

# Maryland's Preschool for All Business Plan:

Maryland State Department of Education

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# Maryland's Preschool for All Business Plan

## Executive Summary

Maryland's prekindergarten program currently offers publicly funded educational services to all four-year-old children from families with economically disadvantaged backgrounds (i.e., 185% of the federal poverty guidelines) or who are homeless. The mandate for access to prekindergarten was established in 2002 by the Bridge to Excellence of Public Schools Act. The overall goal of the program is to provide learning experiences to help at-risk children develop and maintain the basic literacy, cognitive, social, emotional, and physical skills necessary for successful school performance.

Prekindergarten services are regulated by the State and administered by local boards of education as part of the K-12 public school system or by qualified vendors, i.e., Head Start programs, state or nationally accredited child care centers, or nonpublic schools approved by MSDE to provide prekindergarten.

In December 2007, the Task Force on Universal Preschool Education, established by statute, submitted a report to the Governor recommending the expansion of prekindergarten to all four-year olds. It reiterated the support for the prekindergarten under the Bridge to Excellence law. It called for offering prekindergarten at all types of early childhood programs, provided that the same standards which currently define the program are met. The Task Force called the program *Preschool for All*. The Task Force also charged MSDE to develop a business plan, including cost estimates for expanding the program.

The business plan proposes three major tenets which define *Preschool for All*:

- *Preschool for All* would be a supplement to the existing Bridge to Excellence mandate for prekindergarten;
- MSDE would have oversight and be accountable for implementing *Preschool for All*;
- Funding for *Preschool for All* would be shared by state and local governments. MSDE would establish a categorical fund program similar to the now-defunct Extended Elementary Education Program (EEEP)

In school year 2008-09, local school systems enrolled 25,821 prekindergarteners. About 60 percent of prekindergartners are eligible under the mandate. The remaining 40 percent have been enrolled for educational needs. The expansion of *Preschool for All* to provide access to four-year olds of families with household income at or below 300 percent of poverty guidelines would cost \$20 million. The expansion to all four-year olds who are expected to matriculate to public kindergarten would cost \$121 million. Seventy percent of the total costs would be borne by the State and 30 percent by local governments.

The cost per child calculations are based on base costs for the operation of a prekindergarten classroom and enhancement costs to meet the improved quality standards, including parity in compensation for state certified teachers. The combination of base and enhancement costs at non-public facilities, such as accredited child care centers, nursery schools, Head Start, or Family Child Care Networks, are estimated to be \$2,700 for a half-day prekindergarten block and an estimated \$5,300 per child for a full-day prekindergarten. The cost calculations of the base costs take into account the tuition discount of 22 to 57 percent for parents purchasing child care and prekindergarten services at the same facility.

MSDE will also have to develop an infrastructure to improve the qualifications of early care teachers in the field and foster strategies to increase the number of state certified teachers in early childhood education. It will build on the existing capacity of the State's Credentialing System which includes career pathways and scholarships for child care teachers. The infrastructure will also include improved access to part-time continuing education at post-secondary institutions offering degree programs in early childhood education. A relatively new career pathway for those with related degrees is the Maryland Approved Alternative Preparation Program (MAAPP) which is designed for individuals with a Bachelor's degree or higher who did not complete a tradition teacher certification program in early childhood education but who are interested in teaching in a prekindergarten classroom.

The proposed *Preschool for All* business plan is designed to outline the direction for implementing the program during the second decade of the 2000s. Its emphasis on maintaining unified standards at all early childhood settings and its streamlined funding mechanism serve as an adequate response to the increasing demands among families of young children who are looking for access to prekindergarten in Maryland.

## **1. Information on Prekindergarten Services in Maryland**

### *a. Type of Services*

Maryland's prekindergarten program currently offers publicly funded educational services to four-year-old children from families with economically disadvantaged backgrounds (i.e., 185% of the federal poverty level as measured by eligibility to receive free and reduced price meals, or FARMS) or who are homeless.

The overall goal of the program is to provide learning experiences to help at-risk children develop and maintain the basic literacy, cognitive, social, emotional, and physical skills necessary for successful school performance.

Prekindergarten services are administered by local boards of education as part of the K-12 public school system or by qualified vendors, i.e., state or nationally accredited child care centers or nonpublic schools approved by MSDE, to provide prekindergarten program services. Services are offered at local public elementary schools in attendance areas where there are eligible children or at qualified vendors that partner with local school systems (LSSs).

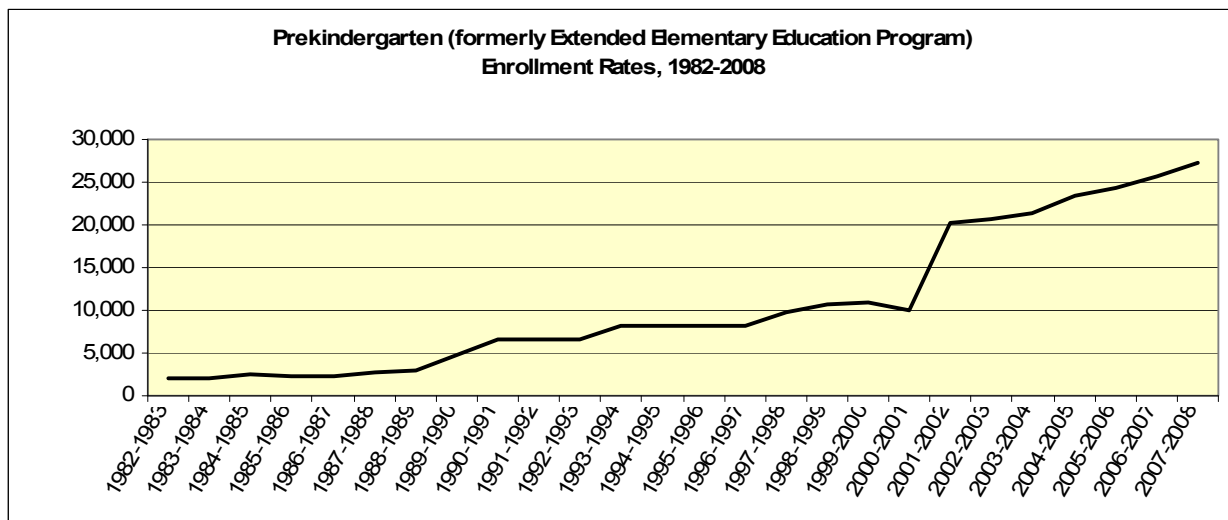
According to prekindergarten regulations, program eligibility is limited to 4-year-old children who are from "economically disadvantaged backgrounds," which is operationalized by adopting the USDA income guidelines for free and reduced meals (FARMS; i.e., 185% of the federal poverty level), or homeless. If vacancies remain after serving all eligible children seeking services, LSSs may enroll 4-year-old children who are not from families with economically disadvantaged backgrounds but who represent a student population that exhibits a lack of school readiness in the domains of personal and social development, language and literacy, mathematical thinking, scientific thinking, social studies, the arts, or physical development and health (e.g., English language learners). LSSs must choose whether to include these subgroups in their programs and identify such in their policies.

Evaluation results from the Maryland Model for School Readiness (MMSR) kindergarten assessment indicate that since 2001, when school readiness data were first collected, the percentage of children fully ready for kindergarten has significantly grown from 49 percent to 73 percent in 2008. Specifically, as the prekindergarten program has expanded to serve all children from economically disadvantaged backgrounds, the percentage of kindergarteners eligible for free and reduced-price meals who were fully ready for school increased from 34 percent to 65 percent. Of those children entering kindergarten in 2008 who were previously enrolled in Maryland's prekindergarten program, 75 percent were assessed to be fully ready for school, compared to only 63 percent of kindergarteners who did not previously attend any preschool program and stayed at home or in informal care with a relative or family friend. These results suggest that the increased investment in early education is producing significant outcomes. Prekindergarten program costs are funded in one of two ways, depending on the local school system. In its seminal report on reforming school finance in Maryland, the Thornton Commission on Education Finance, Equity, and Excellence recommended that all economically disadvantaged children would have access to publicly funded prekindergarten programs. Panel experts, viewing prekindergarten as a prevention program to boost student achievement, estimated the costs for these programs, which were included as an additional weight for students

of economic disadvantage in the calculation of compensatory education programs. For school systems that were already offering prekindergarten programs, funding for programs costs were included in the base budgets of local school systems.

*b. History*

Maryland was one of the first States to offer a state-funded prekindergarten program. In 1980, Maryland’s prekindergarten program began as a pilot program in Baltimore and Prince George’s Counties and was later expanded as a state-wide initiative under the Extended Elementary Education Program (EEEP). with the institution of the Bridge to Excellence in Public Schools Act (the “Thornton law”) of 2002, local boards of education were required to expand existing state prekindergarten programs by 2007-08 in order to accommodate all eligible four-year-old children seeking enrollment. Prior to 2007-08, enrollment was based upon availability of prekindergarten sites. This Act required the establishment of new and expanded sites, thus, allowing additional low-income and at-risk children to be enrolled.



Source: MSDE EEEP and Public Prekindergarten Enrollment Data.

*c. Site Selection*

In 2002, Bridge to Excellence restructured the State’s educational finance system, increasing funding for kindergarten through 12<sup>th</sup> grade education in Maryland by \$1.8 billion over a period of six years. A portion of the State’s investment was used to increase access to full-day kindergarten and prekindergarten. The Act required that each school system develop a facilities plan identifying appropriate prekindergarten sites to guarantee that all eligible children in its jurisdiction had access to a publicly funded prekindergarten program by 2007-08. Noting the lack of available classroom space within the public elementary schools to accommodate prekindergarten in addition to full-day kindergarten, MSDE provided a non-regulatory guidance in April 2005 which offered several options to meet regulatory demands. Among the options was the collaboration with non-public school vendors, including state or nationally accredited child care centers, MSDE-approved nursery schools, and Head Start programs. MSDE’s guide specifies that the existing prekindergarten regulations apply to the non-public settings, as well.



For example, to expand its prekindergarten sites, Baltimore City Public Schools had added new programs each year—16 programs in 2007-08 and 21 programs in 2008-09 [check]—with some programs in public schools and others in Head Start or child care centers that have partnered with the City. As a first priority, prekindergarten programs were added to elementary schools that have Title I status and to schools identified as in need of improvement. Then programs were added based on need. BCPS does not use relocatables at their schools to add classroom space. Instead, they have opened three early learning centers in zones where there was a demand for prekindergarten but no existing prekindergarten program due to limited classroom space. One early learning center is housed in Heritage High School where there is available classroom space due to lower school enrollment rates. Children whose home school does not have prekindergarten or who are on a wait list are provided placement in one of the early learning centers.

MSDE also strengthened the local public school and early childhood partnerships by establishing and maintaining Judith P. Hoyer Early Child Care and Education Centers (Judy Centers), as well as pilot partnership projects under The Judith P. Hoyer Early Child Care and Education Preschool Services Grant (a.k.a., Preschool Services Grant). There are currently Judy Center programs in 21 of the 24 jurisdictions in Maryland (all but Anne Arundel, Harford, and Somerset Counties) and ten Preschool Services grant partnerships for 2009-10 (in Baltimore City (2), Carroll, Cecil, Frederick, Howard, Montgomery, Prince George's, Washington, and Worcester Counties). The Preschool Services grant is a competitive grant available to any early childhood provider in the State who can offer prekindergarten services based on the 10 Quality Benchmarks for Quality Preschool Education stated in the Task Force on Universal Preschool recommendations report<sup>1</sup>. For the 2008-09 school year, MSDE received a total of 13 proposals of which six were accepted and funded at an amount of up to \$105,000. The six providers—five child care centers and one Head Start center—partner with their local school systems to operate prekindergarten sessions for eligible children at their sites, adopting the same standards of the existing prekindergarten program in their respective school systems. The funding covers the costs of the certified teacher's salary and benefits, start-up materials, and in some cases, families' registration fees and classroom supply fees. For 2009-10, an additional four sites were selected from 12 proposals.

#### *d. Personnel*

Prekindergarten programs are required to have two teachers in each classroom with a teacher-to-student ratio of 1 to 10. Lead classroom teachers are required to have a Bachelor's degree and assistant teachers have at least a high school degree. There are currently two tracts toward becoming a prekindergarten teacher. The traditional method is to complete an approved 4-year teacher preparation program, which leads to a certification in early childhood education. Students must pass the Praxis 1 examination, which tests reading, writing, and math, and the Praxis 2 examinations in Early Childhood: Content Knowledge and Principles of Learning and Teaching: Early Childhood. In addition, as part of state standards, students in teacher education programs must complete a supervised internship experience in a professional development school (PDS).

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<sup>1</sup> Maryland State Department of Education (2007). *Preschool for All in Maryland – Recommendations of the Task Force on Universal Preschool Education to the Governor and the General Assembly as Required by HB 1466*, p. 43

The second pathway is to complete a Maryland Approved Alternative Preparation Program (MAAPP). The MAAPP is designed for individuals with a Bachelor's degree or higher who did not complete a traditional teacher certification program in early childhood education but who are interested in teaching in a prekindergarten classroom. These individuals must meet specific requirements for entry into the MAAPP, including satisfactory GPA, participation in standards-based pre-employment training that includes Elementary Reading Processes and Acquisitions or Secondary Reading in the Content Areas Part I, as well as qualifying scores on the Praxis I and Praxis II content assessments, or comparable state-approved assessments (e.g., SAT combined score of 1000 before 1995 and 1100 after 1995; GRE combined score of 1000). Individuals accepted into the MAAPP complete an internship within a LSS lasting four to eight weeks, depending on the experience of the candidate. Interns are assigned to a classroom with a mentor teacher who provides daily supervision; they observe their mentor teacher and other teachers in the school, participate in professional development activities within the school, and take part in before and after school activities. After the successful completion of the supervised internship, interns receive a Resident Teacher Certificate from MSDE and employment as a Resident Teacher in the Maryland LSS that sponsored the internship. Resident Teachers receive ongoing support and mentoring throughout their employment, after which they earn their Standard Professional Certificate from MSDE.

Under the No Child Left Behind Act of 2001 (NCLB), teachers must be reach the State standard of "highly qualified." To be deemed highly qualified in Maryland, teachers must have: 1) a bachelor's degree, 2) full state certification or licensure, and 3) prove that they know each subject they teach. Through a regulatory design called High, Objective, Uniform State Standard of Evaluation (HOUSSE), NCLB allows current teachers to meet "highly qualified" requirements through a combination of teaching experience, a professional advance certification, and demonstrated subject matter competency acquired over time in the profession.

The teacher certification requirements for Maryland's prekindergarten program far exceed those of other early childhood programs offered in Maryland. No other program requires teachers to have a valid state certificate in early childhood education. However, the importance of teacher education is being recognized nationally. Head Start recently issued a mandate requiring at least 50 percent of Head Start teachers nationally to have a Bachelor's degree in early childhood education or a related field by 2013. The National Association for the Education of Young Children, with the largest accreditation body of early childhood education programs, recently stated their goal to have all teachers in NAEYC-accredited sites (e.g., private child care centers) to have their Bachelor's degree by 2020. According to the 2007 Early Childhood Education Staff Qualification and Retention survey conducted by MSDE, only 19 percent of preschool teachers in child care settings across Maryland have a Bachelor's degree, and 14 percent have an Associate's degree and 38 percent some college experience<sup>2</sup>. Only 42 percent hold or are pursuing a degree in early childhood education, elementary education, or a related discipline. The average annual salary of these teachers was \$23,548, compared to an average of \$42,000 for state certified prekindergarten teachers within the LSSs. It is commonly reported that after child care teachers earn their Bachelor's degree, many seek employment in the public school system where they can earn more money and receive state benefits.

