

The ROI analysis provided in this report demonstrates that the greatest return for prekindergarten spending comes when low-income children participate in high-quality programs. Any phase in of universal prekindergarten in Maryland needs to balance the financial cost of providing universal access with the needs to serve children from low-income families and to offer high-quality programs. The study team believes the three steps outlined above achieves this balance by expanding access to the lowest income four-year-olds first, then ensuring that all four-year-olds who want prekindergarten are able to access it, and then finally ensuring that all programs are operating at the highest level of quality.

### Funding Universal Prekindergarten

As shown in Section V, the total estimated cost to serve 60, 70, or 80 percent of Maryland four-year-olds in high-quality prekindergarten is between \$506 and \$675 million (see Table 30, above). These figures represent the total estimated cost, but in order to understand the additional financial obligations that Maryland could face as a result of prekindergarten expansion, it is important to first consider the current federal-, state-, and district-level prekindergarten funding. Table 41, shows these existing commitments.

**TABLE 41: CURRENT FEDERAL, STATE, AND LOCAL PREKINDERGARTEN FUNDING**

Funding Category	Amount
Head Start - Federal	\$72,916,062
Head Start - State	\$1,800,000
Child Care Subsidy – Federal	\$17,796,146
Child Care Subsidy – State	\$14,917,584
Prekindergarten Expansion Grant – State	\$4,300,000
Preschool Expansion Act – Federal	\$15,000,000
PreK Bridge to Excellence Estimate – State	\$108,529,344
<b>Total</b>	<b>\$235,259,136</b>

Source: APA calculations based on MSDE data.

The \$235 million of existing funding shown in Table 41 can be applied to the totals identified in Table 30 to determine the actual additional funding needed under each of the three participation scenarios (60, 70, and 80 percent). Table 42, below, shows the amount of additional funding required under each scenario for the state as a whole, and for individual counties. The county estimates are based on the current distribution of prekindergarten slots between public and private providers, with the associated cost per child estimates from the cost of quality study, described in Section V. As shown in the table, the revised additional costs now range from \$271 to \$440 million.