

Working Group 1

Early Childhood Education Preliminary Cost Estimates

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Element 1a: Expand full-day prekindergarten (pre-K) at no cost for four-year-olds and three-year-olds from families with incomes up to 300% of the federal poverty level (FPL) (approximately \$75,000 for a family of four), and for four-year-olds from families with incomes between 300% and 600% FPL (approximately \$75,000 to \$150,000 for a family of four) using a sliding scale.

Baseline: Local education agencies must provide all four-year-olds who seek to enroll in a public pre-K program and who are eligible for free or reduced priced meals (185% FPL) with access to a half-day pre-K program.

Based on a survey of local education agencies, reported pre-K spending in fiscal 2018 totaled to \$143,643,388.

Assumptions:

Four-year-olds:

- The cost of quality figures developed by APA include: staff qualifications, salaries, and benefits; 1 to 10 student teacher ratios with staffing levels of one pre-K teacher and one aide or assistant teacher per pre-K classroom; and time for staff meetings, planning time, child assessment, parent engagement, transition activities. *See APA Report, pg. 99.*
- **Capacity:** As of 9/30/2017, there are 14,899 four-year-olds enrolled in public school half-day slots and 11,633 four-year-olds enrolled in public school full-day slots. It is assumed that all of the half-day slots will be converted into full-day slots by year 4, when the full-day pre-K requirement takes effect.

There are 11,722 slots available in community-based settings for four-year-olds. For the purposes of costing out, it is assumed that all of these slots will be available for the publicly funded pre-K program. However, it is likely that not all community-based providers will participate in the new publicly funded full-day pre-K program, and therefore only a portion of the community-based slots will be available for the public program.

- **Participation for Four-Year-Olds:** The starting target for the voluntary enrollment of four-year-olds at or below 300% FPL in publicly funded full-day pre-K is 70%. However, staff assumed that the participation rate would be lower during the four-year conversion period of existing half day to full day slots. The target participation rate increases to 75% in years 6 and 7, and 80% in years 8 and beyond.
- **EXCELS:** Community providers must publish at least at a level 3 ranking on EXCELS with a plan approved by MSDE to achieve level 5 within five years.

Public school pre-K programs must publish in EXCELS at least at a level 4 with a plan approved by MSDE to achieve level 5 within five years. Beginning in year 5, all programs must publish at level 5 to participate in the publicly funded full-day pre-K program.

It is assumed that one quarter of the EXCELS levels 1 and 2 slots move to level 5 per year beginning in year 7 so that by year 10, all level 1 and 2 slots will be at a level 5. It is assumed that all slots in year 1 that are accredited but not participating in EXCELS enter EXCELS and progress to level 5 by year 10.

- **Half-day to Full-day Conversion:** It is assumed that local education agencies will convert one quarter of the public school half-day slots per year to full-day slots served in either public school-based or community-based settings, so that in year 4, all slots will be full-day.
- **Funding Level:** It is assumed that if four-year-olds are included in an enrollment-based formula, the per pupil funding level would start at a level 3 cost of quality amount (\$8,343) and phase-up to the level 5 cost of quality amount (\$12,222) by year 5. Therefore, the cost of quality amounts are \$8,343 in year 1, \$9,312 in year 2, \$10,282 in year 3, \$11,252 in year 4, and \$12,222 in year 5 and beyond.
- **Minimum Percent in Community-based Settings:** Beginning in year 1, there will be a requirement that a minimum percentage of pre-K slots (for four-year-olds or three-year-olds) be provided in community-based settings. This requirement will be phased-in over the 10 year period, starting at 30% to reflect the current balance between public school-based and community-based providers. The minimum percentage will increase in 5% per year increments in years 1 through 4, and remain constant at 50% beginning in year 5.
- **Sliding Scale:** Beginning in year 5, public funding will be provided to assist with the cost of pre-K for families with incomes between 300-600% FPL/\$75,000 and \$150,000 for a family of four. Even with this public support, families will still be expected to pay a portion of the cost to attend a pre-K program so that as a family's income increases, the amount of public support decreases (sliding scale). There will be 15 steps, with a 6-7% percentage point different between each step. Families with incomes above 600% FPL/\$150,000 for a family of four will pay the full cost for four-year-old pre-K. These slots will be funded at a level 5 cost of quality amount beginning in year 5. Staff assumed that the participation rate begins at 70% in years 5 and 6, increases to 75% in years 7 and 8, and increases to 80% in years 9 and beyond.

