

SCOPING EVALUATION

EVALUATION OF THE
MARYLAND EXCELS PROGRAM
OCTOBER 2022



OFFICE OF PROGRAM EVALUATION AND GOVERNMENT ACCOUNTABILITY
DEPARTMENT OF LEGISLATIVE SERVICES
MARYLAND GENERAL ASSEMBLY

Scoping Evaluation of the Maryland EXCELS Program

**Department of Legislative Services
Office of Program Evaluation and Government Accountability
Annapolis, Maryland**

October 2022

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DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF PROGRAM EVALUATION AND
GOVERNMENT ACCOUNTABILITY
MARYLAND GENERAL ASSEMBLY

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October 3, 2022

Senator Clarence K. Lam, M.D., Senate Chair, Joint Audit and Evaluation Committee
Delegate Mark S. Chang, House Chair, Joint Audit and Evaluation Committee
Members of the Joint Audit and Evaluation Committee

Dear Senator Lam, Delegate Chang, and Members:

At the request of the Joint Audit and Evaluation Committee, the Office of Program Evaluation and Government Accountability has conducted a scoping evaluation of the Maryland EXCELS program, which is a child care quality rating system administered by the Maryland State Department of Education's (MSDE) Division of Early Childhood. This evaluation was performed consistent with § 2-1234 of the State Government Article.

Chapter 10 includes seven recommendations for improving the efficiency and effectiveness of Maryland EXCELS. MSDE's response is included as Appendix A.

We wish to express our appreciation for the cooperation and assistance provided by MSDE.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "M. Powell", written over a horizontal line.

Michael Powell
Director

MP/mpd

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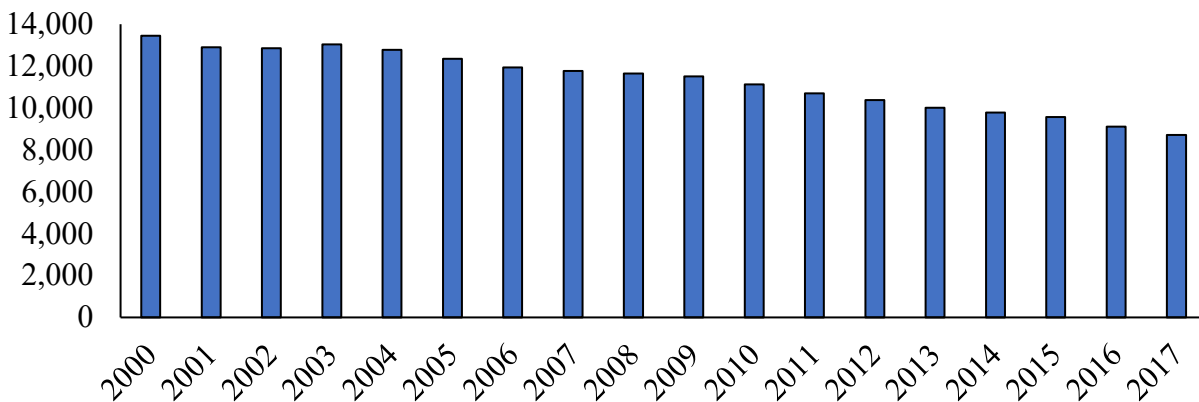
Scoping Evaluation of the Maryland EXCELS Program

Executive Summary

Maryland EXCELS is a voluntary Quality Rating and Improvement System designed to incentivize early childhood care and education (ECCE) providers to improve the quality of their programs.

The total number of licensed ECCE providers in Maryland declined between 2000 and 2017. Additionally, the number of available child care slots declined in 17 of Maryland's jurisdictions. This decline was largely driven by the closure of family child care providers across the State.

**Total Licensed ECCE Providers in Maryland
Fiscal 2000-2017**



The number and percentage of ECCE providers participating in Maryland EXCELS has generally increased since the program launched.

**Participation in the Maryland EXCELS Program
2014-2022**

<u>Date</u>	<u>Number of Providers Participating</u>	<u>% of Licensed Private Providers Participating</u>
July 2014	2,333	24%
July 2015	2,371	25%
July 2016	4,534	50%
July 2017	4,457	51%
July 2018	4,505	52%
July 2019	4,576	55%
July 2020	4,859	60%
July 2021	4,830	63%
May 2022	4,864	65%

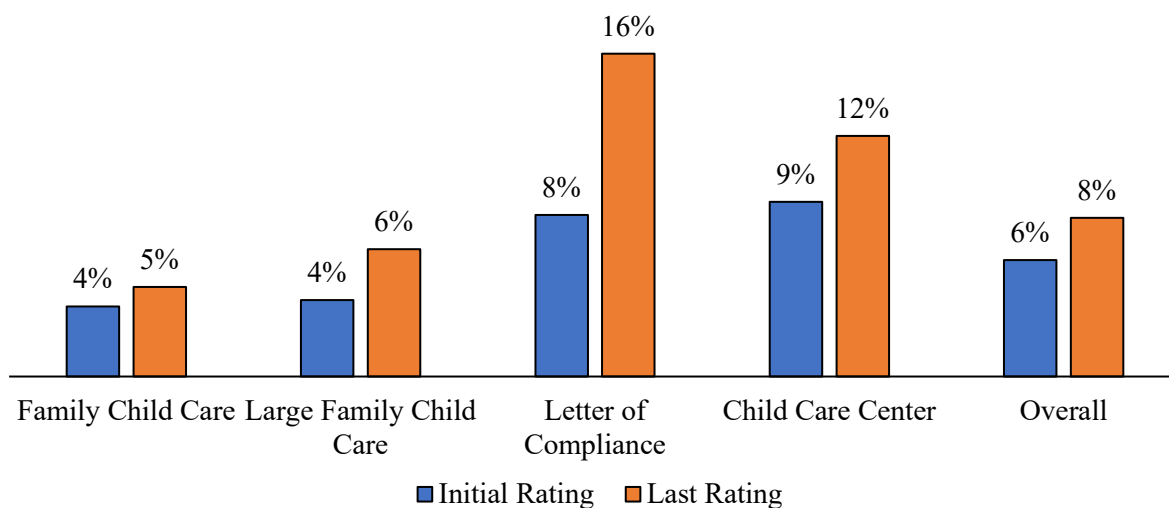
Most providers registered in the Maryland EXCELS system have not improved their quality rating level.

Movement in Maryland EXCELS Quality Ratings for Individual Providers

		Last Quality Rating					Total
		1	2	3	4	5	
Initial Quality Rating	1	88.0%	4.9%	6.6%	0.3%	0.3%	100%
	2	3.0%	65.5%	25.9%	2.8%	2.8%	100%
	3	1.8%	0.2%	84.5%	5.4%	8.1%	100%
	4	1.4%	0.0%	4.2%	48.6%	45.8%	100%
	5	1.1%	0.3%	1.1%	0.9%	96.6%	100%

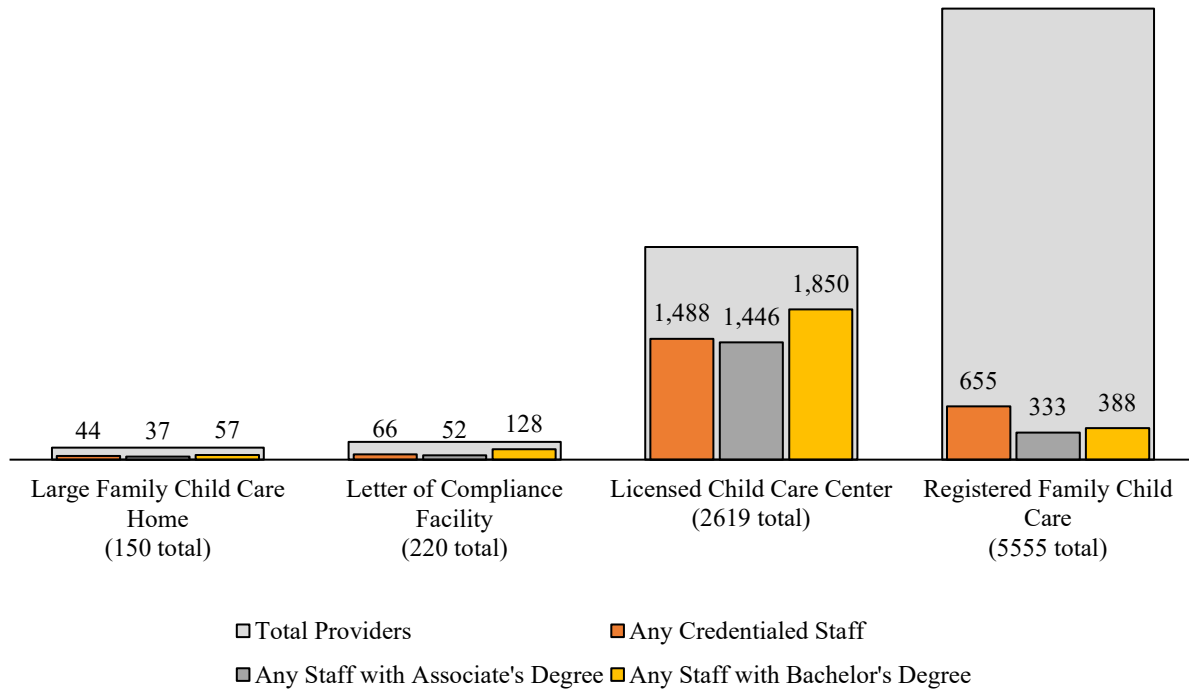
Family child care providers have generally not improved their quality ratings during their participation in Maryland EXCELS as much as other types of providers. Participation in Maryland EXCELS is challenging for family child care providers due to time constraints, resource limitations, and the overall feasibility of the Maryland EXCELS standards for family child care providers.

Percent of Each Provider Type with Quality Ratings 4 or 5



Maryland's private ECCE providers who do not participate in the State's prekindergarten program, especially family child care providers, are concerned about how the Blueprint for Maryland's Future implementation will impact their businesses. Requirements, such as minimum Maryland EXCELS quality ratings and staff qualifications, limit access to State prekindergarten funding.

Presence of Staff Qualifications by Provider Type Fiscal 2020



Select OPEGA Recommendations

1. The General Assembly should consider requesting a report on the adequacy and sustainability of the current Division of Early Childhood personnel structure to implement the expanded programming outlined in the Blueprint for Maryland's Future.
2. There should be a family child care pathway within Maryland Accreditation.
3. The General Assembly should consider requesting a unified annual report from the Maryland State Department of Education (MSDE) detailing the status of public prekindergarten expansion under the Blueprint for Maryland's Future.
4. MSDE should include an overview of statutory and regulatory barriers that limit the success of the Growing Family Child Care Opportunities Pilot Program in their annual report to the General Assembly.
5. The Maryland EXCELS Branch should provide an update to the General Assembly on the redesign of the Maryland EXCELS standards and rating scales.

6. MSDE should ensure that the Early Childhood Data System Modernization project addresses gaps in the existing early childhood data that limit effective planning, oversight, and evaluation of the State's ECCE programs.

An independent evaluation of the Maryland EXCELS program should be conducted by fiscal 2030 to assess the impact of the program on ECCE provider quality and long-term child development outcomes.

Chapter 1. Introduction and Overview

Maryland EXCELS is a statewide Quality Rating and Improvement System (QRIS) managed by the Office of Child Care within the Maryland State Department of Education's (MSDE) Division of Early Childhood. A QRIS is a program that awards ratings to participating early childhood care and education (ECCE) providers that meet standards of quality.

Participation in Maryland EXCELS is voluntary for all ECCE providers registered with MSDE, including family child care providers, licensed child care centers, and public prekindergarten programs. However, participation in Maryland EXCELS is required for providers participating in the Child Care Scholarship Program. Participation in Maryland EXCELS is also mandatory for all public and private prekindergarten providers beginning in fiscal 2023 per Chapter 36 of 2021 (The Blueprint for Maryland's Future).

ECCE providers participating in Maryland EXCELS earn quality ratings on a scale of 1 through 5. Maryland EXCELS awards a rating of "1" to providers that meet modest quality standards beyond the State's minimum licensing standards. A rating of "5" goes to providers that have met the highest standards for quality. These quality ratings are made available to families on the Maryland EXCELS website to help them make informed choices about the care and education of their children.

The Maryland EXCELS program has three goals:

- to recognize ECCE and school-age programs that provide quality services;
- to encourage providers to increase the quality of their programs and;
- to provide families with information about quality care and education.

Recognizing that Maryland EXCELS will play an expanded role in the State's education landscape under the Blueprint for Maryland's Future, the legislature expressed interest in understanding whether the program has successfully improved the quality of ECCE in Maryland. As a result, the Executive Director of the Department of Legislative Services directed the Office of Program Evaluation and Government Accountability (OPEGA) to conduct a scoping evaluation of the program (see **Appendix D**).

Purposes and Scope of the Scoping Evaluation

The purposes of this scoping evaluation are to (1) assess the Maryland EXCELS program's success in achieving its goals; (2) identify factors that impede the program's success; (3) make recommendations to enhance the program's effectiveness and efficiency; and (4) determine the feasibility of conducting a full evaluation of Maryland EXCELS.

The following research questions guided the collection and analysis of data for this evaluation:

- How is the Maryland EXCELS program expected to impact the quality of ECCE in the State?
- To what extent does the Maryland EXCELS program improve outcomes for children, ECCE providers, and families across Maryland?
- What is the feasibility of evaluating the impact of the Maryland EXCELS program on early childhood program quality and student learning outcomes?

Methodology

To fully respond to the research questions stated above, this report includes an analysis of the following topics:

- The ECCE context in the United States and Maryland, including federal and State laws and regulations governing early childhood programs and funding.
- Academic literature on QRIS and previous evaluations conducted by other states implementing similar programs.
- The history, design, and operation of the Maryland EXCELS program.
- Existing evidence of Maryland EXCELS program outcomes.
- Early childhood data collection and management in Maryland.

This evaluation was completed between January and August 2022.

Data Collection

This evaluation relies on a combination of quantitative and qualitative data collection and analysis.

Qualitative Data

The evaluation team conducted structured and unstructured interviews with key personnel involved in the oversight and implementation of the Maryland EXCELS program. These individuals included officials and staff from:

- the MSDE Division of Early Childhood, including officials and staff located within MSDE Headquarters and field-based staff located in regional licensing offices; and
- the Johns Hopkins University Institute for Innovation in Development, Engagement, and Learning Systems, including project leadership and operational staff.

OPEGA also consulted with outside experts on Maryland’s early childhood landscape at the following organizations, all of whom have engaged with the Maryland EXCELS program in some capacity:

- Maryland Family Network;
- Mid-Atlantic Equity Consortium; and
- Towson University Regional Economic Studies Institute.

Given the limited scope of this evaluation, OPEGA was not able to collect qualitative data directly from children and families. To address this gap, the evaluation team drew upon existing public records. Specifically, OPEGA reviewed recordings of public meetings, written testimonies submitted to the legislature, and raw data collected for a previous MSDE study.

Quantitative Data

OPEGA requested the following quantitative data from MSDE for the period between fiscal 2016 and 2020:

- individualized data on Maryland early childhood care and education providers eligible to participate in Maryland EXCELS, including:
 - basic licensing and registration information (*i.e.*, location, provider type, and capacity);
 - historical EXCELS participation status;
 - historical EXCELS quality ratings;
 - staff qualifications and demographics; and
 - enrollment trends, including individualized child and family demographics.

- annual data on the Maryland EXCELS program budget and operating costs, including:
 - funding sources;
 - external contracts;
 - staffing; and
 - incentive payments to EXCELS participants.

MSDE was able to provide the requested data on the Maryland EXCELS program budget and operating costs. MSDE provided most of the provider-level data requested by OPEGA. Due to limitations within the existing data management systems for early childhood, MSDE was not able to provide complete data on children, families, and staff.

Chapter 2. Early Childhood Care and Education

Early Childhood Care and Education in Maryland

Over the last 55 years, Maryland has expanded access to early childhood care and education (ECCE) services, especially for low-income families. The State has provided public funding for ECCE since 1967. That year, Maryland established a “purchase of care” program and opened several State-operated daycare centers to serve low-income families. While most of the initial State-operated centers closed in the early 1980s, the General Assembly permanently adopted the purchase of care program (now the Child Care Subsidy Program) in 1981.

In the 1990s, new research on children’s brain development showed that the first five years of a child’s life are essential to their long-term well-being.¹ Specifically, children who participated in higher-quality early childhood programs had better long-term academic, health, financial, and socio-emotional outcomes than their peers. This new understanding of the importance of early childhood care precipitated Maryland’s expanded investment in ECCE programming across the State.

In fiscal 2000, Maryland began providing supplemental funding for the federal Head Start program. The additional funds expanded the number of slots available in participating programs and broadened the services Head Start programs provided to children and families.

In 2000, the General Assembly also passed legislation establishing Judith P. Hoyer Early Care and Family Education Centers (Judy Centers). As of fiscal 2022, there are 69 Judy Center sites throughout Maryland, with at least one in each local school system. Judy Centers provide full-day early education services for children under five. They also offer adult education, case management, developmental and health screenings, parenting classes, playgroups, and other support services.

Before 2005, two separate units of State government oversaw the State’s ECCE programs.

- The Child Care Administration (CCA) within the Department of Human Resources (DHR) (now the Department of Human Services) oversaw regulated child care, the child care credentialing system, child care subsidies, and external contracts with child care support networks.
- The Maryland State Department of Education (MSDE) administered State funding for public prekindergarten, before-and-after-school care, Head Start, and Judy Centers. It also oversaw the State’s accreditation program for early childhood providers and the Maryland Infant and Toddler Program, which serves families of children with special needs.

Chapter 585 of 2005 transferred the functions of CCA to the newly established Division for Early Childhood Development within MSDE. In February 2006, oversight of the State’s child care subsidy program was transferred from DHR to MSDE by executive order. This reorganization

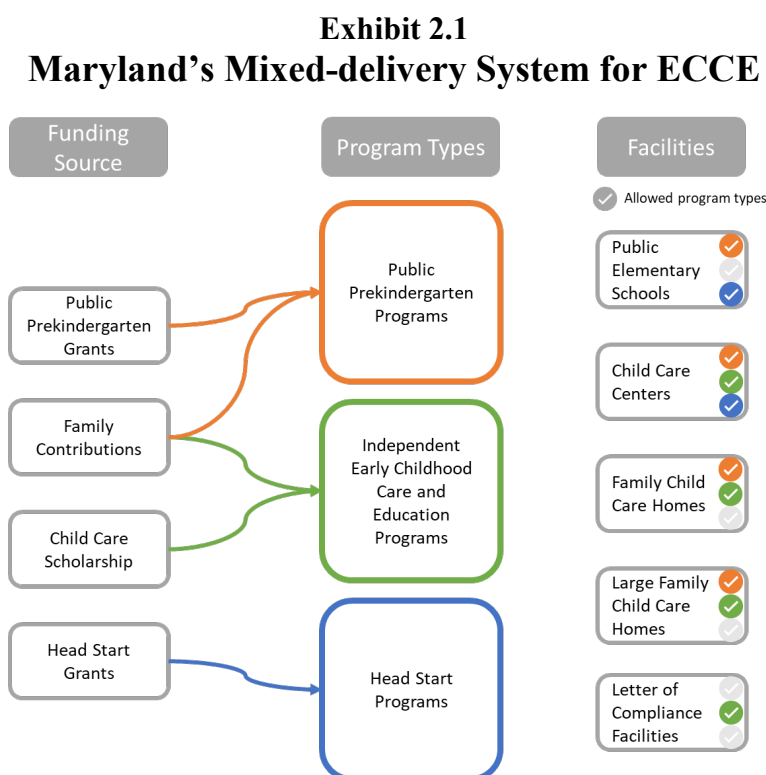
had the dual purpose of affirming ECCE programs' role in preparing children for school and streamlining ECCE service delivery in the State.

In 2014, Maryland was 1 of 18 states awarded a federal Preschool Development Grant. The \$60 million grant over four years and general funds made available through the Prekindergarten Expansion Act of 2014 funded Maryland's Prekindergarten Grant Program. The Division of Early Childhood at MSDE administers Prekindergarten Grants. These grants provide funding for local school systems to offer full-day prekindergarten slots within local public schools and through community-based private providers.

Maryland's Mixed-delivery ECCE System

The federal Every Student Succeeds Act defines a mixed-delivery system as “a system of early childhood education services that are delivered through a combination of programs, providers, and settings (such as Head Start, licensed family and center-based child care programs, public schools, and community-based organizations); and that is supported with a combination of public funds and private funds.”ⁱⁱ

Exhibit 2.1 summarizes the mixed-delivery system for early childhood care and education in Maryland.



ECCE: early childhood care and education

Source: Department of Legislative Services

As shown in Exhibit 2.1, Maryland recognizes the following types of ECCE facilities:

- **Family Child Care Home or Large Family Child Care Home (Education §§ 9.5-301-9.5-321):** Care given to a child younger than 13 years old or a developmentally disabled person younger than 21 years old in place of parental care for less than 24 hours a day in a residence other than the child's residence. Family child care homes have a maximum capacity of 8 children. Large family child care homes have a maximum capacity of 12 children.

Family child care homes and large family child care homes may operate an independent ECCE program or public prekindergarten.

- **Child Care Center (Education §§ 9.5-401-9.5-420):** An agency, institution, or establishment that provides child care regularly and at least twice a week.

Child care centers may operate an independent ECCE program, public prekindergarten, or Head Start.

- **Letter of Compliance Facility (Education §§ 9.5-401-9.5-420):** A facility that provides nonparental child care for part of a 24-hour day operated by a tax-exempt religious organization. MSDE issues tax-exempt religious organizations that meet the requirements outlined under Education Article § 9.5-404 a letter of compliance.¹

Letter of compliance facilities may operate an independent ECCE program.

- **Public Schools (Education §§ 7-1A-01-7-1A-09):** Education facilities managed by county boards of education directly manage public prekindergarten.

Public schools may operate public prekindergarten or Head Start.

Race to the Top – Early Learning Challenge Grant

Maryland EXCELS was established as a component project of Maryland's Race to the Top – Early Learning Challenge Fund Grant (RTT-ELC). In December 2011, MSDE won a first-round RTT-ELC award of \$50 million over four years. The award funded 10 projects intended to increase the quality of early childhood care and education in the State and narrow the school readiness gap for children in poverty, English language learners, and those with disabilities.

¹ Education Article, § 9.5-405(b) exempts tax-exempt religious organizations from licensing requirements pertaining to qualifications for program administrators and staff and to program curriculum content or structure in a nursery school or a child care center in a school building exclusively for children enrolled in that school. These areas are not subject to review by the Office of Child Care. If a tax-exempt religious organization seeks nursery school approval only, a child care center license is not required.

The RTT-ELC grant required recipient states to pilot, launch, and validate a statewide quality rating and improvement system. In 2001, Maryland established the Child Care Tiered Reimbursement program. This voluntary program recognized and awarded child care programs that exceeded the minimum requirements for licensing and registration. MSDE designed Maryland EXCELS using the existing tiered reimbursement program framework.

MSDE completed the pilot of Maryland EXCELS in 2013. The program opened to all eligible providers on July 1 of that year. When the RTT-ELC grant closed in fiscal 2016, MSDE continued to fund Maryland EXCELS through the federal Child Care and Development Block Grant.

The Blueprint for Maryland's Future

Chapters 701 and 702 of 2016 established the Commission on Innovation and Excellence in Education (the Kirwan Commission). The General Assembly instructed the Kirwan Commission to make recommendations for:

1. updating funding formulas for State aid to local school systems;
2. ensuring excellence in local school systems, student performance, and career and college readiness;
3. preparing students for postsecondary education and the workforce;
4. ensuring the adequacy and equity of funding for prekindergarten and other early childhood programs;
5. addressing the impact of high concentrations of poverty on local school systems;
6. ensuring that education funds are being spent efficiently and effectively and that local school systems are allocating their resources to improve student achievement; and
7. ensuring that State laws promote collaboration between county governments and local school systems.

The Blueprint for Maryland's Future (the Blueprint) became law as Chapter 36 of the 2021 regular session. The Blueprint formally adopted recommendations by the Commission for Innovation and Excellence in Education. The legislature established the commission in 2016 to make policy recommendations to enable Maryland's preK-12 system to perform at the level of the best education systems in the world. The Blueprint contains several provisions related to early childhood education in Maryland:

1. **Establishes the Blueprint for Maryland's Future Fund** to assist in providing adequate funding for early childhood education and primary and secondary education based on the recommendations of the Commission on Innovation and Excellence in Education.
2. **Expands publicly funded prekindergarten slots** for three- and four-year-old children from families earning incomes at or below 600% of the federal poverty level (FPL).
 - In fiscal 2023, MSDE will expand voluntary prekindergarten to three- and four-year-old children from families earning incomes at or below 300% FPL, if spaces are available. For a family of four, 300% FPL was \$83,250 in January 2022.
 - By fiscal 2025, MSDE will implement a sliding scale to calculate prekindergarten fees for families earning more than 300% FPL but not more than 600% FPL. Families above 600% FPL will be required to pay the total per-pupil fee to access prekindergarten services. For a family of four, 600% FPL was \$166,500 in January 2022.
3. **Establishes a minimum level of quality in publicly funded prekindergarten programs** serving three- and four-year-old children. All public and private providers receiving Maryland's Prekindergarten Grants must publish at a level 5 in Maryland EXCELS within five years.
 - Private prekindergarten providers must publish at least a quality rating level of 3 with a plan to achieve level 5 within five years.
 - Public prekindergarten providers must publish at least a quality rating level of 4 with a plan to achieve level 5 within five years.
4. **Requires county boards of education to enter a memorandum of understanding** with MSDE, private providers in the county participating in the Prekindergarten Expansion Grant Program and the Maryland State Prekindergarten program. The memorandum of understanding must provide for:
 - services for children with disabilities;
 - a process by which a parent can indicate their preference for prekindergarten providers; and
 - a plan to address racial and socio-economic integration in prekindergarten classrooms and avoid a disproportionate concentration of the same race, ethnicity, disability status, and income within a single program.

