

Department of Legislative Services
 Maryland General Assembly
 2006 Session

FISCAL AND POLICY NOTE

House Bill 1545
 Ways and Means

(Delegates Marriott and Gutierrez)

Education - Kindergarten Plus Program for "High-Poverty Schools"

This bill establishes a Kindergarten Plus Program at every public elementary school in which 85% or more of the students are eligible for free and reduced price meals. The stated purpose of the program is to provide increased time in kindergarten to students attending high-poverty schools in order to narrow the achievement gap and increase the cognitive skills and test scores of disadvantaged students.

Fiscal Summary

State Effect: General fund expenditures would increase by an estimated \$64,400 in FY 2007 to prepare for the implementation of the Kindergarten Plus Program. General fund expenditures would increase by an estimated \$8.4 million in FY 2008 when the first year of grants for the program would be awarded. Future year expenditure estimates reflect regular salary increases and inflation. Revenues would not be affected.

(\$ in millions)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	.06	8.40	8.70	8.96	9.23
Net Effect	(\$.06)	(\$8.40)	(\$8.70)	(\$8.96)	(\$9.23)

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

Local Effect: Local school revenues from State aid would increase by an estimated \$8.3 million in FY 2008 to enable school systems to provide Kindergarten Plus Programs.

Small Business Effect: None.

Analysis

Bill Summary: The bill provides that the Kindergarten Plus Program may begin at least two months earlier and may end up to two months later than the regular kindergarten program. The Maryland State Department of Education (MSDE) must develop applications for funding and must provide additional professional development for instructional staff participating in the program. Local boards of education participating in the program must demonstrate that their programs meet the standards established by MSDE. The boards must employ only qualified staff and must pay kindergarten plus personnel at rates comparable to staff in the regular kindergarten programs.

In order to assess the effectiveness of the Kindergarten Plus Program, MSDE must establish reporting and evaluation requirements for each participating school. Local boards of education must evaluate the students participating in the program at the beginning of the program and measure their progress through the use of standardized tests conducted in kindergarten and first grade. MSDE must submit an annual report on the efficacy of the program.

The bill requires the Governor to include funds for the Kindergarten Plus Program in the annual budget for MSDE. The funds provided for the program may include grants, donations, and private gifts received by the State.

Current Law: All local school systems are required to provide full-day kindergarten programs for all students by the 2007-2008 school year. Local boards of education have the authority to implement extended year programs for targeted student populations but they are not required to implement the programs.

Background: In the 2005-2006 school year, 81% of Maryland kindergartners are attending full-day programs and 11 school systems are providing full-day programs for all kindergarten students. According to data from MSDE, only Carroll County provides full-day kindergarten for less than half of its kindergarten students. **Exhibit 1** shows the total number of kindergarten students, the number of kindergarten students in full-day programs, and the percentage of kindergarten students attending full-day programs in each school system.

Exhibit 1
Kindergarten Students in Full-day Programs
2005-2006 School Year

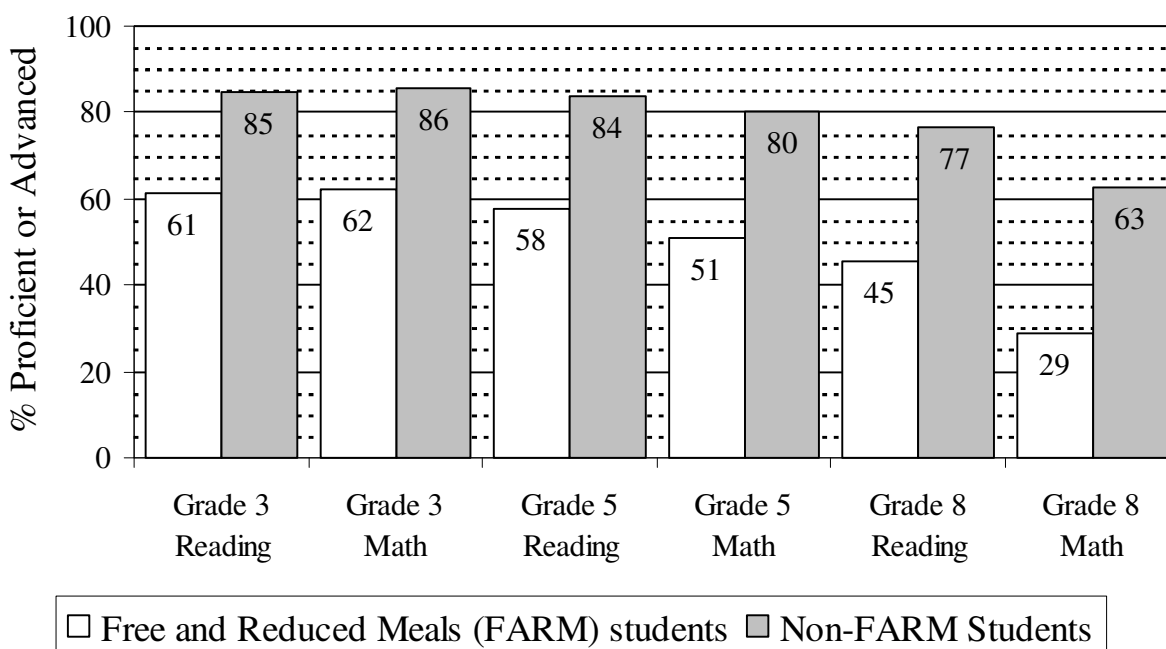
<u>School System</u>	<u>Kindergarten Students</u>	<u>Full-day K Students</u>	<u>Percent Full-day</u>
Allegany	643	643	100%
Anne Arundel	4,871	2,841	58%
Baltimore City	6,146	6,146	100%
Baltimore	7,204	6,040	84%
Calvert	1,070	814	76%
Caroline	402	402	100%
Carroll	1,885	732	39%
Cecil	1,060	816	77%
Charles	1,457	856	59%
Dorchester	314	314	100%
Frederick	2,694	1,732	64%
Garrett	313	313	100%
Harford	2,815	1,968	70%
Howard	2,849	1,521	53%
Kent	159	159	100%
Montgomery	9,384	7,550	80%
Prince George's	8,410	8,410	100%
Queen Anne's	495	424	86%
St. Mary's	1,044	872	84%
Somerset	220	220	100%
Talbot	294	294	100%
Washington	1,620	1,200	74%
Wicomico	1,119	1,119	100%
Worcester	391	391	100%
Total	56,859	45,777	81%

