

Element 1a: Expand full-day Pre-K at no cost for four-year-olds and three-year-olds from families with incomes up to 300% of the federal poverty level (FPL) (approximately \$75,000 for a family of four in 2018) and for four-year-olds from families with incomes between 300% and 600% FPL (approximately \$75,000 to \$150,000 for a family of four in 2018) using a sliding scale.

Design Assumptions:

Access to publicly funded full-day pre-K will be expanded for free to three- and four-year-olds from low-income families.

1. Research shows that investing in the early childhood learning and development of disadvantaged children yields a high return to society, offsetting taxpayer costs for poor health, dropout rates, poverty, and crime. Other benefits include reductions in special education costs, grade retention rates, teacher turnover and absenteeism costs, and costs for tutoring and other supports.
2. Expansion efforts must be accomplished in partnership with, and with significant investment from, the local jurisdictions and community-based providers.
3. The State, local jurisdictions, and local education agencies will expand access to publicly funded full-day pre-K for four-year-olds so that there will be no charge for low-income families (a family with an income up to 300% FPL/\$75,000 based on a family of four). Full funding will be made available no later than the year in which the full-day pre-K requirement takes effect (*e.g.*, year 4 for four-year-olds). Public funding will be provided to assist with the cost of pre-K for families with incomes between 300-600% FPL/\$75,000-\$150,000 based on a family of four, however, these families will still be expected to pay a portion of the cost using a sliding scale. Families with incomes above \$150,000 will pay the full cost to attend a four-year-old pre-K program. This will be phased in on a 10-year timeline.
4. The State, local jurisdictions, and local education agencies will expand access to publicly funded full-day pre-K for all three-year-olds from low-income families (a family with an income up to 300% FPL/\$75,000 based on a family of four). This will be phased in on a 10-year timeline with full funding made available no later than the year in which the requirement takes effect (*e.g.*, year 10 for three-year-olds from low-income families).
5. Family enrollment in pre-K will be voluntary.
6. All publicly funded full-day pre-K programs will be a minimum of 6.5 hours and at least 180 school days.
7. Provision of publicly funded pre-K will include both public school-based pre-K programs and participating community-based pre-K programs. All participating programs must be licensed to operate in the State. In order to participate in publicly funded pre-K, a provider may not charge more tuition for any student who receives public funding for the 6.5 hour school day than

the total amount of public funding provided for the school year for a student from a low-income family (*i.e.*, “cost of quality” amount).

8. A participating provider may not engage in explicitly religious activities during the portion of the day supported by publicly funded pre-K (6.5 hours), consistent with federal regulations governing use of funds. Any such activities must be offered separately in time or location, and participation must be voluntary.
9. A participating provider will not be required to adopt any rule, regulation, or policy that conflicts with its religious or moral teachings. However, participating providers accepting public funds must agree not to discriminate, and may not discriminate, in either student admissions or retention on the basis of race, color, disability, national origin, or sexual orientation of the student or the student’s parent or guardian. Any provider found to be in violation of this requirement will be required to return any public funds and may not participate in the program. The placement of a student with a disability will be made based on an individualized assessment about where the student may be best served in accordance with federal and State laws and whether the provider can meet the particular needs of the student with reasonable accommodations without fundamentally altering its program or posing an undue burden.
10. In order to access the new public pre-K funding associated with these recommendations, all participating programs, whether based at public schools or in community settings, will be immediately required to meet the definition of a high-quality, publicly funded pre-K program. This will require some changes to the Code of Maryland Regulations. A high-quality, publicly funded pre-K program means an early learning program that includes structural elements that are evidence-based and nationally recognized as important for ensuring program quality, including at a minimum:
 - a. high staff qualifications, including teachers who hold State certification for teaching in early childhood education or a bachelor’s degree in any field pursuing residency through the Maryland Approved Alternative Preparation Program, a State-approved alternate pathway, which includes coursework, clinical practice, and evidence of knowledge of content and pedagogy relating to early childhood; and teaching assistants who have at least a Child Development Associate (CDA) certificate or an associate’s degree;
 - b. high-quality, professional development for all staff;
 - c. a child-to-instructional staff ratio of no more than 10 to 1;
 - d. a class size of no more than 20 with, at a minimum, one teacher with high-staff qualifications as outlined in paragraph (a);
 - e. a full-day program;

- f. inclusion of children with disabilities to ensure access to and full participation in all opportunities;
- g. developmentally appropriate, culturally and linguistically responsive instruction and evidence-based curricula, and learning environments that are aligned with the State Early Learning and Development Standards, for at least the year prior to kindergarten entry;
- h. individualized accommodations and supports so that all children can access and participate fully in learning activities;
- i. instructional staff salaries that are comparable to the salaries and benefits of local public K-12 instructional staff;
- j. program evaluation to ensure continuous improvement;
- k. on-site or accessible comprehensive services for children and community partnerships that promote families' access to services that support their children's learning and development; and
- l. evidence-based health and safety standards.

All new programs will be required to meet the definition of a high quality, publicly funded pre-K program.