By the 2026-2027 school year, at least 50% of prekindergarten slots must be provided in private facilities.

5. **Funds the establishment of 27 additional Judy Centers by 2030.** MSDE is required to prioritize increasing the number of Judy Centers in communities with Title I schools.
6. **Establishes professional development grants for the early childhood education workforce** under the Office of Child Care within MSDE.
 - **Child Care Accreditation Support Fund.** Provides at least \$1 million annually to pay for accreditation application fees or program improvement costs.
 - **Child Care Incentive Grant Program.** Provides funding for a child care provider to purchase materials, equipment, or supplies to improve the provider's quality of care. Requires funding to increase by 10% each fiscal year through 2030.
 - **Child Care Credential Program.** Provides achievement bonuses, training reimbursements, and training vouchers to individuals who pursue, obtain, or already hold a child care credential. Provides \$4 million for the program for fiscal 2021 with a required increase of 10% for fiscal 2022-2024.
 - **Child Care Career and Professional Development Fund.** Provides funding to child care workers to attend an accredited college or university and work toward a degree in early childhood education or a related field. Funds must be applied toward education-related costs.
7. **Funds Maryland EXCELS Program Bonuses through fiscal 2028.** The Office of Child Care can award program bonuses to Maryland EXCELS providers that take steps to improve or maintain a high-quality rating.

Quality Rating and Improvement Systems

A Quality Rating and Improvement System (QRIS) is a program that awards ratings to ECCE providers that meet specific quality standards. QRIS is a way to systematically measure, improve, and communicate the level of quality in ECCE settings. While the specific features of QRIS differ from state to state, the systems have common elements, as outlined in **Exhibit 2.2**.

Exhibit 2.2 Common Elements of State QRIS

1. Program Standards & Rating Scales	Uniform measures of program quality that can be used to assign ratings to participating ECCE providers.
2. Supports for Providers	Services such as training, mentoring, and technical assistance to help providers achieve higher levels of quality.
3. Financial Incentives	Access to bonuses, grants, merit awards, subsidy reimbursement, and other financial supports to drive provider participation and quality improvement.
4. Quality Assurance and Monitoring	Accountability and monitoring processes to assign quality ratings, verify ongoing compliance with standards, and collect feedback from providers.
5. Consumer Education	Activities and tools to make information about provider quality accessible to consumers and educate them about the importance of quality care.

ECCE: early childhood care and education

Source: Administration for Children and Families

Generally, QRIS involves a process for measuring and rating ECCE provider quality, making ratings accessible to child care consumers, and providing financial and technical support to providers. The theory of change underlying QRIS is as follows:

1. When families have access to information about ECCE provider quality, they will choose to enroll their children in higher-quality programs.
2. If parents demand higher-quality child care, ECCE providers will be motivated to supply higher-quality programs.
3. The state will minimize barriers to providers seeking to make quality improvements by providing technical and financial support to providers participating in QRIS.

The first pilot of a QRIS started in New Mexico in 1997. Oklahoma led the first statewide implementation of its QRIS in 1998. As of fall 2021, 40 states and the District of Columbia are implementing statewide QRISs. Four local school systems in Florida also implement a QRIS. The federal Race to the Top – Early Learning Challenge Grant, which required the 20 recipient states to establish their own statewide QRISs, largely drove this expansion.

ⁱ Council, Institute of Medicine and National Research. From Neurons to Neighborhoods: The Science of Early Childhood Development. 2000. [nap.nationalacademies.org, https://doi.org/10.17226/9824](https://doi.org/10.17226/9824).

ⁱⁱ Every Student Succeeds Act. 1177, 10 Dec. 2015, <https://www.congress.gov/114/plaws/publ95/PLAW-114publ95.pdf>.

Chapter 3. Maryland EXCELS

Maryland EXCELS is a statewide Quality Rating and Improvement System managed by the Office of Child Care within the Maryland State Department of Education's (MSDE) Division of Early Childhood (DEC). Participation in Maryland EXCELS is voluntary for all Early Childhood Care and Education (ECCE) providers registered with MSDE, including family child care providers, licensed child care centers, and public prekindergarten programs. However, participation in Maryland EXCELS is required for providers participating in the Child Care Scholarship Program (CCSP). Participation in Maryland EXCELS is mandatory for all public prekindergarten providers beginning in fiscal 2023 per Chapter 36 of 2021 (The Blueprint for Maryland's Future).

The Maryland EXCELS program has three goals:

1. to recognize ECCE and school-age programs that provide quality services;
2. to encourage providers to increase the quality of their programs and;
3. to provide families with information about quality care and education.

Administrative Structure

DEC within MSDE oversees early childhood care and education in the State. The Maryland EXCELS Branch within DEC's Office of Child Care is responsible for implementing and overseeing the Maryland EXCELS program and the Maryland Accreditation program.

Maryland Accreditation is a voluntary accreditation process for child care centers and public prekindergarten programs. Child care providers in Maryland are not required to pursue accreditation for licensure. The Maryland Accreditation program does not offer an accreditation pathway for family child care providers.

Since the Maryland EXCELS program launched in 2012, the Maryland EXCELS Branch has issued a grant to the Johns Hopkins University (JHU) Institute for Innovation in Development, Engagement, and Learning Systems (IDEALS) and contracted with the Maryland Family Network to implement specific components of EXCELS.

The Johns Hopkins University Institute for Innovation in Development, Engagement, and Learning Systems

JHU-IDEALS administers the EXCELS 2.0 online platform through which ECCE providers participate in the Maryland EXCELS program. Under their contract with the EXCELS Branch, JHU-IDEALS employs 21 full-time program coordinators to provide technical support to

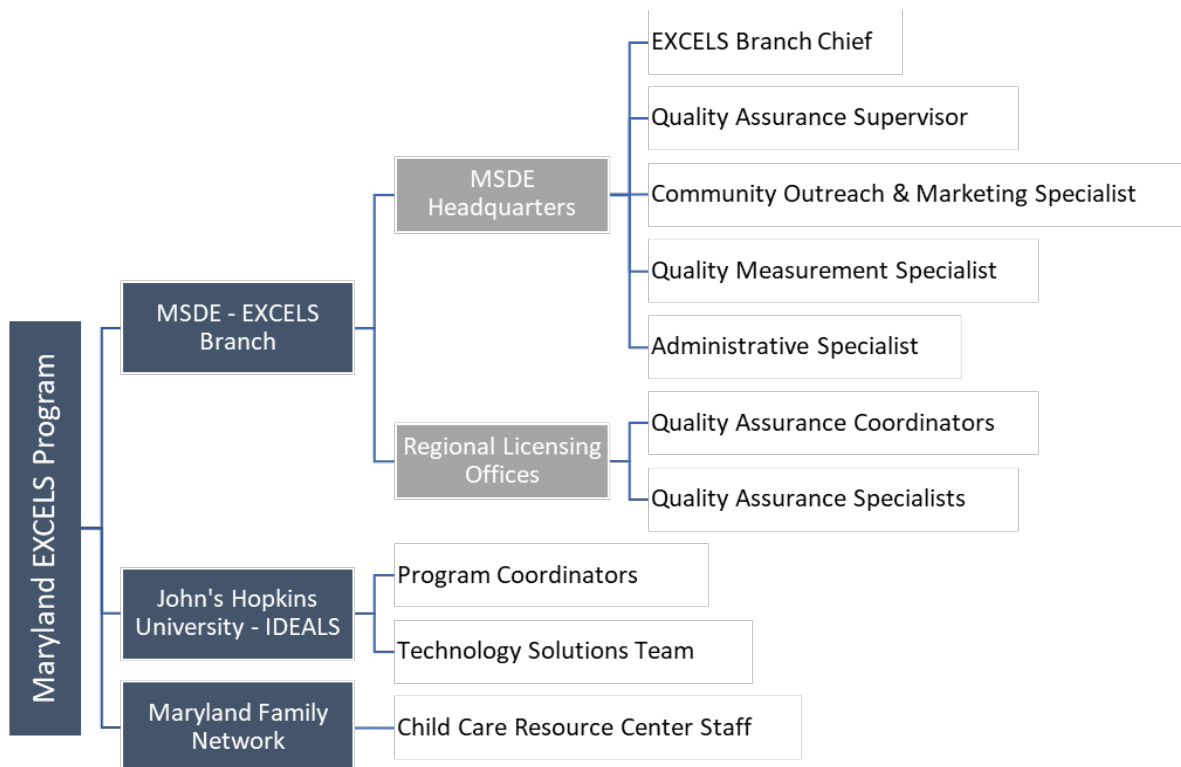
ECCE providers attempting to publish a rating in the EXCELS 2.0 platform and conduct quality control over documentation submitted during the rating process. JHU-IDEALS has a 10-person technology solutions team that works across the institute's projects.

Maryland Family Network Child Care Resource Centers

Maryland Family Network oversees the Child Care Resource Network, which is made up of 12 Child Care Resource Centers (CCRCs). CCRCs are regional hubs that support the ECCE provider community across Maryland. They provide leadership workshops, technical training, and other services to improve the quality, availability, and affordability of child care in communities across the State. MSDE's grants to CCRCs include specific deliverables to support the Maryland EXCELS program, such as the provision of training and technical support. Many Maryland EXCELS participants also use CCRCs to upload their documentation into the Maryland EXCELS platform. This is especially the case for providers who do not have access to computers or Internet at home or providers who are unfamiliar with how to use the technology.

Across the three organizations, approximately 53 full-time equivalent positions are dedicated to the Maryland EXCELS program. **Exhibit 3.1** shows the organizational chart for Maryland EXCELS.

Exhibit 3.1
Maryland EXCELS Program Organizational Chart



Source: Maryland State Department of Education; Office of Program Evaluation and Government Accountability

Eligibility

Participation in Maryland EXCELS is open to all licensed child care facilities, including child care centers, letters of compliance facilities, school-age-only providers, registered family child care homes, large family child care homes, and public prekindergarten programs.

Before becoming a Maryland EXCELS participant, all providers must meet the comprehensive licensing requirements outlined in the Code of Maryland Regulations (COMAR) regarding program administration, operations, facilities, provider qualifications, child protection, child supervision, curriculum, health, safety, and nutrition. Thus, programs entering Maryland EXCELS have already demonstrated sufficient quality to be licensed to operate in the State.

Application Process

To participate in Maryland EXCELS, providers create a user account and apply online through the Maryland EXCELS system (excels.marylandexcels.org). Program coordinators at JHU-IDEALS review applications within 30 days of submission.

Acceptance into Maryland EXCELS means a provider has submitted an online application, has been assigned to a program coordinator and quality assurance specialist, and has access to the EXCELS system through their personal account.

Upon acceptance into Maryland EXCELS, all providers are unrated. Providers have 12 months from their date of acceptance to publish their first rating through the Maryland EXCELS 2.0 website. Providers who do not publish a rating within 12 months of acceptance are considered “inactive” and cannot participate in CCSP until they publish a rating and regain “active” status in Maryland EXCELS. (See **Exhibit 3.2**.)

Exhibit 3.2 Maryland EXCELS Participation Status Categories

<u>Status</u>	<u>Application</u>	<u>Published Rating</u>	<u>Timeframe</u>
Nonparticipating (Never Applied)	Never Applied	No	n/a
Nonparticipating (Inactive)	Applied and Accepted	No	n/a
Participating (Not Rated)	Applied and Accepted	No	12 months from acceptance
Participating (Rated)	Applied and Accepted	Yes	12 months from the most recent publishing date

Source: Maryland State Department of Education; Office of Program Evaluation and Government Accountability

The Maryland EXCELS Quality Standards

ECCE and school-age programs participating in Maryland EXCELS earn overall quality ratings on a scale of 1 through 5. Maryland EXCELS awards a rating of 1 to providers that meet modest quality standards beyond the minimum licensing standards. A rating of 5 goes to the highest quality providers.

A program's overall quality rating is based on a provider's performance across five content areas:

1. Licensing and Compliance;
2. Staff Qualifications and Professional Development;
3. Accreditation and Rating Scales;
4. Developmentally Appropriate Learning and Practice; and
5. Administrative Policies and Practices.

The requirements for every content area increase with each rating level. Providers submit documentation for each requirement through the online Maryland EXCELS system and receive sub-scores between 1 and 5 for each content area. Because Maryland EXCELS uses a block rating structure, a provider's overall quality rating is equal to their lowest content area score. For example, if a provider receives a rating of 4 for the accreditation content area and a 5 for all other content areas, the provider's overall quality rating would be a 4.

Providers can also receive recognition for additional achievements that go beyond the Maryland EXCELS quality standards. Additional achievements are a way for providers to demonstrate extra markers of quality that may be important to parents and caregivers. The additional achievements that Maryland EXCELS participants can obtain are:

- Accredited Program;
- Asthma-Friendly Program;
- Cultural and Linguistic Competency;
- Health and Wellness;
- Quality Business Practices; and
- Eco-friendly.

In April 2021, MSDE began revising the Maryland EXCELS program standards and rating scales. MSDE plans to implement the updated standards by fiscal 2025.

Rating Process

Once accepted into Maryland EXCELS, programs have 12 months to achieve and request to publish a quality rating at any level (1-5) to maintain an active status. To publish a rating, providers submit the required documentation for each content area through the Maryland EXCELS system. Some documentation is automatically populated from the MSDE data management system for early childhood (Child Care Administration Tracking System). In-person assessments by Maryland EXCELS staff are required for providers seeking to publish at or above level 4 and maintain a level 5.

To illustrate, **Exhibit 3.3** outlines the documentation that child care centers seeking to publish quality ratings 1, 3, or 5 must upload into the Maryland EXCELS platform. The additional requirements associated with higher ratings are bolded.

Exhibit 3.3 Documentation Required for Child Care Centers (Maryland EXCELS Level 1, 3, and 5)

Licensing and Compliance

Level 1	Level 3	Level 5
Valid License <i>(Automatically populated from CCATS)</i>	Valid License <i>(Automatically populated from CCATS)</i>	Valid License <i>(Automatically populated from CCATS)</i>
	Inspection reports conducted within the past 12 months <i>(Automatically populated from CCATS)</i>	Inspection reports conducted within the past 12 months <i>(Automatically populated from CCATS)</i>

Staff Qualifications and Professional Development

Level 1	Level 3	Level 5
<i>No documentation required if Director and staff meet licensing requirements and maintain a valid license</i>	Lead staff list	Lead staff list
	Current Maryland Child Care Credential certificates or training certificates for lead staff and the Director. The Director and at least 50% of lead staff must hold a current Maryland Child Care Staff Credential at Level 3 or higher (or equivalent credential training)	Current Maryland Child Care Credential certificates or training certificates for lead staff and the Director. The Director and at least 50% of lead staff must hold a current Maryland Child Care Staff Credential at Level 4+ or higher (or equivalent credential training)

Accreditation and Rating Scales

Level 1	Level 3	Level 5
	Accreditation Visit Verification form	Letter or certificate of accreditation award along with documentation from the accrediting organization that the annual report has been received
	ERS or CLASS Rating Scale Score Sheet(s) completed during self-assessment	ERS or CLASS Rating Scale Score Sheet completed by MSDE assessor
	Program Improvement Plan addressing any ERS/CLASS subscale score below 4.0 and school readiness goals and objectives. Include a statement of the process of program improvement	Program Improvement Plan addressing any ERS/CLASS subscale score below 5.0 and school readiness goals and objectives. Include a statement of the process of program improvement

Developmentally Appropriate Learning and Practice

Level 1	Level 3	Level 5
Daily schedule	Daily schedule*	Daily schedule*
	Philosophy statement	Philosophy statement*
	Statement describing selection and use of learning materials	Statement describing selection and use of learning materials*
Positive behavioral practices policy (discipline policy)	Positive behavioral practices policy (discipline policy)*	Positive behavioral practices policy (discipline policy)*
	Curriculum statement	Curriculum statement*
	Statement describing lesson planning process	Statement describing lesson planning process*
Daily schedule or lesson plan	Recent lesson plan for each age group*	Recent lesson plan for each age group*
	Screen time policy	Screen time policy*
	Statement of observation practices	Statement of observation and assessment practices
	Developmental checklist	Sample child assessment tools

Administrative Policies and Practices

Level 1	Level 3	Level 5
Family handbook, written agreement, or contract	Family handbook, written agreement, or contract*	Family handbook,* written agreement, or contract and documented written receipt
	Examples of family engagement opportunities	Examples of family engagement opportunities*
Conference schedule shared with families	Conference schedule shared with families*	Conference schedule shared with families*
Statement on conference request procedures	Statement on conference request procedures*	Statement on conference request procedures*

Level 1	Level 3	Level 5
Statement describing how program works with families and early intervention or special education service providers	Statement describing how program works with families and early intervention or special education service providers	Statement describing how program works with families and early intervention or special education service providers
	Yearly staff meeting schedule shared with staff, meeting agenda and sign-in sheet	Yearly staff meeting schedule shared with staff, meeting agenda and sign-in sheet
	Staff performance evaluation schedule shared with staff and performance evaluation tool	Staff performance evaluation schedule shared with staff and performance evaluation tool*
	Staff handbook	Staff handbook and signed receipt
	Current salary scale	Current salary scale and description of employee benefits
	Statement of how program identifies and updates community resources	Statement of how program identifies, updates, accesses, and uses community resources*
	Child and Adult Care Food Program participation verified by MSDE	Child and Adult Care Food Program participation verified by MSDE
	Nutrition Policy and weekly menu served within the past month	Nutrition Policy and weekly menu served within the past month*
	Statement of child transition plans	Statement of child transition plans*

CCATS: Child Care Administration Tracking System

CLASS: Classroom Assessment Scoring System

ERS: Education Resource Strategies

MSDE: Maryland State Department of Education

* Indicates that documentation at this quality rating level must meet more robust standards than documentation required at the previous quality rating level.

Source: Maryland State Department of Education

MSDE has worked with partners at Johns Hopkins and the Maryland Family Network to develop resources for participating programs while uploading the required documentation to the Maryland EXCELS system. These resources include:

- training opportunities provided by MSDE's quality assurance specialists and through the CCRC Network;
- one-on-one consultations and site visits with quality assurance specialists;

- the online Maryland EXCELS Toolkit, which contains detailed information about and instructions for the documentation required at each level for each type of program (<https://marylandexcelstoolkit.org/>); and
- free classroom assessments using the Classroom Assessment Scoring System Tool conducted by the quality assurance specialist team.

Once providers have uploaded the required documentation for their targeted quality rating in the Maryland EXCELS system, they can request to publish their rating. At this point, the documentation goes through a verification process.

Verification of a program's rating takes place at two levels. Once a draft rating has been achieved the program can request to publish the quality rating. The draft rating is verified and published by MSDE. First, the providers' quality assurance specialist reviews the documentation, checks licensing compliance records, and verifies that the documentation meets the requirements for each quality level. After the initial verification at the quality assurance specialist level, program coordinators at JHU-IDEALS review each piece of submitted evidence using a rubric-based approach. To ensure consistency across ratings, program coordinators engage in regular training. program coordinator ratings are also randomly monitored to ensure reliability.

Published quality ratings are valid for 12 months from the date of publication. After that, providers must renew their current rating or achieve and publish a higher level to remain a participating program. Programs can achieve and publish a higher level at any time. Once published, a provider's content-area ratings, overall quality rating, and additional achievements are available to the public through the Maryland EXCELS website. According to MSDE, providers can use the rating system to identify specific areas to target quality improvement efforts. The rating system can also assist parents and caregivers in selecting high-quality ECCE providers for their children.

Financial Incentives

Maryland EXCELS uses financial incentives to providers to:

- incentivize participation in Maryland EXCELS;
- incentivize providers to publish higher Maryland EXCELS quality ratings over time; and
- provide monetary support to providers for costs associated with offering high-quality child care.

Three financial incentives are exclusively available to Maryland EXCELS participants: access to the Child Care Scholarship (CCS); tiered CCS reimbursements; and Maryland EXCELS Program Bonuses.¹

Incentive #1: Child Care Scholarship Vouchers

CCSP provides financial assistance for early childhood care and education costs for low-income working families in Maryland. Eligible families receive a scholarship to cover part of their child care and education tuition. Child care providers can only accept CCS payments if they participate in Maryland EXCELS.

MSDE determines CCSP eligibility based on a family's size and gross income. In May 2022, MSDE expanded family income eligibility for CCSP from 60% to 75% of the State median income. The updated income eligibility thresholds are outlined in **Exhibit 3.4**. There is no limit on the number of families participating in CCSP.

Exhibit 3.4
CCSP Family Income Eligibility Thresholds
May 2022

<u>Family Size</u>	<u>New Family Income Scale</u>	<u>Continuing Family Income Scale</u>
Family of 2	\$61,222	\$73,899
Family of 3	75,627	91,287
Family of 4	90,033	108,675
Family of 5	104,438	126,063
Family of 6	118,843	143,451
Family of 7	121,544	146,712
Family of 8	124,245	149,972
Family of 9	126,946	153,232
Family of 10	129,647	156,492
Family of 11	132,348	—
Family of 12	135,049	—

CCSP: Child Care Scholarship Program

Source: Maryland State Department of Education

¹ An additional financial incentive for Maryland EXCELS participation became available at the beginning of fiscal 2023 but is not included in this analysis. The General Assembly passed the Child Care Capital Support Revolving Loan Fund (House Bill 993) during the 2022 regular session. The fund will provide no-interest loans for capital expenses to child care providers participating in CCSP. Given the Maryland EXCELS participation requirement associated with CCSP, this loan program is effectively only available to programs participating in Maryland EXCELS. There is \$15.0 million appropriated to the fund for fiscal 2023 and \$10.0 million for fiscal 2024.

An eligible family's scholarship and copayment rates are determined using a sliding scale based on:

- income level;
- geographic location;
- the child's age;
- the number of children in the family receiving CCS payments; and
- the type of child care provider the family chooses to use.

Families participating in the Temporary Cash Assistance Program are eligible for full scholarships. **Exhibit 3.5** shows the average weekly CCS rates by region, child age, and provider type.

The family pays their portion of the child care cost directly to the provider. Families are responsible for the required copayment and any remaining balance between the actual rate charged by the provider and the scholarship amount. Providers submit a request for reimbursement for the scholarship amount to MSDE. MSDE pays the scholarship reimbursement directly to providers.

Exhibit 3.5
Average Weekly Regional Child Care Scholarship Rates
May 2022

<u>Regions</u>	<u>Infant (Birth to Age 24 Months)</u>		<u>Child (Age 2 and Older)</u>	
	<u>Family Child Care Home Provider</u>	<u>Child Care Center</u>	<u>Family Child Care Home Provider</u>	<u>Child Care Center</u>
U – Cecil, Queen Anne’s, St. Mary’s, Talbot, and Washington counties	\$200	\$296	\$176	\$205
V – Caroline, Dorchester, Kent, Somerset, and Wicomico counties	175	242	142	175
W – Anne Arundel, Calvert, Carroll, Charles, and Prince George’s counties	270	370	230	262
X – Howard and Montgomery counties	325	481	300	381
Y – Baltimore, Frederick, and Harford counties	250	378	220	278
Z – Allegany, Garrett, and Worcester counties	168	262	150	183
BC – Baltimore City	210	303	182	250

Source: Maryland State Department of Education

Incentive #2: Tiered Child Care Scholarship Reimbursement

To incentivize quality improvement by ECCE providers, MSDE offers increased scholarship reimbursements for programs that publish levels 3, 4, or 5 in Maryland EXCELS. Providers have flexibility in deciding how the tiered reimbursement payments will be used. For instance, the payments can be used to:

- make programmatic changes that would enhance quality;
- increase salary and professional development opportunities for staff; or
- offset the cost of child care for families receiving a child care subsidy.

Exhibit 3.6 shows the minimum payment increases for the tiered reimbursement incentive outlined in COMAR Section 13A.14.14.06.

Exhibit 3.6
Child Care Scholarship Tiered Reimbursement Levels

	<u>Quality Level 3</u>	<u>Quality Level 4</u>	<u>Quality Level 5</u>
Family Child Care			
Aged 0 to 2	+11%	+22%	+29%
Aged 2+	+10%	+21%	+28%
Child Care Center			
Aged 0 to 2	+22%	+37%	+44%
Aged 2+	+10%	+19%	+26%

Source: Code of Maryland Regulations 13A.14.14.06

Incentive #3: Maryland EXCELS Program Bonuses

Depending on funding availability, a provider participating in Maryland EXCELS is eligible for a program bonus in the following circumstances, per COMAR Section 13A.14.14.06:

1. one-time only upon initial publication of a quality rating of 1, 2, 3, or 4;
2. upon publishing each successively higher quality rating after the initial publication of a quality rating; and
3. upon initial publication of a quality rating of 5, and annually upon renewal and republication of a quality rating of 5.

