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Education

Prekindergarten for All?

Maryland has required school systems to make half-day prekindergarten available to economically disadvantaged four-year-olds since the 2007-2008 school year. The State provides funding to school systems for prekindergarten through the State compensatory education formula – in fiscal 2014 this amount is an estimated \$83.7 million. Expanding prekindergarten to more or all four-year-olds has been proposed, most recently by Maryland gubernatorial candidates. Expanding prekindergarten to full-day for disadvantaged four-year-olds and half-day for all four-year-olds has been estimated to cost \$120 million to \$150 million annually. Reliably estimating the potential impact of proposals that expand eligibility based on income is difficult.

Public Prekindergarten Available to Disadvantaged Four-year-olds

The Bridge to Excellence in Public Schools Act (Chapter 288 of 2002) has required each local school system to make publicly funded prekindergarten available to all economically disadvantaged or homeless four-year-old children in the State since the 2007-2008 school year. To qualify as economically disadvantaged, a child must be from a family whose income is at or below 185% of the Federal Poverty Guidelines (FPG), which is the income eligibility criterion for the federal free and reduced-price meal (FRPM) program. After the initial enrollment of eligible children, local school systems may fill any vacancies with children who lack certain skills or exhibit a lack of readiness for kindergarten. State regulations require local school systems to provide prekindergarten for a minimum of 2.5 hours per day using certified early education teachers.

In the 2012-2013 school year, 26,402 four-year-olds were enrolled in prekindergarten programs offered by the local school systems. Prince George's County and Baltimore City have the highest prekindergarten enrollments in the State. Most school systems offer half-day prekindergarten, but about 25% of the students are enrolled in full-day prekindergarten. Baltimore City and Kent and Garrett counties offer full-day prekindergarten exclusively, while another seven counties offer both half- and full-day programs.

Prekindergarten students are not included in the annual September 30 enrollment counts for State education aid. Instead, since the State mandates that local school systems make prekindergarten available only to disadvantaged four-year-olds, State funding is provided through the compensatory education formula established in the Bridge to Excellence Act. Specifically, the compensatory aid formula uses a per pupil cost that is 0.97 times the per pupil funding level established in the foundation program for each FRPM-eligible student. Of the .97 compensatory add-on or weight, approximately .07 is provided by the State to fund prekindergarten. In fiscal 2014, this equates to \$83.7 million in State funds and an additional

\$83.7 million in local funds to match the 50/50 program. This is a statewide total; the amount provided to each school system varies.

In addition to prekindergarten, there are a variety of publicly funded programs available to provide high-quality early education services to economically disadvantaged children from birth to age five. These programs include the Judith P. Hoyer Early Child Care and Family Education Program, including Judy Centers and federally funded Head Start and Early Head Start programs. The State provides \$10.6 million annually for the Hoyer Program and a \$1.8 million subsidy for the Head Start program.

School Readiness

Publicly funded prekindergarten is part of the State's initiative that all children enter kindergarten ready to learn. In 2012-2013, 82% of children entered kindergarten fully ready to learn, compared to only 49% of children when data was first collected in 2001-2002. Children enrolled in public prekindergarten programs the year prior to kindergarten outperform their peers at the same income level in school readiness. Specifically, 83% of children who were enrolled in public prekindergarten programs the year prior to starting kindergarten in the 2012-2013 school year were fully ready, compared to only 76% of all low-income kindergarteners. Children who were enrolled in publicly funded prekindergarten are also better prepared than children in home or informal care, Head Start, family child care, or a child care center.

Kindergarten readiness has been measured using the Maryland Model for School Readiness (MMSR) assessment, a standardized assessment with seven domains: personal and social development; language and literacy; mathematical thinking; scientific thinking; social studies; the arts; and physical development. Teachers evaluate and rate student performance during the first eight weeks of school according to a checklist of 30 indicators. If a student is rated "fully ready," it means that the skills, behaviors, and abilities needed to meet kindergarten expectations are consistently demonstrated. The MMSR assessment is being revised to align with the new Maryland Common Core Standards. The revised assessment will also be able to be administered using a technology platform, with linkage to a reporting database and to online resources for teachers. The project is being done in collaboration with the state of Ohio.

Maryland's Preschool for All Business Plan

The Task Force on Universal Education (Chapter 498 of 2006) was established to develop a framework and specific recommendations on how to extend publicly funded prekindergarten to a greater number of children. In addition to setting goals relating to the implementation of a universal preschool program in the State, the task force charged the Maryland State Department of Education (MSDE) with developing a business plan that would explain what the costs would be for expanding the existing prekindergarten program. The task force collectively called these goals and initiatives Preschool for All.