11. In addition, community providers must publish at least at a level 3 ranking on the EXCELS quality scale with a plan approved by the Maryland State Department of Education (MSDE) to achieve level 5 within five years. Public school-based pre-K programs must publish in EXCELS at least at a level 4 with a plan approved by MSDE to achieve level 5 within five years. Beginning in year 5, all new programs will be required to meet the definition of a high-quality, publicly funded pre-K program outlined in Item #10 and publish at level 5 to participate.
12. Although the time it will take for a provider to move up the EXCELS levels depends on individual circumstances, on average, it currently takes a provider one year to move from EXCELS level 1 to 2, up to two years to move from EXCELS level 2 to 3, two to three years to move from EXCELS level 3 to 4, and two to three years to move from EXCELS level 4 to 5.
13. Income-eligible families will have access to extended day (before and after care) services through the State's child care subsidy program. Chapters 563 and 564 of 2018 require the State to increase the program's provider reimbursement rates for each region to the sixtieth percentile of child care provider rates by fiscal 2022. Recently promulgated regulations expand the number of families who will be eligible for child care subsidies by updating eligibility for the program to reflect 65% of the State median income.

Implementation Decisions:

1. Expansion of full-day pre-K will be focused on making full-day pre-K available for all four-year-olds from low-income families as half-day slots are being converted into full-day slots and new slots are coming on line. By year 4, all four-year-olds from low-income families will be offered high-quality, full-day pre-K. This will occur at the same time as full-day pre-K is expanded gradually for three-year-olds from low-income families.
2. Full-day pre-K for three-year-olds from low-income families will be phased in over the 10-year period by a minimum of 10% per year. Therefore, by year 10, all three-year-olds from low-income families will be offered full-day pre-K.
3. The State will require that a minimum percentage of full-day pre-K slots in each local education agency be provided in participating community-based settings. This minimum requirement will begin at 30% to reflect the current balance between public school-based and community-based settings. The minimum percentage will increase in 5% per year increments in years 1 through 4 and remain constant at 50% beginning in year 5. It may be met by serving three-year-olds from low-income families and/or four-year-olds. Local education agencies will be given flexibility through waiver provisions if the local education agency annually demonstrates to the State (i) that the agency already provides full-day pre-K to all four-year-olds who enroll in public pre-K or (ii) that not enough community-based providers exist in the jurisdiction to meet the minimum percentage, even after reasonable cross-jurisdiction or regional efforts. A local education agency may receive an annual waiver until the applicable requirement takes effect (*e.g.*, year 4 for full-day pre-K for four-year-olds, year 10 for full-day pre-K for three-year-olds from low-income families).
4. Priority in expansion of high-quality pre-K for four-year-olds and three-year-olds will be given to (a) students from families with the lowest incomes; (b) students with special education needs, regardless of income; and (c) students who are English learners, regardless of income. Public funding to support special education students and English learners will follow the student and go to the provider that is serving the student.
5. Local education agencies will enter into agreements with community-based providers to provide publicly funded pre-K programs to four-year-olds and three-year-olds, including the provision of services for students with special needs, in accordance with federal education laws. The agreements may also include a process for parents to register four-year-olds and three-year-olds for pre-K and to indicate a preference for the program setting, if any (*e.g.*, Denver allows a parent to rank his or her top three program choices).
6. Priority in expansion of high-quality pre-K programs through technical assistance, coaching, and workforce capacity building efforts (Element 1b) will be given to areas and regions where there are fewer providers and programs

Priority in expansion of high quality pre-K will be given to students from families with the lowest incomes, students with special education needs, and students who are English learners.

available to serve the four-year-old and three-year-old populations in the area or region. The State and local education agencies must prioritize these areas as part of accountability requirements. The State and local education agencies will be encouraged to collaborate to explore and possibly replicate innovative ways that may currently exist to address child care deserts, including regional cross-jurisdiction programming and reciprocity with border states.

7. It is assumed that the target participation rate for the voluntary enrollment of four-year-olds in publicly funded pre-K will increase from 70% to 80% over the implementation period as more families take advantage of available publicly funded pre-K programs. However, it is assumed that the participation rate will not exceed 80% as some families will make other child care arrangements or keep children at home until kindergarten.
8. The implementation schedule will use 80% of families as the target for the voluntary enrollment of three-year-olds from low-income families in publicly funded pre-K, as some families will make other child care arrangements or keep children at home.
9. Publicly funded pre-K for four-year-olds will be available at no charge for families with incomes up to 300% FPL/\$75,000 based on a family of four. Beginning in year 5, public funding will be provided to assist with the costs of pre-K for families with incomes between 300-600% FPL/\$75,000-\$150,000 based on a family of four. Even with this public support, these families will still be expected to pay a portion of the cost to attend a pre-K program so that as a family's income increases, the amount of public support decreases (sliding scale). Families with incomes above 600% FPL/\$150,000 based on a family of four will pay the full cost. Income levels will be adjusted for family size. There will be administrative costs associated with implementing the sliding scale.
10. The State will prioritize public school construction funding requests for high-quality pre-K classrooms.
11. Local jurisdictions will be encouraged to partner with the State to develop innovative ways to meet physical space constraints during the phase-in period, such as utilizing available space at senior or community centers for early education programs, while meeting the standards of a high-quality pre-K program.
12. For K-12 students, all school systems are currently required to provide transportation to and from school for all public school students, including disabled students. State aid for K-12 students is currently distributed according to a formula that is adjusted for enrollment. It is assumed that pre-K students will be included in a transportation formula. The State, local education agencies, and community-based providers will partner to address transportation needs for pre-K students. As the State transitions to full-day pre-K that better aligns with parents' working schedules, there may be a reduced need for transportation. In addition, child care subsidy funds will be