Source: Maryland State Department of Education

The bill states that the purpose of the Kindergarten Plus Program is to narrow the achievement gap, and the bill requires the program to be implemented in schools with

high percentages of students eligible for free and reduced price meals. Maryland School Assessment results for students eligible for subsidized meals and those who are not eligible for subsidized meals are shown in **Exhibit 2**. The exhibit reveals that lower percentages of disadvantaged students score at the proficient or advanced levels on the statewide tests.

Exhibit 2
Percent of Students Scoring at the Proficient or Advanced Levels
on Maryland State Assessments
2005



State Expenditures: General fund expenditures could increase by an estimated \$64,383 in fiscal 2007, which accounts for the bill’s October 1, 2006 effective date. This estimate reflects the cost of hiring one education specialist at MSDE to develop a grant application for the Kindergarten Plus Program, determine grant amounts for local school systems, aid in the implementation of the program, identify appropriate assessment tools, evaluate the effectiveness of the program, and report annually on the efficacy of the program. The fiscal 2007 estimate includes a full-time salary, fringe benefits, one-time start-up costs, and ongoing operating expenses. Future year administrative costs of \$80,000 to \$95,000 annually assume a full-year salary with 4.6% annual salary increase, 3% turnover, and 1% increases in operating expenses.

Beginning in fiscal 2008, the State will award grants to schools in which at least 85% of students are eligible for free and reduced price meals. Assuming the State pays almost all the costs associated with the program, general fund expenditures for grants to local school systems will increase by an estimated \$8.3 million. The following information and assumptions were used in calculating this estimate.

- There are 60 schools in 4 local school systems that would have to implement the Kindergarten Plus Program based on the 85% free and reduced price meal eligibility threshold. The school systems, number of schools, number of kindergarten classrooms in those schools, and estimated number of kindergarten students in the schools are shown below.

<u>School System</u>	<u>Schools</u>	<u>Kindergarten Classrooms</u>	<u>Estimated # Students*</u>
Baltimore City	55	142	3,550
Caroline	1	4	100
Prince George's	3	7	175
Washington	<u>1</u>	<u>5</u>	<u>125</u>
Total	60	158	3,950

* Assumes 25 students per classroom.

Source: Maryland State Department of Education

- The Kindergarten Plus Program would add 12 weeks to existing kindergarten programs, 6 weeks prior to the start of the 2007-2008 school year and 6 weeks at the end of the 2007-2008 school year.
- Each participating school would receive grants to provide:
 - one teacher per classroom (total estimated cost of \$3.2 million, based on one-third of the average local teacher salary plus 10% for benefits);
 - one paraprofessional per classroom (\$9,280 per paraprofessional for salary and benefits, or \$1.5 million);
 - student transportation (\$244 per student, or \$963,800);
 - school operations and maintenance (\$5,000 per school, or \$300,000);
 - professional development (\$450 per teacher, or \$71,100);
 - classroom instructional materials (\$2,000 per classroom, or \$316,000);

- school lunches and staff to prepare and serve the meals (\$8 per student per day, or \$1.9 million. MSDE advises that the federal government does not subsidize summer meals.); and
- pre-program and post-program assessments (\$10 each for each student, or \$79,000).

Future year grant estimates assume 3% annual increases and add approximately \$10 per participating student for the required first grade assessment. The projections assume the number of schools with 85% or more of their students receiving free and reduced price meals will remain relatively stable. Projected grants by local school system are shown in **Exhibit 3**.

Exhibit 3
Estimated Kindergarten Plus Expenditures
Fiscal 2008 to 2011

<u>County</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Baltimore City	\$7,485,476	\$7,746,605	\$7,979,004	\$8,218,374
Caroline	204,908	212,085	218,448	225,001
Prince George's	376,242	389,332	401,012	413,042
Washington	<u>255,355</u>	<u>264,303</u>	<u>272,232</u>	<u>280,399</u>
Subtotal – Grants	\$8,321,981	\$8,612,325	\$8,870,696	\$9,136,816
MSDE Administrative Costs	<u>81,184</u>	<u>85,631</u>	<u>90,365</u>	<u>95,410</u>
Total State Expenditures	\$8,403,165	\$8,697,956	\$8,961,061	\$9,232,226

Local Fiscal Effect: Under the assumptions described above, local school system revenues from State aid would increase by an estimated \$8.3 million in fiscal 2008. The majority of the additional aid, an estimated \$7.5 million, would be allocated to Baltimore City. The State aid would be used to extend kindergarten programs in high-poverty schools by 12 additional weeks each year. Future year grant amounts will increase with inflation.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland State Department of Education, Prince George's County, Somerset County, Department of Legislative Services

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ncs/rhh

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