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<sup>2</sup> Maryland State Department of Education: *ECE Staff Qualifications and Retention in Maryland: 2006 vs. 2007* (Fact Sheet (08-02), March 2008)

Teacher Certification Requirements and Student 2007-08 MMSR Data by Program Type

Program type	Teacher certification requirements	Number of kindergarteners previously enrolled <sup>1</sup>
Prekindergarten (income eligibility)	Bachelor's degree and State Certification in Early Childhood Education	19,844
Non-Public Nursery	Minimum of a Bachelor's degree, or 120 semester hours of college credit	8,623
Child Care Center	Level 3 Credential according to Maryland's Child Care Credential Program <sup>2</sup>	7,541
Head Start (income eligibility)	Child Development Associate <sup>3</sup>	3,337
Family Child Care	High school degree plus 18 clock hours of Core of Knowledge training	2,725
Home/Informal Care	None	9,216

<sup>1</sup> Maryland State Department of Education (2008). *Children Entering School Ready to Learn – School Year 2008-09*. Note: The numbers reflect parent responses at the time of kindergarten registration for only those children who were enrolled “most of time” in those settings.

<sup>2</sup> Consists of a minimum of a Child Development Associate issued by the National Credentialing Program, or 6 semester hours (90 clock hours) of Core of Knowledge training, 2 professional activities, and 1 year of experience working with preschoolers.

<sup>3</sup> By 2013, at least 50% of Head Start teachers nationally must have a Bachelor's degree in early childhood education or related field with an equivalent number of courses to a major in early childhood education.

*e. Economic/Accounting*

Between FY 2003 and FY 2008, over \$1 billion in State aid and over \$600 million in Compensatory Education funds have been provided to LSSs in order to achieve the mandates outlined in the Bridge to Excellence Act. According to the National Institute for Early Education Research (NIEER), Maryland ranks 13<sup>th</sup> in the nation for total spending on prekindergarten.<sup>3</sup>

MSDE conducted a survey of three LSSs—one urban (Baltimore City), one suburban (Baltimore County), and one rural (Washington County)—to determine the estimated costs of implementing a new prekindergarten classroom. The table below totals and compares the costs.

*Estimated Program Costs to Implement a New Prekindergarten Classroom in Public School  
(Class size of 20 students)*

	Baltimore City	Baltimore County	Washington County
Prekindergarten teacher			
Base salary	\$41,128	\$42,000	\$41,962
Benefits	\$13,572	\$3,394 <sup>1</sup>	\$4,500
Prekindergarten aide <sup>2</sup>			
Base salary	\$33,500	\$16,731	\$25,055
Benefits	\$11,156	\$1,352	\$2,500
Start-up classroom costs for instructional materials, furniture, computer, etc.	\$20,000	\$22,500	\$15,951
Transportation costs	\$175,000	\$10,853	\$115,640
Indirect costs	Data not available	\$121,500 <sup>3</sup>	\$2,750
<b>Total Costs</b>	<b>\$294,356</b>	<b>\$213,584</b>	<b>\$208,358</b>

<sup>1</sup> Includes Social Security and worker's compensation; health benefits vary by teacher's plan.

<sup>2</sup> Work hours for teacher aide varies by LSS.

<sup>3</sup> Includes purchasing of relocatable classroom.

<sup>4</sup> Includes professional development and additional classroom resources.

<sup>3</sup> Barnett, W. S., Hustedt, J., Friedman, A. H., Stevenson Boyd, J., Ainsworth, P. *The state of preschool 2007: State preschool yearbook*. (New Brunswick, NJ: National Institute for Early Education Research, 2007).

*Actual Costs for LEAs to Expand Prekindergarten Under Bridge to Excellence*

LEA	Pre-K Enrollment 2002-03	Pre-K Enrollment 2007-08	Change in Enrollment	Positions	Amount	Average amount per additional student
Allegany	268	440	172	0	\$324,419.00	\$1,886.16
Anne Arundel	1,062	1,606	544	67.5	\$3,454,397.00	\$6,349.99
Baltimore City	3,280	3,642	362	83	\$1,800,000.00	\$4,972.38
Baltimore County	3,341	3,604	263	20.2	\$565,517.00	\$2,150.25
Calvert	341	365	24	0	\$0.00	\$0.00
Caroline	214	298	84	1.5	\$28,500.00	\$339.29
Carroll	213	311	98	7	\$361,000.00	\$3,683.67
Cecil	489	521	32	0	\$0.00	\$0.00
Charles	710	798	88	30	\$1,067,231.00	\$12,127.63
Dorchester	205	216	11	0	\$0.00	\$0.00
Frederick	621	873	252	11	\$286,888.00	\$1,138.44
Garrett	146	110	-36	0	\$293,000.00	-\$8,138.89
Harford	927	874	-53	18	\$666,662.00	-\$12,578.53
Howard	659	956	297	0	\$0.00	\$0.00
Kent	127	119	-8	0	\$0.00	\$0.00
Montgomery	2,415	3,046	631	56	\$2,174,924.00	\$3,446.79
Prince George's	3,047	6,640	3,593	381	\$25,729,003.00	\$7,160.87
Queen Anne's	262	328	66	0	\$0.00	\$0.00
St. Mary's	677	765	88	0	\$0.00	\$0.00
Somerset	138	176	38	0	\$0.00	\$0.00
Talbot	160	163	3	0	\$0.00	\$0.00
Washington	397	508	111	18	\$485,603.00	\$4,374.80
Wicomico	532	458	-74	0	\$0.00	\$0.00
Worcester	246	362	116	18	\$345,000.00	\$2,974.14
<b>State Total</b>	<b>20,477</b>	<b>27,179</b>	<b>6,702</b>	<b>711.2</b>	<b>\$37,582,144.00</b>	<b>\$5,607.60</b>

MGT of America, Inc. (2007) *An Evaluation of the Effect of Increased State Aid to Local School Systems Through the Bridge to Excellence Act: Addendum to Appendix E.*

Local school systems which did not indicate any additional costs for prekindergarten viewed the expansion as cost of doing business. Most counties include prekindergarten in their school-based budget. According to Washington County:

“Due to the funding enhancements we have seen over the last several years from the state the prekindergarten program has been expanded in the county along with many other programs to enhance student achievement. The program costs associated with the prekindergarten program are rolled up in our General Fund Budget with the other classroom teacher salaries, supplies and other instructional costs for our elementary program. The financial records for prekindergarten operations are maintained with other programs in our accounting software program. The information is being reported to the school board and MSDE rolled up as part of WCPS Instructional Salaries, Instructional Textbooks & Supplies and Other Instructional Costs, which are categories determined by MSDE. These results are reported to the Board on a monthly basis and to MSDE through the Annual Budget Update and the Master Plan update.”

To avoid the costs of creating a new classroom space in schools which face overcrowding, some counties, such as Montgomery and Frederick County, have collaborated with existing Head Start programs within the public schools and community child care centers to combine half-day prekindergarten and half-day Head Start, thus providing full-day services to eligible children in the same location and with the same MSDE-certified teacher.

#### *f. Enrollment*

According to MSDE 2008-09 school enrollment data, there were 26,500 children enrolled in the state prekindergarten program: 12,050 full-time and 15,129 part-time.[check] Among the 38 U.S. states with state-funded prekindergarten programs, Maryland ranks 9<sup>th</sup> for access to four-year-olds.<sup>4</sup> MSDE's official prekindergarten count includes three-year olds which are enrolled in targeted schools. The enrollment of only 4-year olds stands at 24,821.[check] The *Preschool for All* report calls for prekindergarten access to all four-year olds and to allow three-year olds to be included in the program. Enrollment in the Judy Centers, Head Start programs<sup>5</sup>, and early admission to prekindergarten are the reasons why three-year olds are enrolled by public schools programs. However, the Bridge to Excellence mandate covers only four-year-olds from "economically disadvantaged backgrounds." In 2008-09, the second year of the mandate, 13,163 four-year olds (56%) fit that category, while 11,658 four-year olds were enrolled for educational needs.[check]

#### *g. Legal*

Maryland's prekindergarten program is codified in statute (i.e., Bridge to Excellence) and in regulation (COMAR 13A.06.02). It defines access as mandated by the statute and defines the scope, eligibility, site selection, and school system responsibilities in regulation. The program's scope is to fund prekindergarten programs for eligible 4-year olds administered by local boards of education or qualified vendors with the overall goal of providing learning experiences to help children develop and maintain school readiness skills for successful school performance. Local school systems may go beyond that scope and enroll children who represent a student population that exhibits a lack of readiness in the social, physical, and cognitive domains of learning. Such student populations are children with disabilities or English language learners.

With the enactment of Bridge to Excellence, local school systems were required to develop a facilities plan identifying appropriate sites to "ensure that a publicly funded prekindergarten program is available to all eligible children in its jurisdiction by 2007-08." The planning process was facilitated through the Master Plan and subsequent Annual Updates, in which local school systems reported on the site selection by school. In 2007-08, more than 80% of all elementary schools offer prekindergarten either on site or as part of a regional site. The Annual Updates also included identified "qualified vendors" which are State or nationally accredited child care centers or a non-public school approved by MSDE which have the capability to meet the prekindergarten regulations.

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<sup>4</sup> Barnett, W. S. et al. *The state of preschool 2008: State preschool yearbook*.

<sup>5</sup> Namely in Prince George's and Montgomery Counties were the school systems operate Head Start for 3- and 4-year-olds under Federal grants.

While the program is available to all eligible children whose parents want to enroll them, it is not mandatory and parents ultimately have the choice whether to participate. Neither the statute nor the regulations require four-year-olds to attend prekindergarten. Its legal mandate is strictly confined for parents to have access if their four-year-olds are eligible. Any expansion of prekindergarten spaces beyond the mandate are subject to the local boards discretion.

#### *h. Operations*

Programs must develop and maintain a policy for determining the selection of prekindergarten sites and the eligibility of students. Prekindergarten programs operate an educational program for a minimum of 2 ½ hours per day, 5 days per week, for 180 days per year, in accordance with the public school calendar established by the local board. Some LSSs (e.g., Prince George’s County) have chosen to supplement state funding with local dollars to implement full-day prekindergarten programs (6 ½ hours) in designated schools. Each classroom must have one teacher who is state certified in early childhood education and a teacher’s aide who has a high school degree. Programs must maintain a staff to student ratio of 1:10 with an average of 20 children per classroom in a given school. Class sizes may increase later in the school year if more eligible children apply for enrollment. Teachers must implement a state-approved preschool curriculum, which aligns with the State Curriculum (SC) for prekindergarten, and many systems implement a modified version of the Work Sampling System, a portfolio-based assessment instrument which is used to collect performance data from children twice a year during the fall and spring<sup>6</sup>. LSSs are required to provide data in the Bridge to Excellence Master Plan needs assessment to indicate progress on prekindergarten program goals. Program hours, i.e., half-day vs. full-day, as well as meals are locally decided and sometimes vary even within LSSs.

All prekindergarten students who attend prekindergarten at the elementary school within their assigned district receive bus transportation. Most schools also provide transportation to students’ wrap-around care sites (i.e., child care center, Head Start center, babysitter’s home), if the site is within the students’ district. In most cases, if a parent chooses another prekindergarten school site outside of their assigned district, or if a student is placed in a site outside their attendance area due to a lack of availability at their home school, then transportation is left to the parent. Additionally, not all LSS provide transportation to students attending prekindergarten at non-public school programs (e.g., parents must provide transportation to students attending Greenbelt Children’s Center in Prince George’s County); although, some LSSs have expressed that there is not a need for transportation as parents or guardians transport students to the center before school hours and pick up students after school hours. LSSs have reported that transportation is very costly and it is a challenge to provide transportation to students attending prekindergarten outside their districts or in non-public school settings, given the distance and the small number of students. The increased number of school sites and number of children needing transportation has resulted in a need for additional bus routes.

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<sup>6</sup> The modified WSS is also used in kindergarten by all teachers who submit the assessment results at the first quarterly reporting period to MSDE for issuing its annual report, *Children Entering School Ready to Learn*.

Comments reported to MSDE regarding transportation of prekindergarten students include:

“Transportation issues remain one of our biggest challenges, in deciding which session based on geographical location and accommodating the distance traveled. Meeting the needs of parents who change child care settings frequently is also a challenge.” –Carroll County

“The challenge we are facing is the difference between the Head Start calendar and the public school calendar. If Head Start is closed during the year and sooner than public school at the end of the year, these students are not always able to have transportation to the afternoon prekindergarten session. This is very dependent upon the location of the student’s residence and the public school.” –Worcester County

“Our biggest challenge is to make sure that we match our buses equipped with child restraint systems to the number of students at each school. Another challenge is scheduling service to schools with over-enrollments, in which case students are shifted to nearby schools for Pre-K.” – Howard County

“There is an additional expense involved in running mid-day routes for the half-day programs, but historically there were always mid-day routes (prior to the full implementation of full-day Kindergarten). Those routes were maintained for Pre-K.” –Queen Anne’s County

Across all settings, including public school, child care centers, and nursery schools, prekindergarten providers must meet Code of Maryland Regulations (COMAR 13A.14.02.53A(5)) and provide a building for a center that conforms to all applicable state and local codes, including but not limited to zoning, building, plumbing, gas, electrical, sewage disposal, drinking water, and fire.

Most prekindergarten programs are located within the public schools. During the 2008-09 school year, 81% of all elementary schools in Maryland had a prekindergarten classroom or were part of a regional site. However, in accordance with MSDE’s non-regulatory guidance to LSSs, in order to accommodate all eligible children in a given jurisdiction, partnerships may be established with non-public community-based providers who are recognized by MSDE as qualified vendors (e.g., Head Start programs; state or nationally accredited child care centers or nursery school programs).

Under the Preschool Services Grant, partnerships have been developed across various community settings. All Preschool Services Grant must meet the 10 Quality Benchmarks for Quality Preschool Education which were recommended by the Task Force and define the working standards of *Preschool for All*.

In Washington County Public Schools, there is a partnership between Bester Elementary School and The Learning Center. A certified teacher was hired by the state accredited child care center to teach a prekindergarten class in the child care center. Holding the prekindergarten class in the child care center allows children of working parents to have access to full-day care, including a 3-hour educational block in the morning and wrap-around care in the early morning and afternoon. There is one continuous setting all day, so children do not need to transition from one



school for prekindergarten to another for child care. In Howard County, the Young School Early Education Program was awarded an MSDE grant to provide a prekindergarten program in partnership with Howard County Public School. The Young School has a head teacher state certified in early childhood education, and follows a state-recommended prekindergarten curriculum.

*i. Future Plans*

In 2006, the Maryland General Assembly approved HB 1466 with the overall purpose of establishing a Task Force on Universal Preschool Education. The appointed Task Force, consisting of fifteen members, convened throughout 2006 and 2007, and subsequently presented their final recommendations, detailed in *Preschool for All in Maryland: Recommendations of the Task Force on Universal Preschool Education—Report to the Governor and General Assembly as Required by HB1466*. The Task Force recommended the expansion of the existing prekindergarten program to all 4-year-olds regardless of their families' financial need, under the nomenclature *Preschool for All*. FY 2009 was designated as a program planning year, followed by a 4-year phase-in period, with the goal of all 4-year-old children whose families want to enroll them being served by 2014<sup>7</sup>. The expanded program will include active partnerships between public schools and non-public preschool programs in order to provide *Preschool for All* in diverse settings, including public schools, private child care centers, Head Start programs, nursery schools, as well as family child care centers.

*Preschool for All* will follow high standards of quality similar to the existing prekindergarten program that serves 4-year-olds from economically disadvantaged backgrounds, including implementing a state-approved curriculum, employing teachers who are state certified in early childhood education, and, if in a non-public school setting, possessing state or national early childhood accreditation. There will be a phase-in period by which time all lead teachers in the *Preschool for All* program must hold a Bachelor's degree and be state certified in early childhood education. To achieve this goal, scholarships for early childhood teachers will be increased; collaboration between 2- and 4-year teacher education programs will be promoted to modify the current system and accommodate working teachers, such as offering courses during flexible hours; and a state-wide universal preschool salary schedule for teachers in non-public school settings will be developed.

Some local school systems are already discussing plans to implement universal preschool. The Superintendent of Schools in Talbot County is planning to move ahead in establishing universal preschool and has included this expansion in the school budget, which has been submitted to the board for consideration. During a March 2008 Montgomery County Public Schools Board of Education meeting, the Superintendent of Schools identified a "need to begin local discussions and planning with all vested stakeholders for the inception of a universal preschool system with consideration of implementation issues such as identifying the numbers of children currently served in all public and nonpublic preschool programs; gathering demographic and geographic information demonstrating the need for such universal preschool services in communities across the county; gathering input from parents and other stakeholders related to their needs,

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<sup>7</sup> The timeline for *Preschool for All* is subject to the State's budgetary outlook.

preferences, and program offerings; determining local costs; and the process to be used to identify Montgomery County providers of high quality programs.”