Public funding will be provided to assist with the costs of pre-K for families with incomes between 300-600% FPL on a sliding scale so that as a family's income increases, the amount of public support decreases.

available for eligible families to use for before and after care, which may include transportation services to and from a pre-K program.

Phase-in Timeline Decisions:

1. **EXCELS:** To receive full-day public funding, all participating programs will be immediately required to meet the definition of a high-quality publicly funded pre-K program. In addition, a community provider must achieve at least a level 3 with a plan approved by MSDE to achieve level 5 within five years. Public school-based pre-K programs must achieve at least a level 4 with a plan approved by MSDE to achieve level 5 within five years. Beginning in year 5, all new programs will be required to meet the definition of a high-quality publicly funded pre-K program and publish at level 5 to participate. Note: Through the phase-in period, local education agencies must continue to at least meet the current requirement of providing a minimum half-day program for children from families with incomes at or below 185% FPL.
2. **Minimum Percentage of Pre-K Slots in Community-based Settings:** Starting in year 1, there will be a requirement that a percentage of pre-K slots (for four-year-olds and/or three-year-olds) be provided in community-based settings. This minimum requirement will begin at 30% to reflect the current balance between public school-based and community-based settings. The minimum percentage will increase in 5% per year increments in years 1 through 4 and remain constant at 50% beginning in year 5. A local education agency may be able to receive an annual waiver from this minimum requirement in specified circumstances.
3. **Expansion of slots for four-year-olds and three-year-olds from low-income families (family income below 300% FPL/\$75,000 for a family of four) will be phased in over a 10-year period. One potential phase-in schedule is shown in Exhibit 4.1 below, however, jurisdictions may choose to begin implementing mixed-delivery, full-day programs for four-year-olds and three-year-olds that meet the requirements of publicly funded pre-K beginning in year 1. Pre-K will be available at no charge for four-year-olds and three-year-olds from low-income families. The following will be required in the year it takes effect:**
 - a. In year 4, all four-year-olds from low-income families will have access to full-day pre-K.
 - b. In year 10, all four-year-olds from low-income families will continue to have access to full-day pre-K, and all three-year-olds from low-income families will have access to full-day pre-K.
4. **Sliding Scale for Four-year-olds (family income between 300-600% FPL/\$75,000-\$150,000 for a family of four):** Beginning in year 5, public funding will be provided to assist with the cost of pre-K for families with incomes between 300-600% FPL/\$75,000 and \$150,000 for a family of four.

Even with this public support, these families will still be expected to pay a portion of the cost to attend a pre-K program so that as a family's income increases, the amount of public support decreases (sliding scale). To avoid a cliff effect whereby a small increase in income results in a significant loss of public support, there will be approximately 15 steps, with a 6-7 percentage point difference between each step. Families with incomes above 600% FPL/\$150,000 for a family of four will pay the full cost for four-year-old pre-K.

5. Workforce Building for Early Childhood Education (ECE): As the number of slots and students increase, additional capacity building of the early childhood workforce system, including credentialing, recruitment, and retention of educators and staff, will be needed to meet increased workforce demand (Element 1b).