Beginning in fiscal 2023, MSDE is authorized in statute to provide eligible Maryland EXCELS providers with bonuses using the Blueprint for Maryland's Future Fund. Bonuses are authorized up to the amounts detailed in **Exhibit 3.7**.

Exhibit 3.7
Maryland EXCELS Program Bonus Amounts
Established 2015

<u>Provider Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Level 4</u>	<u>Level 5</u>
Child Care Center <i>Capacity 1-50</i>	\$50	\$250	\$400	\$1,000	\$1,500
Child Care Center <i>Capacity 51-100</i>	100	500	800	2,000	3,000
Child Care Center <i>Capacity 101+</i>	150	750	1,200	3,000	4,500
Family Child Care Home	50	150	300	500	800
Large Family Child Care Home	50	200	400	800	1,000

Source: Maryland Annotated Code Education Article § 9.5-906

MSDE has offered program bonuses twice since launching Maryland EXCELS: July 2013 through December 2015 and again from October 2018 through September 2019. There has not been funding available for program bonuses since that time. However, the Blueprint for Maryland's Future allocates \$5 million in funding for program bonuses over 10 years.

Chapter 4. Quality Rating and Improvement Systems

Maryland’s Race to the Top-Early Learning Challenge Fund Grant (RTT-ELC) recipients were required to conduct validation studies of their Quality Rating and Improvement System (QRIS). Validation studies determine how well the quality measurement system and rating process can differentiate between “observed quality” levels in an early childhood care and education (ECCE) program.

“Observed quality” has a precise meaning in QRIS. States use standardized tools, such as the Classroom Assessment Scoring System (CLASS) and the Environmental Rating Scales (ERS), to measure observed quality. These tools assess the quality of an ECCE program through detailed in-person observation of the learning environment, materials, routines, health and safety standards, and adult-child interactions.

Conducting observational assessments of ECCE program quality at-scale can be complex and costly. They must be conducted by highly trained observers and require time-intensive site visits and follow-up conversations. In addition, to ensure consistent and valid measurements across providers, data collection managers must develop procedures to standardize data collection. For example, several observational tools require site visits to start before the first children arrive for the day, which effectively limits observers to one site visit per day.

An alternative to measuring “observed quality” is measuring the level of quality reported by ECCE providers or the families they serve using interviews, surveys, or checklists. This approach to measuring ECCE program quality reduces the time required to collect information on each provider.

Assessments of program quality that rely on direct in-person observation are better predictors of child developmental outcomes than assessments that depend on reported information.ⁱ However, states have developed QRIS rating scales with a heavy reliance on self-reporting to keep measurement costs low. Validation studies help determine whether state-developed rating scales can provide a meaningful proxy for costlier measures of observed quality.

Observation #1: Individual QRIS rating levels do not represent meaningful differences in ECCE provider quality.

Existing validation studies have not found a strong relationship between individual QRIS quality rating levels and scores on assessments of observed quality, such as CLASS or ERS. For example, an ECCE provider moving from a level 1 to a level 2 may not result in a provider achieving a higher CLASS score. Additionally, programs with the same CLASS or ERS score may have different QRIS quality ratings.































However, validation studies have found that QRIS rating scales can effectively distinguish between lower and higher quality programs. For example, the validation studies completed in

Marylandⁱⁱ, Massachusettsⁱⁱⁱ, and Wisconsin^{iv} found that providers with higher QRIS ratings scored significantly higher on ERS for early childhood than providers with the lowest QRIS ratings.

Observation #2: Completed evaluations of statewide QRIS have conflicting findings about the impact of QRIS programs on short-term child development outcomes.

The Administration for Children and Families (ACF) oversees federal funding for state QRIS programs. ACF synthesized validation studies from seven states that examined the relationship between QRIS ratings and child development outcomes. That analysis is summarized in **Exhibit 4.1**. Across the seven validation studies, evidence of a relationship between QRIS rating level and child development was inconsistent.

Exhibit 4.1
Relationships between QRIS Rating and Child Development Outcomes^v

<u>State</u>	<u>Executive Function</u>	<u>Language and Literacy</u>	<u>General Cognition</u>	<u>Physical Development</u>	<u>Social and Emotional</u>	<u>Math</u>
California			Not Studied	Not Studied	Not Studied	
Delaware			Not Studied	Not Studied		
Massachusetts	Not Studied		Not Studied	Not Studied		Not Studied
Minnesota						
Rhode Island			Not Studied	Not Studied		
Washington						
Wisconsin				Not Studied		



Strong Positive Relationship



No Relationship



Strong Negative Relationship

Source: Tout, K., et al. (2017). Validation of the Quality Ratings Used in Quality Rating and Improvement Systems (QRIS); *A Synthesis of State Studies*. OPRE Report #2017-92. Washington, DC; Office of Planning, Research and Evaluation; Administration for Children and Families, U.S. Department of Health and Human Services

Observation #3: At this time, QRIS evaluation studies have not demonstrated a strong causal relationship between enrollment in a highly rated ECCE program and long-term child development outcomes.

Few studies have tried to determine the impact of QRIS on child development outcomes over time. Several factors make it challenging for states to rigorously evaluate the relationship between a child's enrollment in a high-rated program and their wellbeing over time.

1. Most state QRIS systems are still in the early years of implementation. It may take several years for measurable differences to emerge between children who attended high-quality and low-quality ECCE programs.
2. States have revised their QRIS rating scales, incentive structures, and technical assistance offerings over time, which makes it challenging to conduct a rigorous impact evaluation.
3. Few states collect longitudinal data on children that connects data on their participation in ECCE programs with their performance once they enter school. Thus, it is challenging to establish a causal relationship between a child's ECCE experience and their K-12 academic outcomes.

ⁱ Zaslow, Martha, et al. "Child Outcome Measures in the Study of Child Care Quality." *Evaluation Review*, vol. 30, no. 5, Oct. 2006, pp. 577-610. PubMed, <https://doi.org/10.1177/0193841X06291529>.

ⁱⁱ Swanson, Christopher, et al. Maryland EXCELS Validation Study. Johns Hopkins University, 2017, <http://marylandexcels.org/wp-content/uploads/2017/08/Maryland-EXCELS-Validation-Study-FINAL-June-29-2017.pdf>.

ⁱⁱⁱ Wellesley Centers for Women and UMass Donahue Institute. QRIS Validation Study Final Report. 2017, <https://www.mass.gov/files/2017-08/Revised%20Validation%20Study%20ReportfinalFORMATTED.pdf>.

^{iv} Magnuson, Katherine, and Ying-Chun Lin. Validation of the QRIS YoungStar Rating Scale. UW-Madison, School of Social Work and Institute for Research on Poverty, Mar. 2016, <https://dcf.wisconsin.gov/files/youngstar/pdf/validationreport2.pdf>.

^v Tout, Kathryn, et al. Validation of the Quality Ratings Used in Quality Rating and Improvement Systems (QRIS): A Synthesis of State Studies. Office of Planning, Research and Evaluation Report, 2017-92, Administration for Children and Families, Dec. 2017, https://www.acf.hhs.gov/sites/default/files/documents/opre/ccepra_qris_validation_report_b508.pdf.

Chapter 5. Budget and Personnel

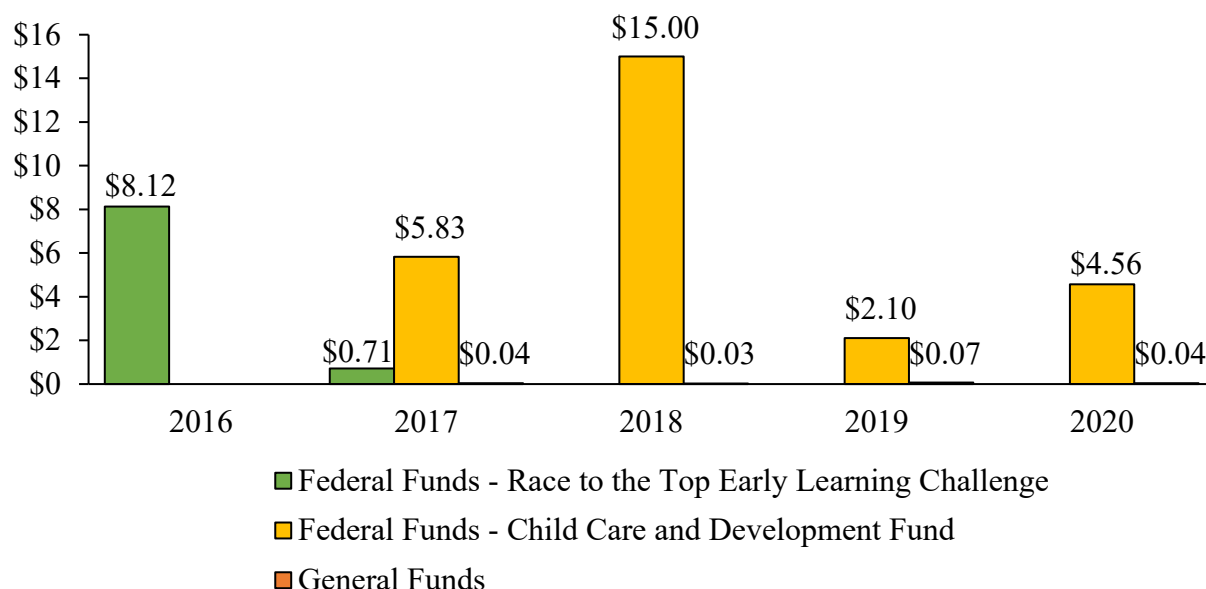
Observations

Observation #1: On average, federal funds constituted 99.5% of the Maryland EXCELS budget between fiscal 2016 and 2020.

The budget for Maryland EXCELS was fully funded by the Race to the Top-Early Learning Challenge (RTT-ELC) grant through fiscal 2016, when the RTT-ELC grant closed. Beginning in fiscal 2016, the Administration for Children and Families established a minimum of 7% set-aside in State Child Care and Development Funds (CCDF) to fund activities to improve child care quality, such as State Quality Rating and Improvement System (QRIS) programs.

In fiscal 2017, the Maryland State Department of Education (MSDE) began funding the Maryland EXCELS program with CCDF. As shown in **Exhibit 5.1**, between fiscal 2017 and 2020, MSDE allocated \$174,389 in general funds from the MSDE Headquarters operating budget to cover some of the program's administrative costs.

Exhibit 5.1
Maryland EXCELS Branch Funding Sources
Fiscal 2016-2020
(\$ in Millions)



Source: Maryland State Department of Education

Observation #2: The Division of Early Childhood's (DEC) contract with Johns Hopkins University accounted for over three-quarters of Maryland EXCELS program expenditures between fiscal 2016 and 2020.

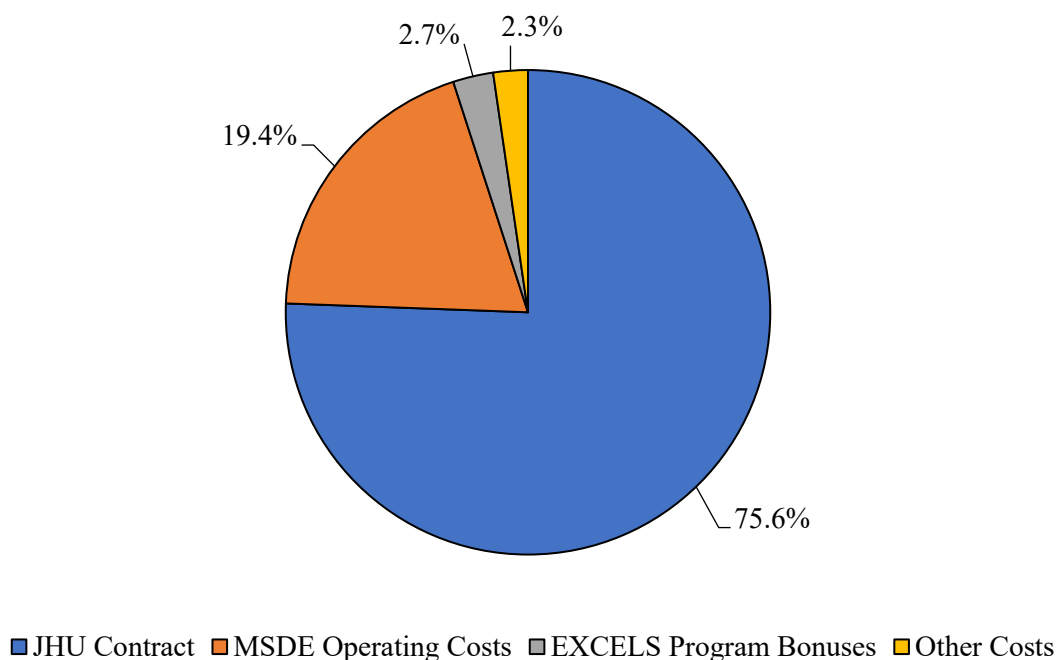
The Johns Hopkins University Institute for Innovation in Development, Engagement, and Learning Systems (JHU-IDEALS) administers the online platform through which early childhood care and education (ECCE) providers participate in the Maryland EXCELS program and the Maryland Accreditation program.¹ The scope of work outlined in the current contract between DEC and JHU-IDEALS includes:

1. **Operation of the Maryland EXCELS Quality Rating and Improvement System:** Inclusive of the technology, training, rating, coaching, marketing, data transfer and analysis, and management services necessary toward the continued delivery of the Maryland EXCELS QRIS.
2. **Maryland Accreditation:** Inclusive of the technology, training, rating, coaching, marketing, data transfer and analysis, and management services necessary toward the continued delivery of the Maryland Accreditation program.
3. **Provision of Required Provider Trainings:** Maintain all active required provider trainings, including Health and Safety and COVID-19, along with the Maryland EXCELS toolkit.
4. **Public Awareness Initiatives:** Continue implementing an anti-illegal child care campaign and other in-process campaigns.

Exhibit 5.2 demonstrates that the JHU-IDEALS contract accounted for 75.6% of program-related expenditures between fiscal 2016 and 2020.

¹ JHU Center for Technology in Education (CTE) held the initial contract with DEC for Maryland EXCELS. JHU-CTE was initially selected as a partner on the RTT-ELC grant because they had a standing relationship with MSDE to develop other federally funded web-based platforms. JHU-CTE built the initial Maryland EXCELS platform, designed the program management process around the platform, and managed the pilot implementation of Maryland EXCELS. In January 2019, JHU-IDEALS separated from JHU-CTE as a separate entity and took responsibility for the Maryland EXCELS contract.

Exhibit 5.2
Maryland EXCELS Branch Expenditures
Fiscal 2016-2020
Total Expenditures: \$35.5 Million²



JHU: Johns Hopkins University

MSDE: Maryland State Department of Education

Source: Maryland State Department of Education

To support the contract with DEC, JHU-IDEALS employs 21 full-time program coordinators to provide technical support to ECCE providers attempting to publish a rating in the Maryland EXCELS system. Program coordinators are assigned to specific caseloads of Maryland EXCELS participants and are responsible for:

- reviewing and providing feedback on documentation and evidence submitted by Maryland EXCELS participants to publish a quality rating; and
- providing outreach to participating providers whose ratings are expiring within 60 days and supporting outreach and communications to nonparticipating or inactive providers.

² The Office of Program Evaluation and Government Accountability excluded expenditure data on non-EXCELS expenditures, including those specifically related to Maryland Accreditation and expenditure data on items associated only with the close-out of the RTT-ELC grant.

JHU-IDEALS also has a 10-person technology solutions team. This team supports the maintenance and enhancement of the Maryland EXCELS system, the Maryland EXCELS public website, and the Maryland EXCELS Toolkit for participating programs.

Operational costs of the Maryland EXCELS program within MSDE Headquarters represent 19% of the branch's expenditures between fiscal 2016 and 2020. Staff salaries and benefits represent the bulk of Maryland EXCELS Branch operating costs, as shown in **Exhibit 5.3**.

Exhibit 5.3
Maryland EXCELS Program – MSDE Office Costs
Fiscal 2016-2020

<u>Expenditure Category</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Administrative Costs	\$73,614	\$69,903	\$37,765	\$64,671	\$245,491
Salaries and Benefits	1,147,405	1,430,609	1,124,386	1,264,823	1,372,702
Outside Services	201	401	-	11,508	-
Training and Professional Development	16,875	4,638	3,714	16,265	9,053
Total	\$1,238,095	\$1,505,551	\$1,165,865	\$1,357,267	\$1,627,246

MSDE: Maryland State Department of Education

Source: Maryland State Department of Education

There are currently 23 full-time equivalent (FTE) positions dedicated to Maryland EXCELS within the MSDE EXCELS Branch. The roles and responsibilities associated with each position are outlined below:

Maryland EXCELS Branch Chief (1 FTE)

- Manage projects housed within the Maryland EXCELS Branch including Maryland EXCELS, Maryland Accreditation, and the Accreditation Support Fund.
- Set policy, manage funds, develop budgets, manage the application and approval process for Maryland EXCELS, and oversee contracts and grants to partner organizations.

Quality Assurance Supervisor (1 FTE)

- Supervise and manage all quality assurance activities of the Maryland EXCELS Branch.

- Provide technical assistance and training to staff, stakeholders, and child care providers.
- Evaluate program effectiveness and implement procedures to respond to customer inquiries.
- Provide management and supervision for the Maryland EXCELS Branch, including the direct supervision of 3 contractual quality assurance coordinators.

Quality Assurance Coordinators (3 FTE)

- Coordinate the work of and directly supervise the 15 quality assurance specialists, which includes technical assistance for child care and early education programs, onsite monitoring of quality rated programs, and development and presentation of training.
- Support the reliability of the quality rating process through verification prior to the publication of a quality rating.
- Collaborate with the regional Office of Child Care licensing staff and Child Care Resource and Referral agencies to promote quality improvement of child care services for children and families.

Quality Assurance Specialists³ (15 FTE)

- Provide technical assistance, support, and coordination of services to early care and education programs, including child care centers, family child care homes, and Head Start and public pre-K programs throughout the State.
- Conduct onsite monitoring and provide information on Maryland EXCELS program standards.
- Coordinate with licensing offices and regional child care resource and referral offices to provide technical assistance to gain regulatory compliance and quality improvement.
- Facilitate optional technical assistance sessions with programs pursuing Maryland Accreditation.

³ In spring 2022, quality assurance specialists also started conducting Continuous Quality Improvement Visits to published programs to verify implementation of Maryland EXCELS standards. Quality assurance specialists also provide follow up and technical assistance related to Continuous Quality Improvement Visit observations.

Quality Measurement Specialist (1 FTE)

- Oversee the implementation of formal quality monitoring tools in Maryland EXCELS participating providers.

Community Outreach and Marketing Specialist (1 FTE)

- Lead community outreach specific to Maryland EXCELS.

Administrative Specialist (1 FTE)

- Provides administrative support to the Maryland EXCELS Branch.

Observation #3: Twenty-one out of 24 positions within the Maryland EXCELS Branch are contractual.

Of the 23 FTE positions dedicated to the Maryland EXCELS program within MSDE, only 2 are permanent positions with dedicated PINs from the Department of Budget and Management. The status of each position is outlined in **Exhibit 5.4**.

Exhibit 5.4
MSDE Headquarters Maryland EXCELS Program Personnel

Regular Permanent Employees	2
Maryland EXCELS Branch Chief	1
Quality Assurance Supervisor	1
Contractual Employees	21
Administrative Specialist	1
Community Outreach and Marketing Specialist	1
Quality Assurance Coordinator	3
Quality Assurance Specialist	15
Quality Measurement Specialist	1

MSDE: Maryland State Department of Education

Source: Maryland State Department of Education; Office of Program Evaluation and Government Accountability

The Maryland EXCELS program's reliance on contractual employees reflects a larger trend within DEC. **Exhibit 5.5** shows the status of MSDE employees across different operating units as of May 2022. DEC has the highest number of contractual employees of any operating unit within MSDE and the second highest proportion of contractual staff after the Division for Special Education and Early Intervention Services. Around 26% of DEC staff (58 FTE positions) are contractual.

Exhibit 5.5
MSDE Permanent and Contractual Employees by Unit
May 2022

<u>Unit Name</u>	<u>FTE</u>	<u>Permanent</u>	<u>Contractual</u>
Division of Accountability and Assessment	34.0	30.0	4.0
Division of Business Services	48.0	44.0	4.0
Division of Career and College Readiness	34.0	26.0	8.0
Division of Certification and Accreditation	23.0	20.0	3.0
Division of Curriculum, Assessment and Accountability	55.5	45.0	10.5
Division of Early Childhood	218.0	160.0	58.0
Division of Rehabilitation Services – Blindness and Vision Services	49.0	42.0	7.0
Division of Rehabilitation Services – Client Services	218.0	199.0	19.0
Division of Rehabilitation Services – Disability Determination Services	244.0	223.5	20.5
Division of Rehabilitation Services – Headquarters	77.0	58.0	19.0
Division of Rehabilitation Services – Workforce and Technology Center	99.5	91.0	8.5
Division of Special Education/Early Intervention Services	72.0	51.5	20.5
Division of Student, Family and School Support	30.5	23.5	7.0
Juvenile Services Education Program	170.0	169.0	1.0
Office of Information Technology	12.0	12.0	0.0
Office of School and Community Nutrition Programs	25.0	19.0	6.0
Office of the State Superintendent	139.1	127.6	11.5

FTE: full-time equivalent

MSDE: Maryland State Department of Education

Source: Maryland State Department of Education; Office of Program Evaluation and Government Accountability

Maryland EXCELS staff expressed concern about the long-term effectiveness of the program if core positions, especially the quality assurance specialist team, remained contractual. The following are quotes collected from the Office of Program Evaluation and Government Accountability's interviews with Maryland EXCELS staff:

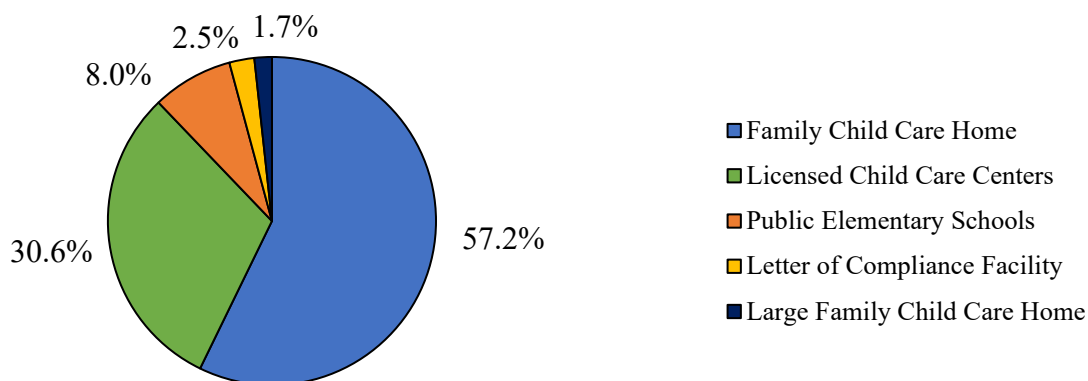
- “People on our team are actively looking for employment elsewhere. My fear is that we are going to lose people and then we’re not going to have the manpower. We’re already stretched thin with just 15 – I don’t think we’re going to have the manpower to be able to uphold our end of the bargain.”

- “We need time for self-care, family, and personal life... We are a part of everything, but we don’t get any days off. We are hourly, we have no retirement, we have no benefits.”
- “It is mindboggling. People on this team are excited about their work we have been doing since 2012. We have proven that it’s a worthwhile endeavor... but to be mentioned in the Blueprint and to be expected to enhance what we are already doing for the entire State, but not be offered a permanent contract leaves a bad taste in our mouths.”
- “We were told when we signed up that usually you are contractual for 2-3 years, and then the conversion happens. The conversion never happened.”
- “In order to have a sustainable quality rating and improvement system that is not going anywhere... you need the pioneers of the program – the original quality assurance specialists who have been there for the program the whole time and who have invested their time to make it what it is.”
- “I am amazed that there hasn’t been a significant amount of turnover. There are people who have been working on this program since the beginning... They’re committed to the program, but that can only go so far.”

Chapter 6. Early Childhood Care and Education Providers

During the 2021-2022 school year, approximately 7,791 early childhood care and education (ECCE) providers were operating in Maryland. **Exhibit 6.1** shows the breakdown of ECCE providers in Maryland. Over 57% of Maryland’s ECCE providers are family child care homes. child care centers and public prekindergarten constitute 31% and 8% of the ECCE provider population, respectively.