Submitted in December 2009, MSDE's "Maryland's Preschool for All Business Plan" proposed to gradually increase the number of four-year-old children who are eligible for publically funded prekindergarten in the State over a period of five years. The first phase would expand eligibility for prekindergarten to families whose income is at or below 300% of the FPG. The second phase would expand eligibility for prekindergarten to families whose income is at or below the State median income. The last phase would expand eligibility to all four-year-old children in the State. According to the business plan, when fully phased in, Preschool for All would add approximately \$121 million to the State's current annual prekindergarten expenditure and would add more than double the current number of students. Additionally, under the business plan, local jurisdictions would be required to contribute 30% of the total cost of implementation. MSDE plans to update the business plan in the near future.

In order to pilot the Preschool for All proposal, MSDE identified State funds to establish eight pilot sites around the State to expand prekindergarten to full-day and eligibility to 300% of the FPG. A portion of Maryland's \$50 million federal Race to the Top Early Learning Challenge grant is being used to establish five additional Preschool for All sites in Title 1 attendance areas. MSDE provides \$100,000 to fund 20 full-day slots at each of the total of 13 sites. The grant funds expire in 2015, after which funding must be indentified to sustain the additional slots.

Recent Proposals to Expand Prekindergarten

The majority of states offer prekindergarten programs to targeted populations of children. The National Institute for Early Education Research reports that nine states and the District of Columbia have "universal" prekindergarten programs open to all four-year-old children. Legislation has been introduced in Maryland during the last several sessions proposing either to require the State to fund prekindergarten for all four-year-old children, regardless of income level, or to increase the number of children in high-quality early learning programs.

Senate Bill 878/House Bill 1241 (2012) proposed to require local school systems to make publicly funded prekindergarten available to all four-year-old children by the 2015-2016 school year. The bill generally implemented the Preschool for All plan, with full-day prekindergarten available for economically disadvantaged children and half-day programs required for all other children. The fiscal and policy note for the bill estimated that the proposed universal prekindergarten program would cost the State approximately \$151 million annually when fully implemented. Local funding was estimated to increase by up to \$160 million. Senate Bill 572/House Bill 925 (2013), also known as Race to the Tots, proposed to increase the number of children in quality early learning programs by establishing a grant program that would support a number of enhancement programs.

Most recently in 2013, President Obama, Maryland gubernatorial candidates, and others have suggested various proposals to expand publicly funded prekindergarten. Common themes of the proposals include increasing the income eligibility criteria and/or offering full-day prekindergarten (rather than half-day) to some or all eligible four-year-olds (and disadvantaged three-year-olds), as well as phasing in the program over several years. Many of the proposals

suggest increasing the income eligibility criteria to children from families whose income is at or below 300% of the FPG or to all four-year-old children regardless of income level.

Estimating the Cost of Expanding Prekindergarten

The cost of expanding publicly funded prekindergarten to four-year-olds depends on the cost for each additional classroom, the number of additional children who enroll, and whether the program will be half-day or full-day. Based on MSDE's experience with Preschool for All pilot sites, it is estimated that each additional classroom (20 students for full day or 40 students for half day) will cost approximately \$100,000. However, there are data challenges in estimating the number of four-year-olds who are eligible for prekindergarten at different income levels.

The U.S. Census Bureau estimates there were approximately 75,000 four-year-olds in Maryland in 2012. Reliable data on the family income of four-year-olds is harder to ascertain. MSDE and Current Population Survey data estimate that about 21,000-22,000 four-year-olds in the State are from families who are at or below 185% FPG. However, based on the number of four-year-olds enrolled in Medicaid in September 2013, 33,893 four-year-olds in the State are from families who are at or below 185% FPG. Using the percentage of kindergarteners eligible for FRPM, 46% in 2012-2013 (up 8% from the prior year), an estimated 35,000 four-year-olds are eligible for public prekindergarten.

The wide range in the number of four-year-olds who are currently eligible for publicly funded prekindergarten makes it difficult to estimate the impact of expanding eligibility. Reliably estimating the number of four-year-olds whose families are below 300% FPG, for example, requires having a reliable estimate of those currently eligible at 185% FPG. Assuming all of the current 26,400 four-year-olds in prekindergarten are income eligible (which is unlikely), approximately 8,500 additional four-year-olds may be eligible to participate in the half-day program. At least an additional \$21.3 million in State funds would be necessary if all of those children were to enroll in the current publicly funded half-day prekindergarten. If the program is expanded to a full day, it is reasonable to assume that some portion of these children who are not currently participating would enroll in a full-day program. The Department of Legislative Services is working with MSDE and other entities to refine the population estimates and develop reliable fiscal estimates for prekindergarten expansion proposals.