Exhibit 4.1 Potential Publicly Funded Prekindergarten Phase-in Schedule

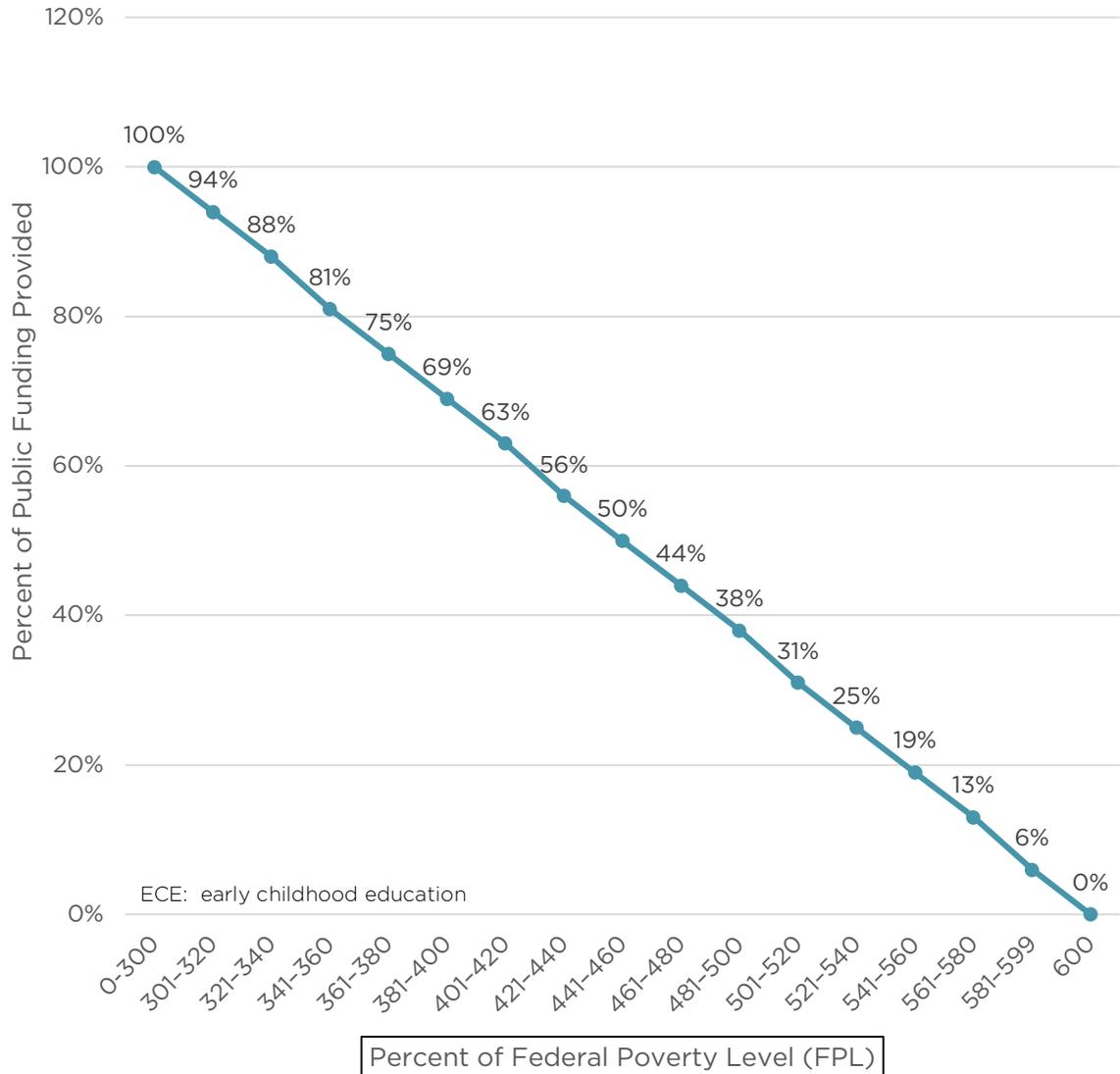
	FY20	1 FY21	2 FY22	3 FY23	4 FY24	5 FY25	6 FY26	7 FY27	8 FY28	9 FY29	10 FY30
4-year-olds	All below 185% FPL offered ½ day	25% of half-day slots convert to full day	50% half-day slots convert to full day	75% half-day slots convert to full day	All below 300% FPL offered full day	All below 300% FPL offered full day. Sliding scale for families between 300% and 600% FPL.	All below 300% FPL offered full day. Sliding scale for families between 300% and 600% FPL.	All below 300% FPL offered full day. Sliding scale for families between 300% and 600% FPL.	All below 300% FPL offered full day. Sliding scale for families between 300% and 600% FPL.	All below 300% FPL offered full day. Sliding scale for families between 300% and 600% FPL.	All below 300% FPL offered full day. Sliding scale for families between 300% and 600% FPL.
3-year-olds	None required	10% below 300% FPL offered full day	20% below 300% FPL offered full day	30% below 300% FPL offered full day	40% below 300% FPL offered full day	50% below 300% FPL offered full day	60% below 300% FPL offered full day	70% below 300% FPL offered full day	80% below 300% FPL offered full day	90% below 300% FPL offered full day	All below 300% FPL offered full day
Community-based (3- or 4-year-olds)	None required	Min 30% in community-based settings	Min 35% in community-based settings	Min 40% in community-based settings	Min 45% in community-based settings	Min 50% in community-based settings	Min 50% in community-based settings	Min 50% in community-based settings	Min 50% in community-based settings	Min 50% in community-based settings	Min 50% in community-based settings

Note: This exhibit represents a potential phase-in for costing out purposes. The items bolded in blue are the only requirements that will be recommended to be codified in law. A local education agency could choose to phase in these requirements on a more aggressive timeframe. Student participation in publicly funded prekindergarten is voluntary.