Exhibit 6.1
ECCE Facilities by Type
2021-2022 School Year



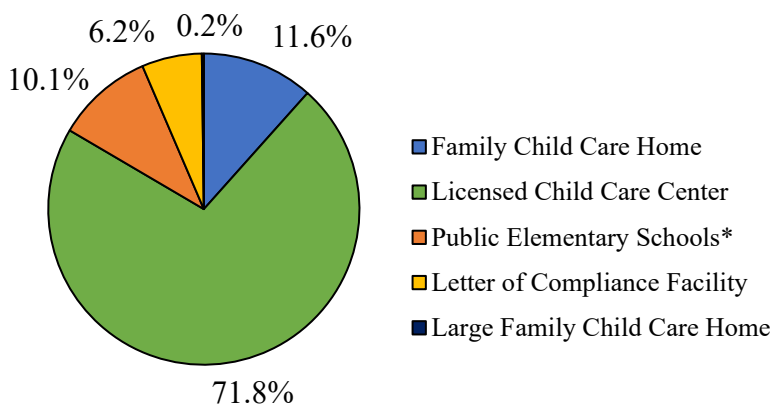
ECCE: early childhood care and education

Source: Maryland State Department of Education

Through the licensing process, MSDE determines the maximum capacity of private ECCE providers, called the provider’s “licensed capacity.” The Maryland State Department of Education (MSDE) does not collect data on enrollment and attendance from private ECCE providers. Thus, licensed capacity provides the best estimate of the number of children private child care providers can serve. Public elementary schools do not have pre-established capacity limits for prekindergarten. However, they do collect enrollment and attendance data on prekindergarten classrooms.

As shown in **Exhibit 6.2**, child care centers accounted for 72% of the total licensed capacity of providers statewide. Despite the large number of individual family providers, family child care and large family child care collectively account for just 12% of licensed child care capacity in the State.

Exhibit 6.2
Statewide ECCE Provider Capacity
Fiscal 2020



ECCE: early childhood care and education

*Data represents actual prekindergarten enrollment in public elementary schools.

Source: Maryland State Department of Education

Maryland's ECCE providers do not operate at full licensed capacity, meaning that fewer child care slots are available to families than licensing data indicates. Providers must balance licensing regulations, staffing availability, group size limits, and child-staff ratio requirements. Providers who enroll children in 100% of their licensed slots risk becoming noncompliant if a staff member leaves or older children age-out of the program. An efficient enrollment target for an ECCE program is around 85% to 95%, according to professional development materials published by the Administration for Children and Families.

In January 2020, child care programs reported operating at an average of 79% of their licensed capacity, according to the Maryland Family Network.¹ MSDE does not collect data on enrollment and attendance from all licensed ECCE providers. Therefore, it is impossible to know how many children are enrolled in ECCE programs across the State at any given time.

The population of children under age 5 in Maryland is around 360,000 – about three times larger than the number of licensed slots for children in that age group – about 136,000 slots. However, due to Maryland's heavy investment in prekindergarten expansion in recent years, the gap between licensed slots and the child population is smaller for preschool-aged children than for other age groups.

As shown in **Exhibit 6.3**, the gap between the supply of child care slots and the child population is particularly large for parents of infants and toddlers. There is only one licensed slot for every 4.08 children under the age of two. While there is also a notable gap for school-aged care (one licensed slot for every 6.99 children), children above the age of five have access to full-time public education in Maryland.

Exhibit 6.3
Maryland's Under 5 Child Population and Licensed Child Care Slots

<u>Age Groups</u>	<u>Estimated Population (2019)</u>	<u>Licensed Slots (Fiscal 2020)</u>	<u>Children per Licensed Slot</u>
Infants and Toddlers (Ages 0 & 1)	140,376	34,393	4.08
Preschool (Ages 2, 3, & 4)	218,503	101,338	2.16

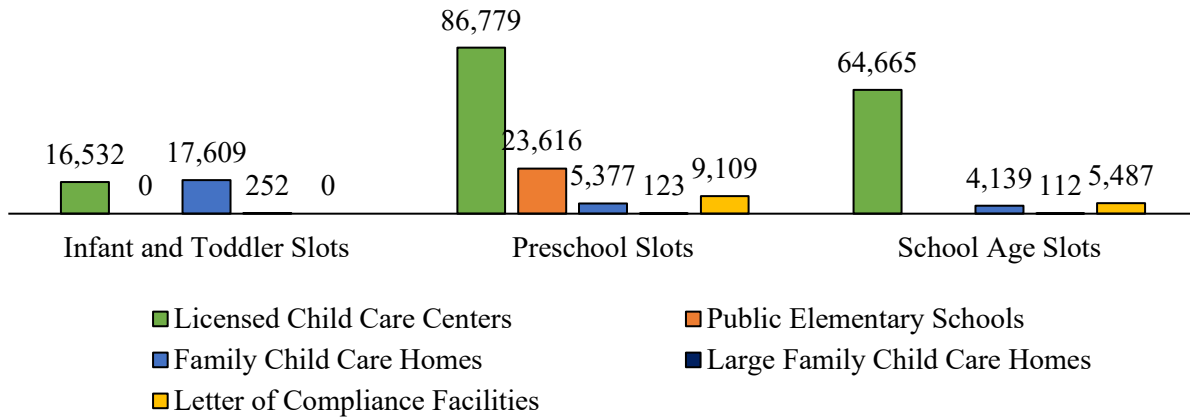
Source: Kids Count Data Center; Maryland State Department of Education

Parents and caregivers who cannot access child care may choose to reduce their hours at work or leave the workforce altogether. Other families may turn to informal or unregulated care if they cannot enroll their child in a licensed ECCE program. For example, a 2017 survey of Maryland families found that: ⁱⁱ

- 50% of working parents in Maryland missed work, were late to work, or left work early during the previous three months because of issues with child care.
- 15% of working parents in Maryland experienced a long-term disruption over the previous year due to issues with child care. For example, among survey respondents, 11.1% of women and 4.0% of men with children age zero to five went from full-time to part-time because of challenges in finding appropriate child care.
- 20% of families relied on informal care, such as another family member or a nanny, to care for their child at some point during the week. Informal care arrangements are most common in Western Maryland and the Eastern Shore.

ECCE providers are licensed to care for a specific number of children from different age groups. Each provider has a unique licensed capacity for infants and toddlers, preschool-aged children, and school-aged children (ages five+). **Exhibit 6.4** shows that most preschool and school-age child care slots are in child care centers. However, family child care plays a significant role in providing child care for infants and toddlers. Over 50% of all licensed slots for infants and toddlers are in family child care homes.

Exhibit 6.4
Total Statewide ECCE Capacity by Child Age Group
Fiscal 2020



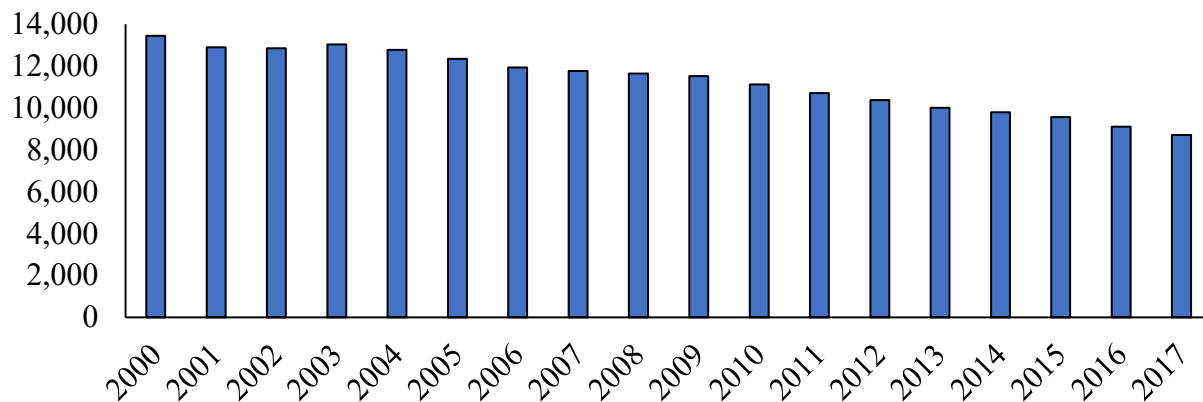
ECCE: early childhood care and education

Source: Maryland State Department of Education

Observation #1: The total number of licensed providers in the State fell by over 35% between fiscal 2000 and 2017.

As shown in **Exhibit 6.5**, in fiscal 2000, there were 13,450 licensed ECCE providers in the State of Maryland. Despite investments by the State in the expansion of child care during that time, the State lost an average of approximately 279 providers each fiscal year between 2000 and 2017.

Exhibit 6.5
Total Licensed ECCE Providers in Maryland
Fiscal 2000-2017



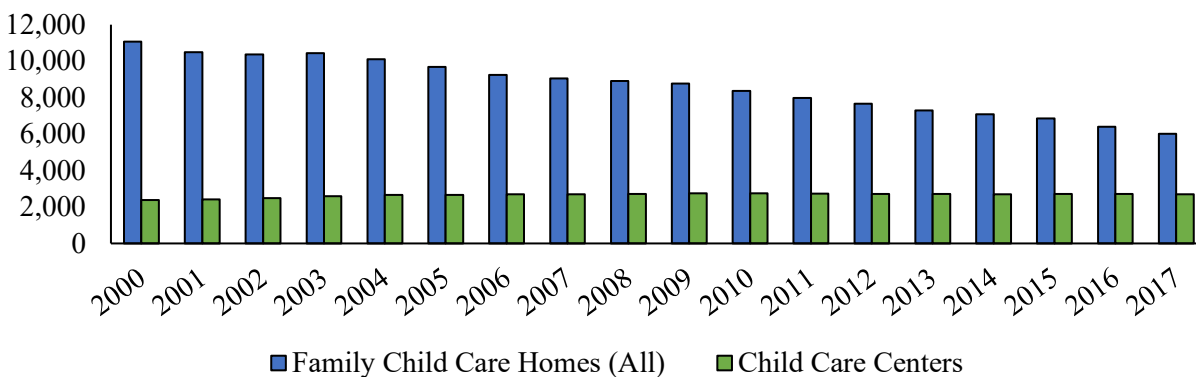
ECCE: early childhood care and education

Source: Maryland State Department of Education

Observation #2: The reduction in licensed providers between fiscal 2000 and 2017 was driven by a decline in family child care providers.

The number of licensed family child care homes in Maryland declined by 45% between 2000 and 2017. **Exhibit 6.6** shows that Maryland had over 11,000 licensed family child care homes in 2000 compared with just under 6,009 in 2017. The decreasing supply of home-based providers in Maryland mirrors national trends. Across the U.S., the number of licensed small family child care homes fell by 52% between 2005 and 2017.

Exhibit 6.6
Number of Licensed Private Child Care Providers
Fiscal 1998-2021



Source: Maryland State Department of Education

At a national level, the Administration for Children and Families has identified several factors that underpin the decline in family child care providers.ⁱⁱⁱ These factors include:

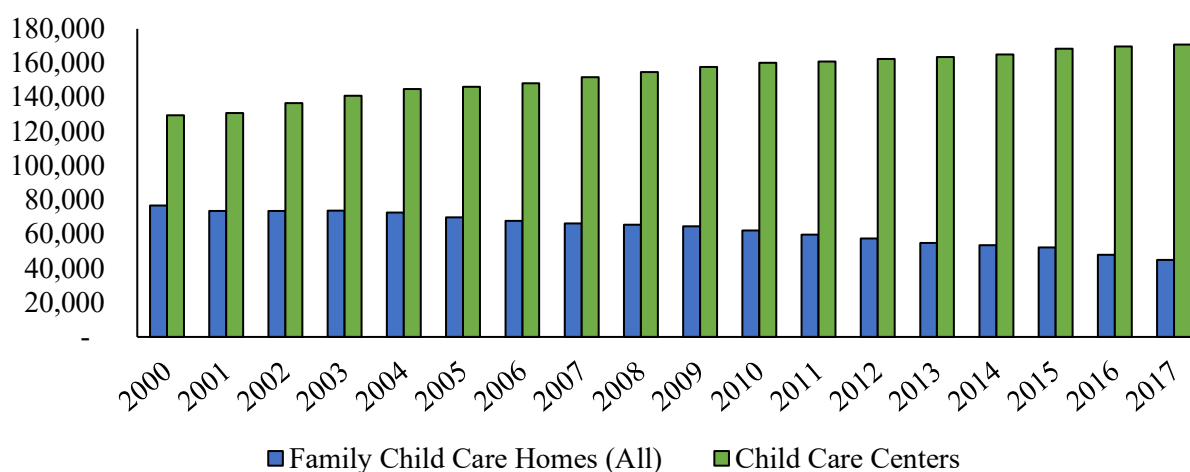
1. **Low or unpredictable income and no benefits** may cause family child care providers to leave the field to seek jobs with higher pay or with benefits.
2. Family child care providers' **lack of business expertise** that can result in low wages, uncollected revenue, and vacancies.
3. **Declining enrollment, increased competition, and availability of other options for families;** for example, Head Start, prekindergarten, and center-based care.
4. **Rising costs** of housing and insurance.
5. **Local challenges**, such as zoning restrictions and high fees for licensing applications.
6. **Technology** challenges.
7. **Demands of the job** (working long hours, feeling isolated, meeting physical requirements, balancing work and family, caring for mixed ages).
8. Providers **retiring and not being replaced** by new providers.

9. **Lack of respect or recognition for family child care** or the role of the provider as teacher, director, and business owner.
10. **Difficulty navigating multiple and changing requirements**, such as the comprehensive background check requirements.
11. **Difficulty navigating or successfully participating in quality improvement systems** that may have been designed for centers (participation in these systems may be required for providers to access public funding or subsidy reimbursements).
12. **Difficulty accessing advancement opportunities**, including State quality improvement initiatives and relevant, affordable professional development opportunities.

Observation #3: Maryland's total number of licensed child care slots grew by 5% between fiscal 2000 and 2017, mainly due to the expansion of private child care centers.

The overall licensed capacity of private ECCE providers in Maryland increased by approximately 9,496 slots (5%) between 2000 and 2017. As shown in **Exhibit 6.7** the capacity of licensed child care centers expanded by 41,402 licensed slots and family child care capacity fell by 31,906 slots. During that same 17-year period, Maryland's under-5 population grew by approximately 13,400 children.

Exhibit 6.7
Number of Licensed Child Care Slots in Private Facilities
Fiscal 2000-2017



Source: Maryland State Department of Education

Observation #4: Seventeen jurisdictions in Maryland lost child care slots between fiscal 2000 and 2017.

Exhibit 6.8 shows the change in provider capacity across Maryland's jurisdictions between 2000 and 2017. Every jurisdiction lost family child care slots between fiscal 2000 and 2017. The number of slots in child care centers increased in all but three jurisdictions – Caroline County, Kent County, and Dorchester County.

Exhibit 6.8
Counties with Reduced Child Care Slots
2000-2017

Jurisdiction	Net Change in Capacity (# Slots)			Percentage Change	
	Child Care Centers	Family Child Care Homes	Total	Provider Capacity	Population
Caroline	-47	-409	-456	-34%	12%
Kent	-16	-178	-194	-32%	0%
Baltimore City	1,225	-4,591	-3,366	-14%	-10%
Dorchester	-67	-57	-124	-13%	6%
Wicomico	233	-670	-437	-11%	22%
Washington	1,360	-1,855	-495	-9%	17%
Worcester	118	-236	-118	-9%	13%
Allegany	255	-394	-139	-8%	-9%
Talbot	216	-327	-111	-8%	11%
Prince George's	2,951	-5,142	-2,191	-7%	21%
Cecil	617	-780	-163	-6%	21%
Calvert	508	-685	-177	-5%	24%
Carroll	1,521	-1,747	-226	-3%	15%
Somerset	57	-81	-24	-3%	-1%
Charles	809	-961	-152	-2%	38%
Harford	1,452	-1,598	-146	-2%	19%
St. Mary's	473	-516	-43	-1%	32%
Queen Anne's	332	-282	50	3%	23%
Baltimore	4,179	-3,077	1,102	4%	13%
Anne Arundel	4,297	-3,409	888	5%	20%
Frederick	2,087	-1,450	637	7%	39%
Garrett	219	-114	105	16%	-3%
Howard	4,624	-1,854	2,770	21%	34%
Montgomery	12,637	-1,286	11,351	38%	22%

Source: Maryland State Department of Education; Maryland Department of Planning

In most cases, the expansion of slots in child care centers did not make up for the reduction of slots in family child care homes. In 17 counties, overall child care capacity declined between 2000 and 2017. Most of these counties experienced population growth over the same period. Among the 7 jurisdictions where child care capacity expanded between 2000 and 2017, Montgomery and Garrett counties were the only areas where the expansion of child care slots outpaced the change in population.

The decline in child care capacity across Maryland's jurisdictions is due, in part, to the rapid decline in family child care providers. In a 2020 report to the Maryland General Assembly, MSDE outlined that in some localities, the decrease in family child care homes may result in:^{iv}

- a lack of parental choice that fits a family's language, culture, backgrounds, and values;
- hardships on families who need nontraditional care such as night and/or weekend;
- an increase in child care deserts, especially for rural communities where family child care providers may be the only option;
- a decrease in the availability of care for infants since few centers offer infant care; and
- states meeting their Child Care Development Fund requirements to "permit parents to choose from a variety of child care categories, including...(ii) Family child care; and (iii) In-home child care."

Observation #5: The number of licensed ECCE providers participating in Maryland EXCELS has increased almost every year since 2014.

Exhibit 6.9 shows that in July 2014, 2,333 licensed providers were participating in the Maryland EXCELS program. This was a year after the program initially opened to all licensed providers. Since then, participation in Maryland EXCELS has increased yearly, except in 2021 when participation declined during the height of the COVID-19 pandemic. In May 2022, 4,864 providers were participating in Maryland EXCELS. This included approximately 65% of Maryland's licensed private child care providers.

Maryland EXCELS has relatively high provider participation rates compared with other voluntary quality rating and improvement system (QRIS) programs. Nationally, the average private center participation rate in voluntary QRIS programs is 53% and the average family child care participation rate is 42%.^v As of May 2022, 82% of all child care centers and 56% of family child care homes participate in Maryland EXCELS.

Exhibit 6.9
Participation in the Maryland EXCELS Program
July 2014-July 2022

<u>Date</u>	<u>Number of Providers Participating</u>	<u>Percent of Licensed Private Providers Participating</u>
July 2014	2,333	24%
July 2015	2,371	25%
July 2016	4,534	50%
July 2017	4,457	51%
July 2018	4,505	52%
July 2019	4,576	55%
July 2020	4,859	60%
July 2021	4,830	63%
May 2022	4,864	65%

Source: Maryland State Department of Education

Observation #6: A shortage of qualified ECCE professionals and high turnover rates limit the enrollment capacity of child care centers.

In a June 2021 survey, 74% of child care centers in Maryland reported experiencing a staffing shortage – over 40% of those programs were serving fewer children, 35% were unable to open classrooms, and 28% had reduced their operating hours as a result. ^{vi}

Low compensation for child care professionals is a potential driver of the staffing shortage in private settings. **Exhibit 6.10** shows the average annual wages of teaching positions in Maryland. Early childhood educators working in public prekindergarten programs are compensated based on local school system salary scales. However, wages for educators in private ECCE settings are directly tied to enrollment fees charged to families. Increasing staff compensation would increase the cost of care for families.

Exhibit 6.10
Average Annual Wages for Maryland Educators
2021

Public School Teacher	\$63,849
Nonpublic School Teacher	60,500
Family Child Care Provider	41,177
Child Care Center Director	40,539
Center Senior Staff/Teacher	25,537
Center Aide	17,889

Source: Maryland Family Network

Compensation is also the most commonly cited cause of staff turnover in child care centers. Between January 1 and December 31, 2019, the overall staff turnover rate in child care centers was 21%, according to Maryland Family Network.^{vii} The turnover rate for child care aides, the lowest paid educators in centers, was 34%. Directors reported that wages and benefits drove around 31% of staff departures.

“Public school systems are now offering public PreK, so they are now hiring all the PreK teachers who are certified from the centers. Teachers are working for local school systems instead of centers because they are paid more and are offered benefits.”

– Program Coordinator

ⁱ Cope, Heather, et al. Caring in a Time of Pandemic. Maryland Family Network, Mar. 2021, <https://www.marylandfamilynetwork.org/sites/default/files/2021-02/2021%20MFN%20Caring%20During%20Covid%20%28bg%29%201.5%20Pages%20%281%29.pdf>.

ⁱⁱ Talbert, Elizabeth M., et al. Counting Our Losses: The Hidden Cost to Marylanders of an Inadequate Child Care System. 2018. Zotero, https://www.marylandfamilynetwork.org/sites/default/files/2020-06/MarylandFamilyNetwork_Countingourlosses_FullReport_Hyperlinked_Singles%20%281%29.pdf.

ⁱⁱⁱ National Center on Early Childhood Quality Assurance. Addressing the Decreasing Number of Family Child Care Providers in the United States. 2019, https://childcareta.acf.hhs.gov/sites/default/files/public/addressing_decreasing_fcc_providers_revised_final.pdf.

^{iv} Family Child Care Involvement in Prekindergarten Expansion. Division of Early Childhood Development, Maryland State Department of Education, Sept. 2020, http://dlslibrary.state.md.us/publications/JCR/2020/2020_167.pdf.

^v Child Trends. Create a QIS Compendium Report. 2021, <https://qualitycompendium.org/create-a-report>.

^{vi} National Association for the Education of Young Children. State Survey Data: Child Care at a Time of Progress and Peril. Sept. 2021, https://www.naeyc.org/sites/default/files/wysiwyg/user-74/naeyc_survey_statedatawithquotes_sep2021.pdf.

^{vii} Maryland Child Care Resource network. Trends in Child Care 2020. 2020, <https://www.marylandfamilynetwork.org/sites/default/files/2020-07/Trends%202020%20FINAL%20%281%29.pdf>.

Chapter 7. Maryland EXCELS Quality Ratings

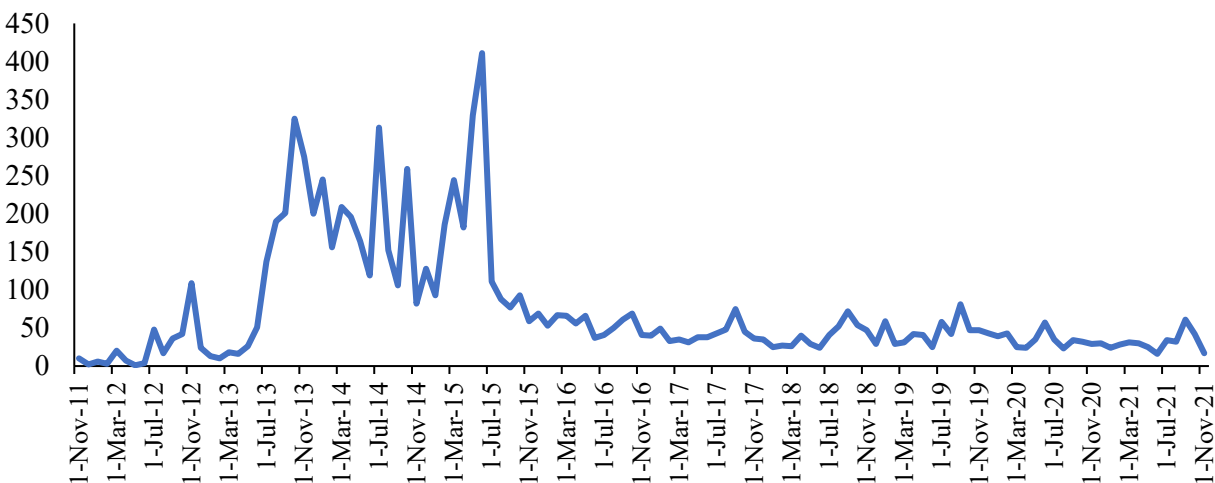
Observation #1: An estimated 8,772 providers registered with Maryland EXCELS between November 2011 (when providers joined the pilot program) and November 2021.

To participate in Maryland EXCELS, providers apply through the online Maryland EXCELS system. Program coordinators at Johns Hopkins University must verify the provider's licensing documentation and process their acceptance before a provider can start the quality rating process.

Most providers in the Office of Program Evaluation and Government Accountability's (OPEGA) dataset submitted applications within the first two years that Maryland EXCELS was open to all licensed providers. Around 57% of all applications to Maryland EXCELS were submitted between July 2013, when the pilot officially ended, and July 2015.

On July 29, 2015, the Maryland EXCELS participation requirement for the Child Care Scholarship program went into effect. As shown in **Exhibit 7.1**, this new rule contributed to the surge in applications to Maryland EXCELS between January and July 2015. Since July 2015, there have been cyclical upticks in applications during the summer months.

Exhibit 7.1
Number Programs Accepted to Maryland EXCELS by Month
(November 2011 – November 2021)



Source: Maryland State Department of Education

Observation #2: Most new Maryland EXCELS participants do not publish an initial quality rating within the required 12-month timeframe.

As mentioned in Chapter 3, providers who do not publish a rating within 12 months of acceptance into the Maryland EXCELS program are considered “inactive.” As shown in **Exhibit 7.2**, during the first two years that Maryland EXCELS was open to all licensed providers, the average new participant published an initial quality rating within the timeframe. However, since 2015, the average number of days between a provider’s application and initial quality rating publication has remained above 470 days (approximately 15 months).¹

Exhibit 7.2
Time to Publish First Rating

<u>Year Accepted</u>	<u>Average Days to Publish First Rating</u>	<u>Percent Within 12 Months</u>	<u>Percent Within 18 Months</u>
2013	305.9	75%	90%
2014	217.7	87%	94%
2015	470.3	28%	59%
2016	709.0	15%	41%
2017*			
2018*			
2019	635.6	45%	70%
2020	563.2	45%	78%

* Data from 2017 and 2018 are excluded due to inconsistencies in MSDE participation records from those years.

