

Department of Legislative Services  
Maryland General Assembly  
2024 Session

FISCAL AND POLICY NOTE  
Third Reader

House Bill 902  
Appropriations

(Delegate Ghrist, *et al.*)

Budget and Taxation and Education, Energy,  
and the Environment

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Prekindergarten - Ulysses Currie Head Start Program - Eligibility for State  
Funds

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This bill establishes that a provider in the Ulysses Currie Head Start Program is eligible to receive full State funds under the full-day prekindergarten program, even if the program receives federal funds. Also, an eligible prekindergarten provider in the Ulysses Currie Head Start Program is exempted from including specified structural elements that are evidence-based and nationally recognized as important for ensuring program quality, in order to qualify for full-day prekindergarten funding, if a structural element under that program conflicts with a federal requirement for the Ulysses Currie Head Start Program. **The bill takes effect July 1, 2024.**

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Fiscal Summary

**State Effect:** For reasons discussed below, State expenditures are not materially affected. State revenues are not affected.

**Local Effect:** None. The county government share of the full-day prekindergarten program is not materially affected.

**Small Business Effect:** Minimal.

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Analysis

**Current Law:**

*Head Start*

The Head Start program aims to promote the school readiness of low-income children by enhancing their cognitive, social, and emotional development. Funding for Head Start

comes largely from the federal government, although the State provides supplemental funding – required to be at least \$3.0 million annually. State funding may be used for the expansion and improvement of services, including expanding the hours of services, increasing the number of children served, and developing quality improvement measures such as staff development and program improvement.

Federal regulations ([45 CFR Part 1302](#)) specify requirements that providers must meet under Head Start. This includes, among numerous other provisions, requirements related to Head Start center group size and staff-to-child ratios, staff qualifications and competency requirements, training and professional development, the teaching and learning environment, full participation of children with disabilities, community partnerships, and program management and quality improvement.

### *Publicly Funded Full-day Prekindergarten*

Chapter 36 of 2021 established a new funding formula providing for voluntary full-day prekindergarten for four-year-olds and three-year-olds from low-income families (Tier I). Chapter 119 of 2023 added homeless youths to Tier I. “Low-income” is defined as at or below 300% of the federal poverty level. The Maryland State Department of Education (MSDE) must develop a sliding scale to calculate the family share for families with income above 300% of the federal poverty level. Beginning in the 2024-2025 school year (fiscal 2025), four-year-olds from families whose income is between 300% and 600% of the federal poverty level (Tier II) may be offered full-day prekindergarten if space is available to encourage socioeconomic diversity in prekindergarten classrooms. Priority in expanding full-day prekindergarten slots is given to three- and four-year-olds who are (1) Tier I children; (2) children with disabilities, regardless of income; or (3) children from homes where English is not the primary spoken language. For four-year-olds from families with income above 600% (Tier III), the family share covers the full cost of full-day prekindergarten. However, a local board may provide up to 100% of the family share on behalf of the family. A Head Start provider that receives federal funds is not prohibited from receiving full-day prekindergarten funding.

### *Prekindergarten Provider Structural Elements*

Under the full-day prekindergarten program, all eligible prekindergarten providers must include structural elements that are evidence-based and nationally recognized as important for ensuring program quality. Structural elements that eligible prekindergarten providers must include are:

- beginning in the 2027-2028 school year, specified high staff qualifications;
- professional development for all staff;
- a student-to-classroom personnel ratio of no more than 10- to-1 in each class;

- class sizes of no more than 20 students per classroom;
- a full-day prekindergarten program (an early learning program with a 6.5-hour school day);
- inclusion of students with disabilities to ensure access to and full participation in all program opportunities;
- for at least one year before a student's enrollment in kindergarten, learning environments that meet certain criteria;
- individualized accommodations and supports for all students;
- instructional staff salaries and benefits that are comparable to the salaries and benefits of instructional staff employed by the local board of the county in which the early learning program is located;
- program evaluation to ensure continuous program improvement;
- on-site or accessible comprehensive services for students;
- community partnerships that promote access to comprehensive services for families of students; and
- evidence-based health and safety standards.

**State Fiscal Effect:** This analysis assumes that, under the bill, a conflict which qualifies for exemption of a full-day prekindergarten structural element entails either (1) an element *required* by the Maryland full-day prekindergarten program that is *prohibited* under federal Head Start requirements or (2) an element *prohibited* by the Maryland full-day prekindergarten program that is *required* under federal Head Start requirements. Following a review of the federal Head Start regulations discussed above, the Department of Legislative Services is not at this time able to identify any such clear conflict under the bill between federal Head Start requirements and the State full-day prekindergarten structural elements listed above. Similarly, MSDE advises that none of the structural elements, if applied to a Head Start program in the State, would constitute a definitive violation of federal Head Start requirements.

However, despite the absence of clear conflicts, the standards for the two programs do differ. This may require a Head Start program to meet additional requirements beyond those necessary to qualify for the Head Start program in order to also qualify for the Maryland full-day prekindergarten program. One such example is teacher qualifications. Starting in the 2027-2028 school year, to qualify for the Maryland full-day prekindergarten program, a teacher must either hold State certification in early childhood education or be pursuing residency through the Maryland Approved Alternative Preparation Program, which includes early childhood coursework and clinical practice. While the Head Start Act and Program Performance Standards mandate that center-based teachers have at least an associate or bachelor's degree in child development or early childhood education, or equivalent coursework, they are not required to have or be working toward a teaching certificate. In this case, to qualify for the Maryland full-day prekindergarten program, a

Head Start program would need to hire a teacher who meets both the requirements for the federal Head Start program and the Maryland full-day prekindergarten program.

Regardless, under current State and federal law, it is assumed that the bill is largely clarifying and that no exemptions are provided under it. Accordingly, the bill does not materially affect the number of providers or related slots available for funding under the State full-day prekindergarten program. Because the bill also does not alter the \$3.0 million minimum annual funding for the Ulysses Currie Head Start Program, it is assumed that the bill does not materially affect State expenditures for either the Ulysses Currie Head Start Program or the full-day prekindergarten program. The bill does not alter State revenues.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Maryland State Department of Education; Department of Budget and Management; Department of Legislative Services

**Fiscal Note History:** First Reader - February 27, 2024  
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