Percent of Federal Poverty Level	Approximate Income Level for Family of Four	Number of Four-year-olds (Year 5)
0 - 200%	\$0 - \$49,999	24,663
201% - 300%	\$50,000 - \$74,999	12,733
301% - 400%	\$75,000 - \$99,999	9,988
401% - 500%	\$100,000 - \$124,999	7,836
501% - 599%	\$125,000 - \$149,999	5,470
600% and above	\$150,000 and above	13,491

Source: 2018 Federal Poverty Level Guidelines, U.S. Department of Health and Human Services

Exhibit 4.2: Level of ECE Public Funding for Increments of FPL between 300% and 600% (Based on 15 Steps)



Percent of Federal Poverty Level	Percent of Public Funding Provided
0-300%	100%
301-320%	94%
321-340%	88%
341-360%	81%
361-380%	75%
381-400%	69%
401-420%	63%
421-440%	56%
441-460%	50%
461-480%	44%
481-500%	38%
501-520%	31%
521-540%	25%
541-560%	19%
561-580%	13%
581-599%	6%
600% and above	0%

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

Design Assumptions:

1. The State will encourage pre-K programs to invest in helping teachers to become certified in early childhood education (ECE).
2. The State will offer increased coaching and technical assistance through EXCELS and Child Care Resource Centers to support the efforts of community providers in improving the quality of their programs. The State will prioritize supporting providers in high-need communities in meeting the definition of a high-quality publicly funded pre-K program and publishing at EXCELS level 5.
3. The State will support ECE staff and teachers in attaining CDA credentials, associate's degrees, and bachelor's degrees to serve as teachers or aides and assistant teachers in publicly funded pre-K programs. This support will include tuition assistance and financial support to help cover tuition, course and exam fees, and coaching by mentor teachers.
4. Public pre-K teachers will be part of the Maryland K-12 teacher career ladder. Master public pre-K teachers will be a level on the career ladder. In order to become a master teacher on the career ladder, the teacher must earn National Board Certification.
5. A local education agency and a provider may both choose to enter into a Memorandum of Understanding to enable pre-K teachers in community-based settings to participate in the public pre-K teacher career ladder as employees of the local education agency. Such agreements currently exist under the State Pre-K Expansion Grant Program.

Public pre-K teachers will be part of the Maryland K-12 teacher career ladder.

Implementation Decisions:

1. The State will implement initiatives developed under MSDE's Master Plan on Professional Development for Teachers and Providers of Early Childhood Education, such as aligning high school early childhood Career and Technical Education (CTE) program standards with CDA credential requirements and community college ECE programs; expanding online professional development courses with job-embedded coaching; requiring coursework and clinical work in ECE programs to include training in diverse child care environments and working with children with special needs; creating pathways that accept prior learning experience; creating an ECE bachelor's degree program and dual-certification programs; and creating a public awareness campaign for recruiting ECE teaching staff and promoting quality child care.
2. The State will set targets so that the percentage of teachers certified in ECE and staff with CDA credentials increases and keeps pace with the 10-year implementation period. At full implementation of pre-K for three-year-olds

from low-income families and four-year-olds, the State will need 8,800 pre-K teachers and assistants (4,400 each).

3. The State will expand and increase the amount of training vouchers and credentialing bonuses to encourage providers to continue professional development. The amounts of the vouchers and bonuses will be tiered with the credentialing levels to incentivize movement towards higher quality.
4. The State will provide financial assistance for students who complete the high school early childhood CTE program to take the CDA assessment so the student can work as an aide or assistant teacher. To promote a more diverse workforce, the State will also expand access to early childhood programs, focusing on jurisdictions where the greatest disparities exist between student demographics and ECE staff.
5. The State will increase MSDE's capacity to provide technical assistance and professional development to participating and prospective pre-K programs through EXCELS quality assurance specialists, regional offices, and on-site monitoring and licensing staff to keep pace with the increase in participating providers. It is assumed that this additional support will expedite the abilities of providers to move from level 3 to level 5 in EXCELS.
6. The State also will expand the coaching infrastructure model developed by the Child Care Resource Center Network to provide training and mentoring for community providers to meet EXCELS requirements.
7. The State will identify ECE teachers as a workforce shortage area to enable tuition assistance through the Workforce Shortage Student Assistance Grant Program.
8. The State will create a full tuition scholarship program for students who become lead pre-K teachers and commit to work in high-needs schools for a certain number of years.
9. The State will significantly increase funding for the Child Care Center and Professional Development Fund to support ECE staff who are already working in child care programs in obtaining CDA credentials, associate's degrees, and bachelor's degrees.
10. The State will focus outreach and recruitment efforts so that the ECE teachers and staff mirror the diversity of the community.
11. The State will require that all pre-K teachers have training on cultural competency and restorative practices through teacher preparation programs or professional development programs.

To promote a more diverse workforce, the State will also expand access to early childhood programs, focusing on jurisdictions where the greatest disparities exist between student demographics and ECE staff.

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

Design Assumptions:

1. A racially and culturally unbiased assessment that will be used for diagnostic purposes, curriculum development, and early detection of learning challenges will be given to all kindergarteners as a census.
2. To minimize the amount of duplicative testing for our youngest learners, the State's goal should be for the Kindergarten Readiness Assessment (KRA) or any successor assessment to serve as the sole diagnostic assessment for kindergarten readiness.
3. The State will continue to provide every kindergarten teacher with training or a refresher course on administering the KRA or its successor assessment each year.
4. The State will continue to provide professional development funds for jurisdictions that administer the KRA or its successor assessment as a census assessment.
5. The assessment tool will provide information for kindergarten teachers to use for lesson planning and identifying students who may need additional assistance.
6. The assessment tool will not be cumbersome for teachers to administer and teachers will be given time to administer the assessment within the school day.
7. A protocol will be put in place to enable teachers to use and act on the information produced by the assessment tool, such as referring students for case management or in-class or out-of-class supports.