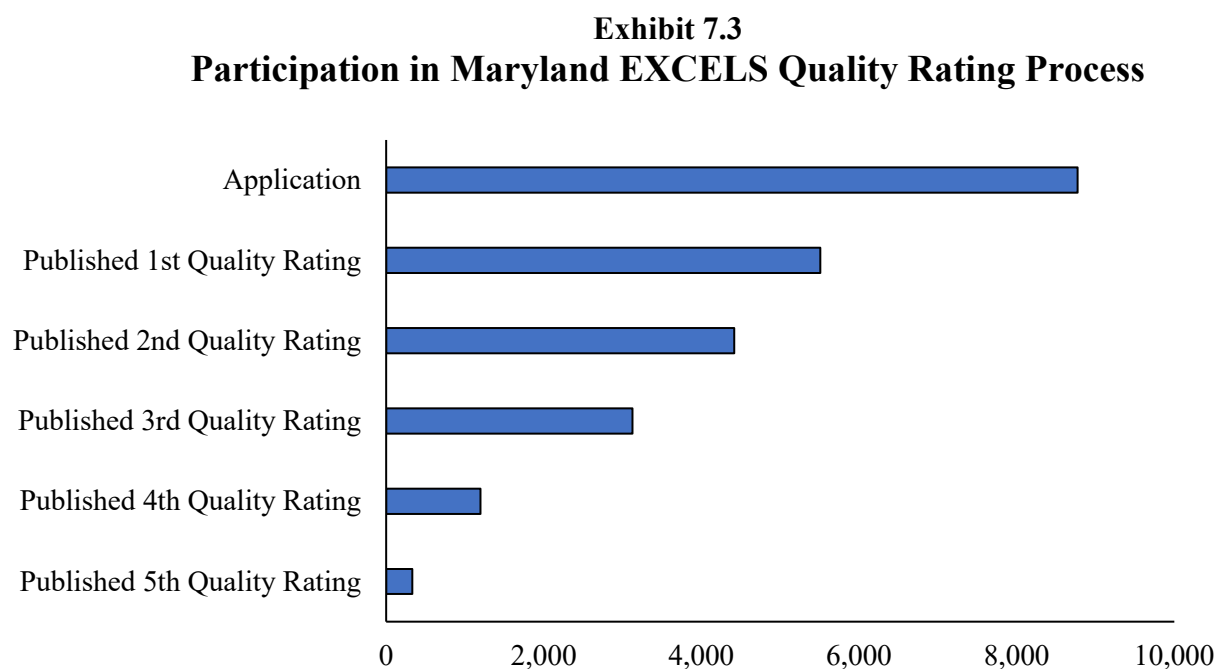
Source: Maryland State Department of Education

The slowdown in publishing occurred at the same time that Maryland EXCELS participation became mandatory for providers in the Child Care Scholarship (CCS) program. The growth in CCS providers may have contributed to this change for two reasons. First, CCS providers may not be as motivated to participate in the quality rating process as providers who joined Maryland EXCELS before 2015. Thus, CCS providers may wait to upload the documentation required for a rating until they risk becoming inactive. Second, as more providers joined the program, the caseloads for Maryland EXCELS support staff (specifically the Quality Assurance Specialists and the Program Coordinators) grew. Larger caseloads limit staff capacity to provide individualized support to providers going through the quality rating system for the first time.

¹ This does not include providers who never published an initial rating.

Observation #3: Around 62% of providers who apply to participate in Maryland EXCELS go on to publish a quality rating.

Exhibit 7.3 illustrates the number of providers in OPEGA’s dataset who applied to Maryland EXCELS and continued to participate in the quality rating process. Of the 8,772 providers who applied to participate in Maryland EXCELS, 62.1% successfully published an initial quality rating. Just under half (49.8 %) published a second quality rating.



Source: Maryland State Department of Education

As of January 2021, an estimated 3,841 providers who once participated in Maryland EXCELS were not active in the program (*i.e.*, they had not published an updated quality rating within the preceding 12 months). The Johns Hopkins University – Institute for Innovation in Development, Encouragement, and Learning Systems estimates that 3,337 providers that once applied to participate in Maryland EXCELS have permanently closed and 129 providers have withdrawn from the program.

To verify this information, OPEGA reviewed a random sample of 50 providers who were inactive in January 2022. An online search using the State’s public child care licensing website (www.checkccmd.org) in June 2022 revealed that:

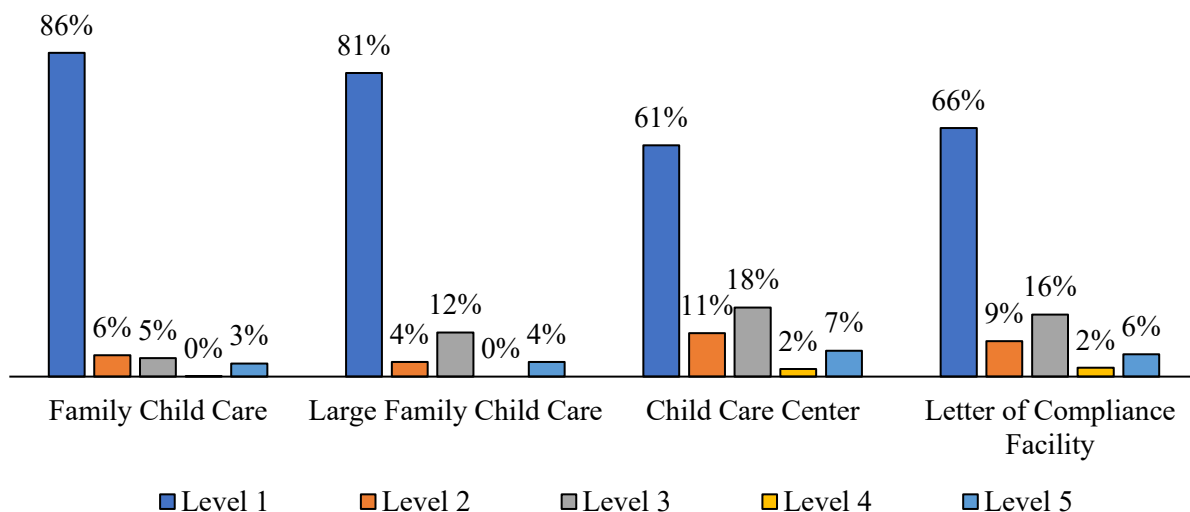
- 31 providers were no longer operating in June 2022;

- 10 providers were open, but *had not* published an updated quality rating by June 2022; and
- 9 providers were open and published an updated quality rating by June 2022.

Observation #4: Most providers never improve their Maryland EXCELS quality rating.

Of the 8,772 providers in OPEGA’s dataset that applied to participate in Maryland EXCELS, 5,510 (62%) published an initial quality rating. **Exhibit 7.4** shows the initial ratings published by those providers. Most providers publish a quality rating of 1 when they first start participating in Maryland EXCELS.

Exhibit 7.4
Initial Maryland EXCELS Quality Ratings by Provider Type



Source: Maryland State Department of Education

Exhibit 7.5 compares providers’ initial and final quality ratings. Eighty-eight percent of providers who start at quality level 1 will remain at that level throughout their participation in Maryland EXCELS. Similarly, 85% of providers who begin at a quality level 3 will stay there.

Exhibit 7.5
Movement in Maryland EXCELS Quality Ratings for Individual Providers

		Last Quality Rating					Total
		1	2	3	4	5	
Initial Quality Rating	1	88.0%	4.9%	6.6%	0.3%	0.3%	100%
	2	3.0%	65.5%	25.9%	2.8%	2.8%	100%
	3	1.8%	0.2%	84.5%	5.4%	8.1%	100%
	4	1.4%	0.0%	4.2%	48.6%	45.8%	100%
	5	1.1%	0.3%	1.1%	0.9%	96.6%	100%

Note: “Last quality rating” includes most recent rating for active providers and the last rating for provider that are no longer active in Maryland EXCELS.

Source: Maryland State Department of Education

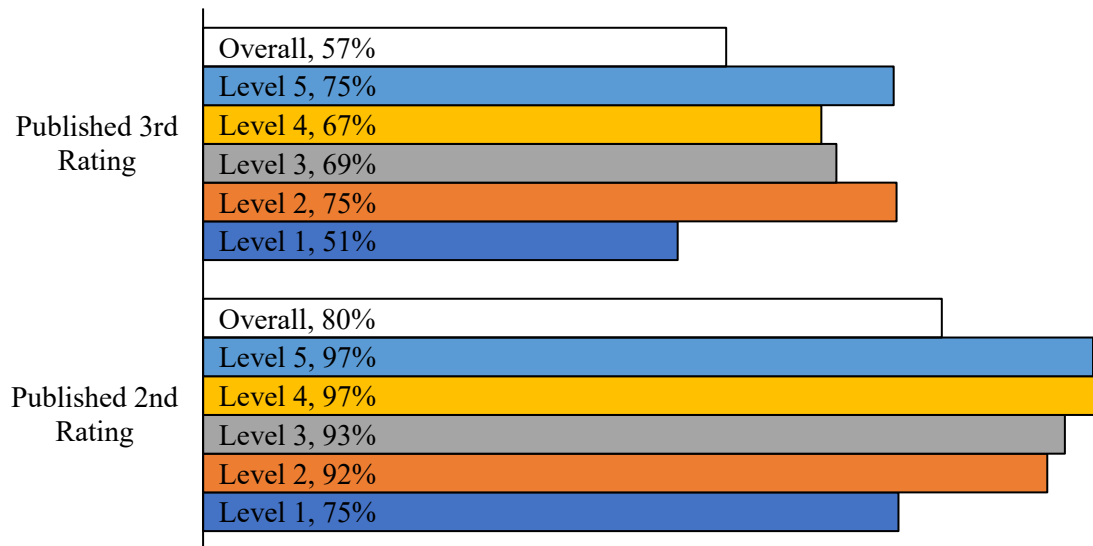
Observation #5: Long-term participation in Maryland EXCELS is associated with improved quality ratings.

Exhibit 7.6 illustrates that providers who initially publish at a quality level 1 are less likely than other providers to continue participating after their initial rating. For example, over 90% of providers that initially publish at levels 2 through 5 will request to publish an updated quality rating (the same or higher) in the future. However, only 75% of providers who initially publish a quality rating level 1 will request to publish a second quality rating later on.

However, providers that continue to participate in Maryland EXCELS generally improve their quality rating over time. **Exhibit 7.7** shows rating changes over successive rating publications for providers that started at quality level 1. Among providers who initially published at level 1:

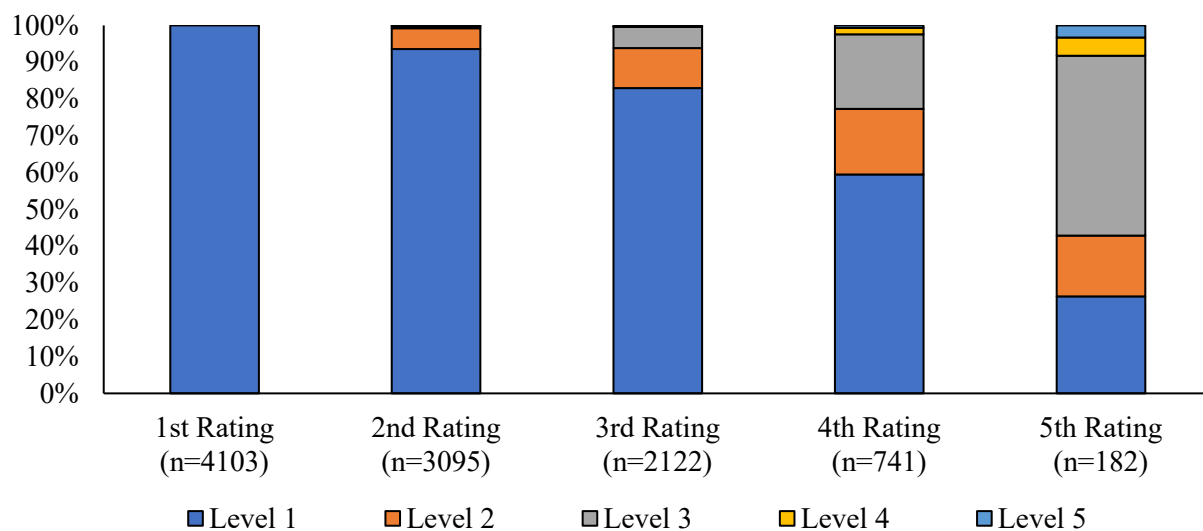
- 7% improve their quality rating if they publish a second time;
- 17% improve their quality rating if they publish a third time; and
- 41% improve their quality rating by their fourth publication.

Exhibit 7.6
Continued Participation in Maryland EXCELS by
Initial Quality Rating Level



Source: Maryland State Department of Education

Exhibit 7.7
Quality Rating Changes for Providers Starting at
Maryland EXCELS Level 1

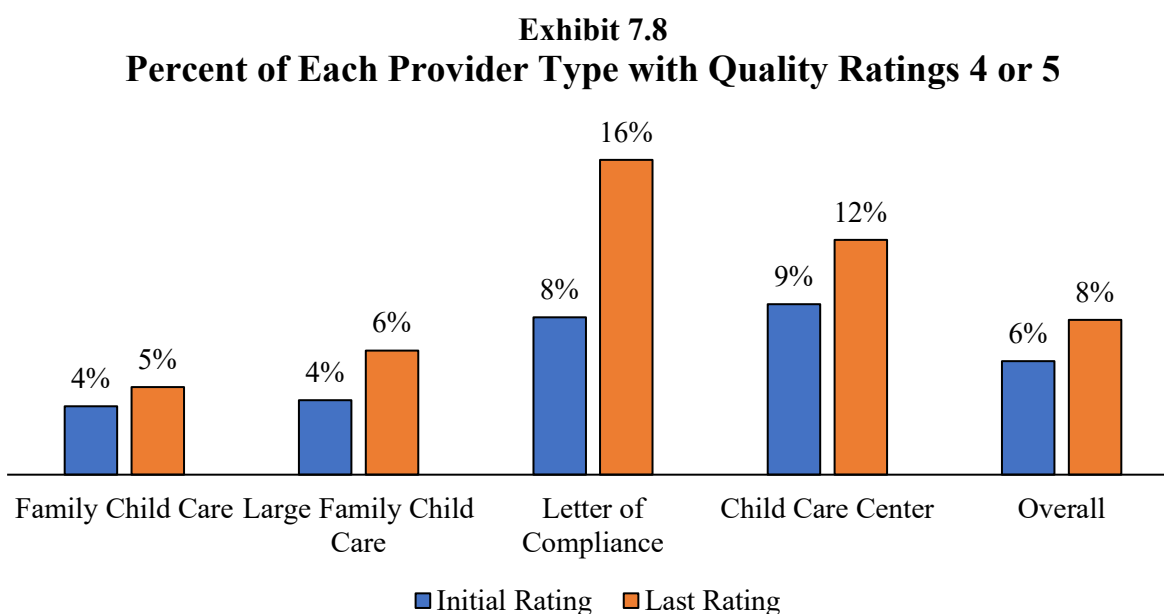


Source: Maryland State Department of Education

Exhibit 7.7 also illustrates that less than 9% of providers that start at a level 1 move beyond a level 3, even after five successive rating updates. Maryland EXCELS staff and other experts on Maryland EXCELS consulted for this evaluation shared that there is a “bottleneck” or “plateau” for providers who reach level 3 because of the specific requirements for staffing and accreditation at level 4. See Chapter 9 for further discussion on the barriers for programs seeking to publish at a higher rating.

Observation #6: Family child care providers have generally not improved their quality ratings during their participation in Maryland EXCELS as much as other types of providers.

Exhibit 7.8 illustrates the percentage of each provider type who publish the highest quality ratings (levels 4 and 5) in Maryland EXCELS in their initial and most recent ratings. Around 3.6% of family child care providers start with the highest quality ratings. About 4.6% published one of the highest quality ratings in their most recent update – a one percentage point difference. Comparatively, letter of compliance facilities and child care centers publishing at levels 4 and 5 grew by 8.3 and 3.4 percentage points, respectively.



Source: Maryland State Department of Education

Several individuals interviewed by OPEGA shared that family child care providers, in particular, struggle to maintain participation in Maryland EXCELS and improve their quality ratings. Several factors make participation in Maryland EXCELS challenging for family child care providers.

Time and Resource Constraints

Because family child care homes are often run by one adult, administrative tasks must be completed when no children are present. Thus, family child care providers must use evenings and weekends to complete documentation and paperwork. Comparatively, early childhood care and education (ECCE) providers with multiple adult staff members have slightly more flexibility to complete administrative tasks during the work day. Many family child care providers feel overburdened by new rules and regulations that have come with the State's growing involvement in child care. In a recent State Board of Education meeting, one family child care provider expressed, "You're gonna burn out more providers, and they're gonna quit."

Additionally, Quality Assurance Specialists shared that several family child care providers in their caseloads lack access to the Internet or a home computer. Participation in Maryland EXCELS requires providers to upload a large amount of documentation to the EXCELS system. The platform is not compatible with mobile phones or tablets and is best viewed from a full-screen web browser. Quality Assurance Specialists and Program Coordinators explained that many family child care providers try to use their mobile phones to upload documents.

Child care providers have the option of using the technology available at their regional Child Care Resource Center (CCRC) to submit documentation for Maryland EXCELS. However, most CCRCs have limited hours outside of the normal business day, making it challenging for child care providers to rely solely on those resources to participate in Maryland EXCELS.

Feasibility of Maryland EXCELS Standards

As outlined at the end of this section, providers must actively work toward accreditation to achieve a quality rating higher than 3. However, only one Maryland State Department of Education-recognized accreditation body provides accreditation for family child care programs. This makes it challenging for family child care providers to pursue accreditation and improve their quality rating beyond level 3.

Additionally, many family child care providers have not completed formal technical training in early childhood care and education. Formal training through the Maryland Credentialing program is a requirement for providers to increase their quality rating. However, many family child care providers feel they do not have the capacity to participate in professional development while running their businesses full time.

Family child care providers often require additional support from Quality Assurance Specialists to interpret the Maryland EXCELS standards and develop the appropriate documentation. Several interviewees referenced specific standards that are inaccessible to family child care providers. For example, for a family child care provider to publish a quality rating level 1, they must submit a daily schedule or lesson plan to verify that "Activities are individualized to address the developmental needs of each and every child and are informed by information from an IFSP/IEP, if provided." Quality Assurance Specialists shared that most family

child care providers have never written a lesson plan. Getting those providers to a place where they can submit documentation that meets this requirement takes a lot of work.

Interviewees also shared that several family care providers speak English as a second language, which makes comprehending the Maryland EXCELS standards and developing the appropriate documentation challenging. There are two Spanish-speaking Program Coordinators. If there is a concern, supervisors can reassign the provider to a Spanish-speaking Program Coordinator. In that case, comments will be written in English and Spanish in the system so that they can be understood by the provider, supervisors, and the Quality Assurance Specialist assigned to the providers. However, several providers speak languages other than Spanish. In these cases, Maryland EXCELS staff are limited in their ability to provide support. There is a plan to update the Maryland EXCELS system to include translation into 10 additional languages in 2022 to make the program more accessible for those providers.

Observation #7: Only one accreditation body recognized by the Maryland State Department of Education (MSDE) offers accreditation for family child care providers.

Exhibit 7.9 shows the accreditation bodies recognized by MSDE. In total, MSDE recognizes 12 organizations that provide accreditation to ECCE providers. However, only 1 of those organizations – the National Association for Family Child Care (NAFCC) – offers accreditation for family child care providers.

In a recent State Board of Education meeting, one family child care provider explained, “I’ve been working on my accreditation observation. It’s been eight weeks – I haven’t heard anything. I can’t call or contact anyone. I’m just a little discouraged.”

According to a Maryland EXCELS Program Coordinator interviewed by OPEGA, NAFCC is not very organized, and there is a lot of turnover within the organization. They shared, “It is really frustrating for family care providers because they are not easy to work with. It has been discussed a lot about creating a Maryland Accreditation for family care providers.”

The Maryland EXCELS Branch already administers the State-run accreditation program (Maryland Accreditation) for child care centers. Several MSDE staff members interviewed for this evaluation expressed an interest in developing a family child care component within Maryland Accreditation to help facilitate continued quality improvement among the State’s family child care providers.

Exhibit 7.9
Accreditation Organizations Recognized by MSDE

Organization	Accreditation for Child Care Centers	Accreditation for Family Child Care Homes
Maryland Accreditation (MSDE)	✓	
American Montessori International/USA	✓	
American Montessori Society	✓	
Association of Independent Maryland Schools	✓	
Association of Waldorf Schools of North America	✓	
Cognia Early Learning Accreditation	✓	
Council on Accreditation – After-School Accreditation	✓	
Middle States Association of Colleges and Schools Commission on Elementary and Secondary Schools	✓	
National Accreditation Commission	✓	
National Association for the Education of Young Children	✓	
National Association for Family Child Care		✓
National Early Childhood Program Accreditation	✓	

MSDE: Maryland State Department of Education

Source: Maryland State Department of Education

Chapter 8. Maryland EXCELS Financial Incentives

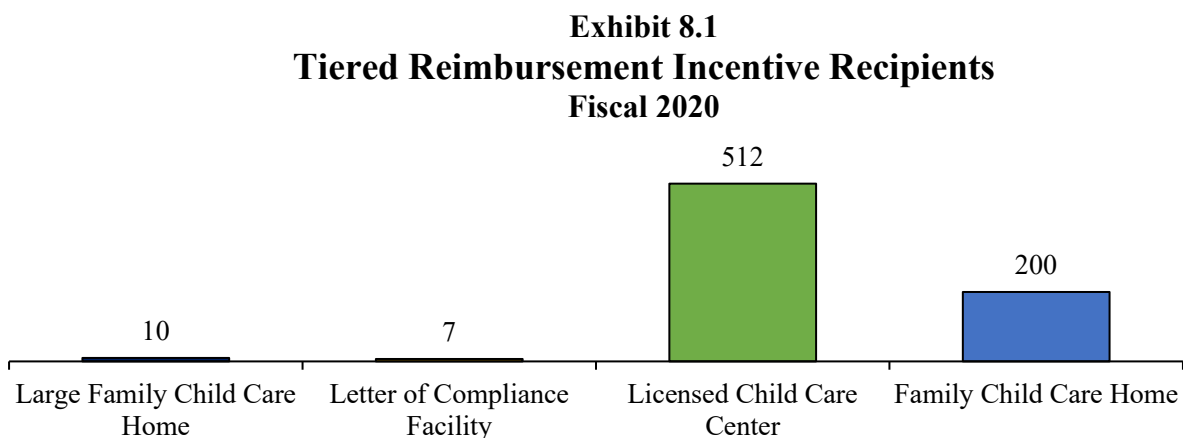
Observations

Observation #1: In fiscal 2020, 729 providers received additional scholarship reimbursements through the tiered reimbursement incentive.

As outlined in Chapter 3, the Maryland State Department of Education (MSDE) offers increased Child Care Scholarship (CCS) reimbursements for programs that publish levels 3, 4, or 5 in Maryland EXCELS to incentivize quality improvement by early childhood care and education (ECCE) providers. The Child Care Scholarship Program (CCSP) provides financial assistance for early childhood care and education costs for low-income working families in Maryland. Eligible families receive a scholarship to cover part of their child care and education tuition. Child care providers can only accept CCS payments if they participate in Maryland EXCELS.

The family pays their portion of the child care cost directly to the provider. Families are responsible for the required copayment and any remaining balance between the actual rate charged by the provider and the scholarship amount. Providers submit a request for reimbursement for the scholarship amount to MSDE. MSDE pays the scholarship reimbursement directly to providers. To incentivize quality improvement by ECCE providers, MSDE offers increased scholarship reimbursements for programs that publish levels 3, 4, or 5 in Maryland EXCELS.

In total, 8,544 licensed ECCE providers operated during fiscal 2020. However, just 729 of those providers (9%) received additional CCS payments through the tiered reimbursement incentive, as shown in **Exhibit 8.1**. Over 70% of those providers were licensed child care centers, and 27% were family child care homes.



Source: Maryland State Department of Education

Observation #2: In fiscal 2020, providers that qualified for tiered reimbursement received an average of \$675 above the base reimbursement for every CCS child in their care.

As noted above, MSDE offers increased scholarship reimbursements for programs that publish levels 3, 4, or 5 in Maryland EXCELS. **Exhibit 8.2** outlines the total tiered reimbursement payments made to providers in fiscal 2020. For every CCS child in their care, eligible providers received an average of \$675.33 over the course of the fiscal year.

