
R00A99

MSDE Early Childhood Development

Maryland State Department of Education

Response to the Analyst's Review and Recommendations

Senate Education, Business & Administration Subcommittee –
January 30, 2020

House Education & Economic Development Subcommittee –
February 3, 2020



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The Maryland State Department of Education (MSDE) welcomes this opportunity to share with the Committee some of its success stories and to address questions raised by the analyst.

Kindergarten Readiness Assessment (KRA)

MSDE should discuss any changes associated with implementing the KRA v2.0 and how this has impacted assessment results. The department should also describe steps that it is taking to improve the KRA scores among students in special education, English language learners, students receiving FRPM, and students transitioning from public prekindergarten.

Based on feedback from teachers and administrators, the KRA 2.0 includes enhancements that provide teachers, principals, and other district leaders with immediate access to student data, as well as reports and interactive data displays of individual, demographic, class, school, and school system results. The readily available data analysis can be used for instructional planning and collaboration with public and community-based pre-k programs to inform program and school-based improvement efforts.

The KRA is a measure of kindergarten readiness. Increasing access to high quality prekindergarten programs that utilize an evidence-based curriculum will improve kindergarten readiness. The new interactive data displays in the KRA 2.0 will allow users to look at overall student performance and domain-level scale scores to make data-driven instructional improvements based on individual student need. Additionally, the Division provides professional development and technical assistance to school system based educators on the use of KRA data to close achievement gaps and improve outcomes for all students, particularly students in special education, English learners, economically disadvantaged students, and students transitioning from community-based prekindergarten programs.

Child Care Development Fund

The Department of Legislative Services (DLS) recommends restricting general funds appropriated for administration until MSDE submits a report accurately accounting for recent CCDF beginning and closing balances.

MSDE concurs.

Child Care Scholarships (CCS) Program Forecasting

DLS recommends adopting committee narrative requesting that MSDE provide a report with initial CCS projections and data analysis conducted by the new vendor once a contract is approved.

MSDE concurs.

MSDE should comment on whether it believes the fiscal 2020 and 2021 appropriations are adequate to fully implement the recent CCS program changes. The department should also discuss its plan for administering the program if scholarship costs in fiscal 2020 or 2021 outpace budgeted expenditures. DLS recommends adopting committee narrative requesting that MSDE submit quarterly reports on CCS expenditures.

Absent a vendor in place to assist program staff with predicting program participation and costs, the budget for this program was developed with the most appropriate information available at the time. Program staff regularly monitor program participation and expenditure data and share the data monthly and quarterly as required. However, MSDE believes the fiscal 2020 and 2021 appropriations are adequate based on current projections, but staff will continue to monitor spending on an ongoing basis in the event adjustments to the appropriation become necessary.

Expanding and Improving Prekindergarten

MSDE should explain how it plans to spend the additional \$20 million budgeted for prekindergarten expansion grants and discuss whether there are any planned changes in how the program will be implemented in fiscal 2021.

An additional \$20 million for the Prekindergarten Expansion Grants program will expand high-quality preschool to approximately 2,000 new students through new slots, as well as improved slots (half day to full day) in public schools, child care settings and Head Start programs.

MSDE is exploring making changes to the program based on the recommendations of the Kirwan Commission. Some of the changes may include:

- Serving 3-year olds as well as 4-year-olds;
- Changing the criteria around educator qualifications from holding a P-3 certification to also having the option of holding a bachelor's degree in any field pursuing residency through the Maryland Approved Alternative Preparation Program;
- Prioritizing enrollment as: (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; and
- With the expansion of programs, MSDE will need to hire three additional staff to monitor and administer the program, and to provide technical assistance.

DLS recommends adopting committee narrative requesting that MSDE submit a report regarding year-to-date spending and outcomes related to the \$45.6 million special fund appropriation for early childhood expansion in fiscal 2021.

MSDE concurs.

Operating Budget Recommended Actions

1. Add the following language to the general fund appropriation:
, provided that \$100,000 of this appropriation made for the purpose of administration may not be expended until the Maryland State Department of Education submits a report to the budget committees accounting for federal funds awarded through the Child Care and Development Block Grant and Child Care Mandatory and Matching Funds of the Child Care and Development Fund. The report shall detail beginning balances, gross income, expenditures, and ending balances from fiscal 2016 to 2020 in a format specified by the Department of Legislative Services. The report shall be submitted by November 1, 2020, and the budget committees shall have 45 days to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

MSDE concurs.

2. Adopt the following narrative:
Early Childhood Expansion Funding: The fiscal 2021 allowance allocates \$45.6 million in special funds from the Blueprint for Maryland's Future Fund to expand early childhood services through prekindergarten expansion grants, capacity building efforts, the Maryland Infants and Toddlers program, and supportive services offered at Judy Centers and Family Support Centers. By December 1, 2020, the Maryland State Department of Education (MSDE) should submit a report to the budget committees that provides year-to-date spending of these special funds by purpose and the number of Judy Centers and Family Support Centers created in fiscal 2021. The report should also provide the fiscal 2021 prekindergarten expansion grant awards by jurisdiction and the number of prekindergarten slots created or improved with the additional special funds.

MSDE concurs.

3. Adopt the following narrative:
Child Care Scholarship Program: Recent changes to the Child Care Scholarship (CCS) program, specifically lifting enrollment freezes, expanding income eligibility, and increasing provider reimbursement rates, are expected to substantially increase program participation and expenditures. General fund expenditures for the CCS program are expected to increase in future years as federal funds from the Child Care and Development Fund (CCDF) become insufficient to support the full impact of these programmatic changes. The rapid increase in program expenditures is especially concerning as the Maryland State Department of Education (MSDE) has implemented enrollment freezes in the past due to limited funding availability. MSDE should report quarterly on CCS expenditures, including the amount of CCDF funds being spent that were carried over from prior fiscal years, the amount of newly authorized federal funds, and the amount of general funds. These reports should disaggregate CCDF funding used directly for scholarships and funding used by MSDE Headquarters in support of the CCS program specified by purpose. In its August 1, 2020 report, MSDE should provide actual data as it relates to the CCS program in the final quarter of fiscal 2020 and fiscal 2020 overall. MSDE should also report quarterly on the provider reimbursement rate as a percentile of the market rate, statewide and by region. The reports should include the total number of children and families receiving CCS per month and the number of children and families

receiving CCS who are newly eligible as a result of the emergency regulation effective August 1, 2018. Finally, MSDE should provide quarterly updates on whether it is maintaining a CCS waiting list and, if so, which income categories are impacted and how many children are on the waiting list.

MSDE concurs.

4. Adopt the following narrative:

Child Care Scholarship Program Data Analysis: Since June 2018, the Maryland State Department of Education (MSDE) has not contracted with any entity for the purpose of projecting Child Care Scholarship (CCS) program participation. Subsequent programmatic changes, including expanding income eligibility, have already caused program utilization to increase and rising reimbursement rates are likely to further increase participation. MSDE indicates that it anticipates proposing an advanced research and data analysis contract for the CCS program to the Board of Public Works in February 2020. The committees request that MSDE submit a report by December 1, 2020 with the new vendors' program participation forecast by income category and an analysis of the fiscal impact of increasing income eligibility and reimbursement rates.

MSDE concurs.