The assessment tool will not be cumbersome for teachers to administer and teachers will be given time to administer the assessment within the school day.

Implementation Decisions:

1. Since a portion of the KRA requires the teacher to observe how the student interacts with other students in a classroom, the full KRA cannot be administered before students enter kindergarten. Therefore, local education agencies will have flexibility to administer a portion of the KRA or its successor assessment before students enter kindergarten and during the first two months of the school year.
2. The State will require the KRA or its successor assessment to be administered to every kindergarten student as a census and not as a random sample to ensure equity and accountability.
3. The State will extend the administration window from October 10 to October 30 to reduce the operational impact of conducting the KRA or its successor assessment as a census assessment.

4. A survey of kindergarten teachers who administered Version 2.0 of the KRA will be conducted after it is fully implemented in fall 2018 to get feedback on the usefulness and usability of the new version of the KRA.
5. The survey will include questions such as (i) the usefulness of the KRA data to inform kindergarten instruction; (ii) whether the KRA data enhances a teacher's ability to identify challenges that a student may be experiencing, especially those indicating that a child may need special education services; and (iii) whether the teacher administers a separate, locally mandated kindergarten diagnostic assessment and, if so, whether the KRA is duplicative of that assessment.
6. The State (entity to be determined) will review the results of the survey and review Version 2.0 for usefulness and usability and, in consultation with MSDE, make any recommendations for changes, if needed.
7. The data collection system of the KRA or its successor assessment will include a standardized process for reporting a kindergartener's prior care setting.
8. The KRA or its successor assessment will be implemented as a census statewide by school year 2020-2021.

The expansion of Judy Centers and Family Support Centers will be phased in over 10 years, with a priority in opening new centers in the neediest communities.

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

Design Assumptions:

1. The State will expand the number of Judy Centers over time, with the goal of matching the number of Title I elementary schools.
2. The State will expand the number of Family Support Centers over time, with the goal of ensuring that every underserved neighborhood has a Family Support Center or similar set of programs and services.
3. The State will increase funding for the Maryland Infant and Toddlers Program that provides support to families with children with developmental delays and special needs.

Implementation Decisions:

1.
 - a. The expansion of Judy Centers will be phased in over 10 years, with a priority in opening new Judy Centers in the neediest communities. MSDE will be required to consider geographic diversity when selecting a Title I school within which to locate a new Judy Center. MSDE will be required to coordinate placement of new Judy Centers in order to serve multiple, closely located Title I schools in a high-needs area or region.

- b. There are currently 54 centers, with 1 or more located in each jurisdiction, and 323 Title I elementary schools. The State will significantly reduce this gap and increase the number of centers over time so that 45 new Judy Centers open in the first 5 years and 90 open in the next 5 years. By year 10, there will be 135 new Judy Centers.

2.

- a. The expansion of Family Support Centers will be phased in over 10 years, with a priority in opening new Family Support Centers in the neediest communities. MSDE will be required to consider geographic diversity and the location of existing and future Judy Centers and Family Support Centers when selecting regions within which to locate a new Family Support Center. MSDE will be required to coordinate placement of new Family Support Centers in order to serve multiple, closely located counties or areas in need of a Family Support Center. There are currently nine counties (Calvert, Charles, Garrett, Harford, Howard, St. Mary's, Somerset, Wicomico, and Worcester) where there are no Family Support Centers.
- b. There are currently 25 Family Support Centers. The State's goal should be to open 3 new centers each year so that by year 10, there will be 30 new Family Support Centers.

- 3. The State will increase funding for the Maryland Infants and Toddlers Program to support the increase in the number of children eligible for these services.

Developing Total Cost Estimates for Elements in Policy Area 1

Policy Area 1 includes several elements that carry a cost, most significantly related to the expansion of prekindergarten. The assumptions used to estimate the additional costs associated with implementing each of the elements are summarized below. Elements not included below either do not have additional costs associated with them or their costs are accounted for in other Commission recommendations. Additional detail for each cost element is provided in Appendix 6.

Element 1a. Expanding full-day pre-K for four-year-olds and three-year-olds: Cost estimates, detailed in Exhibits 4.3a-b below, are based on cost of quality figures that represent a per pupil amount of funding to be phased in over years 1 through 5 to account for higher costs as providers progress from level 3 to level 5 on the EXCELS quality rating system. The cost estimates also take into account projected capacity and enrollment, the conversion of half-day slots into full-day slots, increased participation over time as families become aware of and take advantage of publicly funded pre-K programs, and new providers entering the early childhood market and meeting the eligibility requirements to participate in publicly funded pre-K.

Four-year-olds: Total expenditures to serve four-year-olds at or below 300% FPL are \$129.7 million in year 1, \$335.2 million in year 5, and \$392.2 million in year 10. The cost estimates reflect the conversion of all half-day slots to full-day slots by year 4 and assume a participation rate of 70% in years 4 and 5, 75% in years 6 and 7, and 80% in year 8 and subsequent years.