Exhibit 8.2
Tiered Reimbursement Payments
Fiscal 2020

<u>Provider Type</u>	<u>Number of Providers</u>	<u>Average Tiered Reimbursement Total</u>	<u>Average CCS Children in Care</u>	<u>Average Reimbursement Per CCS Child</u>
Family Child Care	200	\$2,904	6.4	\$457
Large Family Child Care	10	7,472	13.6	549
Child Care Center	512	14,040	19.9	706
Letter of Compliance	7	3,979	9.0	442
Overall	729	\$10,798	16.0	\$675

Source: Maryland State Department of Education

Tiered reimbursement amounts are directly tied to the regional scholarship rates set by MSDE. There is no cap on tiered reimbursement payments for a provider. **Exhibit 8.3** displays tiered reimbursement calculations for three Maryland EXCELS providers that each cared for one CCSP child in fiscal 2020. In general, per-child reimbursements are higher for providers that:

- serve children that qualify for full Child Care Scholarship funding;
- care for scholarship children under the age of 2;
- have a Maryland EXCELS quality rating at level 5; and
- have scholarship children who attend the program full time.

Exhibit 8.3
Tiered Reimbursement Calculation Examples

<u>Background</u>	<u>Example #1</u>	<u>Example #2</u>	<u>Example #3</u>
Provider Type	Family Child Care	Family Child Care	Child Care Center
County	Montgomery	Calvert	Baltimore County
EXCELS Quality Rating	EXCELS Level 5	EXCELS Level 3	EXCELS Level 5
Scholarship Child			
Age Group	Under 2 Years Old	Over 2 Years Old	Over 2 Years Old
Weeks Attended	40.66 weeks	31.15 weeks	26.41 weeks
Weekly Base CCS Reimbursement to Providers	\$274	\$353	\$185
Weekly Tiered Reimbursement Bonus to Provider	\$79 (29%)	\$17 (10%)	\$48 (26%)
Total FY 2020			
Base CCS Reimbursements	\$11,141	\$10,996	\$4,886
Tiered Reimbursement Incentive	3,231	520	1,270
Total CCS Reimbursements	\$14,372	\$11,516	\$6,156

CCS: Child Care Scholarship

Source: Maryland State Department of Education

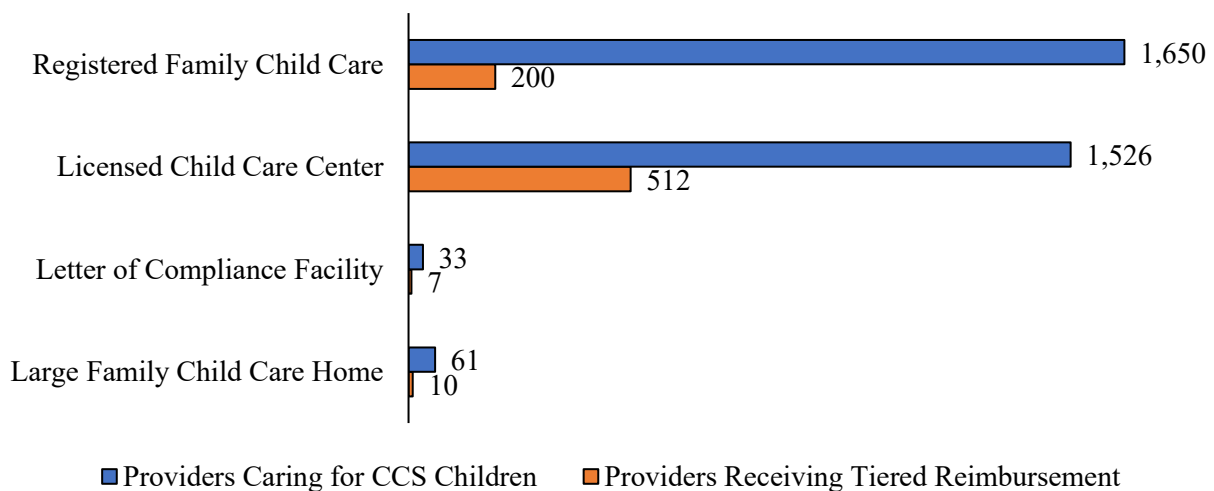
Observation #3: Most Maryland EXCELS providers who care for CCS recipients do not qualify for tiered reimbursement.

In fiscal 2020, 3,270 ECCE providers cared for at least one child receiving CCS. Around 51% of these providers were family child care homes and 47% were child care centers.

Exhibit 8.4 illustrates that most providers who care for CCS children do not receive tiered reimbursement payments because they have not achieved a quality rating of 3 or higher. Child care

centers that cared for CCS children were most likely to qualify for tiered reimbursement in fiscal 2020. Around 34% of child care centers enrolling CCS children received tiered reimbursement payments. Comparatively, 12% of family child care providers and 16% of large family child care providers enrolling CCS children received tiered reimbursement payments in fiscal 2020.

Exhibit 8.4
Tiered Reimbursement Payments to CCS Providers
Fiscal 2020



CCS: Child Care Scholarship

Source: Maryland State Department of Education

Observation #4: Around half of all Maryland EXCELS bonus payments in fiscal 2020 went to providers publishing at levels 1 and 2.

Unlike tiered reimbursement payments, which are exclusively available to providers publishing at quality levels 3 and above, providers publishing at levels 1 and 2 are eligible to receive Maryland EXCELS program bonuses. As described in Chapter 3, Maryland EXCELS participants can receive a program bonus in the following circumstances:

1. one time only upon initial publication of a quality rating of 1, 2, 3, or 4;
2. upon publishing each successively higher quality rating after the initial publication of a quality rating; and

3. upon initial publication of a quality rating of 5, and annually upon renewal and republication of a quality rating of 5.

Exhibit 8.5 shows total bonus payments made to Maryland EXCELS participants during fiscal 2020. In total, 837 providers received bonus payments during fiscal 2019 and 2020. At least 175 of these providers (35%) received bonuses for an initial publication at Maryland EXCELS level 1. Additionally, 72 of these providers (14%) received bonuses for publishing at Maryland EXCELS level 2. The Office of Program Evaluation and Government Accountability did not have access to individual transaction records for program bonuses. Thus, it was not possible to determine what rating or participation changes triggered payments to programs that received larger sums.

Exhibit 8.5
Maryland EXCELS Program Bonus Payments
Fiscal 2019-2020

Family Child Care	#	Large Family Child Care	#	Letter of Compliance	#	Child Care Center	#
\$50	231	\$50	5	\$50	7	\$50	86
150	78	200	5	100	1	100	45
200	4	250	1	150	2	150	12
300	48	400	3	400	1	250	32
450	16	650	1	500	1	400	26
500	6	800	1	750	2	500	14
800	99	1,000	4	800	1	600	1
850	1			1,200	1	650	4
1,300	2			1,300	1	750	8
1,600	2			1,500	3	800	20
1,750	1			3,000+	9	900	4
						1,000 +	239
Total*	488		20		29		491

*The count of bonus payments at each level does not necessarily equal the number of providers that received bonus payments.

A grey highlight indicates total payment is equivalent to the program bonus amount for publishing at a level 1.
A yellow highlight indicates total payment is equivalent to the program bonus amount for publishing at level 2.

Source: Maryland State Department of Education

Chapter 9. Maryland EXCELS and the Blueprint

As discussed in Chapter 2, the Blueprint for Maryland's Future expands Maryland's Prekindergarten Grant program to provide publicly funded prekindergarten slots for three- and four-year-old children from families earning incomes at or below 600% of the federal poverty level (FPL).

- In fiscal 2023, the Maryland State Department of Education (MSDE) will expand voluntary prekindergarten to three- and four-year-old children from families earning incomes at or below 300% FPL, if spaces are available. For a family of four, 300% FPL was \$83,250 in January 2022.
- By fiscal 2025, MSDE will implement a sliding scale to calculate prekindergarten fees for families earning more than 300% FPL but not more than 600% FPL. Families above 600% FPL will be required to pay the total per-pupil fee to access prekindergarten services. For a family of four, 600% FPL was \$166,500 in January 2022.

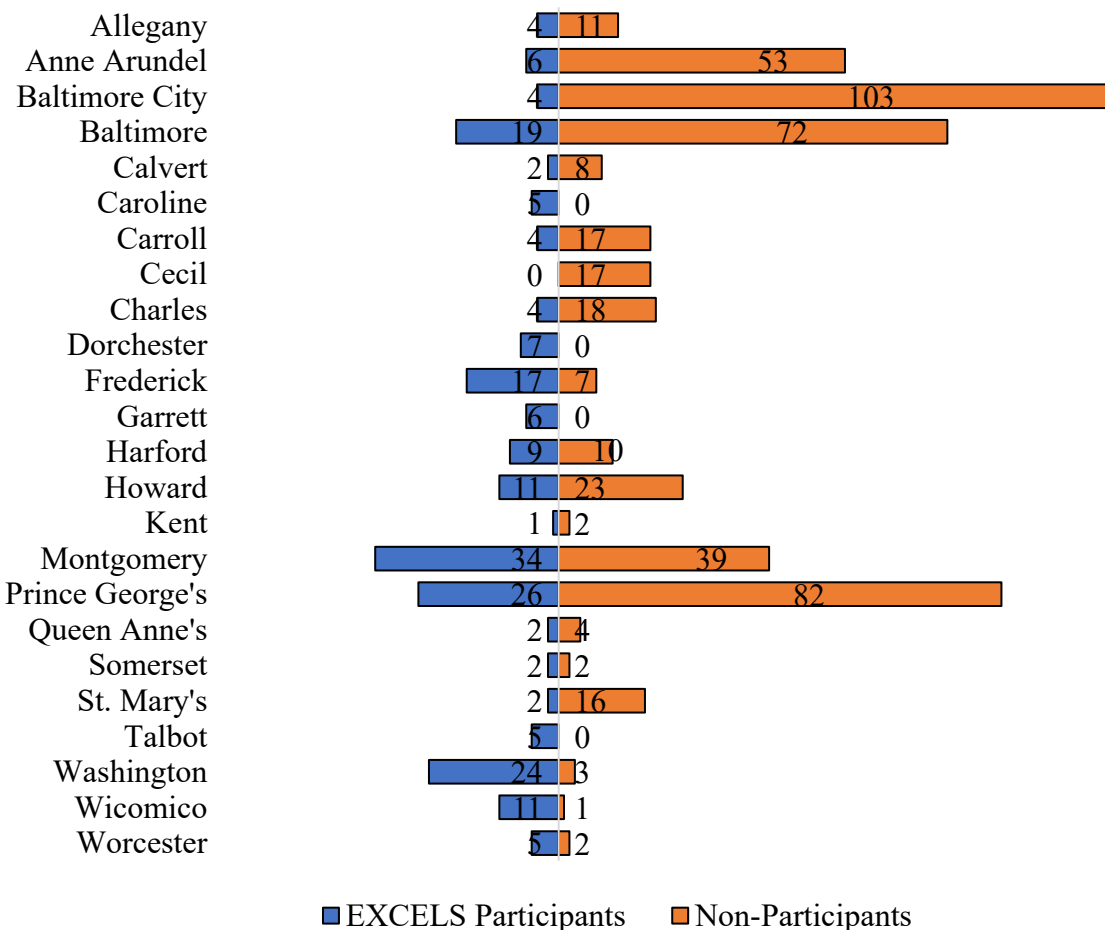
The law mandates that by the 2026-2027 school year, 50% of publicly funded prekindergarten slots must be in private settings (such as a licensed child care center or family child care home). All public and private providers receiving Maryland's Prekindergarten Grants must publish at a level 5 in Maryland EXCELS to receive the funding. Specifically, beginning with the 2022-2023 school year:

- private providers must publish at least a quality rating level of 3 with a plan to achieve a level 5 within five years; and
- public providers must publish at least a quality rating level of 4 with a plan to achieve level 5 within five years.

Observation #1: An estimated 490 additional public prekindergarten providers across the State will be required to start participating in Maryland EXCELS.

During the 2021-2022 school year, there were 700 public prekindergarten providers in the State, including 621 public elementary schools and 79 private child care centers. However, as of May 2022, just 210 public prekindergarten providers (30%) participated in Maryland EXCELS. **Exhibit 9.1** shows the number of prekindergarten providers participating and not yet participating in Maryland EXCELS by county in May 2022.

Exhibit 9.1
Public Prekindergarten Providers Participating in
Maryland EXCELS by County
May 2022



Source: Maryland State Department of Education

Observation #2: Maryland's private early childhood care and education providers who do not participate in the State's Prekindergarten Grant program are concerned about how the Blueprint will impact their businesses.

The expansion of public prekindergarten under the Blueprint is expected to draw three- and four-year-old children away from private providers and into the publicly funded child care system. While the Blueprint mandates that by the 2026-2027 school year, 50% of publicly funded prekindergarten slots must be in private settings, the Office of Program Evaluation and Government Accountability (OPEGA) spoke with several individuals who were skeptical that the State could achieve that target.

Decreasing enrollment of three- and four-year-old children in private settings makes child care more expensive for younger children. Staff wages generally account for 50% to 60% of child care costs.¹ As shown in **Exhibit 9.2**, the mandated staff-to-child ratios are smaller for infant and toddler care than for older children. This makes caring for infants and toddlers more expensive and often cost-prohibitive for families.

Exhibit 9.2
Capacity Requirements by Provider Type

<u>Provider Type</u>	<u>Capacity</u>	<u>Infants and Toddlers</u>	<u>2 Year Old</u>	<u>3 and 4 Year Old</u>	<u>5+ Year Old</u>	<u>Regulations for Children Under 2</u>
Family Child Care Home	Up to 8 children	1 staff: 2 infants/toddlers	1 staff: 8 children	1 staff: 8 children	1 staff: 8 children	A provider may care for no more than two infants and toddlers at a time.
Large Family Child Care Home	9 to 12 children	1 staff: 3 infants/toddlers	1 staff: 6 children	1 staff: 10 children	1 staff: 12 children	A provider may care for no more than four infants and toddlers at a time.
Public Prekindergarten and Child Care Centers	Varies	1 staff: 3 infants/toddlers	1 staff: 6 children	1 staff: 10 children	1 staff: 15 children	Groups made up of only infants and toddlers can be no larger than 9 children. Mixed-age groups with infants and toddlers can be no larger than 12 children.
Letter of Compliance Facilities	Varies	Not permitted	1 staff: 6 children	1 staff: 10 children	1 staff: 15 children	LOC facilities are not permitted to provide care to infants and toddlers.

LOC: letter of compliance

Source: *Code of Maryland Regulations*

Many providers try to offer infant and toddler care below cost by averaging the cost of care across all age groups in their program. However, if three- and four-year-old children stop enrolling in private early childhood care and education (ECCE) programs, the average cost of care for the remaining children may increase.

Private ECCE providers across Maryland have shared that the expansion of public prekindergarten has made it difficult to subsidize the costs of providing infant and toddler care. The following are quotes pulled from public records as well as interviews conducted by OPEGA.

- “What’s happening in Wicomico County is that core of the city where the Title I schools are has literally had family child care providers wiped out and the majority of the infant and toddlers were in family child care. When you pull the four-year-olds away from them, they can’t afford to do the infants.” – Town Hall Participant, spring 2019 (ECE Needs Assessment).
- “...from the center or the family child care perspective, very often it’s your older children that are paying for the program to be able to afford you to give an affordable rate to the infants, if you didn’t have the older children, then that means the infant care would go up...” – Town Hall Participant, spring 2019 (ECE Needs Assessment).
- “[Providers] are worried they’re going out of business because they’re coming for our three-year-olds.” – Maryland State Board of Education Meeting, May 2022.
- “If you pull three- and four-year-olds out of childcare, those kids are basically subsidizing infants and toddlers. No family could afford to pay the true cost of care for a baby or a one-year-old, so they’re they get a cut rate and the two- and three-year-olds or the three- and four-year-olds contribute some money to the overall bottom line of child care.” – Child Care Resource Center Staff Member, spring 2022 (OPEGA Interview).

Nationally, a handful of studies have demonstrated that the expansion of public prekindergarten can have unintended consequences on the availability of child care for younger children.

- In Oklahoma, public provision of universal prekindergarten resulted in employees moving from the private to the public sector, which reduced the capacity of the private sector to care for the remaining children.ⁱⁱ
- Florida’s universal prekindergarten program resulted in fewer three-year-old children enrolled in an early childhood program.ⁱⁱⁱ
- The expansion of universal prekindergarten in New York State resulted in a decreased capacity for infant and toddler care in non-urban communities and communities with greater levels of student poverty.^{iv}

Observation #3: Several barriers limit private ECCE provider participation in the Prekindergarten Grant program under the Blueprint legislation.

Education Article § 7-1A-04 outlines the structural elements required of all public prekindergarten providers by the 2025-2026 school year. The following sections review two structural elements interviewees cited as the biggest obstacles to participation in Maryland’s Prekindergarten Grants – staff qualifications and Maryland EXCELS quality ratings.

Staff Qualifications

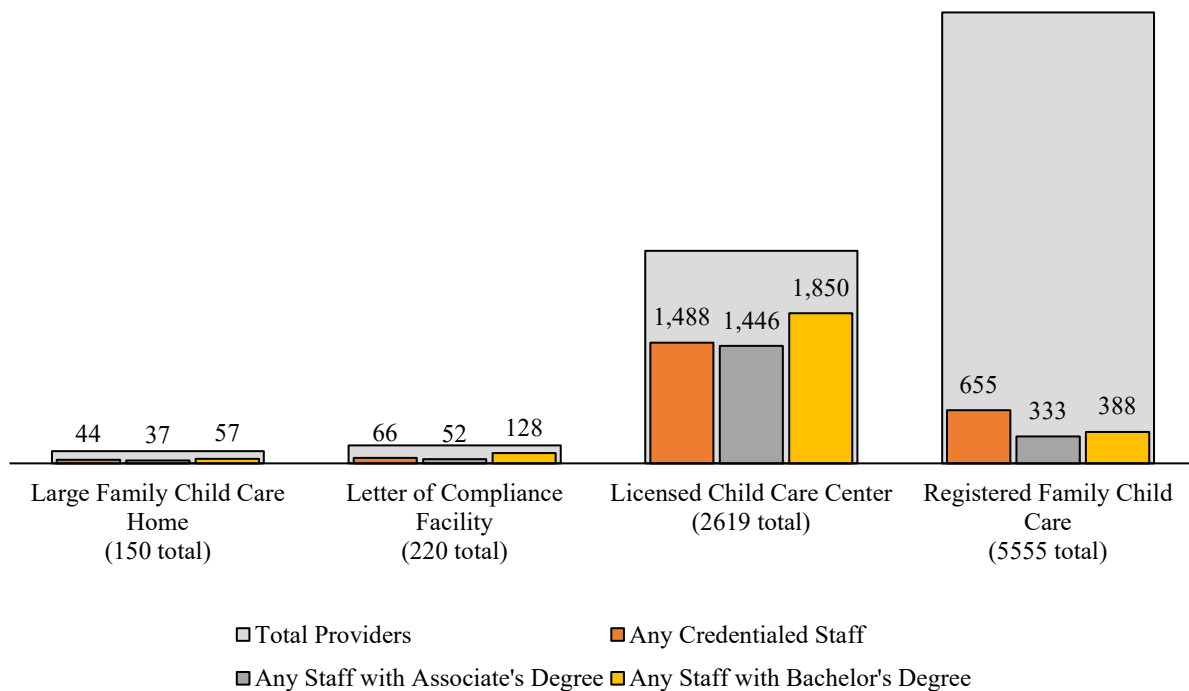
Beginning in the 2025-2025 school year, teachers in a public prekindergarten program must, at a minimum, have either a State certification for teaching in early childhood education or a bachelor's degree in any field with a residency through a Maryland Approved Alternative Preparation Program. In addition, teaching assistants must have a Child Development Associate certificate or any other associate degree.

Exhibit 9.3 demonstrates the number of ECCE providers who had any staff members with different training qualifications in fiscal 2020. Child care centers are more likely than other types of providers to have staff with credentials, an associate degree, or a bachelor's degree. For instance, around 71% of child care centers have staff members with bachelor's degrees. Comparatively, 58% of letter of compliance facilities, 38% of large family child care homes, and 7% of family child care homes have staff with a bachelor's degree.

The staff qualification requirements for public prekindergarten make it difficult for family child care providers to participate. Most family child care programs are operated by one adult. To participate in a Prekindergarten Grant, that adult would need to complete a Maryland-approved educator preparation program or provide proof of an equivalent level of preparation outside of the State to qualify for a Maryland Teaching Certification.

At this time, 11 colleges and universities provide educator preparation programs for early childhood education that have been approved by MSDE. These programs require educators to complete a bachelor's degree or higher. Providers who already have a bachelor's degree can participate in an Alternative Certification Program that MSDE has approved. As of June 2022, there are four alternative programs for early childhood education in the State – three are in Baltimore City, and one is in Prince George's County.

Exhibit 9.3
Presence of Staff Qualifications by Provider Type
Fiscal 2020



Source: Maryland State Department of Education

To receive a Maryland Teaching Certification through either the traditional or alternative route, educators must complete a “teacher training practicum.” The requirements for the practicum are defined in Education Article § 6-120.

- The duration must be a minimum of 100 days for educators with a bachelor’s degree or a master’s degree. By July 2025, educators with a bachelor’s degree will be required to complete a practicum over a full school year.
- The practicum must include 40 hours of classroom teaching, lesson planning, observation, and debriefing.
- The practicum must take place in a partner school, defined as “a local school system, nonpublic school, or nonpublic special education school” that has a written partnership agreement with the training program to provide the practicum.

Per COMAR 13A.16.16.01, only centers that serve children ages two, three, and four and operate an educational program aligned with State prekindergarten standards can serve as a partner school for the teaching practicum. Thus, many educators will be required to complete the practicum in a setting other than their own ECCE program.

To support the expanded teacher qualification requirements for public prekindergarten, the Blueprint establishes professional development grants for the early childhood care and education workforce under the Office of Child Care within MSDE. These include:

- **The Child Care Accreditation Support Fund** – provides at least \$1 million annually to pay for accreditation application fees or program improvement costs.
- **The Child Care Incentive Grant Program** – provides funding for a child care provider to purchase materials, equipment, or supplies to improve the provider’s quality of care. Requires funding to increase by 10% each fiscal year through 2030.
- **The Child Care Credential Program** – provides achievement bonuses, training reimbursements, and training vouchers to individuals who pursue, obtain, or already hold a child care credential. Provides \$4 million for the program for fiscal 2021 with a required increase of 10% for fiscal 2022 to 2024.
- **The Child Care Career and Professional Development Fund** – provides funding to child care workers to attend an accredited college or university and work toward a degree in early childhood education or a related field. Funds must be applied toward education-related costs.

Even with these additional financial supports, MSDE staff shared that the current laws and regulations regarding staff qualifications “do not put family child care providers in a position that they can participate” in public prekindergarten because they cannot pursue certification while operating their business full time. While they do not advocate for lowering the requirements for staff qualifications, they shared that MSDE needs to identify additional pathways for family child care providers to achieve a Maryland Teaching Certification.

Maryland EXCELS Quality Rating

Beginning in the 2025-2026 school year, public prekindergarten providers must achieve a minimum quality rating in Maryland EXCELS.

- private providers must achieve a quality rating level 3;
- public schools must achieve a quality rating level 4; and

- all providers participating in public prekindergarten must achieve a quality rating level 5 within five years.

The Maryland EXCELS standards for a quality rating level 5 public prekindergarten are outlined in **Exhibit 9.4**.

Exhibit 9.4
Maryland EXCELS Public Prekindergarten Standards
Quality Rating Level 5

Content Area	Maryland EXCELS Standard Quality Rating Level 5
School Approval	School facility is approved according to Educational Specifications per COMAR 23.03.02.14C to operate as a public school facility.
	The prekindergarten program is provided by qualified, designated staff meeting COMAR 13A.06.02 requirements for class size and adult-to-child ratios.
Teacher Qualifications	All prekindergarten teachers hold a current teaching certificate from the State of Maryland with an endorsement for Early Childhood Prekindergarten to grade 3.
	At least 50% of prekindergarten teachers hold an Advanced Professional Certificate.
Accreditation/Validation and Rating Scales	Accreditation/validation awarded by an organization recognized by MSDE and school remains in good standing with accrediting body.
	CLASS assessment conducted by MSDE approved assessor for a random sample of at least 50% of the prekindergarten classrooms according to the schedule established by MSDE.
	Process for continuous quality improvement developed and implemented, informed by CLASS assessments, accreditation/validation standards, and program priorities, including school readiness goals and objectives.

Content Area	Maryland EXCELS Standard Quality Rating Level 5
Developmentally Appropriate Learning and Practice/Child Assessment	Children are provided with opportunities to interact with their peers in a developmentally appropriate environment, welcoming of children of all abilities, that offers a balance of child-initiated and teacher-directed activities, reflecting the interests of the children, their primary language, and cultural background.
	Lesson plans include developmentally appropriate content-area-based activities reflective of children's interests and skills; address developmental needs of each and every child; are informed by ongoing assessments, observations and information gained from families about their children; and include information from an IFSP or an IEP.
	Staff uses positive behavioral supports and strategies with children that include providing choices, using redirection, reflection, and problem solving; and clear rules and expectations developed with input from the children.
	A curriculum is implemented and aligned with the Maryland Early Learning Standards as identified by the LEA.
	The school has a procedure for reviewing and updating instructional materials. All materials, resources, and use of technology are developmentally appropriate, support instructional outcomes, and are designed to engage students in meaningful learning. There is evidence of student participation in selecting and adapting materials.
	There is evidence of differentiated instruction, including children with disabilities, special health care needs and/or English learners. There is evidence of use of an IFSP/IEP for individualized planning for students with disabilities (if applicable). There is evidence of teacher collaboration with other staff to meet the individual needs of children.
	Students are observed for developmental delays and referred to a school-based interdisciplinary team for review, if warranted. Teachers provide in-classroom interventions as appropriate, and families are engaged throughout the process. The school uses a monitoring and tracking system to determine the outcomes of the interventions.
	The school has a procedure for child assessment using tools designed for use with the curriculum, including formal and informal assessment measures, such as developmental checklists, Early Learning Assessment, portfolio development, and observation/anecdotal records.
	The school has a written procedure that describes their practices for sharing assessment results with families.

