools from the full-day kindergarten requirement, but the bill received an unfavorable report from the House Committee on Ways and Means.

Cross File: None.

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

Fiscal Note History: First Reader - March 5, 2004
mh/hlb

Analysis by: Mark W. Collins

Direct Inquiries to:
(410) 946-5510
(301) 970-5510