



**BLUEPRINT**  
FOR MARYLAND'S FUTURE

Blueprint for Maryland's Future:  
**Prekindergarten  
Implementation Planning**

**Division of Early Childhood**

November 2021 Legislative Report



MARYLAND STATE DEPARTMENT OF EDUCATION

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# Introduction

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The State of Maryland has long demonstrated significant investment in early learning. Informed by the neuroscience documenting the early years as the most critical time of brain development,<sup>1</sup> as well as decades of research showing that supporting early childhood learning and development of disadvantaged children yields a high return to society,<sup>2</sup> the Maryland State Department of Education (MSDE) has developed a robust mixed-delivery system of early childhood programs and services to support families and their young children, support the early childhood workforce, address special needs, and promote high-quality early childhood experiences.

Under the Blueprint for Maryland's Future (HB-1300), beginning in FY 2023, MSDE is charged with establishing and implementing high-quality prekindergarten programming by expanding voluntary prekindergarten for all three- and four-year-old children from families earning incomes at or below 300% Federal Poverty Level (FPL), which is \$79,500 for a family of four in 2021. In FY 2025 a sliding scale will be implemented 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 funding rate to access PreK services. The family share may be waived by the county board. With thoughtful and strategic planning and implementation, this historic investment in Maryland's children and families will contribute to the future well-being of the state while serving as a model/exemplar for the rest of the nation.

Consistent with the language codified in HB-1300, this report to the Accountability and Implementation Board and to the Maryland General Assembly serves to provide an update on the planning associated with operationalizing specific early childhood components of the Blueprint. As required, the report will highlight efforts related to:

- Income Verification Process (Determining Tier Status of a Child)
- Administrative Procedures for Distribution of Funds
- Providing for Family Preference (Public or Private Program)
- Calculating State, Local, and Family Share for Tier II Children
- Prekindergarten Supplemental Grant (Recommendations)

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<sup>1</sup>Center on the Developing Child: Harvard University. (2019) In Brief: The Science of Early Childhood Development. Retrieved from: <https://developingchild.harvard.edu/resources/inbrief-science-of-ecd/>

<sup>2</sup>The Center for High Impact Philanthropy, School of Social Policy and Practice, University of Pennsylvania (2020). High Return on Investment (ROI). Retrieved from: <https://www.impact.upenn.edu/early-childhood-toolkit/why-invest/what-is-the-return-on-investment/>

# Requirement 1: Income Verification Process (Determining Tier Status of a Child)

The Blueprint for Maryland's Future requires that the State expand access to publicly funded full-day PreK for four-year-old children "so that there will be no charge for low-income families."

Families with an income less than or equal to 300% FPL are designated as Tier I and will receive free access. Additional public funding will be provided to families designated as Tier II (income more than 300% FPL, but not more than 600% FPL). However, authorizing legislation allows Tier II families to be charged a portion of the program cost if a school system chooses to collect it. Further, the Blueprint for Maryland's Future specifies that a sliding scale (see page 11, Calculating State, Local and Family Share for Tier II Children) will be used to determine the family portion. Tier III families (income above 600% FPL) who choose to enroll their four-year-old children in full-day pre-K will be expected to pay the full cost to attend.

Similarly, the Blueprint for Maryland's Future calls on the State to expand access to publicly funded full-day PreK for all three-year-old children from Tier I families (income less than or equal to 300% FPL). Given the central role these "Tiers" play in the program design, it is necessary to establish an income verification process to determine Tier I, II, or III status for families of all children participating in PreK programs serving three- and four-year-old children.

In exploring options for an income verification process, MSDE conducted a review of departmental income verification procedures currently in place for specific early childhood programs in the state. A sample of income verification methods from other states were examined as well.

## MARYLAND PREK PROGRAM:

Income verification for current prekindergarten programs operated by the MSDE and local school systems occur at the local level through program providers. Practices are consistent across both public providers (public schools) and private providers (community-based programs).