Things already in place:

- *Models of collaboration* between LEAs and non-public school programs;
- *Teacher certification programs* in early childhood education, including AAT in ECE, and the Maryland Approved Alternative Preparation Program (MAAPP) through which degreed individuals can earn their teaching certification;
- The *Career and Professional Development Fund*, a college scholarship program for early childhood educators to increase the number of certified teachers in the State;
- *Maryland Child Care Credential*, a voluntary credentialing program for child care professionals working in regulated child care settings, which recognizes providers for their education, experience and professional activity, and awards yearly bonuses to participants;
- Local school system *prekindergarten curriculum* or MSDE recommended preschool curricula, including specified funding for non-public school programs to purchase curricula;
- Statewide system for *early childhood program accreditation*;
- *Standards* of high-quality prekindergarten programs;
- *Existing prekindergarten programs* which meet (or readily could meet) the recommended quality benchmarks for prekindergarten programs, as discussed below.

During the legislative session in 2009, HB184 was passed and signed by the Governor. It required MSDE to update this business plan by adding the following information:

- Any feedback and comments from county superintendents and local governing bodies;
- a cost projection for the staged implementation of the finalized business plan;
- an evaluation of the State’s mandated prekindergarten income eligibility level;
- a comparison of income eligibility for preschool services in Maryland and other states;
- the feasibility of expanding the State’s mandated income eligibility levels for preschool services, utilizing all available funding sources;
- the feasibility of and a cost projection for identifying prekindergarten students attending public schools as enrolled students under §5-202(a)(6) of the Education Article;
- the level of participation in preschool services by the eligible population;
- the level of demand for access to preschool services by the non-eligible population in the State.

*j. Feedback and Comments from Local Leaders*

In response to HB 184, local school superintendents and local leaders (i.e., county executives and county councils or commissioners) were given opportunities to gain a better understanding of the recommendations by the Task Force on Universal Preschool Education and to respond to the draft version of the *Preschool for All* business plan.

From July to October 2009, all but one jurisdiction met with Maryland State Department of Education (MSDE) representatives to provide feedback to the plan<sup>8</sup>. Prior to the meetings, each jurisdiction was given six (6) questions to solicit information about the enrollment trends of prekindergarten students, cost of operation, and the proposed local match for state funding. The meetings provided an overview of the current prekindergarten mandate of the Bridge to Excellence in Public Schools Act, and the proposed governance, funding, site selection, and operation of the *Preschool for All* proposal. During the meeting, local leaders (or their designees) were informed that MSDE has not submitted a FY11 fund request for this initiative, and that the purpose of the meeting be limited to continuing the planning process and to have a well-devised plan in place in case there were non-state funding opportunities.

Within that context, the discussion with local leaders elicited five separate themes, which defined the responses by local leaders.

#### Strong Belief in the Benefits of Prekindergarten

The current prekindergarten program is enjoying strong support among all local leaders. Without exception, local school superintendents consider it an important component of their county's education system. They tout the high level of quality in terms of teacher qualifications and curriculum implementation as the main drivers for long-term benefits of prekindergarten students. Many school system superintendents spoke of the benefits of having quality early childhood programs and of the contribution to the increase of Maryland School Assessment (MSA) scores as a long term effect.

Other local leaders, such as county executives and county councils, expressed their strong confidence in the long-term benefits of the prekindergarten in terms of the service provided to the citizens of their jurisdiction. A few of the county leaders spoke to the distinction of full-day versus half-day prekindergarten. In rural counties, transportation costs were cited as a reason to extend prekindergarten to a full school day by saving the costs for so-called midday runs. In one far western community a county representative was quoted as saying "transportation costs are a big issue for our school system. It is something that will need to be addressed as the costs of fuel and maintenance for school buses continues to rise." The yearly costs for transportation of prekindergarten children can be upwards of \$100,000 per year in rural systems. In some of the suburban counties, full-day prekindergarten is considered a programmatic strategy to address the achievement gaps for low income students. In one large suburban system, the prekindergarten model is regarded as a cost effective, nationally-recognized exemplary model of high-quality preschool programming. Through collaboration with Head Start a greater number of at-risk children have been served.

#### Importance of Maintaining High Quality Standards

Local school system representatives spoke of the importance of maintaining high standards in terms of teacher qualifications and curriculum implementation providing a strong alignment with the K-12 curriculum. While the state experienced a temporary shortage of state certified teachers in early childhood education in 2005, none of the school leaders expressed concerns about the recruitment of qualified teachers for school year 2009-10. There was discussion in some systems about the preference of using the local school system curriculum (for prekindergarten) compared to some of the preschool curricula for non-public preschool recommended by MSDE. However,

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<sup>8</sup> Baltimore City representatives were not able to meet, but the local school system sent written responses.

such considerations surfaced only sporadically within the context of non-public schools' ability to effectively meet the student outcomes as defined by the State Curriculum.

#### Questions About Governance and Operation

The *Preschool for All* plan proposes that MSDE will assume the oversight and accountability of additional prekindergarten funds in response to the local school systems' capacity concerns for accommodating a significant expansion of prekindergarten students. Two jurisdictions raised the question whether the plan could include provisions for local boards of education to retain governance for any *Preschool for All* expansion of prekindergarten. In one of the larger school system one representative stated "we feel our prekindergarten programs deliver the kind of quality education our young learners need and our oversight is needed to retain that quality." However, most of the jurisdiction agreed that any large-scale expansion of prekindergarten can no longer be exclusively borne by local boards and that qualified early childhood programs, which are not affiliated with the local boards, provide prekindergarten as long as those programs have the capacity to meet the state's prekindergarten standards. The main reason for that position was the lack of adequate classroom space and the increasing costs for transportation. Local leaders also wanted to receive assurance that MSDE maintain a robust monitoring and quality assurance process to determine the effectiveness, in terms of student outcomes, when assuming oversight of the *Preschool for All* program.

#### Priorities for Education Funding

When asked as to how local leaders envision the potential expansion of prekindergarten in their jurisdictions, the response was exclusively framed as one of educational priorities. One county executive on the eastern shore stated "we provide the school system with funds to execute their programs and rely on them to provide a quality education to our children and families." While all jurisdictions experienced a considerable increase in state funding through Bridge to Excellence since 2002, the recent budgetary developments in the state and the negative impact of the economy on state and local revenues have stretched the education wants and needs beyond the available resources. Thus, any decision of expanding or maintaining prekindergarten at existing levels will depend on each year's budgetary outlook, education priorities, and the demand for prekindergarten among families. While there was no dispute about complying with the Bridge to Excellence prekindergarten mandate (i.e., providing access to four year olds from disadvantaged backgrounds), there was considerable uncertainty about being able to enroll children beyond the eligible population. Local leaders also expressed a long-standing concern about the current funding scheme for prekindergarten. The provision of Bridge to Excellence does not include a reimbursement mechanism for enrolled prekindergarten students as it is established for all mandated education programs. The prekindergarten requirement was designed as a programmatic requirement for meeting the state education goals and to close the achievement gap. In addition, the original Extended Elementary Education Program (EEEP) grant was folded into the Compensation fund in FY07. However, local leaders are still concerned about the existing statutory arrangement regarding prekindergarten in light of the current budgetary pressures.

Perceptions about State and Local Funding

If implemented, the *Preschool for All* business plan proposes a local match of 30 percent. Several local leaders preferred a wealth equalized formula which reflects a relative lower local share for low wealth counties and a relative higher share for high wealth counties. In addition, a significant number of county executives expressed their concern about the sustainability of state funds if distributed under a grant program. One recurring statement was the notion that “a dedicated funding steam that is not going to go away is necessary for prekindergarten expansion to be successful” One county executive proposed a 25 percent match as opposed to 30 percent. Local leaders also raised questions about the nature of the local share such as cash or in-kind contributions. They stressed that local governments are already providing an array of in-kind contributions in terms of transportation, use of county facilities, or recruitment of state certified teachers being placed with qualified vendors, (i.e. accredited child care or Head Start programs.) They proposed that in-kind contributions be included in the local match.

*k. Cost projection for the staged implementation*

The Task Force looked at several ways of implementing the expansion of prekindergarten. There was consensus that a staged implementation should begin with the provision to families whose household income is at or below 300% of the Federal Poverty Guidelines (FPG). The second stage assumes that families at or below the state median income (SMI) receive publicly funded prekindergarten services. The final stage would waive the income eligibility and make prekindergarten available to all 4-year olds, assuming that not more than the enrolled number of kindergarten students would desire access to the program. The kindergarten enrollment count for 2008-09 was 60,530, which is being used as the target number for the cost calculation of offering prekindergarten to all four-year olds.

Estimated Costs for Projected Enrollment under Various Eligibility Criteria

Eligibility	Enrollment	Cost per child	Total Costs
Present	24,818 <sup>9</sup>		BTE
300% of FPL	+ 5,306		
Half-Day (66%)	3,396	\$2,705	\$9,186,180
Full-Day (34%) <sup>10</sup>	1,910	\$5,308	\$10,138,280
State Median Income <sup>11</sup>	+10,188		+\$19,324,460
Half-Day (66%)	6,724	\$2,705	\$18,188,420
Full-Day (34%)	3,464	\$5,308	\$18,386,912
100% of All K Students	+18,225		+\$36,575,332
Half-Day (66%)	12,029	\$2,705	\$32,538,445
Full-Day (34%)	6,196	\$5,308	\$32,891,022
			+\$65,076,890

Note: In FY09 dollars. Assume breakout and enrollment of half-day vs. full-day programs for 2008-09. The per child costs include the state and local shares.

<sup>9</sup> Four-year olds only.

<sup>10</sup> Full-day vs. half-day ratio is based on the actual ratio of school year 2008-09.

<sup>11</sup> “All” defined as the total number of kindergarten students enrolled in the current school year.

The notion of *Preschool for All* is based on the assumption that, de facto, not all living four-year olds will access prekindergarten services, since a fraction of those four-year olds will be in private preschool programs, might stay at home, or would not access prekindergarten since it does not meet the all-day care arrangements of working parents. Therefore, this plan introduces a planning number which is equal to the number of kindergarten enrollment, i.e., using the assumption that the state will not enroll more four-year olds in prekindergarten than five year olds in kindergarten. In other words, the term “all” refers to that number. The table above uses three distinct stages which define as to whether the program is publicly funded for four-year old children.

The first stage would expand the program to families whose household income is at or below 300% of FPG (i.e., \$66,150 for a family of four). The implementation of this stage is estimated to cost \$19.3 million and would serve an additional 5,300 four year olds. At that stage about 50% of “all” four-year olds would be enrolled in a high quality prekindergarten program.

The second stage would expand the program to families whose income as at or below the state median income (i.e., \$94,017 for a family of four). The implementation of this stage is estimated to be an additional \$36.6 million and would serve an additional 10,200 four year olds, thereby serving a total of 67% of “all” four-year olds.

The third and final stage would expand the program to “all” four year olds, i.e., the planning number of four-year olds reaching the enrollment level of kindergarten. The estimated costs for that stage is \$65 million which would bring into the program an additional 18,200 four year olds. It is suggested that any implementation of these stages be done over a several year period in order to calibrate the demand for the programs and to ascertain assurance that the new provider groups serving these children are capable of sustaining the level of quality. In other words, the implementation of all three stages would occur over a period of 6 to 9 years until the final stage has been implemented.

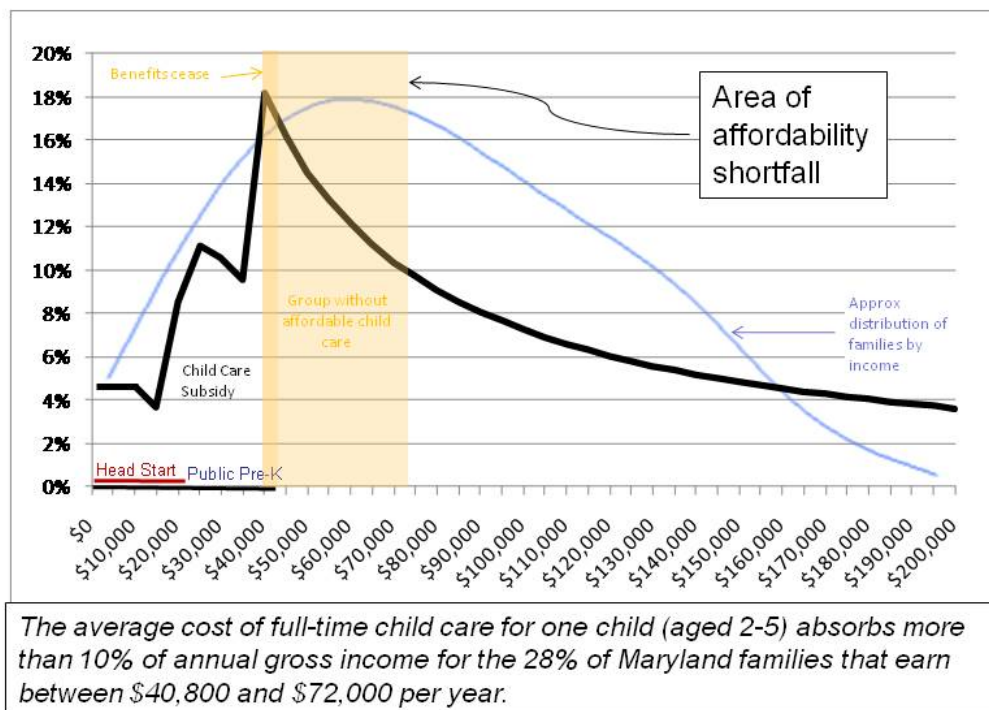
It is proposed that the staged implementation be funded by the state with a 30% local match. The comments from local leaders (see above) ranged from equalizing the local match for local wealth, reduce it to 25%, or waive it completely. However, the major concern expressed by local leaders related to the state’s ability to sustain its funding long-term. The local match could come in the form of in-kind contributions, such as recruitment of state certified teachers and assigning them to accredited programs, as well as provision of transportation or facilities.

### *1. Evaluation of Income Eligibility*

Access to prekindergarten is defined within the context of income eligibility for other early childhood programs. Families who gain access to prekindergarten have household incomes of \$40,792 or less for a family of four. Families who enroll their children in Head Start have household incomes of \$22,050 or less for a family of four. And, families accessing child care subsidy have incomes of \$37,485 or less for a family of four in order to be eligible for public subsidies.

Thus, any family of four making more than the prescribed eligibility guidelines have no access to publicly funded early childhood programs. Assuming that 10% of the family's income is a reasonable expenditures for early care and education costs, the chart below demonstrates the distribution of expenditures for early care by household income. Families with four-year olds who earn more than \$40,792 experience a significant increase in the cost of child care or preschool. It is not known how many of those families are in a position to cover such increased costs to access quality early education programs, or how many choose other, non-regulated, early care arrangements with friends or neighbors.

Cost of Caring for One Child as a Percent of Income



The *Preschool for All* plan would extend the eligibility to 300% of the FPG, i.e., \$66,150, thereby flattening the cost of care spike between the income groups of \$40,800 and \$66,100 and offering a more equitable cost of care infrastructure for the state.

The utilization of existing funding sources to expand the eligibility range for families of four-year olds faces a number of limitations beyond the mere financial realm. There are only three public funding streams for the operation of early care and education. Each funding stream, Head Start, child care subsidy, and prekindergarten, which include eligibility guidelines for low-income families, define different business rules for operation. For instance, local Head Start programs are funded by the U.S. Department of Health and Human Services with the requirement to implement the program according to Federal Head Start performance guidelines. The funds by-pass the state and flow directly into local contracts. The Federal Child Care

Development Fund (CCDF) provides block grants to states to establish a child care subsidy program matched with state funds. States have considerable flexibility in operating the program and how the funds are used. Maryland's prekindergarten funds are an integral part of the state's Foundation and Compensation Programs and function like a block grant to local school systems. Unlike the regular reimbursement mechanism for state aid funding, prekindergarten in Maryland does not generate so-called FTE reimbursements for enrolled prekindergarten students. The Bridge to Excellence prekindergarten mandate for disadvantaged four-year olds is a statutory requirement.