Three-year-olds: Total expenditures to serve three-year olds at or below 300% FPL are \$25.2 million in year 1 and \$199.2 million in year 10. The cost estimates assume a phase-in over the implementation period by 10% annual increments and an 80% participation rate. However, they also reflect the lack of slots in years 5 through 7; thus, no costs are estimated for those years.

Sliding scale for four-year-olds: Total expenditures to serve four-year-olds from families with incomes between 300-600% of FPL are \$55.9 million in year 5 (the first year of the requirement) and \$137.3 million in year 10. The cost estimates take into account the limited capacity in years 5, 6, and 7; thus, expenditures only reflect funding the projected slots available in those years. Even with this public support, families will still be expected to pay a portion of the cost to attend a pre-K program so that as a family’s income increases, the amount of public support decreases (sliding scale).

Support costs: In addition, there will be development and maintenance costs for MSDE or local school systems to collect tuition from families participating in the sliding scale system and to distribute public funds to community-based pre-K providers. Due to the number of providers and the complexity of the sliding scale payment structure, these costs may be significant; however, more accurate costs cannot be reliably estimated at this time. To the extent that pre-K enrollment increases, MSDE will need to hire additional early childhood education staff to monitor and assist program providers. Moreover, more MSDE staff will be required to evaluate and monitor pre-K programs as providers increase the quality of their programing.

Exhibit 4.3a: Prekindergarten Expansion

2019-2020 Cost of Quality Inflated (Cost Per Child):	EXCELS Level 3: \$8,446	EXCELS Level 4: \$11,476	EXCELS Level 5: \$12,804		
Phase-in Cost Of Quality Per Child:	Year 1: \$8,446	Year 2: \$9,576	Year 3: \$10,747	Year 4: \$11,776	Year 5: \$12,804

Element 1b. Capacity building initiatives for new and current programs: MSDE currently administers several programs to encourage child care and pre-K providers to improve the quality of their programs by pursuing accreditation, licensing, and other credentialing and technical assistance opportunities. For community-based settings, these programs are intended for providers to achieve EXCELS level 5 at a pace that matches pre-K expansion as outlined in Element 1a. It is assumed that there will be a 10% increase in funding per year over 10 years. Therefore, new expenditures increase by \$755,000 in year 1, \$4.6 million in year 5, and \$12.0 million in year 10.

Exhibit 4.3b: Element 1a Prekindergarten Expansion

(in \$ millions)

Capacity											
	2017-2018 SY	Year 1 (FY21)	(FY 22)	(FY 23)	(FY24)	Year 5 (FY25)	(FY26)	(FY27)	(FY28)	(FY29)	Year 10 (FY30)
Total Slots (in Public School and Community-based Settings)	38,254	36,393	34,530	32,668	32,345	33,963	38,789	41,992	48,485	55,301	65,322
LEA Half Day Slots	14,899	11,175	7,450	3,725	0						
LEA Full Day Slots	11,633	11,633	11,633	11,633	11,633	11,633	11,633	11,633	11,633	11,633	11,633
Centers	11,722	11,722	11,722	11,722	11,722	11,722	14,701	15,905	20,089	24,272	28,455
Converted Half Day to Full Day Slots		1,863	3,725	5,588	7,450	7,450	7,450	7,450	7,450	7,450	7,450
Accredited (Not EXCELS)											2,863
Cost Estimates to Serve 4-year-olds at or below 300% of Federal Poverty Level											
	Participation Rate:			70%	70%	75%	75%	80%	80%	80%	
Students Served with New Public Funding (Participation Rate)	27,588	15,358	19,083	22,808	26,029	26,178	28,226	28,351	30,369	30,499	30,630
Student Population at 300% FPL	38,130	37,075	37,014	37,044	37,184	37,397	37,635	37,801	37,961	38,124	38,288
Total 4-year-old Student Population	75,314	73,434	73,330	73,402	73,724	74,182	74,674	75,020	75,366	75,717	76,072
Total Cost to State and Locals	\$143.6	\$129.7	\$182.7	\$245.1	\$306.5	\$335.2	\$361.4	\$363.0	\$388.8	\$390.5	\$392.2
Cost Estimates to Serve 4-year-olds between 300% and 600% of Federal Poverty Level (Sliding Scale)											
	Participation Rate:			70%	70%	75%	75%	80%	80%	80%	
Total Slots (in Public and Community Settings)						7,785	10,563	13,641	18,116	24,802	34,691
Students Served with New Public Funding (Participation Rate)						16,307	16,419	17,675	17,762	19,038	19,134
Student Population between 300-600% FPL						23,294	23,454	23,566	23,682	23,798	23,916
Total Cost to State and Locals						\$55.9	\$75.8	\$97.9	\$127.4	\$136.6	\$137.3
Cost Estimates to Serve 3-year-olds at or below 300% of Federal Poverty Level											
	Participation Rate:			80%	80%	80%	80%		80%	80%	80%
Total Slots (in Public and Community Settings)		21,035	15,447	9,860	6,316	0	0	0	354	5,764	15,557
Minimum Slots Required to be Offered	0	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
Full-day Slots Offered to Meet Minimum	0	3,726	7,442	11,172	14,958	18,812	22,715	26,612	30,539	34,498	38,492
Students Served with New Public Funding (Participation Rate)	currently 3574	2,981	5,953	8,938	11,966	15,049	18,172	21,290	24,431	27,598	30,794
Student Population at 300% FPL	38,266	37,258	37,208	37,241	37,394	37,623	37,858	38,018	38,173	38,331	38,492
Total 3-year-old Student Population	76,526	74,691	74,604	74,681	75,026	75,513	76,004	76,341	76,681	77,026	77,376
Total Cost to State and Locals		\$25.2	\$57.0	\$96.1	\$74.4	0	0	0	\$4.5	\$73.8	\$199.2