1. **Public providers** may use Free and Reduced Meal Program (FARM) eligibility or Direct Certification documentation (Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), or Foster Care documentation). Documentation of income should be verified through a W-2, 1099, pay stubs, or tax return and maintained by the provider.
2. **Private providers** must collect income verification documents and may use approved and current childcare subsidy vouchers, SNAP eligibility, Head Start income eligibility forms or a program-developed income eligibility form. A program-developed form must list the family size, parent/guardian's income, and place of employment. Documentation of income must be verified through a W-2, 1099, pay stubs, or tax return and must be maintained in the child's file.

MSDE monitors programs each year to ensure local school systems and private providers implement income verification processes in the Prekindergarten Expansion Grant Program with fidelity. Monitoring procedures are defined as follows:

- State Prekindergarten Expansion Grant Support Teams audit files during the Fall check-in site visits to ensure that appropriate income information is being collected to document eligibility (100% of files).
- During the Spring monitoring visits, State Prekindergarten Expansion Grant Support Teams audit a sample of 10% of files and/or follow-up on any issues found during the Fall audit to ensure compliance.

#### **OTHER EXAMPLES:**

**1. North Carolina:**

The NC PreK program requirements include a form for determining eligibility. In addition to other eligibility criteria, family income must be at or below 75% of State Median Income level. The data collection form and guidelines include a table for calculating eligibility based on income and family size. Families must submit sufficient income documentation at the time of the application process for the district-level Contracting Agency to verify the child's eligibility. If a family cannot provide sufficient documentation such as a W-2 or other proof of income, they may submit written statements from employers detailing the amount and frequency of pay received for the most recent pay periods.<sup>3</sup>

**2. Michigan:**

State funded PreK (Great Start School Readiness Program-GSSRP) prioritizes enrollment of those children in families at 250% FPL and below. Access to the program for families with income above 250% FPL is based on selected risk factors and available space. GSSRP provides a single-intake income verification form for use at the local level.<sup>4</sup>

**3. Colorado:**

Children are eligible for the Colorado Preschool Program if families qualify for the Free or Reduced Priced School Meal (FARM) program based on being at 135% FPL or 185% FPL. Families complete the FARM eligibility forms or a Family Economic Data Survey. Documented eligibility for free and reduced-price meals serves as an umbrella measure for income-eligibility, just one of several legislated eligibility risk factors in Colorado. Some flexibility is permitted for higher incomes in areas such as resort cities where the cost of living is high. Districts are required to keep signed forms on file for eligible children and no other documentation is required.<sup>5</sup>

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<sup>3</sup> Additional information can be found at <https://ncchildcare.ncdhhs.gov/Home/DCDEE-Sections/North-Carolina-Pre-Kindergarten-NC-Pre-K>.

<sup>4</sup> Additional information can be found at [https://www.michigan.gov/mde/0,4615,7-140-63533\\_50451---,00.html](https://www.michigan.gov/mde/0,4615,7-140-63533_50451---,00.html).

<sup>5</sup> Additional information can be found at <http://www.cde.state.co.us/cpp/cpphandbookonline/eligibility/free-reducedcpp>.

## NEXT STEPS:

As Maryland moves to expand voluntary, public PreK, MSDE will:

1. **In FY 2023, continue current processes.** This year, MSDE will use the Maryland PreK Program income verification and monitoring processes currently in place (see section above: Maryland PreK Program).
2. **In future years, simplify the enrollment process for families.** MSDE will develop and utilize a single application form and process for families to complete for early education and comprehensive services programs. As described above, some states and communities are developing a single intake form that is used to determine eligibility for a range of programs. For example, as noted above, Michigan has developed a single intake form that is used to determine eligibility for a range of services. This model streamlines the process for the families so that they can use one form and process for providing proof of documentation of income and assets and can then find out the services for which they are eligible.
3. **Hold Families Harmless Within a Tier.** MSDE will determine family Tier status for the program year at the time of initial enrollment and hold families harmless for income fluctuations during the year. Even if a family's income increases to over the eligible income level during the year, the student may remain in the program. This policy is consistent with the Child Care Scholarship Program offered by the MSDE.