Sample Sliding Scale		
FPL	Family Pays	State/Local Pays
301-320%	\$ 764	\$ 11,458
321-340%	1,528	10,694
341-360%	2,292	9,930
361-380%	3,056	9,167
381-400%	3,819	8,403
401-420%	4,583	7,639
421-440%	5,347	6,875
441-460%	6,111	6,111
461-480%	6,875	5,347
481-500%	7,639	4,583
501-520%	8,403	3,819
521-540%	9,167	3,056
541-560%	9,930	2,292
561-580%	10,694	1,528
581-599%	11,458	764

Three-year-olds:

- Capacity:** As of 9/30/17, there are currently 3,574 three-year-olds participating in public school-based pre-K. It is assumed that a slot for a four-year-old can also serve a three-year-old.
- Participation rate:** It is assumed that the participation rate for the voluntary enrollment of three-year-olds in publicly funded full-day pre-K will be 80% throughout years 1 through 10.
- Phase-in:** Publicly funded full-day pre-K for three-year-olds from low-income families (up to 300% FPL/\$75,000 for a family of four) will be phased-in over the 10 year period by a minimum of 10% per year. Therefore, by year 10, all three-year-olds from low-income families will be offered full-day pre-K (and 80% will choose to participate).
- Funding level:** It is assumed that the cost of quality for a four-year-old is the same as the cost of quality for a three-year-old. It is assumed that if three-year-olds are included in an enrollment-based formula, the per pupil funding level would start at a level 3 cost of quality amount and reach the level 5 cost of quality amount by year 5. Therefore, the cost of quality amounts are \$8,343 in year 1, \$9,312 in year 2, \$10,282 in year 3, \$11,252 in year 4, and \$12,222 in year 5 and beyond.

Cost: See separate exhibits

Element 1b: Capacity building for new and current programs (tuition assistance for prospective staff; training; support of peer networks; integration with career ladder)

Baseline: According to 2017 MSDE Career and Technical Education (CTE) data, the CTE program with the highest percentage of enrollment was the Early Childhood Education/Child Care Services Program. Almost 12% of students enrolled (12,199) in a CTE program were enrolled in the Early Childhood Education/Child Care Services Program. The program follows the high school Child Development Associate (CDA) Program of the National Credentialing Program. Students complete 120 clock hours of child development education and 480 hours of experience working directly with children in licensed facilities.

Another 2% (2,140) were enrolled in the Teacher Academy of Maryland CTE Program. The program focuses on human growth and development through adolescence, teaching as a profession, curriculum and instruction, and an education academy internship. Upon completion of the program and passing the ParaPro test or PRAXIS Core, high school graduates are ready for employment in the teaching profession.

MSDE currently administers the following programs to encourage child care and pre-K providers to improve the quality of care for participating children by pursuing accreditation, licensing, and other technical assistance opportunities. Except for tuition assistance programs, a program grant award or amount can vary based on the type of setting or the number of children served by the provider.

Child Care Accreditation Support Fund: MSDE offers financial assistance from the Child Care Accreditation Support Fund to child care centers for fees and instructional materials to pursue Maryland Program Accreditation or national accreditation. There were 133 grantees in fiscal 2018 and the fiscal 2019 budget included \$600,000 in general funds for this program.

Child Care Quality Incentive Grants: This program provides funds to child care professionals for approved materials, equipment, and supplies that will improve the quality of care. There were 200 grantees in fiscal 2018 and the fiscal 2019 budget included \$55,000 for grant awards.

Maryland Child Care Credential Program Bonuses, Training Reimbursements, and Vouchers: MSDE provides incentives including achievement bonuses and training reimbursements and vouchers for child care providers in the Maryland Child Care Credential Program if they meet at least level two of staff or administrator credential levels when they entered the program. In fiscal 2018, 9,335 professionals participated in the

credential program and in fiscal 2019 \$3.6 million in bonuses, \$120,000 in reimbursements, and \$175,000 in vouchers were allocated.

Child Care Career and Professional Development Fund (CCCPDF): Participants at or above level two in the Maryland Child Care Credential Program are also eligible for tuition assistance from the CCCPDF. Awards can be used for tuition, fees, or textbooks for an associate's or bachelor's degree program in early childhood education or related fields at participating in-State colleges. Students participating must have at least one year of experience working with groups of children and must work a minimum of 10 hours per week in an approved child care facility to continue receiving the award. There were 541 participants in fiscal 2018 and the fiscal 2019 budget included \$2 million in assistance.

Maryland EXCELS Program Bonuses: The Maryland EXCELS Program awards bonuses to participating programs based on the published quality rating and licensed capacity of the facility. There were 4,500 participating programs in fiscal 2018 and the fiscal 2019 budget included \$3 million for bonuses to encourage providers to reach higher quality ratings.

Assumptions: For existing accreditation, credentialing, and other quality improvement programs in the State, it is assumed that there will be a 10% increase in funding per year over 10 years. The fiscal 2020 baseline year is based on fiscal 2019 funding levels for these programs. The increase in funding over will allow for increased coaching and technical assistance through EXCELS, Child Care Resource Centers, and existing MSDE programs. The State will prioritize supporting providers in high-need communities in meeting EXCELS level 5.

New tuition assistance programs will be provided for prospective and current child care professionals pursuing a Child Development Associate (CDA) certificate, associate's degree, or bachelor's degree. The average cost of each certificate or degree program is \$2,200, \$6,000, and \$30,000, respectively. Each scholarship would be evenly divided and awarded over two years for an associate's degree program and four years for a bachelor's degree program. The scholarships for CDA certificates would be awarded for one year. It is assumed that these programs would be administered and funded separately from the existing CCCPDF program, which provides assistance for individuals who are currently working in approved child care facilities.