The common theme among the three programs is its parental choice provision. In practice, this means that a low-income parent may select any of the three choices. Utilizing existing funding to expand the eligibility would require for state or local agencies to establish enrollment rules to require certain income groups to access specific programs. For instance families with incomes at 100% FPG could only access Head Start, any family making between 100% and 185% could only access prekindergarten, and the remaining child care subsidy funding would be used for families making more than 185% of FPG. Such an approach would violate not only Federal regulations, but it would also forfeit the principle of parental control and choice in matters concerning early care. However, the current infrastructure of funding early care for low income families raises questions about the efficiency of providing a broad-based public support for early care and education, where low income families can choose from three publicly funded programs and those families with incomes just outside the eligibility band can choose from none.

*m. A comparison of income eligibility among states*

The above referenced Federal funding streams are the same across the country with the only difference that income eligibility varies for child care subsidy. As far as prekindergarten, only 38 states have opted to fund programs for four and three-year olds. The eligibility requirements vary among the 38 states, where 16 states provide universal access and the remaining states serve predominantly low income children.



*Income requirement and Prekindergarten Enrollment by State*

State	Income Requirement	Enrollment as Percentage <sup>12</sup>
Alabama	None	4
Arizona	185% FPG	6
Arkansas	200% FPG	28
California	90% of children below 75% of SMI <sup>13</sup>	12
Colorado	185%	16
Connecticut	60% of children below 75% of SMI	16
Delaware	90% of children below 100% FPG	7
Florida	None	61
Georgia	None	53
Illinois	None	31
Iowa	None	17
Kansas	130% FPG	16
Kentucky	150% FPG	28
Louisiana	185% FPG	30
Maine	None	19
<b>Maryland</b>	<b>185% FPG</b>	<b>37</b>
Massachusetts	None 100% SMI with priority at or below 50% SMI (Preschool Scholarship)	11
Michigan	50% of children below 250% FPG	18
Minnesota	90% must be below 100% FPG	2
Missouri	None	4
Nebraska	185% FPG	6
Nevada	None	2
New Jersey	None	26
New Mexico	None	13
New York	None	39
North Carolina	80% of children below 75% SMI	23
Ohio	165-200% FPG <sup>14</sup>	10
Oklahoma	None	71
Oregon	80-90% of children below 100% FPG	7
Pennsylvania	None	9
South Carolina	185% FPG	35
Tennessee	185% FPG	21
Texas	185% FPG	45
Vermont	185% FPG	50
Virginia	None	13
Washington	90% of children below 110% FPG	6
West Virginia	None	43
Wisconsin	None	40

<sup>12</sup> Enrollment as percentage of the total number of four year olds

<sup>13</sup> The income cut-off applies to all children which is 90% of the children enrolled in state preschool program being below 75% of California's state median income (SMI).

<sup>14</sup> Ohio has two prekindergarten programs with different income requirements

*n. Cost Projections for Prekindergarten Students*

Section (a)(6) of the Education Article refers to the definition of “Full-time Equivalent Enrollment” or FTE. When passed in 2002, the Bridge to Excellence of Public Schools Act included a provision that by 2007-08 all local school systems were required to provide access to disadvantaged four-year olds. The provision of access meant that local school systems, in response to an eligible family’s request for such access, must enroll the child in the prekindergarten program. The Bridge to Excellence provision did neither specify how and when the child should be enrolled nor include any clause with regard to the funding of the provision. The Extended Elementary Education Program (EEEP) grant was folded into the Compensation Fund by FY07. Several local leaders contend that the lack of direct reimbursement amounts to an “unfunded mandate.” A related provision in Bridge to Excellence refers to the establishment of full-day kindergarten programs for all students and specifically defines the FTE reimbursements for kindergarten from FY04 to FY08 (i.e., a gliding increase of 0.1 FTE per year from the existing 0.5 FTE in FY03.)

HB184 requires the calculation of the reimbursement for prekindergarten as if it was funded on a reimbursement basis. The following table establishes the 0.5 FTE reimbursement amounts for each local school system for eligible four-year-olds:

Local Unit	Direct Mandated State Aid	Eligible State Aid FTE	Avg State Aid per FTE	Avg. State Aid per 0.5 FTE	Eligible Pre-K FTE	Eligible Pre-K Expenditure
Allegany	84,518,375	8,993.00	9,398.24	4,699.12	262.00	1,231,169.48
Anne Arundel	267,123,983	71,605.00	3,730.52	1,865.26	765.00	1,426,924.43
Baltimore City	807,847,225	77,251.75	10,457.33	5,228.67	3651.00	18,033,669.65
Baltimore	494,304,866	100,022.75	4,941.92	2,470.96	1,424.00	3,518,650.15
Calvert	84,362,303	16,951.50	4,976.69	2,488.34	140.00	348,368.06
Caroline	42,037,874	5,349.00	7,859.02	3,929.51	201.00	789,831.06
Carroll	139,030,915	27,989.25	4,967.30	2,483.65	132.00	327,841.60
Cecil	95,894,605	15,769.00	6,081.21	3,040.61	339.00	1,030,765.14
Charles	149,235,160	25,843.25	5,774.63	2,887.31	359.00	1,036,545.76
Dorchester	29,899,704	4,433.25	6,744.42	3,372.21	126.00	424,898.52
Frederick	201,870,258	39,393.50	5,124.46	2,562.23	479.00	1,227,307.22
Garrett	24,566,877	4,394.75	5,590.05	2,795.03	63.00	176,086.61
Harford	204,149,648	38,151.75	5,350.99	2,675.50	566.00	1,514,330.28
Howard	191,398,843	48,534.25	3,943.58	1,971.79	346.00	682,239.86
Kent	9,444,016	2,152.00	4,388.48	2,194.24	75.00	164,568.12
Montgomery	387,493,959	134,546.75	2,879.99	1,440.00	2,498.00	3,597,113.68
Prince George's	883,799,374	122,513.25	7,213.91	3,606.95	4,046.00	14,593,736.87
Queen Anne's	29,625,076	7,449.75	3,976.65	1,988.33	91.00	180,937.74
Saint Mary's	92,907,591	16,022.75	5,798.48	2,899.24	339.00	982,842.31
Somerset	23,244,631	2,725.00	8,530.14	4,265.07	149.00	635,495.42
Talbot	9,884,021	4,231.50	2,335.82	1,167.91	62.00	72,410.41
Washington	137,317,453	21,187.25	6,481.14	3,240.57	391.00	1,267,062.13
Wicomico	108,817,017	13,855.75	7,853.56	3,926.78	330.00	1,295,838.03
Worcester	16,474,213	6,376.00	2,583.78	1,291.89	162.00	209,286.58
	<u>4,515,247,987</u>	<u>815,742.00</u>			<u>16,794.00</u>	<u>54,767,919.11</u>

Eligible Prek FTE represent four-year olds who are eligible as defined by BTE

*o. Level of Participation*

During the budget and planning cycles, local school systems determine the needs of eligible prekindergarten students for each attendance areas within their school systems and then project enrollment demands for each school by school or “regional” schools which pool prekindergarten students from several attendance areas. The enrollment periods typically start with the announced registration periods in the spring and continue throughout the summer until the beginning of the school year. All school systems issue local regulations which guide the registration process, and which are designed to ensure that, upon parental choice, eligible four-year olds have access to prekindergarten. In accordance with state regulations, four-year olds who are not income-eligible for the services may be enrolled if the child “represents a student population that exhibits a lack of readiness” in any of the developmental domains. This provision allows for enrollment of four-year olds if remaining spaces are available and offers an opportunity to enroll children who are not income eligible but have educational needs. Each local school system determines its approach to selecting those students for enrollment. For instance, Cecil County has the following system;

A. Automatic Enrollment Criteria

1. Economically Disadvantaged
2. Homelessness

B. First Prioritized Criteria for Student Eligibility and Selection: Priority One

1. Referral from other school system programs or local agencies  
(Child Find, Head Start, Even Start, etc.)
2. Limited English Proficiency

C. Second Prioritized Criteria for Student Eligibility and Selection: Priority Two

1. Emergency or health situations
2. Home and family circumstances

In 2008-09, all eligible four-year olds have been served. The number does not reflect the total number of income eligible four-year olds which is estimated to be 32% of the total population of four-year olds or an estimated 23,883 statewide. Obviously, parents of four-year olds selected other programs such as Head Start or subsidized child care, made informal arrangements, or kept them at home. The following table provides a break down by local school system with regard to enrollment of eligible four –year olds (Priority 1), four-year olds who were enrolled based on educational needs (Priority 2), and families who placed their names on a waiting list for any openings during the school year.

**Local School System Prekindergarten Enrollment Data (2008-2009)**

<b>LEA</b>	<b>Prekindergarten (4 year old) Student Enrollment</b>	<b>Priority I Enrollment (Income Eligible)</b>	<b>Priority II Enrollment (Other Criteria)</b>	<b>Prekindergarten Waiting List 08-09<sup>15</sup></b>
<b>Allegany</b>	413	262	151	0
<b>Anne Arundel</b>	1,332	765	567	614
<b>Baltimore County</b>	2,897	1,424	1,473	160
<b>Calvert</b>	247	140	107	0
<b>Caroline</b>	259	201	58	0
<b>Carroll</b>	243	132	111	74
<b>Cecil</b>	496	339	157	106
<b>Charles</b>	839	359	480	88
<b>Dorchester</b>	228	126	102	2
<b>Frederick</b>	754	479	275	13
<b>Garrett</b>	121	63	58	9
<b>Harford</b>	809	566	243	110
<b>Howard</b>	544	346	198	67
<b>Kent</b>	138	75	63	0
<b>Montgomery</b>	2,585	2,498	87	99
<b>Prince George's</b>	4,234	4,046	188	23
<b>Queen Anne's</b>	283	91	192	72
<b>St. Mary's</b>	580	339	241	139
<b>Somerset</b>	195	149	46	0
<b>Talbot</b>	154	62	92	39
<b>Washington</b>	476	391	85	7
<b>Wicomico</b>	461	330	131	56
<b>Worcester</b>	363	162	201	0
<b>Baltimore City</b>	3,937	3,651	286	200

Each local school system has expanded its statutory mission to enroll children who have educational needs. (See the section *Capacity* on p. 34 for more detailed descriptions.) However, current budget constraints might have a dampening effect on maintaining the enrollment for four-year olds who are not eligible.

***Standards for High Quality Preschool Education***

Each year, the National Institute for Early Education Research (NIEER) at Rutgers University examines and rates the quality of state preschool programs across the country. Program quality is assessed on the 10 benchmarks below, which are linked to positive child outcomes in early childhood research. The Task Force on Universal Preschool Education recommended that the State adopt the NIEER 10 Quality Benchmarks for High-Quality Preschool Education as a

<sup>15</sup> The waiting lists does not include any eligible four-year olds

framework for Maryland's universal preschool program, as they reflect best practices in high quality preschool programs. Maryland's prekindergarten program is currently meeting 9 out of 10 Benchmarks under COMAR.

*10 Benchmarks for High-Quality Preschool Education*

<b>NIEER Benchmark</b>	<b>COMAR Requirements for Maryland's Prekindergarten Program</b>	<b>Met</b>
1. <i>Curriculum standards.</i> The state must have comprehensive curriculum standards that are specific to prekindergarten and cover the domains of language/literacy, mathematics, science, social/emotional skills, cognitive development, health and physical development, and social studies.	Programs must implement a state-recommended comprehensive curriculum, MSDE- approved individually developed curriculum, or local school system curriculum that aligns with the MMSR, VSC, and Guidelines for Healthy Child Development and Care of Young Children.	✓
2. <i>Teacher degree requirement.</i> Lead teachers in both public and private settings must hold at least a bachelor's degree.	Lead teachers in both public and private settings must meet state certification standards.	✓
3. <i>Teacher specialized training requirement.</i> Pre-service requirements for lead teachers must include specialized training in prekindergarten. Kindergarten endorsements and elementary teaching certificates do not qualify.	Pre-service requirements for lead teachers must include specialized training in early childhood education.	✓
4. <i>Assistant teacher degree requirement.</i> Assistant teachers are required to hold a CDA or equivalent training.	Assistant teachers must hold at least a high school diploma.	
5. <i>Teacher in-service requirement.</i> Teachers must be required to attend at least 15 clock hours of professional development per year.	Teachers must attend a specified number of hours of approved professional development per year.	✓
6. <i>Maximum class size.</i> Class sizes must be limited to no more than 20 children for both three- and four-year-olds.	Based on the September 30 enrollment count, programs must maintain an average of 20 children per classroom in a given school. Class sizes may increase later in the school year if more eligible children apply for enrollment	✓
7. <i>Staff-child ratio.</i> At least one staff member must be present per 10 children in a classroom for three- and four-year-olds.	Programs must maintain an average staff to student ratio of 1:10.	✓
8. <i>Screening/referral requirements.</i> Programs are required to provide both screening and referral services covering at least vision, hearing, and health. Programs must offer, either directly or through active referral, at least one type of additional support service for families of participants or the participants themselves. Types of services may include parent conferences or home visits, parenting support or training, referral to social services, and information related to nutrition.	Programs must provide both screening and referral services for vision, hearing, general health, immunizations, and lead screening, and provide support services, such as parent training, parent involvement activities, and transition to kindergarten activities.	✓
9. <i>Meal requirements.</i> All participants must be offered at least one meal per day. Snacks are not counted as meals.	All students in full-day programs must be offered at least one full meal per day, in accordance with the Child and Adult Care Food Program.	✓
10. <i>Monitoring.</i> Program site visits must be used to assess adherence to state program standards.	Programs must conduct site visits each year to assess adherence to state standards.	✓

## 2. Market Analysis

### *a. Customers*

The targeted market for Maryland's prekindergarten program is children from economically disadvantaged backgrounds and children with educational needs. It is the local school systems' responsibility to provide access to prekindergarten services to all eligible children in their attendance area whose parents want to enroll. If there is not a prekindergarten program, or availability in a prekindergarten program, in a child's designated public elementary school, the child's school system must arrange access to a program in another location.

In 2007-08, 39 percent of entering kindergarteners were graduates of Maryland's prekindergarten program. Approximately 43 percent of children had previously attended center-based child care, family child care, Head Start, or a non-public nursery school program. About 18 percent of children had not experienced any early education program prior to kindergarten and at remained at home or in informal care with a relative or friend. This rate is even higher—22 percent—for low-income children who are eligible for FARMS in kindergarten. It is important to note that only a small percentage—about 6 to 7 percent—of early childhood programs in the State are accredited. In 2007, only 5 percent of low-income children receiving state child care subsidies, totaling 1,156 individuals, were in the care of accredited providers—either center-based or family child care.