## Requirement 2: Administrative Procedures for Distribution of Funds

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The Blueprint for Maryland's Future requires the State to distribute the State share to each county board for public providers and to MSDE for private providers.

### MARYLAND PREK PROGRAM:

Maryland's PreK program, like other State Aid programs, is calculated on a per pupil basis and is a wealth-equalized, shared program between the State and local jurisdictions. Currently, funds for PreK are distributed by the state in two ways. For the Supplemental Prekindergarten program, local school systems receive funding from the State for each four-year-old served in full-day PreK in the prior year. For the Prekindergarten Expansion Grant program, MSDE makes grants to local school systems and private providers. Low-wealth jurisdictions receive a higher proportion of State funds than high-wealth jurisdictions.

### OTHER EXAMPLES:

- 1. Alabama:**  
First Class Pre-K: Alabama's voluntary Pre-Kindergarten Program (FCPK) is a grant program administered by the Office of School Readiness within the Alabama Department of Early Childhood Education (ADECE) under the Governor's Office. The program funds full-day preschool education for all four-year-old children in every county in a variety of settings including public schools, private centers, Head Start programs, community organizations, faith-based centers, colleges and universities, and military agencies. Funding for FCPK is distributed by the Alabama Education Trust Fund Budget through competitive grants at three levels for pre-K programs. Grantees must provide at least a 25% match to the awards locally, which can include sliding-scale fee revenue.
- 2. Arkansas:**  
Arkansas Better Chance (ABC) programs may utilize the state (DESE-ABC) established annual fee schedule and sliding fee scale to determine eligibility of families with incomes between 200% and 250% FPL. Families who qualify for enrollment under a sliding fee scale pay fees directly to the local program. The amount of parent co-pay as determined by DESE-ABC is deducted from the reimbursement to the program.
- 3. Michigan:**  
Intermediate School Districts (ISDs) serve as program grantees, but they may distribute funds to local school districts and to providers in community-based settings to offer the Great Start Readiness Program (GSRP). GSRP providers must attain a three-star or higher rating in Michigan's Great Start to Quality tiered rating and improvement system. Overall ISD funding is determined by the level of poverty in each ISD and a funding formula, with final grantee awards based on both a community needs assessment and a formula component.

## NEXT STEPS:

As Maryland moves to expand voluntary, public PreK, MSDE will:

1. **Distribute funds to public providers.** MSDE will distribute the State Share of the PreK program directly to local school systems based on prior year enrollment. MSDE will, when necessary, withhold a portion of the State Share from local school systems to account for the Local Share.
2. **Distribute funds to private providers.** MSDE will distribute the State and Local Share of the PreK program funding directly to eligible, participating private providers. Private providers will receive a grant for the program and be required to submit monthly invoices for reimbursement. This process is currently in practice for the PreK Expansion Grants, and the currently eligible private providers are also PreK Expansion Grant recipients.
3. **Minimize Barriers for Private Providers.** Currently, MSDE provides a 15% advance payment to private providers to mitigate the challenges of meeting operating expenses, but a reimbursement-only model may impede the program's ability to scale and cause a burden for providers. That is, private providers rely on state funds to meet operating costs. Not all providers may be in a fiscal position to front the necessary costs of administering childcare to an expanding number of children. As a next step, MSDE will examine the impact of the reimbursement model on the capacity of providers to start and maintain their business operations amidst growing demand for open slots. Ultimately, the reimbursement methodology should not be a deterrent to private providers' participation in the program.

# Requirement 3: Providing for Family Preference (Public or Private Program)

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The Blueprint for Maryland's Future requires each county board and each eligible provider participating in publicly funded prekindergarten in the county to agree on a process by which families are provided with the ability to indicate a preference for, and enroll in, a state-funded, eligible public or private program within their local school system boundaries.