For each tuition assistance program, 100 candidates are assumed to receive a scholarship annually, so the two-year associate's degree program will serve 200 candidates beginning in year 2 and the four-year bachelor's degree program will serve 400 candidates beginning in year 4.

Public pre-K teachers will be part of the Maryland K-12 teacher career ladder and therefore will not be eligible for expanded credentialing and EXCELS incentives. For community-based settings, these programs are intended for providers to achieve EXCELS level 5 at a pace that matches pre-K expansion as outlined in Element 1a.

Cost:

Existing Accreditation, Credentialing, and Technical Assistance Incentives

Year 0 (FY 2020)	Year 1 (FY 2021)	Year 5 (FY 2025)	Year 10 (FY 2030)
\$7,550,000	\$8,305,000	\$12,159,351	\$19,582,756

New Tuition Assistance Programs and CCCPDF

Year 0 (FY 2020)	Year 1 (FY 2021)	Year 5 (FY 2025)	Year 10 (FY 2030)
\$2,000,000	\$3,470,000	\$7,041,020	\$9,007,485

Element 1c: Implementation of a school readiness assessment for all students entering kindergarten

Baseline: In the 2017-2018 school year, 12 of the 24 jurisdictions administered the Kindergarten Readiness Assessment (KRA) as a census. For the 2018-2019 school year, 14 of the 24 jurisdictions indicated that the jurisdiction would administer the KRA as a census.

Assumptions: The KRA or any successor assessment will be given to all kindergarteners as a census, beginning in the 2020-2021 school year. Since there is an observational component of the assessment that prevents the full assessment from being administered before the student enters kindergarten, local education agencies will have flexibility to administer a portion of the assessment before students enter kindergarten and during the first two months of the school year.

The State will extend the administration window from October 10 to October 30 to reduce the operational impact of conducting the assessment as a census.

A survey of kindergarten teachers who administered Version 2.0 of the KRA will be conducted after it is fully implemented in fall 2018 to get feedback on the usefulness and usability of the new version of the KRA.

Cost: It is assumed that MSDE can conduct the survey using existing resources. MSDE one-time and ongoing administrative costs increase (TBD).

Element 1d: Expand Judy Centers, Family Support Centers, and the Maryland Infants and Toddlers Program to provide and coordinate access to education and support services for at-risk children ages 0-5 and their families

Baseline: There are currently 54 Judy Centers, with one or more located in each jurisdiction and 323 Title 1 elementary schools.

There are currently 25 Family Support Centers. There are currently 9 counties (Calvert, Charles, Garrett, Harford, Howard, St. Mary’s, Somerset, Wicomico, and Worcester) where there are no Family Support Centers.

The Maryland Infants and Toddlers Program currently serves 18,251 children annually. State funding levels have remained constant at \$10,389,104 since 2009.

Assumptions: The State will expand the number of Judy Centers over 10 years to match the number of Title 1 elementary schools. Priority in opening new centers will be focused on the serving the neediest communities. MSDE must consider geographic diversity and coordinate placement to serve several closely located Title 1 schools in a high needs area or region. The State will increase the number of centers so that 45 centers open in the first 5 years (9 per year), and 90 centers open in the next 5 years (18 per year). By year 10, there will be 135 new Judy Centers, reducing the gap by half.

The State will expand the number of Family Support Centers over 10 years with the goal of ensuring that every underserved neighborhood has a Family Support Center or similar set of programs and services. The State’s goal should be to open 3 new centers a year so that by year 10, there will be 30 new Family Support Centers.

The Maryland Infants and Toddlers Program uses a statutory formula based on the number of children who receive services.

Cost: The annual State grant is \$330,000 per Judy Center. The State contribution towards a Family Support Center is \$330,000 per center. For the Maryland Infants and Toddlers Program, the annual per child cost for fiscal 2020 is \$6,210 multiplied by 20%, per the statutory formula. It is assumed that the number of children being served by the Maryland Infants and Toddlers Program (18,251) remains constant. MSDE one-time and ongoing administrative costs increase (TBD).

Judy Centers

Year 0 (FY 2020)	Year 1 (FY 2021)	Year 5 (FY 2025)	Year 10 (FY 2030)
\$17,820,000	\$20,790,000	\$32,670,000	\$62,370,000

Family Support Centers

Year 0 (FY 2020)	Year 1 (FY 2021)	Year 5 (FY 2025)	Year 10 (FY 2030)
\$8,250,000	\$10,230,000	\$13,200,000	\$18,150,000

Maryland Infants and Toddlers Program

Year 0 (FY 2020)	Year 1 (FY 2021)	Year 5 (FY 2025)	Year 10 (FY 2030)
\$10,389,104	\$11,616,968	\$16,528,423	\$22,667,742