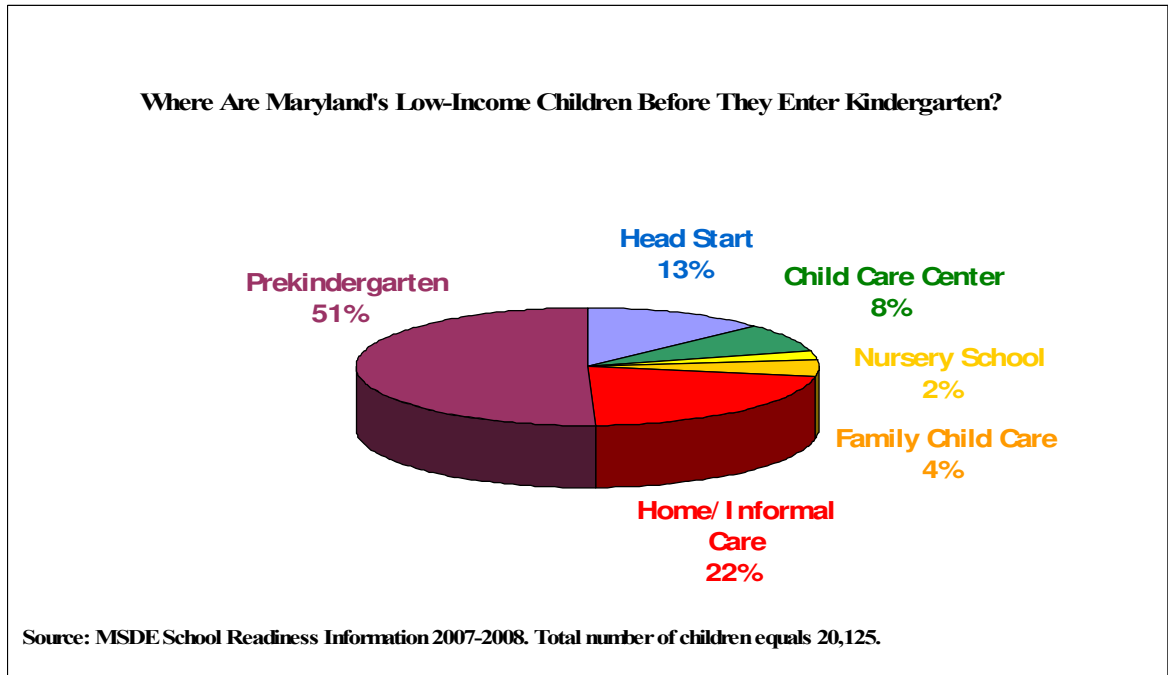
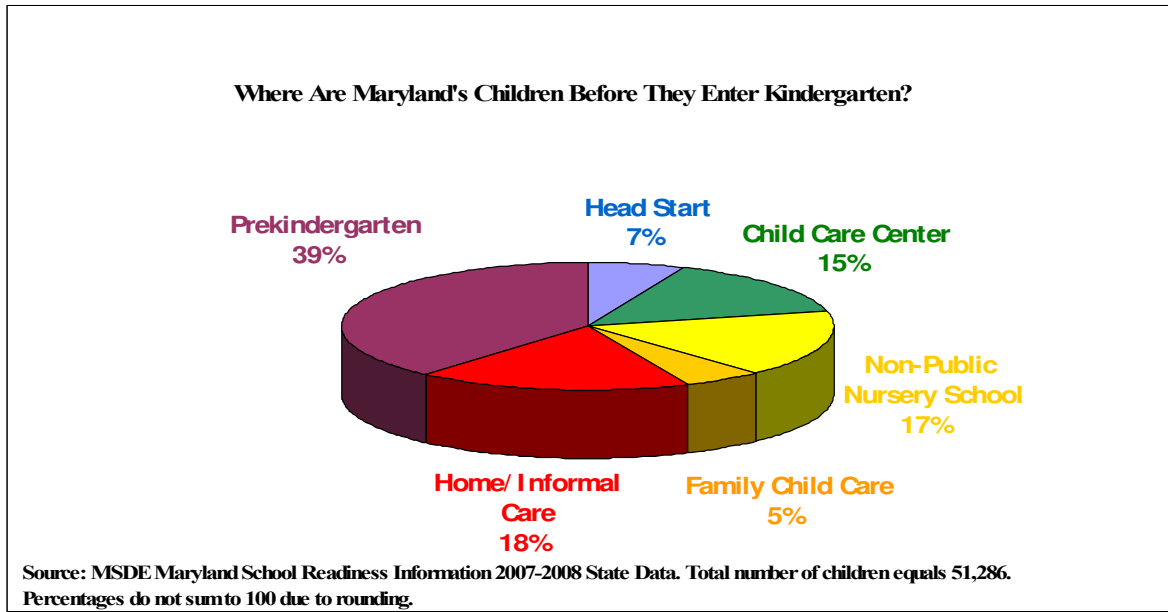
Maryland's prekindergarten program provides children with a high-quality educational experience that will serve to enhance their development of fundamental school readiness skills. Research clearly indicates that children's early experiences lay the foundation for their later learning and achievement. The basic cognitive, language, social-emotional, and physical skills that children develop between birth and age five prepare them for the academic demands of formal schooling. Additionally, the program provides services to screen children for possible developmental delays and special needs, which may impede their learning. Thus, the program not only has direct effects on children's early learning and development but also increases the effectiveness of later educational investments in primary and secondary school.

In the face of such evidence, it is no surprise that local school systems are reporting an increased demand for having their four-year olds in prekindergarten. A local school superintendent testifying before the Task Force, stressed the demand among parents. "We're getting more and more concerns from our parents who call and are upset when you tell them that you take prekindergarten kids on the basis of need (...) we don't offer universal prekindergarten. They are very upset (...). In the words of these parents, 'I'm a tax paying citizen. If it's offered to anyone, it should be offered to me as well.'"

Such demands among parents are driven by economics. With the vast majority of parents (an estimated 67%) in the work force and in need of out-of-home care, parents are looking for affordable options. In recent years, there has been a considerable increase in costs of child care, which are projected to increase annually through 2011 at a rate of approximately 12% to 16%. For families who are not eligible for prekindergarten, the average full-time weekly cost of care in Maryland is \$141.93 for center-based care (\$7,380 per year) and \$130.65 for family child care



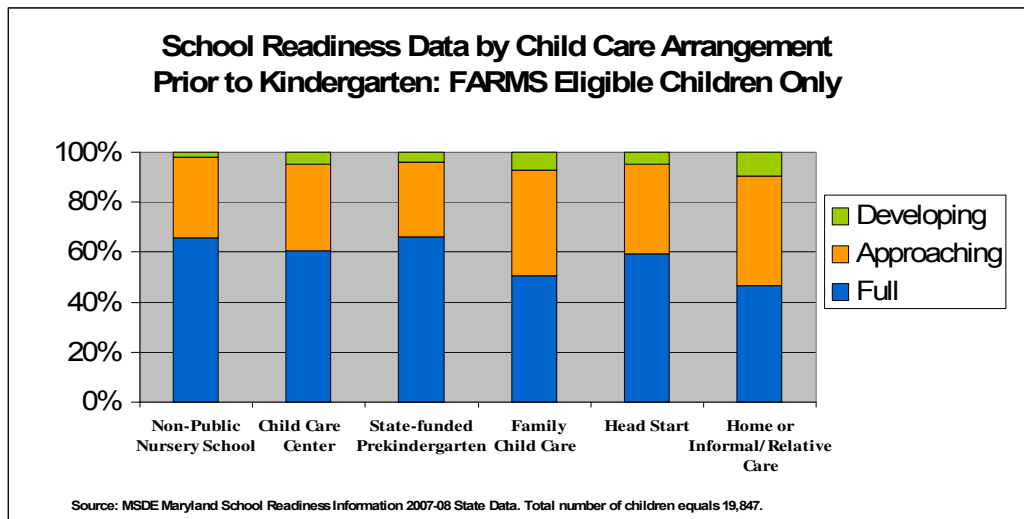
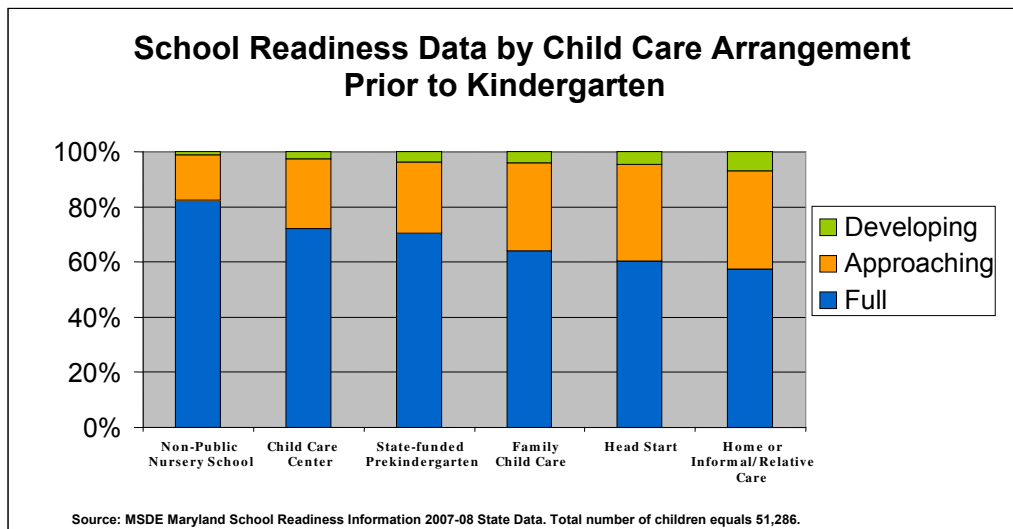
(\$6,794 per year).<sup>16</sup> The cost of child care ranks in the top 4 of major household costs across all 24 counties in Maryland. About 16% to 31% of the medium family income is spent on child care (in Calvert County and Baltimore City, respectively), whereas the U. S. Department of Health and Human Services recommends that parents not spend more than 10% of their household income on child care. Such high costs have forced many middle-class parents who are not eligible for subsidized child care to not enroll their children in preschool, even when they recognize the value of early education.



Note: "Low-income" status is defined by kindergarten eligibility for Free and Reduced Meals (FARMS).

<sup>16</sup> Maryland Committee for Children. (2008). *Maryland Child Care Resource Network: Child Care Demographics 2008 Maryland Report*. <http://www.mdchildcare.org/mdcfc/pdfs/demographics.pdf>

According to MSDE school readiness data from 2007, about 18% of kindergarteners did not attend any type of preschool or child care program—public or private—before entering school. These children scored significantly lower on the state school readiness assessment when they entered kindergarten than their low-income peers who attended prekindergarten. Low-income children were more likely to be “fully ready” for kindergarten when they attended Maryland’s prekindergarten program and non-public nursery schools, and least likely when they attended family child care or remained at home or in informal/relative care.



Families who have participated in Maryland’s prekindergarten program have reported positive feedback. The program has saved families a significant amount of money that they can spend on other family needs. However, LSSs have reported that there is a significant number of families who want to enroll their children in prekindergarten, but whose household income is slightly over the 185% poverty threshold guideline. Unless these children have a demonstrated school readiness need, LSSs are not responsible for providing services and, in most cases, unless there is space available, they must turn families down.

### *b. Capacity*

Local school systems have worked to find available classroom space to accommodate all eligible 4-year-old children in their prekindergarten programs by 2007-08. The number of eligible children and total program capacity vary significantly by county. While all counties are currently meeting COMAR regulations and providing prekindergarten to all economically disadvantaged 4-year-olds who apply, finding available classroom space has been a challenge in some areas, which has led to some schools enrolling more than 20 children per classroom. Survey comments from Early Learning Coordinators to MSDE include:

- “Since we do not have pre-k in all schools many of our children may remain on a waiting list. We take the neediest first.” –Harford County Public Schools
- “In certain sections of the county [meeting COMAR regulations] has caused class rosters to exceed the ideal of 20.” –Wicomico County Public Schools
- “The number of children who are at risk is increasing steadily. Many applicants are slightly above the income-eligibility requirement but are in need of early intervention services.” –Montgomery County Public Schools

In such cases where enrollment numbers are high and extra classroom space is limited in the public schools, relocatable classrooms have been used. Older grades and special classrooms (e.g., art and music) have been moved to the relocatables while the prekindergarten classrooms remain in the school building.

Under COMAR, school systems must create a policy to determine the eligibility of students. Specific examples include:

- “In addition to the automatic eligibility for children from economically disadvantaged families, BCPS offers prekindergarten to children who qualify for ESOL services and for those who have an IEP that specifies direct classroom instruction in a general education prekindergarten.” –Baltimore County Public Schools
- “Priority 1: Students from economically disadvantaged backgrounds/homeless. If space is available, we then take students previously enrolled in Head Start programs, previously identified through Special Education, and/or limited with English proficiency. If space still remains, we then enroll students with referrals from other agencies or students with significant health issues. If space still remains, we draw a lottery from ineligible students who wish to participate in the program. – Talbot County Public Schools
- “Currently 69% of our pre-k children come from Economically Disadvantaged homes, 9% of our pre-k students meet our tiered two qualifications (ELP & Identified with Special Needs), and 16% of our pre-k children meet our tiered three qualifications of students who are at risk for school success because of family issues; 6% of our enrollment is included via a “waiver” based on available seats before school began.” – Cecil County Public Schools

Meeting parental preference is also taken into account when enrolling children:

- “All eligible 4 year old students, who have completed an application are enrolled and offered a placement in a pre-kindergarten classroom. Eligible parents may decline the location and will be placed on a waiting list for another “acceptable” location when an opening occurs. If an eligible application is received late we will place as soon as a space becomes available at a school the parent will accept.”  
–Washington County Public Schools

***Current Capacity for Prekindergarten Across Maryland’s LSSs (2008-2009)***

Local School System	Has a Judy Center	Has a Preschool Services Grant	No. of Schools with Prekindergarten Program*	Total Pre-K Enrollment	Estimated No. of 5 year-olds in MD (based on kindergarten enrollment data)	Approximate % of 4-year-olds that can be served with current placements
Allegany	√		14	471	611	77%
Anne Arundel			41	1,684	5,430	31%
Baltimore City	√√	√	115	3,999	6,353	62%
Baltimore County	√		107	3,505	7,571	46%
Calvert	√		12	325	1,121	29%
Caroline	√		5	258	436	59%
Carroll	√		11	316	1,890	17%
Cecil	√		17	578	1,129	51%
Charles	√√		20	840	1,640	51%
Dorchester	√		7	229	343	67%
Frederick	√	√	20	918	2,835	32%
Garrett	√		10	122	310	39%
Harford			32	879	2,841	31%
Howard	√	√	40	1,019	3,309	31%
Kent	√		4	138	155	89%
Montgomery	√√		62	3,167	10,273	31%
Prince George’s	√	√	142	5,770	8,836	65%
Queen Anne’s	√		6	292	531	55%
St. Mary’s	√		16	677	1,195	57%
Somerset			5	196	225	87%
Talbot	√		5	159	315	50%
Washington	√	√	25	469	1,656	28%
Wicomico	√		11	457	1,191	38%
Worcester	√	√	6	353	465	76%
<b>TOTAL</b>	<b>24</b>	<b>6</b>	<b>733</b>	<b>26,821<sup>17</sup></b>	<b>60,530</b>	<b>44%</b>

\* Out of 813 elementary schools in Maryland. Some locations serve as prek sites for other schools.

<sup>b</sup> Includes both elementary schools, early learning centers, and private providers with prekindergarten programs.

<sup>17</sup> Includes three-year old children at selected sites.

The constraint among local school systems to accommodate more four-year olds has been reiterated by the Task Force representative from the Maryland Association of Boards of Education (MABE) who indicated that schools have reached their limits to serve more four-year olds in school buildings. A representative from the Maryland State Child Care Association who testified before the Task Force, noted the added expense by school systems of setting up relocatables when nursery schools and child care centers have sufficient classroom space available. Thus, the Task Force recommended that any expansion of prekindergarten be done as a collaboration among all early childhood programs, public and non-public, with the commitment to uphold the same standards which have proven to be effective in the current program.

*c. Competition or Collaboration*

Maryland has two early education programs for low-income children: Head Start, which has an income eligibility restriction of 100% of the federal poverty level (FPL), and the state prekindergarten program, which has an income restriction of 185% of the FPL. As space permits, prekindergarten programs enroll children who demonstrate a lack of school readiness skills; Head Start programs are allowed to use 10 percent of slots for families above poverty who demonstrate a need. Both programs also serve children with disabilities or special needs who may not meet income criteria (Head Start programs must use 10 percent of enrollment slots for children with disabilities.). In addition, the MSDE provides child care subsidy vouchers to families with a household income at or below 175% of the FPL that can be used to cover the costs of child care before and after school.

As part of a Head Start collaboration, Maryland provides \$3 million in state funds and \$1 million in federal funds each year to Head Start and Early Head Start grantees, in addition to the \$78 million in Federal Head Start funding, to expand the range of services, including extended hours and summer programs, to increase the number of children who may be served, and to align with the goals of the state's curriculum. Depending on the LSS, Head Start is offered in child care centers or in the local public schools, or both. For example, in Allegany County, Allegany County Human Resources Development Commission administers half-day Head Start in six community-based child care centers, including a YMCA, and in one child care center located inside a high school. In contrast, Montgomery County Public Schools, a Head Start delegate agency that administers most of the Head Start programs in Montgomery County, offers Head Start in 27 of its elementary schools as well as four community-based sites, including two private child care centers that are prekindergarten partnership programs, one faith-based child care center, and one community college child care center. Most Head Start programs are half-day (3 hours and 15 minutes), slightly longer than the 2 ½ hour prekindergarten program, while select Title I schools offer full-day Head Start. The additional 45 minutes is allotted in order to administer the additional federal requirements of the Head Start performance standards (e.g., screening assessments).