## MARYLAND PREK PROGRAM:

Currently, families have a few limited options when it comes to understanding their options for accessing prekindergarten programs. A list of eligible Prekindergarten Expansion Grant providers is updated on the MSDE website and MSDE also provides a flyer listing public and private providers to each of the 113 local social service agencies. Families may also use one of two websites to find PreK programs. The LOCATE: Child Care website ([marylandfamilynetwork.org/for-parents/locate-child-care](http://marylandfamilynetwork.org/for-parents/locate-child-care)) is a free and confidential referral service to support families in finding the best early learning program for their child. Additionally, Maryland EXCELS is a quality rating and improvement system for childcare, PreK and other early education programs that meet nationally recognized quality standards. The website (<https://marylandexcels.org/directory/>) helps families find high quality childcare and early learning programs that fit theirs and their children's needs. Both services use geo-mapping and mobile apps.

With the expansion of PreK under the Blueprint, MSDE expects that local school systems (with guidance and support from MSDE) will ensure that families are aware of all PreK options available to them, the potential differences between those options, and the process for enrolling in the option chosen by the family. MSDE will also work with aligned organizations in each district to ensure there is a "neutral party" (neither a private childcare provider nor the public local school system provider) that is also available to support families with selection of and enrollment in the chosen PreK option. Families should be given many important pieces of information, including what transportation is or is not provided by the local school system and an explanation that their ability to choose to enroll a child in a program outside the family's attendance area is available only for the prekindergarten year.

## OTHER EXAMPLES:

1. [\*\*A Guide to Unifying Enrollment: The What, Why, and How for Those Considering It - A report from the Center on Reinventing Public Education:\*\*](#)  
This guide helps city education leaders better understand the benefits and costs of a fully unified enrollment system. It outlines the questions decision-makers should ask before initiating enrollment system changes that affect families and both district and charter schools. This guide was inspired by the questions commonly asked by cities considering changes to their enrollment systems and draws from CRPE research on several cities at different stages of implementation.
2. **Denver:**  
In the Denver Preschool Program, families can access a website to understand the benefits of PreK, locate program options in their communities, and find out the cost based on their income level. The program is operated by The Denver Preschool Program, Inc. an independent, non-profit organization created to operate the Denver Preschool Program under a contract with the City and County of Denver.

3. **Dallas:**  
Dallas Independent School District (DISD) itself operates a unified enrollment system to match families to PreK providers – both their own, publicly operated programs and partnership sites. A partnership site is a quality childcare facility that has partnered with Dallas ISD to provide high quality education. Each participating classroom has a Dallas ISD certified teacher, and the student is dual enrolled with Dallas ISD. DISD has developed a centralized website for registration.
4. **Montgomery County:**  
Montgomery County Public Schools currently uses a central enrollment process for Head Start and the school system PreK students, as well as sharing private provider options with parents. They have a large set of recruitment and outreach strategies in order to inform families of their choices for PreK. The actual enrollment process includes online and in person registration with family service workers assigned to families to help guide them through the process.
5. **Louisiana:**  
The Louisiana Department of Education (LDOE) supports a statewide network of 65 community networks that includes every publicly funded PreK, childcare and Head Start. Each of the networks has a lead agency with authority to coordinate enrollment. Income verification is centralized in the enrollment system for many funding sources (Pre-K, Head Start, local funds).

#### NEXT STEPS:

As Maryland moves to expand voluntary, public PreK, MSDE will:

1. **Identify Eligible Private Providers.** MSDE will provide the local school systems with the lists of eligible private providers within their school system boundary. Written materials, including informational flyers and enrollment documents/forms will include specific information regarding preference for options in a public or private setting.
2. **Support Unified Enrollment Systems.** MSDE will encourage local school systems to explore moving towards a unified and common enrollment system for PreK students, which would include all public and private options in the local school system. This coordinated approach will allow for a single point of contact for families to enroll in any of the options available to them as well as create an opportunity for a much smoother transition between PreK and kindergarten enrollment. MSDE will work with local school systems to draft a memorandum of understanding (MOU) in support of this model to build partnerships between public and private providers. The implementation of this work aligns with the 13 licensing regions and should be coordinated with the existing Maryland Child Care Resource Network.
3. **Support Family Engagement, Equity of Access, and Socioeconomically Integrated Schools.** The MSDE will develop guidance documents for local school systems and counties to customize to their local context with some specific requirements to ensure that families fully understand all options available to them. Further, the department will support local school systems to ensure that any new choice systems include controls to prevent further segregation of students and cultivate multiple opportunities to build and sustain socioeconomically integrated PreK programs.
4. **Explore Legislation to Anchor the Work.** The MSDE will investigate and push for legislation that would fund and require the establishment of regional nonprofit entities to serve as family focused intermediaries who will be able to administer enrollment and application processes across all local providers. This legislation would also work to incentivize the creation of socioeconomically integrated PreK programs across Maryland.