Content Area	Maryland EXCELS Standard Quality Rating Level 5
Administrative Policies and Practices and Policies	Families receive ongoing, updated information throughout the year, about the school's philosophy or mission, eligibility requirements and enrollment procedures, and other information such as home/school communication, health, safety, physical fitness, nutrition, emergency plans, teaching and learning, inclusion of children with disabilities or special health care needs and behavior management.
	If the school provides snacks and/or meals to students, nutritional information is provided to families including how fat, sugar and salt are limited.
	If the school provides snacks and/or meals, fresh fruits and/or vegetables are provided at least four times a week; and fat, sugar and salt are limited in food served by the school. Students have opportunities for food choices.
	Families are provided with at least five different ways to be engaged in the prekindergarten program. Students provide input for projects that could be enhanced by family participation.
	Parent-teacher conferences are conducted at least twice a year, and the teacher shares a work sample selected by the child.
	Staff meetings (prekindergarten team or faculty) are held at least monthly. Teachers take a leadership role in promoting a culture of professional learning.
	All teaching staff, including classroom assistants, receive professional development to support instructional practices and are provided opportunities for collaboration.
	The LEA provides a copy of the teacher performance expectations to all staff members. Teachers are provided with opportunities to request feedback on teaching from both supervisors and colleagues.
	Performance evaluations and observations are conducted according to established policy and additional feedback is provided throughout the year.
	Information about community resources including referral resources for children with disabilities and special health care needs is kept current and available to families and staff. The school assists the family in accessing community resources.
	The school identifies and works with five or more community partners including local public library services and child care programs.
	The school implements transition plans developed for children, including individualized plans for children with disabilities and special health care needs, which include policies for sharing information on child assessment and developmental progress.

CLASS: Classroom Assessment Scoring System

COMAR: Code of Maryland Regulation

IEP: individualized education program

Source: Maryland State Department of Education

IFSP: individualized family service plan

LEA: local education agency

MSDE: Maryland State Department of Education

Several Division of Early Childhood (DEC) staff members shared that they were concerned about their ability to support the influx of prekindergarten providers in Maryland EXCELS. They worried that the expanded caseloads would strain existing staff. They were also concerned that the expanded workload would lead to burnout, especially among contractual employees.

Providers working to achieve a quality rating level 5 will require support from multiple units within the division to meet the additional standards, including:

- the Licensing Branch, which ensures program compliance with regulations;
- the Early Learning Branch, which oversees prekindergarten policy and programs;
- the Maryland EXCELS Branch, which oversees the Maryland EXCELS program, Maryland Accreditation, and Classroom Assessment Scoring System Assessments; and
- the Workforce Advancement Branch, which manages the Child Care Credential Program, funding for training and professional development, and financial incentives for professional development.

Additionally, DEC staff expressed concerns about “inevitable backlogs” within the division that could result in providers losing access to the funding they need to operate their programs. The following are quotes from OPEGA’s interviews with MSDE staff members:

- “Providers will say that they are losing money because MSDE isn’t able to help them.”
- “If MSDE can’t approve every program in EXCELS before [the 2022-2023] school year starts, then the programs are in trouble.”

To address these concerns, Maryland EXCELS staff are revising program standards to reduce provider roadblocks and simplify the rating validation process. One Maryland EXCELS staff member shared, “We are not dumbing them down, but there are going to be *ors* and *ands* going in that will make it easier for programs to participate and will require less from MSDE.”

ⁱ Furman, Jason, *et al.* The Role of Childcare Challenges in the US Jobs Market Recovery During the COVID-19 Pandemic. w28934, National Bureau of Economic Research, June 2021, p. w28934. DOI.org (Crossref), <https://doi.org/10.3386/w28934>.

ⁱⁱ Bassok, Daphna, *et al.* “Does State Preschool Crowd-out Private Provision? The Impact of Universal Preschool on the Childcare Sector in Oklahoma and Georgia.” *Journal of Urban Economics*, vol. 83, Sept. 2014, pp. 18-33. ScienceDirect, <https://doi.org/10.1016/j.jue.2014.07.001>.

ⁱⁱⁱ Bassok, Daphna, *et al.* “The Effects of Universal State Pre-Kindergarten on the Child Care Sector: The Case of Florida’s Voluntary Pre-Kindergarten Program.” *Economics of Education Review*, vol. 53, Aug. 2016, pp. 87-98. ScienceDirect, <https://doi.org/10.1016/j.econedurev.2016.05.004>.

^{iv} Sipple, John W., *et al.* “Child Care Deserts in New York State: Prekindergarten Implementation and Community Factors Related to the Capacity to Care for Infants and Toddlers.” *Early Childhood Research Quarterly*, vol. 51, Apr. 2020, pp. 167-77. ScienceDirect, <https://doi.org/10.1016/j.ecresq.2019.10.007>.

Chapter 10. OPEGA Recommendations

Recommendation #1: The General Assembly should consider requesting a report on the adequacy and sustainability of the current Division of Early Childhood personnel structure to implement the expanded programming outlined in the Blueprint for Maryland's Future.

DEC has the highest number of contractual employees of any operating unit within the Maryland State Department of Education (MSDE) and the second highest proportion of contractual staff after the Division of Special Education and Early Intervention Services. In total, 58 full-time equivalent positions, 26% of DEC staff, are contractual.

Under the Blueprint for Maryland's Future implementation, staff across DEC will have expanded responsibilities and caseloads to support early childhood care and education (ECCE) providers working to comply with new regulations. Interviewees shared that they did not feel the existing staffing structure across multiple offices in DEC was adequate to meet the expected demand for services.

Recommendation #2: There should be a family child care pathway within Maryland Accreditation.

ECCE providers must actively work toward accreditation to achieve a quality rating higher than a 3. This is particularly challenging for family child care providers. Only 1 out of 12 accreditation bodies recognized by MSDE offer a pathway for family child care providers.

Child care centers can select from 10 national accreditation bodies or participate in Maryland Accreditation, MSDE's accreditation option. Maryland Accreditation does not have a pathway for family child care providers. DEC staff have explored the option to expand the program to include family child care providers in recent years. However, there are no concrete plans to implement such an expansion at this time.

The Office of Program Evaluation and Government Accountability (OPEGA) recommends that Maryland Accreditation be expanded to include a pathway for family child care providers. MSDE should propose an estimated implementation timeline and budget requirements to develop and implement this additional pathway.

Recommendation #3: The General Assembly should consider requesting a unified annual report from MSDE detailing the status of public prekindergarten expansion under the Blueprint for Maryland's Future.

MSDE operates two separate public prekindergarten grant programs – the Maryland State Prekindergarten Grant Program and the Prekindergarten Expansion Grant Program. Pursuant to

Education Article, Section 7-101.2(h), MSDE provides an annual report on the Prekindergarten Expansion Program to the General Assembly.

OPEGA recommends that the General Assembly amend the reporting requirements to include data on all State-funded prekindergarten under the consolidated Blueprint for Maryland's Future.

Relatedly, the Blueprint for Maryland's Future mandates that 50% of publicly funded prekindergarten slots must be in private settings (such as a licensed child care center or family child care home) by the 2026-2027 school year. The General Assembly and MSDE have taken multiple steps to support private ECCE providers and reduce barriers to participation in public prekindergarten. Nonetheless, interviewees shared that they were not confident the 50% participation mandate could be achieved. As recently as fiscal 2020, 78% of prekindergarten classrooms were in public school systems, while 22% were in private programs.¹

OPEGA recommends that the General Assembly request a unified annual report from MSDE detailing the status of public prekindergarten expansion under the Blueprint for Maryland's Future. The report should contain specific information on the status of mixed-delivery for public prekindergarten and identify any continued barriers facing private ECCE providers seeking to participate in the grants.

Recommendation #4: MSDE should include an overview of statutory and regulatory barriers that limit the success of the Growing Family Child Care Opportunities Pilot Program in their annual report to the General Assembly.

The Growing Family Child Care Opportunities Pilot Program was established as Chapter 438 of 2021. MSDE is required to provide an annual report to the General Assembly on the status of the program and evaluations of grant recipient performance. MSDE noted that an evaluation of the program will be included following grant awards in fiscal 2023.

OPEGA recommends that along with the evaluation, MSDE inform the General Assembly of any statutory and regulatory barriers identified during the pilot program that unnecessarily impede the ability of grant recipients to achieve program goals.

Recommendation #5: The Maryland EXCELS Branch should provide an update to the General Assembly on the redesign of the Maryland EXCELS standards and rating scales.

In April 2021, MSDE began revising the Maryland EXCELS program standards and rating scales with a plan to implement them by fiscal 2025.

OPEGA recommends that the Maryland EXCELS Branch provide an update to the General Assembly on the revision process and share:

1. how the updates will reduce unnecessary roadblocks for providers seeking to participate in Maryland EXCELS;
2. any efforts to partner with ECCE providers to clarify the standards and rating scales;
3. plans to minimize or streamline the documentation required from providers during the rating process;
4. plans to validate the new standards and rating scales; and
5. logistical considerations for rolling out the updated standards and rating scales to existing Maryland EXCELS participants.

Recommendation #6: MSDE should ensure that the Early Childhood Data System Modernization project addresses gaps in the existing early childhood data that limit effective planning, oversight, and evaluation of the State’s ECCE programs.

OPEGA identified the following data management challenges during this evaluation:

1. DEC does not collect child-level data such as enrollment, attendance, demographic information, or assessment scores from all licensed providers.
2. DEC does not collect individual-level data on the ECCE workforce.
3. Most data in DEC’s Child Care Administration Tracking System (CCATS) is entered manually, which leads to inaccuracies.
4. Each office within DEC can develop a new module within CCATS based on their needs, which complicates monitoring and reporting efforts.
5. Several providers are not included in the CCATS system (*i.e.*, public schools and child care facilities on military bases).
6. The CCATS system is relatively inflexible to changing programmatic needs.
7. Provider data is not readily shared between DEC programs, resulting in duplication of effort for providers and DEC staff.
8. The Maryland Longitudinal Data System does not collect data on ECCE program enrollment and attendance, so longitudinal student data cannot be linked to ECCE program participation.

These data management challenges limit the ability of DEC staff to conduct effective planning, oversight, and evaluation of the division's programs.

MSDE is in the process of awarding funds for the Early Childhood System Modernization project (TORFP # R00R2600577). The project is expected to take between three and five years to complete and aims to address many of the data challenges listed above. MSDE should share status reports for the Early Childhood System Modernization project with the Department of Legislative Services upon request.

Recommendation #7: An independent evaluation of the Maryland EXCELS program should be conducted by fiscal 2030 to assess the impact of the program on ECCE provider quality and long-term child development outcomes.

A full-scale evaluation on the impact of the Maryland EXCELS program on ECCE provider quality and long-term child development outcomes cannot be conducted at this time for the following reasons:

- It may not be possible to identify any causal relationship between the Maryland EXCELS program and sustained changes in child development or ECCE provider quality for several years.
- Critical information about Maryland EXCELS program participants, activities, outputs, and outcomes is not consistently collected due to gaps in the current data management system for early childhood.
- The ECCE context in Maryland has changed drastically over the eight years that Maryland EXCELS has been operating. Most recently, the COVID-19 pandemic has disrupted child care in the State, and the implementation of the Blueprint for Maryland's Future has shifted regulations and expectations for ECCE providers. Disentangling the impact of contextual changes from the isolated impact of Maryland EXCELS is nearly impossible.
- The underlying standards, rating scales, and participation requirements for Maryland EXCELS have shifted over time. Thus, it is not possible to compare program data from multiple periods of time.

OPEGA recommends that a full-scale evaluation of Maryland EXCELS be conducted when:

1. the Early Childhood Data Modernization project is completed;
2. the Maryland EXCELS Branch has completed the updated program standards and rating scales;

3. MSDE confirms that the Division of Early Childhood, particularly the Maryland EXCELS Branch, has adequate staff capacity to meet the expanded requirements of the Blueprint for Maryland's Future; and
4. the Growing Opportunities for Family Child Care Pilot Program and associated evaluations are completed.

ⁱ Maryland State Department of Education. Public Prekindergarten Enrollment Trends (2019 JCR P165). 18 Dec. 2019, http://dlslibrary.state.md.us/publications/JCR/2019/2019_165.pdf.

Appendix A. Response from the Maryland State Department of Education



Mohammed Choudhury
State Superintendent of Schools

September 29, 2022

Mr. Michael Powell, Director
Department of Legislative Services
Office of Program Evaluation and Government Accountability
90 State Circle
Annapolis, Maryland 21401

Re: Response to Scoping Evaluation of the Maryland EXCELS Program

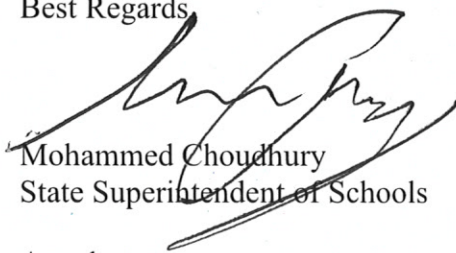
Dear Mr. Powell:

The Maryland State Department of Education has reviewed the Scoping Evaluation of the Maryland EXCELS Program dated September 2022 conducted by the Office of Program Evaluation and Government Accountability (OPEGA).

Enclosed is the response to Chapter 10 of the evaluation OPEGA recommendations from MSDE.

If you have questions or need additional information, please contact Yousuf Ahmad, Executive Director of Governmental Affairs, Education Policy, and External Relations at yousuf.ahmad1@maryland.gov or 410-767-0504.

Best Regards,



Mohammed Choudhury
State Superintendent of Schools

Attachment:

Maryland State Department of Education Response to Scoping Evaluation of the Maryland EXCELS Program

Maryland State Department of Education Response to Scoping Evaluation of the Maryland EXCELS Program

OPEGA Recommendation #1: The General Assembly should consider requesting a report on the adequacy and sustainability of the current Division of Early Childhood (DEC) personnel structure to implement the expanded programming outlined in the Blueprint for Maryland's Future.

DEC has the highest number of contractual employees of any operating unit within the Maryland State Department of Education (MSDE) and the second highest proportion of contractual staff after the Division of Special Education and Early Intervention Services. In total, 58 full-time equivalent positions, 26% of DEC staff, are contractual.

Under the Blueprint for Maryland's Future implementation, staff across DEC will have expanded responsibilities and caseloads to support early childhood care and education (ECCE) providers working to comply with new regulations. Interviewees shared that they did not feel the existing staffing structure across multiple offices in DEC was adequate to meet the expected demand for services.

Maryland State Department of Education Response:

Upon review of the MSDE's contractual employment data, the highest number of contractual employees (121 staff) are in the Division of Career and College Readiness to be part of the Expert Review Team. The Division of Student Support, Academic Enrichment and Educational Policy has the second highest percent of contractual staff 36% (14 staff). The contractual percent in DEC is 27% (62 staff) and it is the third highest followed by the Division of Early Intervention and Special Education Services is close to 25% (12 Staff). MSDE views the Blueprint for Maryland's future implementation as a timely opportunity to audit our resources, which includes staffing and support structures, to ensure they are aligned to achieving the expected outcomes of the Blueprint. We are auditing and restructuring how we deploy our resources to align with the priorities in the Blueprint. DEC employees, regardless of whether they are contractual or permanent, continue to prioritize efforts to ensure we are meeting the demands of high-quality customer service. Staffing cannot and will not be an excuse for inadequate customer service and high-quality work products. While we work together to implement the Blueprint and align permanent work with permanent positions, MSDE remains committed to ensuring key work streams will continue to be executed in a logical, urgent, and best in class manner with customer service remaining at the forefront.

OPEGA Recommendation #2: There should be a family child care pathway within Maryland Accreditation.

ECCE providers must actively work toward accreditation to achieve a quality rating higher than a 3. This is particularly challenging for family child care providers. Only 1 out of 12 accreditation bodies recognized by MSDE offer a pathway for family child care providers.

Child care centers can select from 10 national accreditation bodies or participate in Maryland Accreditation, MSDE's accreditation option. Maryland Accreditation does not have a pathway for family child care providers. DEC staff have explored the option to expand the program to include family child care providers in recent years. However, there are no concrete plans to implement such an expansion at this time.

The Office of Program Evaluation and Government Accountability (OPEGA) recommends that Maryland Accreditation be expanded to include a pathway for family child care providers. MSDE should propose an estimated implementation timeline and budget requirements to develop and implement this additional pathway.

Maryland State Department of Education Response

The MSDE supports the recommendation to expand Maryland Accreditation to include registered family child care providers. It should be noted that in 2016, the Division of Early Childhood Development, now DEC, proposed the creation and administration of a Maryland Family Child Care Accreditation system. The proposal was opposed by the then leadership of the Maryland State Family Child Care Association and was not pursued.

Recognizing the needs of the family child care community, MSDE began, in January 2022, exploring methods of alternative accreditation. This includes but is not limited to, a family child care pathway within Maryland Accreditation.

OPEGA Recommendation #3: The General Assembly should consider requesting a unified annual report from MSDE detailing the status of public prekindergarten expansion under the Blueprint for Maryland's Future.

MSDE operates two separate public prekindergarten grant programs – the Maryland State Prekindergarten Grant Program and the Prekindergarten Expansion Grant Program. Pursuant to DRAFT 80 Scoping Evaluation of the Maryland EXCELS Program Education Article, Section 7-101.2(h), MSDE provides an annual report on the Prekindergarten Expansion Program to the General Assembly.

OPEGA recommends that the General Assembly amend the reporting requirements to include data on all State-funded prekindergarten under the consolidated Blueprint for Maryland's Future.

Relatedly, the Blueprint for Maryland's Future mandates that 50% of publicly funded prekindergarten slots must be in private settings (such as a licensed child care center or family child care home) by the 2026-2027 school year. The General Assembly and MSDE have taken multiple steps to support private ECCE providers and reduce barriers to participation in public prekindergarten. Nonetheless, interviewees shared that they were

not confident the 50% participation mandate could be achieved. As recently as fiscal 2020, 78% of prekindergarten classrooms were in public school systems, while 22% were in private programs

OPEGA recommends that the General Assembly request a unified annual report from MSDE detailing the status of public prekindergarten expansion under the Blueprint for Maryland's Future. The report should contain specific information on the status of mixed delivery for public prekindergarten and identify any continued barriers facing private ECCE providers seeking to participate in the grants.

Maryland State Department of Education Response

MSDE shall, upon request, provide a report on the status of public prekindergarten expansion under the Blueprint for Maryland's Future to the General Assembly.

OPEGA Recommendation #4: MSDE should include an overview of statutory and regulatory barriers that limit the success of the Growing Family Child Care Opportunities Pilot Program in their annual report to the General Assembly.

The Growing Family Child Care Opportunities Pilot Program was established as Chapter 438 of 2021. MSDE is required to provide an annual report to the General Assembly on the status of the program and evaluations of grant recipient performance. MSDE noted that an evaluation of the program will be included following grant awards in fiscal 2023.

OPEGA recommends that along with the evaluation, MSDE inform the General Assembly of any statutory and regulatory barriers identified during the pilot program that unnecessarily impede the ability of grant recipients to achieve program goals.

Maryland State Department of Education Response

MSDE shall, upon request, inform the General Assembly of any legal barriers identified during the pilot program.

Recommendation #5: The Maryland EXCELS Branch should provide an update to the General Assembly on the redesign of the Maryland EXCELS standards and rating scales.

In April 2021, MSDE began revising the Maryland EXCELS program standards and rating scales with a plan to implement them by fiscal 2025.

OPEGA recommends that the Maryland EXCELS Branch provide an update to the General Assembly on the revision process and share:

1. how the updates will reduce unnecessary roadblocks for providers seeking to participate in Maryland EXCELS;
2. any efforts to partner with ECCE providers to clarify the standards and rating scales;
3. plans to minimize or streamline the documentation required from providers during the rating process;
4. plans to validate the new standards and rating scales; and
5. logistical considerations for rolling out the updated standards and rating scales to existing Maryland EXCELS participants.

Maryland State Department of Education Response

MSDE shall provide information to the General Assembly, upon request, on the revision of the Maryland EXCELS standards and timeline for implementation.

Recommendation #6: MSDE should ensure that the Early Childhood Data System Modernization project addresses gaps in the existing early childhood data that limit effective planning, oversight, and evaluation of the State’s ECCE programs.

OPEGA identified the following data management challenges during this evaluation:

1. DEC does not collect child-level data such as enrollment, attendance, demographic information, or assessment scores from all licensed providers.
2. DEC does not collect individual-level data on the ECCE workforce.
3. Most data in DEC’s Child Care Administration Tracking System (CCATS) is entered manually, which leads to inaccuracies.
4. Each office within DEC can develop a new module within CCATS based on their needs, which complicates monitoring and reporting efforts.
5. Several providers are not included in the CCATS system (i.e., public schools and child care facilities on military bases).
6. The CCATS system is relatively inflexible to changing programmatic needs.

7. Provider data is not readily shared between DEC programs, resulting in duplication of effort for providers and DEC staff.

8. The Maryland Longitudinal Data System does not collect data on ECCE program enrollment and attendance, so longitudinal student data cannot be linked to ECCE program participation.

These data management challenges limit the ability of DEC staff to conduct effective planning, oversight, and evaluation of the division's programs.

MSDE is in the process of awarding funds for the Early Childhood System Modernization project (TORFP # R00R2600577). The project is expected to take between three and five years to complete and aims to address many of the data challenges listed above. MSDE should share status reports for the Early Childhood System Modernization project with the Department of Legislative Services upon request.

Maryland State Department of Education Response

MSDE is in the process of awarding funds for the Early Childhood System Modernization project (TORFP #R00R2600577). The project is expected to take between three to five years to complete and aims to address many of the data challenges listed above and will further expand MSDE's ability to provide administrative oversight, effective planning, and evaluation of the State's ECCE program and will decrease gaps in early childhood data collection.

Recommendation #7: An independent evaluation of the Maryland EXCELS program should be conducted by fiscal 2030 to assess the impact of the program on ECCE provider quality and long-term child development outcomes.

A full-scale evaluation on the impact of the Maryland EXCELS program on ECCE provider quality and long-term child development outcomes cannot be conducted at this time for the following reasons:

1. It may not be possible to identify any causal relationship between the Maryland EXCELS program and sustained changes in child development or ECCE provider quality for several years.
2. Critical information about Maryland EXCELS program participants, activities, outputs, and outcomes is not consistently collected due to gaps in the current data management system for early childhood.
3. The ECCE context in Maryland has changed drastically over the eight years that Maryland EXCELS has been operating. Most recently, the COVID-19 pandemic has disrupted child care in the State, and the implementation of the Blueprint for Maryland's Future has shifted regulations and expectations for

ECCE providers. Disentangling the impact of contextual changes from the isolated impact of Maryland EXCELS is nearly impossible.

4. The underlying standards, rating scales, and participation requirements for Maryland EXCELS have shifted over time. Thus, it is not possible to compare program data from multiple periods of time.

OPEGA recommends that a full-scale evaluation of Maryland EXCELS be conducted when:

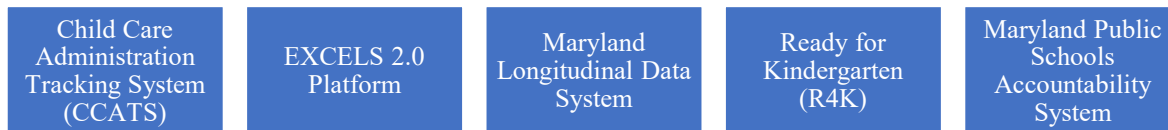
1. the Early Childhood Data Modernization project is completed;
2. the Maryland EXCELS Branch has completed the updated program standards and rating scales;
3. MSDE confirms that the Division of Early Childhood, particularly the Maryland EXCELS Branch, has adequate staff capacity to meet the expanded requirements of the Blueprint for Maryland's Future; and
4. the Growing Opportunities for Family Child Care Pilot Program and associated evaluations are completed.

Maryland State Department of Education Response

MSDE agrees on the benefits of conducting an independent evaluation of the Maryland EXCELS programs. Aligning with the current national movement towards reexamining the effectiveness (and purpose) of Quality Rating and Improvement Systems (QRIS), the evaluation of the Maryland EXCELS programs shall be used to determine the impact on the improvement of quality early care and education programs, increased capacity of quality programs, and school readiness outcomes. The evaluation would be most appropriately conducted at a future date when several system upgrades including modernization and capacity building have been completed.

Appendix B. Maryland's Early Childhood Data

Components of the Early Childhood Care and Education Data System



Source: Maryland State Department of Education

Child Care Administration Tracking System

The Division of Early Childhood (DEC) uses the Child Care Administration Tracking System (CCATS) to¹:

- record, approve, and monitor child care facility licenses;
- track individuals associated with those facilities and help ensure that all required criminal background checks are obtained; and
- record subsidy-related eligibility, voucher amounts, and process reimbursement payments to child care providers.