Likewise, in Baltimore City, there are prekindergarten-Head Start collaborations in which prekindergarten funded children are in the same classroom as Head Start funded children, with the classroom meeting MSDE prekindergarten standards (e.g., certified teacher; curriculum). Typically combined classrooms have an equal number of students from each program—10

prekindergarten students and 10 Head Start students—so that children have the same early learning experience but with different sources of funding.

While both Head Start and Maryland’s prekindergarten program share the similar goal of school readiness for low-income and at-risk children, there may be some competition between programs for those children who are eligible for both Head Start and prekindergarten. In such a case, parents have the option to enroll in whichever program they prefer, or if there is an established Head Start/prekindergarten collaboration at their site, they may receive funding for both and have full-day care.

Since Head Start is offered to both 3- and 4-year-olds, families receiving Head Start funding when their children are 3-year-olds may choose to continue attending the same program for another year. However, some parents may prefer to place their children in a prekindergarten program at their local public school where they will be attending kindergarten, rather than in a Head Start program in a child care center, to help with transitioning. Prince George’s County recently experienced a decline in Head Start enrollment as it became the first LSS to use local funding to expand their prekindergarten program to full-day. From 2002 to 2006, approximately 6 to 7 percent of kindergarteners in Prince George’s County were Head Start graduates, whereas in 2007-08 that number dropped to 4.5 percent. This trend may be due in part to the extension of the school day for prekindergarten, as Head Start is a half-day program in some locations and many working parents prefer to be in a program that is full-day.

To reduce competition, MCPS uses an “umbrella approach” and advertises both early childhood programs together as a “Prekindergarten-Head Start program.” Both programs implement the same curriculum and instructional program and have a teacher certified in early childhood. Their prekindergarten program is modeled after Head Start, so prekindergarten students receive the same supports as Head Start children, such as home visits from family support workers, but at a slightly reduced ratio of services. Enrollments for both programs are coordinated simultaneously at the MCPS Division of Early Childhood Programs and Services central office. Once a parent applies, he or she is screened for income information and a decision is made about placement based on income eligibility. If the family's income meets federal poverty guidelines, the child is placed in Head Start. If they meet FARMS state food and nutrition guidelines, the child is placed in prekindergarten, which has more slots than Head Start. If the available spaces in Head Start are filled, an eligible child would be placed in the prekindergarten program. Because the programs are essentially the same, except for the source of funding, parents are not asked to choose a program; however, they can request a change in location if desired.

*State Expenditures for Four-Year-Old Children in Head Start and Purchase of Child Care Subsidy Program*

Jurisdiction	Head Start <sup>1</sup>			Purchase of Child Care Subsidy Program <sup>2</sup>		
	Enrollment	Average Annual Cost per Child (State Grant <sup>3</sup> )	Total State Annual Costs	Number of Children Paid Subsidies	Average Annual Cost per Child	Total Annual Costs
Allegany	141	\$762.90	\$107,569.00	52	\$2,731.91	\$142,059.45
Anne Arundel	256	\$611.32	\$156,499.00	106	\$3,661.02	\$388,067.68
Baltimore City	1373	\$967.02	\$1,327,718.00	737	\$4,026.47	\$2,967,507.66
Baltimore County	304	\$730.68	\$222,128.00	367	\$4,353.01	\$1,597,552.84
Calvert	73	\$1,051.52	\$76,761.00	57	\$3,806.07	\$216,946.21
Caroline	82	\$705.63	\$57,862.00	23	\$2,799.62	\$64,391.34
Carroll	67	\$689.73	\$46,212.00	68	\$3,813.56	\$259,321.79
Cecil	51	\$1,134.55	\$57,862.00	52	\$3,468.73	\$180,374.09
Charles	203	\$378.13	\$76,761.00	57	\$3,905.20	\$222,596.53
Dorchester	86	\$671.52	\$57,751.00	31	\$2,815.09	\$87,267.70
Frederick	179	\$568.40	\$101,744.00	71	\$3,780.24	\$268,396.83
Garrett	105	\$809.96	\$85,046.00	12	\$2,123.33	\$25,480.00
Harford	61	\$948.56	\$57,862.00	101	\$4,195.52	\$423,748.00
Howard	106	\$967.18	\$102,521.00	76	\$5,395.18	\$410,033.78
Kent	6	\$9,625.17	\$57,751.00	14	\$3,050.28	\$42,703.96
Montgomery	584	\$430.89	\$251,641.00	177	\$5,214.48	\$922,963.73
Prince George's	414	\$817.94	\$338,628.00	420	\$4,236.94	\$1,779,514.75
Queen Anne's	32	\$1,804.72	\$57,751.00	19	\$3,037.27	\$57,708.17
St. Mary's	86	\$671.52	\$57,751.00	42	\$2,209.15	\$92,784.38
Somerset	66	\$1,163.05	\$76,761.00	37	\$2,224.54	\$82,307.81
Talbot	42	\$1,375.02	\$57,751.00	23	\$3,979.42	\$91,526.63
Washington	177	\$842.49	\$149,121.00	102	\$3,455.21	\$352,431.17
Wicomico	158	\$365.51	\$57,751.00	73	\$3,010.31	\$219,752.52
Worcester	105	\$550.01	\$57,751.00	23	\$2,825.79	\$64,993.24
<b>Total State</b>	<b>4,757</b>	<b>\$777.16</b>	<b>\$3,696,952.00</b>	<b>2,740</b>	<b>\$4,000.16</b>	<b>\$10,960,430.26</b>

<sup>1</sup> Based on Head Start four-year-old enrollment for FY08.

<sup>2</sup> Based on March 2008 state subsidy data.

<sup>3</sup> The purpose of the Head Start State Supplemental Grants is to supplement Head Start activities to improve school readiness, which is achieved through quality improvements and extended day/year services. Total Annual State Cost is the Head Start State Supplemental Grant allocation which includes \$3,696,952 for Head Start and \$303,048 for Early Head Start is State funds. The \$4 million includes \$3 million in State funds and \$1 million from the federal Child Care and Development Grant. Three grantees have authority over

several jurisdictions. For the purpose of this chart, the allocations of multi-jurisdiction grantees have been equally divided per each jurisdiction under their authority. As Early Head Start serves children birth to three, those allocations are not displayed.



#### *d. Competitive Advantages and Disadvantages*

One of the advantages to competition among programs is that parents have a choice as to which program they would like to enroll their children. Head Start is a two-generational program that provides services to parents as well, such as mental health referrals, career counseling, and home visits, and requires a specific number of parent involvement hours in the center. Many parents work as teacher aides as well as classroom volunteers. The prekindergarten program emphasizes parent involvement, but is designed as an educational program for children and not specifically as a two-generational program. Some parents may be interested in the services Head Start has to offer, while other parents may not want to commit to participation in the program, due to work and school schedules. As the locations, type of setting (public school, child care center), and program hours can vary, parents may choose what best fits their needs. As prekindergarten is expanded and delivered in diverse settings, including non-public school settings and family child care, parents will have further options when it comes to choosing a program for their children.

A few options to address the concerns regarding competition include:

- Using \$1.8 million in state aid plus local funding to extend Head Start programs to full-day and serve fewer children, while restricting the number of families who are receiving both Head Start and prekindergarten funding.
- Increasing the number of collaborations with Head Start programs to combine funding sources, so that eligible children are funded with Head Start dollars for half the day and prekindergarten dollars for the other half of the day and remain in the same site with the same teacher throughout the day.

Ten percent of Head Start dollars are designated for Early Head Start programs serving low-income families with infants and toddlers, and pregnant women. However, as a greater number of low-income children enroll in prekindergarten over Head Start, a larger percentage of Head Start funding can be spent to increase the number of children served in Early Head Start.

Parental needs also determine the choice regarding child care. The state offers child care vouchers for families below 170% of the FPG which can be redeemed at any licensed child care facility or family child care home. Low income families who qualify for vouchers might not undergo the time consuming eligibility determination if a fully funded prekindergarten or Head Start program is available. In an effort to streamline the publicly funded early care and education programs, MSDE has established a mechanism whereby families who might be eligible for both Head Start and child care subsidy would work through Head Start's eligibility worker who, in turn, coordinates the child care subsidy eligibility with the local DSS offices. When fully operational such collaboration will avoid redundancy, reduce cost for child care subsidy, and benefit children by providing access to quality programs. A similar coordination between local school systems or qualified vendors and local DSS offices would stretch child care subsidy funds, especially at child care programs which have a prekindergarten block, as designed under Preschool Services Grants.

### **3. Market Strategy**

Maryland's prekindergarten program is being advertised to the community at both the state and local level. MSDE's Division of Early Childhood Development has a link on their website for parents containing information on Maryland's prekindergarten program, including a directory of program locations in each county and frequently asked questions. School systems are also advertising the program on their own websites. In addition, MSDE has created a brochure to serve as a parent's guide to Maryland's public prekindergarten program. Local school systems were provided these marketing resources to promote the program in their jurisdictions. MSDE requires that local school systems either use the MSDE brochure for distribution or demonstrate that they have created their own brochure. Such brochures and flyers are being posted in public locations; for example, Montgomery County recently began a distributing and posting flyers in Giant supermarkets, local hair salons, and other frequented community sites.

These approaches differ from other early childhood services. Head Start grantees often use family support staff to recruit low-income families through local social services offices. The Purchase of Child Care Subsidy Program (POC) does not do formal advertising or recruiting. Information is displayed on the MSDE Office of Child Care website, and local service agencies that assist low-income families often inform parents of their eligibility and how to apply for child care vouchers. When parents seek enrollment in early education services, local schools/centers also explain to parents what options they have depending on their eligibility.

## 4. Management

Maryland's prekindergarten program can be implemented using five different models.

- *Prekindergarten in public schools*, available at all counties.
- *Prekindergarten at a qualified vendor*. Example: Prince George's County Public Schools partnered with Greenbelt Children's Center under a Judith P. Hoyer Early Care and Enhancement Grant. PGCPS hired a prekindergarten teacher MSDE certified in early childhood education and placed her in Greenbelt Children's Center to teach a full-day prekindergarten class.
- *Prekindergarten operated by a qualified vendor*. Example: The Early Learning Child Care Center in Washington County operates a full-day prekindergarten program following the prekindergarten curriculum and standards (e.g., state certified teacher) of Washington County Public Schools. This difference from the example above is that the teacher was hired by the child care center and not hired and placed by the LSS to start the program.
- *Prekindergarten at a Head Start center*. Example: Montgomery County Public Schools has partnered with a Head Start program at Colesville Children's Center. Eligible children attend the center for a full day—half funded by Head Start and half by state and local prekindergarten dollars—with wrap-around child care at the site. An MSDE-certified teacher was placed in a prekindergarten/Head Start classroom and implements the MCPS prekindergarten curriculum.
- *Family Child Care Network*. The Maryland State Family Child Care Association (MSFCCA) proposes the following plan to incorporate family child care into Maryland's *Preschool for All* program. Networks of 15-20 family child care providers and 1-3 child care centers that are in close proximity to each other will be created and overseen by a non-profit agency, which will provide oversight, training, technical assistance, substitute pools, and evaluations. Providers who participate in the program will offer prekindergarten services, as well as Head Start and Early Head Start, to children in their community. Each provider should have at least three age-eligible children to participate in the program. The network will act as a support system for providers enabling them to share children within their network in order to meet standards (i.e., one provider can take all the preschoolers for 2 ½ hours to implement the prekindergarten curriculum, while a neighboring provider takes all the infants, toddlers, and three-year-olds). NAFCC accreditation and approved prekindergarten curriculum would be required; however, teachers would only be required to have a Child Development Associate degree to enter the program, with the expectation of continuing education training and coursework towards a higher degree.

The first four models have been implemented in various sites across the state as prekindergarten has expanded under the Bridge to Excellence Act. The fifth model of the Family Child Care Network was recently proposed by the MSFCCA to MSDE. Providing prekindergarten in diverse settings is beneficial to both families as well as to community-based child care providers.

Parents appreciate having a choice in their early education options to fit their children's needs and personality, as well as their work schedules and life demands. When families have more than

one child, they often want their children to be in the same location—either in a child care center with younger siblings, or an elementary school with older siblings. Some parents prefer the small group setting and extended hours of a family child care program, while other parents favor a half-day nursery school program to slowly transition their children to school.

If prekindergarten is only offered in the local public schools, non-public providers will lose a significant number of their students and their funding, as they subsist on the tuition of preschoolers. Given the current capacity restrictions and overcrowding within the public schools, it is necessary to use non-public school settings to accommodate a future increase in enrollment. Businesses can financially benefit from the collaboration, the State can save money by using existing facilities, and more children can be included in the program.

In order to recruit and retain state certified teachers in prekindergarten programs across diverse, non-public school settings and across local school systems, salaries comparable to public school teachers must be offered. A new salary schedule has been proposed for teachers participating in the *Preschool for All* program. The base salaries for teachers with a standard professional certificate have been averaged across school systems to create a base salary to be used for prekindergarten teachers in non-public school settings. Programs will be required to pay their teachers the base salary or higher, based on experience and education, but may supplement the salary if lower than that of the LSS.

Average Step 1 Standard Professional Teacher Salary Across LSSs (2008-09)	
Allegany	\$40,697
Anne Arundel	\$43,452
Baltimore City	\$41,128
Baltimore County	\$42,000
Calvert	\$44,600
Caroline	\$40,500*
Carroll	\$40,400
Cecil	\$41,674
Charles	\$42,245
Dorchester	\$40,640
Frederick	\$40,706
Garrett	\$42,043
Harford	\$41,171
Howard	\$42,407
Kent	\$41,242
Montgomery	\$46,410
Prince George's	\$43,481*
Queen Anne's	\$41,771
St. Mary's	\$43,240
Somerset	\$41,300
Talbot	\$42,400
Washington	\$41,962*
Wicomico	\$42,140
Worcester	\$40,390
<b>Average</b>	<b>\$42,000</b>

\* Based on 2007-08.

## 5. Financial

### *a. Sources and Uses*

There are currently two funding streams that support Maryland’s prekindergarten programs: State aid under the provisions of Bridge to Excellence, which serves approximately 99 percent of all prekindergarteners, and a state grant program named Preschool Services Grant which funds six (pilot) sites.

As part of the state aid, MSDE provides funding directly to local education agencies (LEAs). State funding is typically used to cover the costs of teachers’ salaries, benefits, and the classroom materials, and is matched or supplemented by local funding to cover additional costs, such as transportation, facility costs, and extended hours.

As part of the state grant program, a non-public community-based provider has independently applied for and received a Preschool Services grant from MSDE. The funding is given directly to the provider and not filtered through the LSS, although the provider and the LSS establish programmatic partnership. To qualify for the grant, providers are required to demonstrate how they can finance the program and maintain the 10 quality standards recommended by the Task Force, while offering parents at least a 20% discount on tuition fees. Examples of program costs and parent tuition fees for each of the previously discussed models are below.

#### *Prekindergarten at a Qualified Vendor (Preschool Services Grant)*

Example: Greenbelt Children’s Center in partnership with Prince George’s County Public Schools  
Full-day prekindergarten program (6 ½ hours with before- and after-care)

Source	Per Student	Classroom of 20 Students
Actual weekly tuition	\$179.03	\$3,580.67
<i>Actual annual tuition (42 weeks)</i>	<i>\$7,519.40</i>	<i>\$150,388.00</i>
40% discount to parents (per week)	-\$71.61	-\$1,432.27
<i>40% discount to parents (across year)</i>	<i>-\$3,007.76</i>	<i>-\$60,155.20</i>
Discounted weekly tuition	\$107.42	\$2,148.40
<i>Discounted annual tuition</i>	<i>\$4,511.64</i>	<i>\$90,232.80</i>
MSDE grant to cover discount plus teacher’s salary	\$5,250.00	\$105,000.00

*Prekindergarten Operated by a Qualified Vendor (Preschool Services Grant)*

Example: The Young School in partnership with Howard County Public Schools  
Half-day prekindergarten program (3 hours) with optional before- and after-care

Source	Per Student	Classroom of 20 Students
Actual weekly tuition for prekindergarten	\$105.00	\$2,100.00
<i>Actual annual tuition</i>	<i>\$4,410.00</i>	<i>\$88,200.00</i>
20% discount to parents (per week)	-\$21.00	-\$420.00
<i>20% discount to parents (across year)</i>	<i>-\$882.00</i>	<i>-\$17,640.00</i>
Discounted weekly tuition	\$84.00	\$1,680.00
<i>Discounted annual tuition</i>	<i>\$3,528.00</i>	<i>\$70,560.00</i>
MSDE grant to cover discount, registration, supply fees plus teacher's salary	\$5,250.00	\$105,000.00

Note: The families served through this grant do not meet the income eligibility requirements for the public school prekindergarten program. The Young School is working with the Howard County Early Childhood Office to recruit families who are denied enrollment but whose incomes are just above the income guidelines.

