

**Department of Legislative Services
Maryland General Assembly
2006 Session**

**FISCAL AND POLICY NOTE
Revised**

House Bill 1265
Ways and Means

(Delegate Marriott, *et al.*)

Education, Health, and Environmental Affairs

Education - Prekindergarten Programs - Alternative Providers

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

The bill takes effect June 1, 2006.

Fiscal Summary

State Effect: None. The bill addresses local school systems.

Local Effect: Local school expenditures could increase to the extent that using private prekindergarten 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 comprehensive master plan update that is submitted by October 15, 2006, each local board of education must report the process it will use to contract with one or more alternative early learning and child care providers for the additional prekindergarten capacity that it needs. If a county board demonstrates that there is insufficient capacity from alternative providers to meet this requirement, then the master plan update only has to address the capacity that is available. 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 make publicly funded prekindergarten 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 program is available by the deadline. Updates to the comprehensive master plans are submitted annually on October 15.

Background: Local school systems have been providing prekindergarten 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. The Commission on Education Finance, Equity, and Excellence (Thornton Commission) recommended that prekindergarten programs be available to all disadvantaged four-year-old children. This recommendation was codified in the Bridge to Excellence in Public Schools Act of 2002, and local school systems are required to provide prekindergarten programs to the targeted population by the 2007-2008 school year. State funding for prekindergarten programs is provided through the compensatory education formula.

Local Fiscal Effect: Local school systems are currently required to develop plans for the implementation of the required prekindergarten 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 will 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 prekindergarten 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 prekindergarten 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 prekindergarten programs.

Additional Information

Prior Introductions: A bill that would have applied to kindergarten and prekindergarten programs was introduced in 2004 as HB 1434. The bill received an unfavorable report from the House Committee on Ways and Means.

Cross File: None.

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

Fiscal Note History: First Reader - February 28, 2006
mam/rhh Revised - House Third Reader - March 29, 2006

Analysis by: Mark W. Collins

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