Development of CCATS began in 2003, and the system launched in 2007. CCATS is operated by a primary service provider, under a State of Maryland contract, which is responsible for system management and operations support, with related system hosting services being provided by a subcontractor.

CCATS only contains data on licensed child care facilities – child care centers, family child care homes, large family child care homes, and letter of compliance facilities. CCATS does not contain data on public prekindergarten facilities located within public elementary schools.

The following information is documented for each licensed child care provider in CCATS:

1. Unique CCATS provider identification number – Generated when a new licensing application is created in the system.
2. Unique CCATS party identification number – Generated when a new person is entered into the CCATS system.
3. License number – Generated once the licensing application has met all the requirements to open and is approved by a supervisor. If a provider moves from one county to another, they will be issued a new license number.

¹ Office of Legislative Audit's audit of the Division of Early Childhood, March 2022.

4. Provider registered business name.
5. License action history – Inspection results and compliance status.
6. Assigned Maryland State Department of Education (MSDE) regional licensing specialist.
7. Required licensing and compliance documentation.
8. Child Care Scholarship (CCS) approved payments – The service provider who runs the CCS system will upload approved reimbursement payments for providers into CCATS to trigger payment.
9. Staff credentials and background checks.
10. EXCELS participation status.
11. Child and Adult Care Food Program participation status.

DEC does not collect child-level data such as enrollment, attendance, demographic information, and assessment scores from all providers. However, DEC does collect enrollment, attendance, and demographic information on children participating in the CCS Program, which can be linked to their child care provider.

Under the Race to the Top – Early Learning Challenge grant, MSDE planned to integrate a “Child Enrollment and Attendance Recording System” into CCATS. This would be a public portal for Maryland’s child care providers to submit enrollment and attendance data for Child Care Scholarship recipients. MSDE planned to pilot this application with a small number of providers beginning in January 2017.

In our conversations with MSDE staff and partners, they discussed several ongoing challenges with the CCATS system that impede their ability to use data to inform the management of Maryland EXCELS. These include:

1. Most data in CCATS is entered manually by MSDE staff and partners, which can lead to inaccurate records. MSDE does have systems in place to check the data for accuracy, and there is a designated staff person who is responsible for remedying data entry errors when they are discovered.
2. Because each office within DEC is able to develop new data entry modules within CCATS based on their needs, the database has become relatively expansive with a lot of discrete information tied to each provider that has not consistently been tracked over time. This makes it difficult to sort through on the backend when you are trying to understand provider characteristics over time.

3. Several providers are not included in the CCATS system (*i.e.*, prekindergarten programs in public schools, child care facilities on military bases, and summer camps).
4. During COVID-19, MSDE paid full tuition for children of essential workers and distributed child care recovery grants using the CCS funding mechanism. In order to receive payment from the State, the EXCELS participation status had to be marked as “active” for all providers, even if they were not participating in EXCELS. Right now, the EXCELS participation data in CCATS is inaccurate and will be until all American Rescue Plan Act funds are exhausted. They do an audit to make sure that no providers are receiving funds through CCS unless they are supposed to.

MSDE has been working on designing a modernized version of CCATS for three years. MSDE originally planned for the implementation of the new system in the Preschool Development Grant Birth-5 (PDG B-5) one-year implementation grant. Those funds were carried over to continue the design process, and they received more funding in the three-year PDG B-5 implementation grant. MSDE will be reviewing proposals to develop the modernized system soon and plans to make an award by the end of the calendar year.

According to the procurement solicitation, the goals of the modernization include:

1. Increase efficiency and reduce labor costs by improving the speed and agility of processes, including adopting paperless processes and automation that will support mobile access, reduce processing steps, minimize data entry and improve accuracy.
2. Deliver quality customer service by offering online services for providers, families, child care professionals, and trainers and partners through the modernized data system.
3. Expand and improve integration with partner programs so that data will be shared accurately and in a timely manner.
4. Increase visibility and access to child care data through automatic analysis and visualization and reporting capabilities built into the data system.
5. Enable MSDE to promptly implement legislative, regulatory, and policy changes while maintaining accurate, timely, and well-coordinated service delivery using the data system.

Maryland EXCELS System

The Maryland EXCELS system is the online platform through which early childhood care and education providers participate in the Maryland EXCELS program. The Johns Hopkins University Institute for Innovation in Development, Engagement, and Learning Systems (JHU-IDEALS) Institute, in partnership with the Division of Early Childhood Development, is responsible for building and maintaining Maryland EXCELS and housing the data collected through the system.

The Maryland EXCELS system is accessed through the same website as the Maryland Accreditation system, as both are managed by JHU-IDEALS.

Data in the Maryland EXCELS system includes:

- case management for child care providers participating in Maryland EXCELS;
- licensing status;
- component quality ratings and overall quality ratings;
- indicator-level scores for each rating;
- scores from technical observations;
- accreditation status; and
- all documentation uploaded by Maryland EXCELS participants during the rating process.

Data flows to CCATS to confirm Maryland EXCELS participation, publication status, and quality ratings. Maryland EXCELS pulls data from CCATS to identify licensed programs eligible for participation in Maryland EXCELS and from the Maryland Accreditation data system to confirm a provider's accreditation status.

The Maryland EXCELS system replaced the legacy platform (Maryland EXCELS 1.0) on October 25, 2019. When this transition took place, the documentation Maryland EXCELS participants had previously uploaded for each rating component and the associated sub-scores for each indicator did not transfer over to the new system – only their overall quality score. While participating providers were able to upload documentation and publish a rating, they no longer had access to the work they had put in under the previous system.

In advance of the transition, the Maryland EXCELS Branch extracted as much data as possible and saved it to MSDE's servers. They used that data to do a manual "content area update" for every provider who had ever participated in Maryland EXCELS. They did not have the ability to transfer all the documentation into the system, just the sub-scores that providers had previously achieved. Maryland EXCELS staff shared that for this reason, the data from the months immediately following the transition to the new system may be inaccurate.

Maryland EXCELS staff said this made it difficult for their team to do intentional outreach to Maryland EXCELS participants for over a year. For example, if they have all the sub-score data and documentation, staff can see when providers have completed 90% of the requirements to move up a rating and offer targeted assistance to help that provider complete the remaining 10%. Without that data in the system, they were less efficient. They also indicated that inactive

Maryland EXCELS participants who wanted to come back online after that transition may have been disincentivized to publish an updated rating because they did not have access to the work they had previously done.

Maryland Longitudinal Data System

The purpose of the Maryland Longitudinal Data System (MLDS) is to generate timely and accurate information about student performance that can be used to improve the State's education system and guide decisionmakers at all levels. To accomplish this task, MLDS collects and organizes individual-level student and workforce data from all levels of education and the State's workforce.

MLDS was established by State law in 2010. In July 2013, the MLDS Center began operations as an independent unit of State government. The center is overseen by a 15-member governing board. The center has 15 full- and part-time positions and a partnership with the University of Maryland School of Social Work, which provides research services and houses the center's headquarters. Staff of the center are also located at the MSDE Headquarters.

The center is assigned the following responsibilities:

- serve as a central repository of student data and workforce data;
- oversee and maintain the data system;
- ensure compliance with the federal Family Educational Rights and Privacy Act and other relevant privacy laws and policies;
- design, implement, and maintain strict system security procedures;
- conduct research pursuant to the governing board's research agenda;
- maintain a public-facing website and data portals; and
- fulfill public information requests.

MLDS does not collect information on early childhood program participation other than what schools supply through the Kindergarten Readiness Assessment (KRA).

Ready for Kindergarten

Ready for Kindergarten is Maryland's Comprehensive Early Childhood Assessment System. It includes:

- the Early Learning Assessment (ELA) (36 to 72 months) measuring the learning progress of young children in seven domains of learning – social foundations, language/literacy, mathematics, physical well-being and motor development, science, social studies, and the fine arts; and
- the KRA measuring school readiness in four domains – social foundations, language/literacy, mathematics, and physical well-being and motor development.

The ELA and the KRA are not administered to all children in the State of Maryland. The ELA is an optional formative assessment. The KRA is administered at the beginning of the school year to most incoming kindergarten students in Maryland public schools. Seventy-three percent of kindergarteners in Maryland's public schools completed the KRA at the beginning of the 2021-2022 school year.²

As mentioned above, schools are asked to provide generic information about a child's participation in an early childhood program as a component of the KRA. However, a child's KRA score cannot be linked back to a specific early childhood care and education provider.

Maryland Public Schools Accountability System

For each public school in Maryland, MSDE collects demographic information on enrolled students and measures of school performance.

MSDE collects the following information about students enrolled in pre-K through grade 12 programs in public schools:

- race;
- ethnicity;
- disability status;
- English language learner status; and
- economic status.

² Maryland State Department of Education. Readiness Matters 2021-2022. 2022, https://earlychildhood.marylandpublicschools.org/system/files/filedepot/4/readinessmatters2021-2022_accessible.pdf.

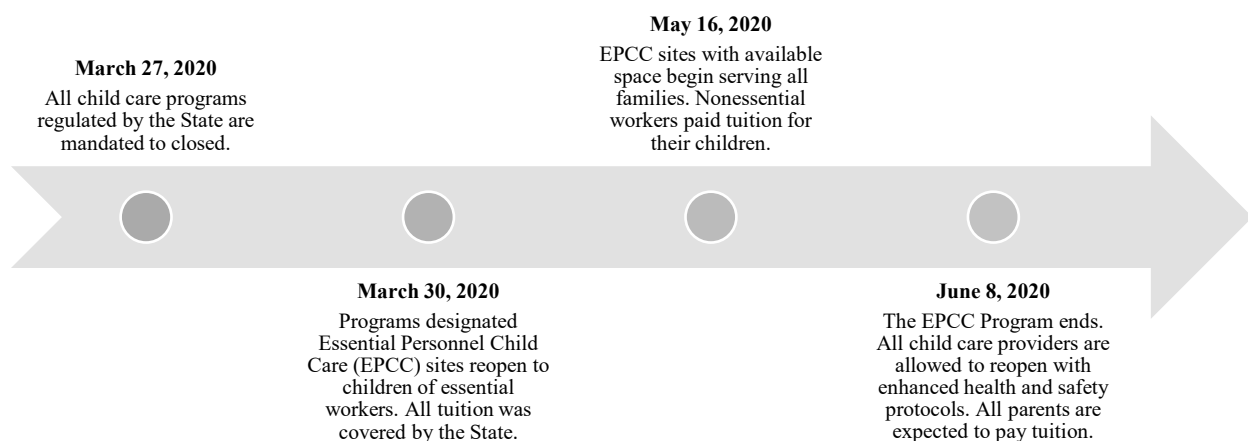
MSDE collects the following information about school performance:

- enrollment and attendance;
- student mobility from one school to another during the school year;
- per pupil expenditures;
- student academic achievement on State assessments; and
- school survey of students (grades 5 through 11) and educators on safety, community, environment, and relationships.

Appendix C. The COVID-19 State of Emergency

On March 30, MSDE launched the Essential Personnel Child Care (EPCC) Program in response to rising COVID-19 case rates in the State. Under the EPCC Program, the State Superintendent of Schools ordered the closure of all child care providers, except those serving the children of essential workers. Providers were required to apply to reopen as an EPCC site and adhere to enhanced health and safety standards.

COVID-19 State of Emergency ECCE Policy Timeline



Source: Maryland State Department of Education

Around 3,700 child care providers – about half of those registered with the State – reopened as EPCC sites.¹ Through the EPCC Program, the State covered the cost of attendance for all children of essential workers. Each week, EPCC providers could invoice the State \$350 for every child under 3 and \$250 for every child aged 3 to 13 years in their care. Over the course of the program, EPCC sites were also eligible for up to \$3,600 in grant funding from the Maryland State Department of Education (MSDE) to help with COVID-related expenses.¹ MSDE experienced significant administrative challenges during the rollout of the EPCC Program resulting in delayed payments to many EPCC participants for up to a month after the program launched.

In mid-May, in response to the reopening of many nonessential businesses, MSDE announced that EPCC sites with available space could begin accepting children of nonessential workers. Additionally, it announced that effective June 8, the State would cease funding the EPCC program, including fees for children of essential workers, and all child care providers would be allowed to reopen with enhanced health and safety protocols. Since June 8, 2020, all child care providers across the State have been eligible to reopen following an application verifying their COVID-19 policies and procedures and the subsequent approval of MSDE.

Since March 2020, MSDE has distributed approximately \$461 million from the State's Child Care and Development Fund (CCDF) to support child care providers. Maryland's CCDF is

¹ Initially in March 2020, MSDE guaranteed \$800 (for family-based centers) and \$1,600 (for child care centers). After pressure from EPCC sites, MSDE released another \$2,000 per provider in April 2020.

jointly financed by the federal government and the State’s General Fund. In fiscal 2018 and 2019, annual appropriations to the CCDF totaled around \$150 million. In fiscal 2020 and 2021, approximately \$486 million in additional federal COVID-19 response funding was allocated to Maryland’s CCDF. MSDE used approximately \$461 million to fund the EPCC program, Child Care Pandemic Relief Grants, and Child Care Stabilization Grants.

Relief Funding for ECCE Providers

EPCC Program <i>\$91.9 million</i>	Child Care Pandemic Relief <i>\$60 million</i>	Child Care Stabilization <i>\$309 million</i>
Between March and June 2020, MSDE covered the cost of child care for an estimated 25,000 children of essential workers during the period of the EPCC Program. MSDE also provided grants of up to \$3,600 to approximately 3,700 EPCC participating providers.	In April 2021, MSDE released grants ranging from \$2,400 to \$60,000 to child care providers, depending on their licensed capacity. These funds could be used to cover a wide range of costs incurred by child care providers because of the COVID-19 pandemic.	MSDE released the first round of grants in September 2021. Providers received a base award of \$15,000 and \$500 per licensed slot. MSDE released the second round of grants in January 2022. These included a base award of \$10,000 and up to \$504 per licensed slot.

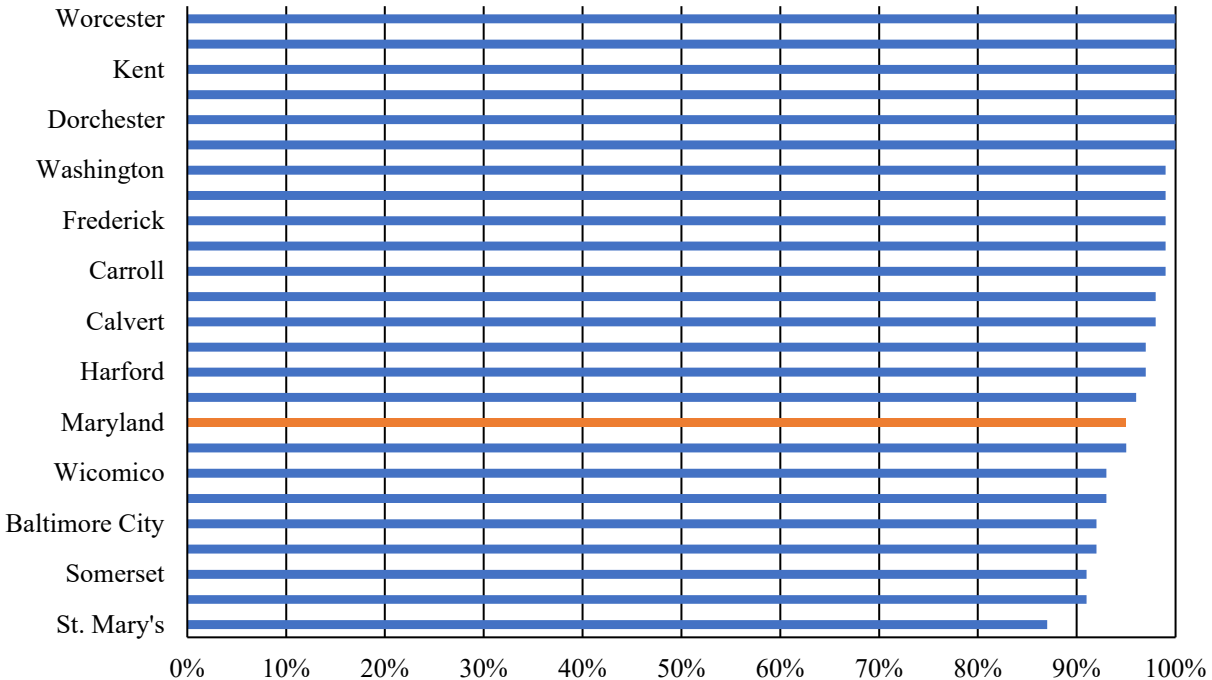
ECCE: early childhood care and education
EPCC: Essential Personnel Child Care
MSDE: Maryland State Department of Education

Source: Maryland State Department of Education

Additionally, during the EPCC Program, MSDE paid child care providers participating in the Child Care Scholarship Program (CCSP) based on documented enrollment of children in CCSP rather than attendance. This strategy was aimed at supporting child care providers who temporarily closed, experienced decreased attendance, or had to reduce capacity.ⁱⁱ

As of July 2021, MSDE reported that 95% of licensed childcare programs in the State had reopened. To reopen, providers were required to submit a form to MSDE verifying that there were established policies and procedures to keep children, staff, and families safe during the COVID-19 pandemic. **Exhibit 1** shows the percent of licensed providers in each county who were open in July 2021. While all providers have reopened in Caroline, Dorchester, Garrett, Kent, Queen Anne’s, and Worcester Counties, there are several parts of the State that have seen the availability of child care contract during the COVID-19 pandemic. According to the U.S. Census Bureau’s *Household Pulse Survey*, around 39% of households with children in Maryland experience childcare disruptions in the first month of 2022 related to the COVID-19 pandemic. In nearly half of those cases, parents or caregivers lost or gave up income in order to stay home with children.

Exhibit 1 Reopened ECCE Providers



ECCE: early childhood care and education

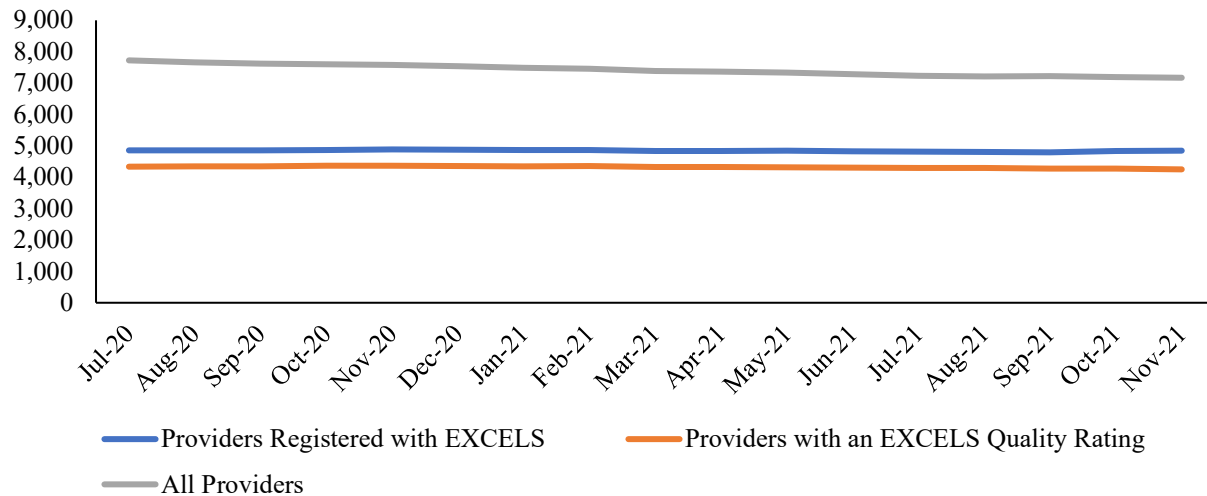
Source: Maryland State Department of Education

At the beginning of the COVID-19 State of Emergency, MSDE froze the status of all providers participating in the EXCELS program. Beginning in March 2020, MSDE allowed all Maryland EXCELS published programs to maintain their existing quality ratings and maintain their status as program participants. Additionally, MSDE guaranteed the existing level of Child Care Scholarship payments for Maryland EXCELS participants and supplementary EXCELS Scholarship payments for published programs with quality ratings 3, 4, and 5.

During this time, Maryland EXCELS providers have been able to work on their EXCELS profiles, upload documentation, and request to publish a draft rating. New providers have also been allowed to join the program. To support participating providers, EXCELS staff transitioned several training, technical assistance, and accreditation resources to a virtual format.ⁱⁱⁱ As shown in **Exhibit 2**, the total number of child care programs participating in EXCELS remained relatively stable between April 2020 and November 2021, even as the overall number of providers in the State fell.²

² Provider-level data is not available at this time, so it is not clear whether participation in the EXCELS program is associated with a provider's likelihood of remaining open.

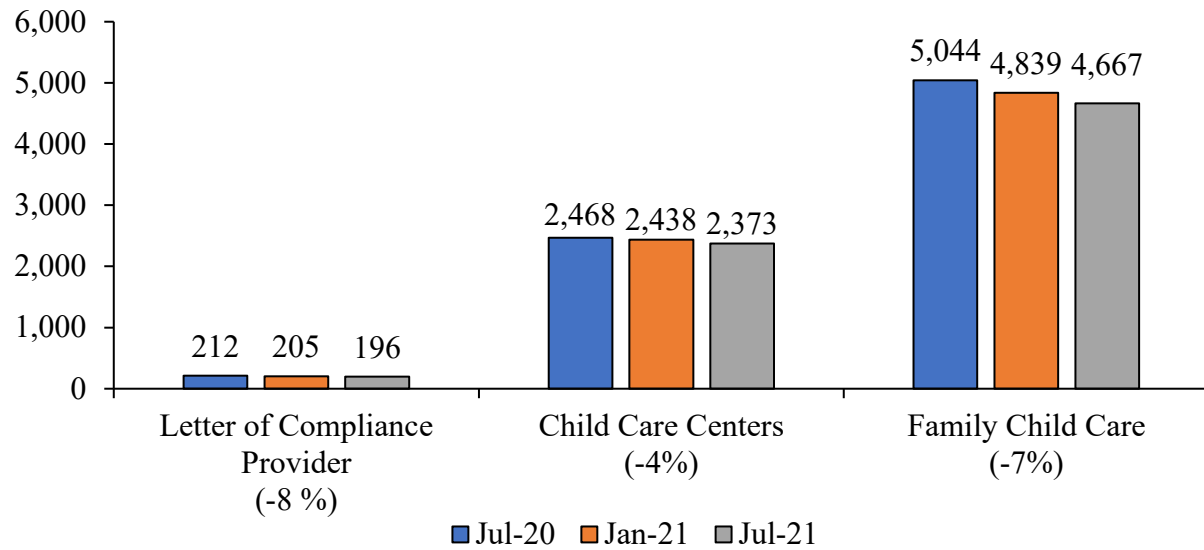
Exhibit 2
Maryland EXCELS Participation During COVID-19 State of Emergency



Source: Maryland State Department of Education; Department of Legislative Services

Over 6% of all child care providers closed between July 2020 and July 2021. As demonstrated in **Exhibit 3**, nearly 500 family child care providers shut down, accounting for over three quarters of all closures during that 12-month period.

Exhibit 3
Child Care Closures During COVID-19 State of Emergency



Source: Maryland State Department of Education

ⁱ MSDE. EPCC EPSA Approved Sites. 6 May 2020, https://earlychildhood.marylandpublicschools.org/system/files/filedepot/2/approved_sites_for_epcc_epsa_-_master_list.pdf.

ⁱⁱ Department of Legislative Services. R00A99 Early Childhood Development - Maryland State Department of Education. Budget Analysis, 2022, <https://mgaleg.maryland.gov/pubs/budgetfiscal/2022fy-budget-docs-operating-R00A99-MSDE-Early-Childhood-Development.pdf>.

ⁱⁱⁱ Maryland EXCELS during COVID-19 | Division of Early Childhood. <https://earlychildhood.marylandpublicschools.org/maryland-excels-during-covid-19>. Accessed 28 Jan. 2022.

Appendix D. Evaluation Request Letter



THE MARYLAND GENERAL ASSEMBLY
ANNAPOLIS, MARYLAND 21401-1991

JOINT AUDIT AND EVALUATION COMMITTEE

January 7, 2022

Mr. Michael Powell
Director, Office of Program Evaluation and Government Accountability
Department of Legislative Services
90 State Circle
Annapolis, Maryland 21401

Dear Mr. Powell:

Consistent with §2-1234 of the State Government Article, we are directing that the Office of Program Evaluation and Government Accountability conduct a scoping evaluation of the Maryland Excellence Counts in Early Learning and School Age Care program (Maryland EXCELS) administered by the Maryland State Department of Education's Division of Early Childhood.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to be "Clarence K. Lam".

Senator Clarence K. Lam
Senate Chair

A handwritten signature in black ink, appearing to be "Carol L. Krimm".

Delegate Carol L. Krimm
House Chair

CKL:CLK/EJA/mta

cc: Joint Audit and Evaluation Committee, Members and Staff
Ms. Victoria L. Gruber