*Prekindergarten at a Head Start Center*

Example: Children's Center Group in partnership with Frederick County Public Schools  
Half-day prekindergarten (3 ½ hours) added to half-day Head Start program (3 ½ hours) for full-day program (8:30am-3:30pm). Before- and after-care paid for by parent at a charge is \$4.90 per hour.

Source	Per Student	Classroom of 20 Students
Federal and State Head Start funding	Free to parents and center	Free to parents and center
MSDE grant to cover costs for prekindergarten: teacher's salary, benefits, materials	\$4,991.80	\$99,836.00

*b. Preschool for All – Cost Calculations for Prekindergarten at Qualified Vendors*

The Task Force recommended the establishment of a universal preschool program in Maryland, called *Preschool for All*. This program would be supplementary to the existing prekindergarten mandate under Bridge to Excellence. Based on the Task Force recommendation, MSDE would administer the program, including the development of the budget, design of the infrastructure, and the promulgation of policies and procedures. MSDE would also be charged with establishing standards of operation and accountability guidelines. In addition, it was charged with outlining the costs for expanding the program as part of the business plan.

The cost per child calculations below take the following assumptions:

- Programs are qualified vendors (i.e., state or nationally accredited);
- Programs meet the State's prekindergarten regulations, including assurances to comply with all Federal and state laws governing child care and education;
- Programs keep a maintenance of effort and will not supplant state funds;
- Programs undergo a competitive review and selection process;
- Both state and local funds will support the *Preschool for All* prekindergarten program.

### Cost per Child of Prekindergarten at Accredited Child Care Centers

The costs for prekindergarten operation at accredited child care centers will consist of two components:

- Base costs (public funds for *Preschool for All* prekindergarten block – half-day or full-day);
- Enhancement costs (public funds to meet the *Preschool for All* prekindergarten standards<sup>18</sup>)

The base costs are pegged to the program's annual tuition and the enhancement costs are pegged to the program's maintenance of effort, i.e., current teachers' salaries and benefits, curriculum implementation, and costs for screening and referral. By anchoring the calculations to the current cost items of each program, MSDE will be able to determine, using a software program, the exact costs for funding each *Preschool for All* applicant. The methodologies outlined below serve as an example.

#### *Methodology for Half-day Prekindergarten*

Assuming an accredited child care center, eligible to provide a half-day prekindergarten block, or 2.5 hours per day, 5 days a week and 180 days a year, the calculation regarding the costs are based on the following:

##### *Step 1:*

At an annual tuition of \$8,600<sup>19</sup> for full-time care for a four-year old preschooler, the operator of the program, serving 20 four-year olds, can expect to receive \$172,000 at full capacity. The typical full-time care at a child care center which is open from 7:00 a.m. to 6:00 p.m. is 10 hours per day. Assuming a full-time care rate of 2,080 hours per year, the 450 hours of the prekindergarten represent 22% of the care. Since the prekindergarten block is publicly funded<sup>20</sup>, the parent tuition discount of 22% reduces the cost of care for the parent to \$6,708, or a total of \$134,160 for 20 families. The public fund portion is, therefore, the balance of the gross tuition income of \$172,000 and the discounted tuition of \$134,160. The balance of \$37,840 represents the public fund portion (base costs) in net terms<sup>21</sup>, or \$1,892 per child.

##### *Step 2:*

The base cost for prekindergarten is \$1,892 per child. Since *Preschool for All* programs include a number of quality standards which might not be included in the annual tuition costs at the center,

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<sup>18</sup> *Preschool for All* standards mirror the state's prekindergarten regulations

<sup>19</sup> Average costs of care at a center in 2008

<sup>20</sup> For families at or below 300% of the Federal Poverty Guidelines

<sup>21</sup> The "net" refers to the basic operational costs of the program without any costs associated to meet the quality benchmarks.

an additional quality enhancement cost would have to be added to the base cost per child. The table below provides cost information for calculating the enhancement costs:

<i>Required quality standard</i>	<i>Accredited child care center operation</i>	<i>Preschool for All operation</i>	<i>Difference</i>
Curriculum standard	\$0	\$1,500	\$1,500
Teacher standard	\$12,000 <sup>22</sup>	\$23,000 <sup>23</sup>	\$11,000
Fringe and Benefits at 25%	\$3,000	\$5,750	\$2,750
Asst. teacher standard	\$18,000	\$18,000	\$0
Teacher recertification	\$600	\$0 <sup>24</sup>	(\$600)
Maximum class size	20	20	\$0
Staff-Child Ratio	1:10	1:10	\$0
Screening/referral <sup>25</sup>	\$0	\$1,000	\$1,000
Meal requirement	CACFP	CACFP	\$0
Monitoring	\$0	\$600	\$600
<b>TOTAL</b>	<b>\$33,600</b>	<b>\$49,850</b>	<b>\$16,250</b>
<b>per classroom (20 students)</b>			
<b>TOTAL per child</b>	<b>\$1,680</b>	<b>\$2,493</b>	<b>\$813</b>

The enhancement fee per child is \$813 per year. **Thus, the total cost for operating a half-day *Preschool for All* prekindergarten program, including the base and the enhancement costs, is \$2,705.**

### *Step 3:*

The existing funding for prekindergarten, operated by the local boards of education, includes local education funds. The proportion of state and local funds under *Preschool for All* works with the assumption that the local share is based on wealth equalization, therefore granting low wealth jurisdictions a higher state share and high wealth jurisdictions a lower state share. For the purpose of example, the local share is 30% of the total costs<sup>26</sup>. The local jurisdiction of the program would match 30% of the base and enhancement costs of \$2,705, or \$813 per child, thereby reducing the state share to \$1,893 per child.

### *Methodology for Full-day Prekindergarten*

Assuming an accredited child care center, eligible to provide a full-day prekindergarten block, or 6.5 hours per day, 5 days a week, and 180 days a year, the calculation regarding the costs for each party breaks are based on the following:

<sup>22</sup> Fifty percent (part time) of \$24,000 average wages for child care teacher

<sup>23</sup> Fifty percent (part-time) of \$46,000 average first year salary for preschool teacher in public schools

<sup>24</sup> Teacher receives CPD credits from MSDE

<sup>25</sup> Early intervention services as a result of referrals are provided by other agencies

<sup>26</sup> In the current prekindergarten program the local share is approximately 50% statewide



*Step 1:*

At an annual tuition of \$8,600<sup>27</sup> for full-time care for a four-year old preschooler, the operator of the program, serving 20 four-year olds, can expect to receive \$172,000 at full capacity. The typical full-time care at a child care center that is open from 7:00 a.m. to 6:00 p.m. is 10 hours per day. Assuming a full-time care rate of 2,080 hours per year, the 1,170 hours of the prekindergarten represent 57% of the care. Since the prekindergarten block is publicly funded, the parent tuition discount of 57% reduces the cost of care for the parent to \$4,902, or a total of \$98,040 for 20 families. The public fund portion is, therefore, the balance of the gross tuition income of \$172,000 and the discounted tuition of \$98,040. The balance of \$73,960 represents the public fund portion (base cost) in net terms<sup>28</sup>, or \$3,698 per child.

*Step 2:*

The base cost for prekindergarten is \$3,698 per child. Since *Preschool for All* programs include a number of quality benchmarks which might not be included in the annual tuition costs at the center, an additional quality enhancement costs would have to be added to the base cost per child. The table below provides cost information for calculating the enhancement costs:

<i>Required quality standard</i>	<i>Accredited child care center operation</i>	<i>Preschool for All operation</i>	<i>Difference</i>
Curriculum standard	\$0	\$1,500	\$1,500
Teacher standard	\$23,000 <sup>29</sup>	\$45,000 <sup>30</sup>	\$22,000
Fringe and benefits 35%	\$8,050	\$15,750	\$7,700
Asst. teacher standard	\$18,000	\$18,000	\$0
Teacher recertification	\$600	\$0 <sup>31</sup>	(\$600)
Maximum class size	20	20	\$0
Staff-Child Ratio	1:10	1:10	\$0
Screening/referral <sup>32</sup>	\$0	\$1,000	\$1,000
Meal requirement	CACFP	CACFP	\$0
Monitoring	\$0	\$600	\$600
<b>TOTAL</b>	<b>\$49,650</b>	<b>\$81,850</b>	<b>\$32,200</b>
<b>per classroom (20 students)</b>			
<b>TOTAL per child</b>	<b>\$2,483</b>	<b>\$4,093</b>	<b>\$1,610</b>

The enhancement fee per child is \$1,610 per year. **Thus, the total cost for operating a full-day *Preschool for All* prekindergarten program, including the base and the enhancement costs, is \$5,308.**

<sup>27</sup> This amount serves as an example only and is \$1,400 above the average cost of care of 2-5 year olds care at child care centers (Source: MCC, 2007)

<sup>28</sup> The “net” refers to the basic operational costs of the program without any costs associated to meet the quality benchmarks.

<sup>29</sup> Average wages for child care teacher

<sup>30</sup> Average first year salary for preschool teacher in public schools

<sup>31</sup> Teacher receives CPD credits from MSDE

<sup>32</sup> Early intervention services as a result of referrals are provided by other agencies

*Step 3:*

The existing funding for prekindergarten, operated by the local boards of education, includes local education funds. The local share would average 30% of the total costs. Statewide, local jurisdiction would match 30% of the base and enhancement costs of \$5,308, or \$1,592 per child, thereby reducing the state share to \$3,716 per child.

Cost per Child of Prekindergarten at Nursery Schools

MSDE has oversight of nursery schools. Programs serving 2-, 3-, and 4-year olds are being monitored by the Division of Early Childhood Development and programs serving children, K-12, are being monitored by the Division of Certification and Accreditation.

The regulatory requirement for an early childhood program to call itself “nursery school” defines teacher qualifications (i.e., bachelor’s degree) and curriculum (non-specified) in COMAR 13A.14.13. When meeting the regulatory requirements, MSDE issues a Certificate of Approval, which must be posted at a public place at the facility. Since July 2007, nursery schools are also required to obtain, as a “floor,” a child care license in order to assure that all programs overseen by MSDE meet the same health and safety standards when caring for young children. The vast majority of nursery schools already possess child care center licenses.

Nursery schools need to obtain national or state accreditation in order to be eligible for participating in the *Preschool for All* program.

*Methodology for Nursery Programs*

The methodology regarding the private tuition costs typically differs from the tuition costs at child care facilities in the way preschool costs and the costs for extended child care are being charged. In the *Preschool for All* model, nursery schools would retain the “preschool block,” either half-day (2.5 hours) or full-day (6.5 hours) and be eligible to receive state and local funds as it was calculated for child care center facilities. They would be required to meet the same prekindergarten quality standards, including teacher and specified curriculum requirements. For a half-day program, defined as 2.5 hours, 5 days a week and 180 days a year, the state share would be \$1,893 per child and the local share \$812. For a full-day program, defined as 6.5 hours, 5 days a week and 180 days a year, the state share would be \$3,716 and the local share \$1,592 per child. Nursery schools that follow the pedagogical approach of multi-age settings would be permitted to include all age groups into the *Preschool for All* program (e.g., Montessori schools).

Nursery programs which are operated by bona fide church organizations and exempted from state regulation must obtain a child care center license and, then, have the option to be eligible for *Preschool for All* funds by obtaining state or national accreditation. However, religion-based curricula, including learning environments, do not meet the *Preschool for All* curriculum standard. This provision will also satisfy the constitutional mandate of separation of church and state.

Cost per Child of Prekindergarten at Head Start Programs

Head Start programs for 3- and 4- year olds, operated by local operators, such as a non-profit organization or a local school system, follows Federal performance standards which must be met in order to receive Federal Head Start funds. The state requires for Head Start programs to obtain a child care center license to assure that all early childhood programs in Maryland meet the same health and safety standards when caring for young children.

*Methodology for Head Start programs*

Since the Federal Head Start performance standards incorporate all quality standards with the exception of the teacher standard, any Head Start program eligible for *Preschool for All* would receive state and local funds to cover the additional costs earmarked for a state certified teacher. The costs would be calculated as the base costs of \$3,698 for full-day prekindergarten plus the enhancement costs for providing full-day prekindergarten at a Head Start classroom<sup>33</sup>:

<i>Required quality standard</i>	<i>Accredited child care center operation</i>	<i>Preschool for All operation</i>	<i>Difference</i>
Teacher standard	\$23,000 <sup>34</sup>	\$45,000 <sup>35</sup>	\$22,000
Fringe and benefits at 35%	\$8,050	\$15,750	\$7,700
Teacher benefit	\$1,000	\$2,500	\$1,500
Asst. teacher standard	\$18,000	\$18,000	\$0
Teacher recertification	\$600	\$0 <sup>36</sup>	(\$600)
<b>TOTAL per classroom</b>	<b>\$50,650</b>	<b>\$81,250</b>	<b>\$30,600</b>
<b>TOTAL per child</b>	<b>\$2,533</b>	<b>\$4,063</b>	<b>\$1,530</b>

The enhancement fee for Head Start is \$1,530. **Thus the total cost for operating a full-day *Preschool for All* prekindergarten classroom, including base and enhancement costs at Head Start programs is \$5,228.** In terms of state and local share, applying the 30% local share, the costs per child would be \$1,568 local share and \$3,660 state share.

<sup>33</sup> The rationale for calculating full-day prekindergarten is based on the need for a more intensive program for at-risk children.

<sup>34</sup> Average wages for child care teacher

<sup>35</sup> Average first year salary for preschool teacher in public schools

<sup>36</sup> Teacher receives CPD credits from MSDE

## Cost per Child of Prekindergarten at Family Child Care Networks

The Task Force included in is proposed *Preschool for All* delivery system a network of family child care providers which are licensed with the state. These networks would consist of a group of providers who provide care within close proximity. Each of the providers would have to meet the following standards:

- Hold a current family child care license in good standing;
- Hold national accreditation from the National Association of Family Child Care;
- Have a Child Development Associate (CDA) or an Associate Degree in early childhood education; and
- Be enrolled in the Maryland Child Care Credentialing Program at level 4 Plus.

In addition, providers would have to serve at least three four-year olds and implement a specifically designed curriculum for family child care providers. The network would be operated by a fiscal agent (e.g., not-for-profit organization) and would be accountable for maintaining the standards. It would also staff the network with a qualified early childhood mentor whose responsibility would be overseeing the implementation of the curriculum and to provide screening and referral services.

The cost per child calculation would be the same as the one established for child care centers in terms of half-day and full-day prekindergarten services (see above). Thus, for half-day services, a total of \$2,705 (state and local shares) and for full-day services a total of \$5,308 (state and local shares.)

	<i>Prek at Child Care</i>	<i>Prek at NurserySchool</i>	<i>Prek at Head Start</i>	<i>Prek at Family Child Care</i>
Half-Day	\$2,705	\$2,705	N/A	\$2,705
Full-Day	\$5,308	\$5,308	\$5,228	\$5,308
B/A Care Tuition (HD)	\$6,708 <sup>37</sup> (22% reduction)	\$6,708 (22% reduction)	\$6,708 (22% reduction)	N/A
B/A Care Tuition (FD)	\$4,902 (57% reduction)	\$4,902 (57% reduction)	\$4,902 (57% reduction)	N/A

<sup>37</sup> Based on annual tuition of \$8,600

*c. Preschool for All - Operation of Prekindergarten*

Currently, MSDE provides oversight of the prekindergarten program under Bridge to Excellence. Starting in school year 2007-08, it has established a data management and monitoring plan to assure that eligible four-year olds have access to prekindergarten. The operation of prekindergarten under Bridge to Excellence remains with the local boards of education. MSDE would assume the direct oversight in terms of accountability and operations for the *Preschool for All* program.