New tuition assistance programs will be provided for prospective and current child care professionals pursuing a CDA certificate (one year), associate's degree (two years), or bachelor's degree (four years). The average cost of each certificate or degree program is \$2,200, \$6,000, and \$30,000, respectively. For each tuition assistance program, 100 new candidates are assumed to receive a scholarship annually, so the two-year associate's degree program will serve 200 candidates beginning in year 2 and the four-year bachelor's degree program will serve 400 candidates beginning in year 4. Therefore, new expenditures increase by \$1.5 million in year 1, \$5.0 million in year 4, and \$7.0 million in year 10.

Element 1c. School readiness for all entering kindergarteners: Local expenditures in jurisdictions that decide to administer a portion of the assessment during the summer months will increase to compensate teachers at the local per diem rate. It is assumed that it takes an average time of 30 minutes per student to administer the non-observational components of the KRA. Based on an average class size of 21 students, it is estimated that two working days per classroom will be required (630 minutes). Based on an average of 128 kindergarten classrooms in each school system, it will take on average 1,344 hours for a system to administer the non-observational portions of the assessment. Actual costs will depend on the number of classrooms in school systems that administer a portion of the KRA prior to the beginning of the school year and the local per diem rate.

Element 1d. Education and support services for children ages 0-5 and their families:

Judy Centers: Nine new centers will open each year in the first five years and 18 centers will open each year in the next five years for a total of 135 new centers. Assuming an annual State grant of \$330,000 per Judy Center, new expenditures increase by \$3.0 million in year 1, \$14.9 million in year 5, and \$44.6 million in year 10.

Family Support Centers: Three new centers will open each year so that by year 10, the number of Family Support Centers will have increased from 25 to 55. Assuming an annual State contribution of \$330,000 per center, new expenditures increase by \$990,000 in year 1, \$5.0 million in year 5, and \$9.9 million in year 10.

Maryland Infants and Toddlers: Although a funding formula is specified in statute, State funding levels have remained constant at \$10.4 million since 2009. If the State instead funds the program at the statutory level (\$6,210 per child multiplied by 20%, per the statutory formula), expenditures increase by \$1.2 million in year 1, \$6.1 million in year 5, and \$12.3 million in year 10 over current funding levels. This assumes that the number of children being served by the program (18,251) remains constant.

As shown in Exhibit 4.4, the annual new cost for all of the elements in Policy Area 1 is estimated to be \$29 million in year 0 (fiscal 2020) and increases to \$814.4 million by year 10. The costs in the exhibit represent the total cost of this policy area in isolation from other policy areas. See Chapter 5 for an explanation of how overlaps in costs with other policy areas were accounted for and cost savings.

Exhibit 4.4: Total Estimated Additional Cost

Policy Area 1 – Early Childhood Education (in \$ millions)

Year		FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
		0	1	2	3	4	5	6	7	8	9	10
Element 1a	Pre-K Expansion											
	3-year-olds (low income)	0.0	25.2	57.0	96.1	74.4	0.0	0.0	0.0	4.5	73.8	199.2
	4-year-olds (with sliding scale)	29.0	129.7	182.7	245.1	306.5	391.0	437.2	460.9	516.3	527.1	529.5
	1a total	29.0	154.9	239.7	341.2	380.9	391.0	437.2	460.9	520.8	600.9	728.7
Element 1b	Capacity building											
	existing programs		0.8	1.6	2.5	3.5	4.6	5.8	7.2	8.6	10.3	12.0
	tuition assistance		1.5	2.7	3.7	4.7	5.0	5.4	5.7	6.1	6.5	7.0
	1b total	0.0	2.2	4.3	6.2	8.3	9.7	11.2	12.9	14.7	16.8	19.0
Element 1d	Expand Judy centers		3.0	5.9	8.9	11.9	14.9	20.8	26.7	32.7	38.6	44.6
	Expand family support centers		1.0	2.0	3.0	4.0	5.0	5.9	6.9	7.9	8.9	9.9
	Fully fund Infants & toddlers		1.2	2.5	3.7	4.9	6.1	7.4	8.6	9.8	11.1	12.3
	1d total	0.0	5.2	10.4	15.6	20.8	25.9	34.1	42.3	50.4	58.6	66.7
Total		\$29.0	\$162.3	\$254.4	\$363.0	\$409.9	\$426.6	\$482.5	\$516.0	\$586.0	\$676.3	\$814.4

Note: Costs reflect total costs, which may include State and local funds. Element 1c does not have additional costs.