*Coordination between Bridge to Excellence (BTE) and Preschool for All*

Since local boards of education are required to comply with the prekindergarten provision of BTE, the additional prekindergarten classrooms through *Preschool for All* serve two purposes:

- Expand access to high quality prekindergarten;
- Provide relief for local boards of education to meet the increasing demand in high quality prekindergarten.

The case for expanding access to high quality prekindergarten has been made by the Task Force on Universal Preschool Education in its report submitted to the Governor in December 2007. Less well known is the tangential benefit of expanding the number of prekindergarten classrooms by meeting the ever increasing demands by families of four- year olds to access the program.

Local school systems have not only provided access for all four-year olds from “economically disadvantaged backgrounds,” but also to those four-year olds from groups with demonstrated school readiness needs, such as English Language Learners or children with special educational needs. The state’s prekindergarten regulations (COMAR 13A.06.02) allow for the enrollment of four-year olds with educational needs if additional spaces are available and the access for the eligible population has been met. In fact, in 2007-08 almost 40% of all enrolled prekindergarteners came into the program with educational needs while 60% of the enrolled four-year olds were eligible under BTE.

As the *Preschool for All* program is being implemented, it is crucial that the approved grant applications not only meet the grant requirements but also meet an established need in each county to address the needs of the population that is not eligible but has demonstrated needs for prekindergarten services. A well-coordinated effort between local school system programs and the non-public *Preschool for All* programs in each jurisdiction in terms of enrollment and program support will enhance the chances of success for both programs, relieve the burgeoning demand, and improve the chances of improved learning opportunities for young children

*MSDE Oversight:*

The oversight of the *Preschool for All* program would be with MSDE. The responsibilities include:

- Budgeting
- Grants management
- Monitoring and accountability

Budgeting: Each fiscal year, MSDE would request and receive a restricted fund allocation for the *Preschool for All* program, i.e., these funds could only be spent on prekindergarten services. A formula, based on the same factors which were applied to the now defunct Extended Elementary Education Program (EEEP), would be used to determine the allocations for each jurisdiction. The EEEP was a restricted fund with a total of \$19,262,300 with dedicated allocations to the 24 local school systems for the purpose of operating prekindergarten. In FY08, in accordance with the Bridge to Excellence in Public Schools Act (BTE), the EEEP funds were incorporated in the Compensation Fund. MSDE would be using the same restricted fund formula and apply it to the *Preschool for All* program, thereby establishing fair and equitable allocations for the 24 jurisdictions.

Depending on the availability of funds, especially during the first years of implementation, the Governor may limit eligibility of access to the *Preschool for All* program primarily to the lower income groups, such as families whose income is at or below 300% above Federal Poverty Guidelines (FPG). In fact, expanding access to families at 300% above FPG will address the needs of low and middle income families for whom access to subsidized programs is not available and regular tuition costs for child care or nursery schools are not affordable. The built-in discount in tuition is meant to reduce the costs for quality early childhood education, i.e., the public funds assure that the half-day or full-day prekindergarten portion are subsidized for low income families.

Grants Management: MSDE would develop a grant application process to be issued to all 24 jurisdictions, soliciting proposals on the operation of prekindergarten programs. Aside from local school systems, accredited child care centers, nursery schools, Head Start, and family child care networks would be eligible. Each applicant would have to complete the application for either half-day or full-day prekindergarten, including a budget which determines the base costs and the enhancement costs based on the applicant's tuition or on the pre-established costs as described above. For instance, an eligible nursery school or child care center's base costs would be pegged to its annual tuition for care of 4-year old preschoolers and to the current operational costs as calculated for child care centers above. The *Preschool for All* operational costs would remain constant. In addition to the budget calculation, the applicants would have to develop a plan to meet the required quality standards, including the recruitment of state certified teachers. Also, applicants must certify to comply with the Federal and state laws governing early education, such as the Federal Individual Disabilities Education Act (IDEA) or Federal civil rights laws. For the purpose of county-wide coordination, all local applications would be reviewed and approved by a local review panel. Such a review ensures that the proposals meet the particular needs of the county and have identified the local resources to match the state contribution. The panel could be a local early childhood interagency council, the local board of education, or the county council. The panel would not be responsible for oversight or accountability of the *Preschool for All* initiative within that county. However, it could reserve the option to function in an advisory capacity to the respective applicants. The total number of applicants per county would be determined by the pre-established fund allocation. For instance, if a county's allocation is \$500,000, the panel would select the best applicants from a pool and submit those applications to meet the fund allocations. Each jurisdiction has the option to waive its applications for part or all of the *Preschool for All* fund allocation. In such cases, MSDE will redistribute the unspent *Preschool for All* funds to the other jurisdictions.

Monitoring and accountability: MSDE would be responsible for providing ongoing monitoring of the *Preschool for All* program. In addition, to the existing monitoring of the prekindergarten requirement under BTE, MSDE would review, approve, and monitor the implementation of the *Preschool for All* grants. The monitoring would require compliance with prekindergarten regulations and the *Preschool for All* quality benchmarks. MSDE would also conduct a longitudinal study on the social, linguistic, and cognitive outcomes of children exiting the *Preschool for All* program.

Preschool Services Grants – Pilot Project for Preschool for All

MSDE's Division of Early Childhood Education identified funding to sponsor ten (10) Preschool Services Grants which were designed to test the implementation and results of prekindergarten programs in accredited nursery schools, child care centers, or Head Start programs. A report on the first year implementation of six pilot projects is available on the Division's website at [www.marylandpublicschools.org](http://www.marylandpublicschools.org).

***Preschool for All***

**Frequently Asked Questions**

**What is prekindergarten?**

In Maryland, prekindergarten is defined as an early education program for four-year old children that is sponsored by the local boards of education. The prekindergarten classrooms are typically located in an elementary school and operate for 2.5 hours (half-day) or 6.5 hours (full-day) and for the duration of the school year.

**How is prekindergarten being operated?**

Prekindergarten requires a state certified teacher in early childhood education and an assistant who holds, at a minimum, a high school degree. It must implement the local school system curriculum for prekindergarten. Class size must be, on average, 20 children per class, with a ratio of 1 adult to 10 children.

**Who is eligible for prekindergarten?**

All four-year olds whose fourth birthday is on or before Sept. 1 of the year of enrollment and who come from an “economically disadvantaged background.”

**How is “economically disadvantaged background” being defined?**

Any child whose family income is at or below 185 percent of Federal Poverty Guidelines. This means that a family of four is eligible if their annual income is at or below \$40,793.

**Are local school systems enrolling children who are not eligible?**

Yes, local school systems may enroll children whose families’ incomes are above the threshold if additional prekindergarten spaces are available. In many cases, local school systems enroll children who have specific educational needs.

**What is the statutory authority for prekindergarten?**

The Bridge to Excellence in Public Schools Act (2002) required all local school systems to provide prekindergarten to all four-year old children from “economically disadvantaged backgrounds” by school year 2007-08. The provision of the statute is considered a mandate to provide access to prekindergarten. It is not a mandate that all four-year olds from “economically disadvantaged backgrounds” must attend prekindergarten. In addition, prekindergarten standards have been promulgated by COMAR 13A.06.02. which define teacher and program standards.

**What is *Preschool for All*?**

*Preschool for All* is a statewide initiative to expand access to prekindergarten to all four-year olds in Maryland.



**Does *Preschool for All* have a statutory authority?**

No. However, the General Assembly and the Governor adopted HB 1466 to establish a Task Force on Universal Preschool which was charged to submit a report and recommendations to the Governor. The report proposes expanding access to prekindergarten to all four-year olds by 2014 in diverse learning settings (e.g. child care, nursery school, Head Start) and maintaining the same standards promulgated by the existing prekindergarten regulations (COMAR 13A.06.02). *Preschool for All* has been adopted as the signature name for the expansion of prekindergarten to all four-year-olds.

**How does *Preschool for All* relate to the Bridge to Excellence mandate for prekindergarten?**

The Bridge to Excellence mandate assures access to prekindergarten for all eligible four-year olds. *Preschool for All* expands access to prekindergarten for four-year olds who are not eligible under the Bridge to Excellence mandate. The Task Force on Universal Preschool Education charged MSDE to develop a business plan which outlines such an expansion.

**Who will be eligible under *Preschool for All*?**

All four-year olds whose fourth birthday is on or before September 1 will, eventually, be eligible. However, the state may decide to phase in the eligibility for four-year olds. As a first step, the *Preschool for All* business plan calls for gradually increasing the eligibility to 300 % of the Federal Poverty Guidelines or \$66,150 for a family of four.

**What are the estimated costs for *Preschool for All*?[check]**

The estimated costs per child, including base and enhancement costs, for half-day prekindergarten are \$2,705 and \$5,308 for a full-day prekindergarten block. The total additional costs for prekindergarten for families at or below 300% of the Federal Poverty Guidelines are \$19 million. The additional total estimated costs for providing prekindergarten to all (i.e., 60,000 four-year olds) would be \$121 million.

**Does eligibility mean that prekindergarten is free of charge?**

Yes. Currently, four-year olds, eligible under the Bridge to Excellence mandate, have access to free half-day or full-day prekindergarten (local school system discretion). *Preschool for All*, as proposed, would extend the access free of charge for any four-year old whose family household income is at or below 300% Federal Poverty Guidelines. However, MSDE's business proposal does not extend the mandatory eligibility.

**What is difference in terms of funding between Bridge to Excellence and *Preschool for All*?**

Under Bridge to Excellence, local school systems allocate funding to provide access to all eligible four-year olds. The increased funding for state mandated programs allows for the implementation of the mandate. *Preschool for All*, as proposed by MSDE, would establish a restricted state fund with formula-based allocations for each jurisdiction. The formula would incorporate the same variables, which were used to establish the allocations for the now-defunct Extended Elementary Education Program (EEEP) funds.

**How is *Preschool for All* defined in terms of quality standards?**

All *Preschool for All* programs, regardless of the setting, must meet the state's prekindergarten regulations.

**What institutions would be eligible to receive *Preschool for All* funds?**

Local school systems and any non-public program which has either obtained national or state accreditation would be eligible to apply for *Preschool for All* grants. The state's prekindergarten regulations use the term "qualified vendor."

Currently, MSDE has established an early childhood accreditation project, which recognizes a number of national accrediting institutions. Any eligible applicant must include in its plan provisions of how it intends to meet the *Preschool for All* standards and the state's prekindergarten regulations.

**How will *Preschool for All* be funded?**

The funding stream for *Preschool for All* will be different from the Bridge to Excellence state mandated programs. MSDE proposes that the state establishes a restricted fund program, and – based on a formula – determine allocations for each of the state's 24 jurisdictions. The fund will be administered by MSDE, similar to the now defunct EEEP fund, and its budget will be subject to the annual budget process. In addition, each jurisdiction will have to provide local matching funds for each of the jurisdiction's applications. MSDE proposes 30% local share for both the base and the enhancement costs although local leaders suggested a lower match or wealth equalization. The *Preschool for All* funds will consist of base costs (to cover the basic costs for half-day and full-day sessions) and enhancement costs (to cover the costs for meeting state regulations and *Preschool for All* quality standards).

**How will "qualified vendors" under *Preschool for All* receive grant awards?**

As part of the application process, each eligible applicant ("qualified vendor") will have to demonstrate maintenance of effort for the classroom of four-year olds in terms of salary and benefit costs for a classroom teacher and an aide, curriculum and materials of instruction, and any other costs associated with the *Preschool for All* quality standards. In addition, the applicant must peg its current annual tuition rate to the *Preschool for All* base costs. And finally, the award includes the enhancement costs necessary to bring the eligible applicant up to *Preschool for All* quality standards and to meet prekindergarten regulations. The MSDE business plan includes detailed cost descriptions for local school systems, child care centers, nursery schools, and Head Start. In addition, it includes cost per pupil allocations for eligible family child care applicants who have received awards.

**How will *Preschool for All* applications be reviewed?**

Each applicant must be able to meet the local matching funds, presumably provided by the county councils. Therefore, MSDE proposes that a local review panel, to be established at the discretion of each jurisdiction, would be charged with reviewing all local applications submitted by eligible applicants and determine which of the proposals are to be submitted to MSDE for funding. If any jurisdiction does not submit a sufficient number of applicants in the amount of the total allocation, MSDE will distribute the remaining funds to other jurisdictions within the same fiscal year. After MSDE receives all applications submitted by each jurisdiction, an

extensive review process will validate the proposed plan and its budget in terms of meeting the *Preschool for All* quality standards and the budgetary requirements. (In fact, MSDE will develop a software program which will calculate each applicant's base and enhancement costs based on the applicants' annual tuition rates and maintenance of effort in terms of personnel and material costs.)

**Will successful *Preschool for All* applicants receive continuation grants?**

The *Preschool for All* grants are for each fiscal year and may be continued upon an updated plan approved by the local review panel and MSDE. Continuation of funds is subject to a satisfactory grant performance evaluation conducted by MSDE.

**How will the supporting infrastructure for *Preschool for All* be funded?**

The Task Force made recommendations with respect to increasing the pool of state certified teachers and qualified assistants, improving the underlying career ladder system, identifying Child Care Credentialing, and addressing the compensation of *Preschool for All* teachers. MSDE has put in place a number of workforce initiatives, using existing state and Federal funds, which would boost the qualifications of early care and education workers. The compensation of state certified teachers in *Preschool for All* prekindergarten would be covered by the program's enhancement costs. In fact, MSDE's software will calculate the range of salaries for public school teachers within their first 5 years of seniority, indexed for inflation for each year, as the basis for the *Preschool for All* teacher salary at non-public programs. The software will also calculate the benefits which must include, at a minimum, health insurance and retirement plans (e.g., 401(k) plans). As the program grows, MSDE will have to submit additional budget requests to improve the pool of certified teachers.

**Why is *Preschool for All* not being proposed as an extension of Bridge to Excellence?**

There are two major reasons why *Preschool for All* is being proposed as a separate grant program from Bridge to Excellence. Firstly, as indicated by findings from the Task Force, most local school systems appear to be overextended with the Bridge to Excellence requirements for full-day kindergarten and prekindergarten in terms of capital capacity. Secondly, many families are in need of all-day, year-round early care and education. Most of the families, especially those with household incomes at or below 300% of the Federal Poverty Guidelines, are severely limited in choice of quality programs due to the cost of tuition. A publicly subsidized prekindergarten block will reduce the tuition costs by 22% (for half-day) and 57% (for full-day), respectively. Such a combined program of prekindergarten and care in the same location will provide a more beneficial program for young four-year olds. Thus, an expansion of prekindergarten classrooms, shared between local school systems and non-public school program, would enhance the choice for parents while maintaining the same level of quality.

**History of Prekindergarten in Maryland**

- April 1980* Maryland State Board of Education adopts resolution to establish the Extended Elementary Education Program (EEEP) to promote the social, linguistic, and cognitive skills of four-year olds.
- July 2001* The FY02 funding for EEEP stands at \$19,262,300 and has an enrollment of 20,314 prekindergarteners.
- May 2002* Governor Glendenning signs the Bridge to Excellence in Public Schools Act which includes a provision for local school systems to provide prekindergarten to all four-year olds from “economically disadvantaged backgrounds” by school year 2007-08.
- April 2004* The Maryland State Board of Education adopts the revised prekindergarten regulations (COMAR 13A.06.02).
- May 2006* Governor Ehrlich signs HB 1466 to establish a Task Force on Universal Preschool Education.
- July, 2007* Starting FY08, the EEEP fund program becomes defunct and part of the non-restricted Compensation Fund.
- September 2007* The program has an enrollment of 27,200 prekindergarteners.
- December, 2007* The Task Force submits its report to the Governor.
- September 2008* The Maryland State Board of Education reviews the proposed business plan to implement *Preschool for All* based on the recommendations of the Task Force.
- May 2009* The Governor signs Chapter 527 (HB 184) which requires MSDE to include specific information into the draft version of the *Preschool for All* business plan and submit the completed report to the Governor by December 1, 2009.