# Requirement 4: Calculating State, Local, and Family Share for Tier II Children

The Blueprint for Maryland's Future requires that "on or before July 1, 2022, the Department shall establish a sliding scale to calculate the family share required for Tier II children."

## MARYLAND PREK PROGRAM:

Currently, there is no fee to families, regardless of income, for children attending PreK in public provider settings and in the Prekindergarten Expansion Grant program. Under the Blueprint, income eligibility is based on a system of tiers:

- **Tier I:** children from families with an annual income less than or equal to 300% FPL are eligible for publicly funded, full-day PreK at no charge to the family.
- **Tier II:** children from families with an annual income more than 300% FPL but not more than 600% FPL are eligible for a subsidized, full-day PreK.
- **Tier III:** children from families with an annual income above 600% FPL are eligible to attend full-day PreK at the full cost of the program.

The sliding scale fee methodology required by law allows MSDE to differentiate the cost of childcare for families within Tier II and to provide for a more nuanced, equitable approach to fee subsidizations. There are, however, multiple approaches to a sliding scale that have different impacts on eligible families. Existing practices from other states, districts in other states, and current draft federal legislation (see examples below) suggest two primary sliding scale approaches:

1. **Families must pay a portion of total cost of care;** that portion depends on where their income falls as compared to the federal poverty level (see Arkansas example and Blueprint options 1, 2, and 3 below)
2. **Families must pay a portion of their income;** that portion also depends on where their income falls as compared to the federal poverty level (see Durham, NC example and Blueprint option 4 below)

Data from existing state and district approaches provide the rationale for MSDE's Blueprint sliding scale options below. For example, Arkansas uses a quintile approach to the sliding scale.<sup>6</sup> MSDE's first two options are in line with similar existing thresholds from other states. Option 3, specifically, lays out the same payment schedule posited in Maryland Commission on Innovation and Excellence in Education's Interim Report (January 2019).<sup>7</sup> This option uses the same methodological basis as Options 2 and 3, but it includes substantially more payment thresholds in order to avoid fiscal cliffs between income thresholds and to smooth out shifts in payment burden as a family's income changes year to year. Option 4 operationalizes a sliding scale method in which families pay a percentage of their income, as done in Durham, North Carolina,<sup>8</sup> and as proposed in recent federal bills to advance childcare subsidy programs.<sup>9</sup>

<sup>6</sup> Arkansas' quintile-based sliding fee schedule is available in appendix F here:

[https://dese.ade.arkansas.gov/Files/20201201155552\\_2019\\_20\\_ABC\\_Program\\_Manual\\_10\\_10\\_19.pdf](https://dese.ade.arkansas.gov/Files/20201201155552_2019_20_ABC_Program_Manual_10_10_19.pdf)

<sup>7</sup> <http://dls.maryland.gov/pubs/prod/NoPblTabMtg/CmsnInnovEduc/2019-Interim-Report-of-the-Commission.pdf>

<sup>8</sup> <https://durhamprek.org/wp-content/uploads/2020/03/FY21-PreK-Parent-FAQs-with-Sliding-Scale-ALL-LOGOS.pdf>

<sup>9</sup> <https://docs.house.gov/meetings/ED/ED00/20210909/114029/BILLS-117-CommitteePrint2-S000185-Amdt-1.pdf>

**OTHER EXAMPLES:**

**1. Arkansas:**

The Arkansas Better Chance (ABC) program utilizes a state established annual fee schedule and sliding fee scale to determine eligibility of families with incomes between 200% FPL and 250% FPL. Under the schedule, families pay a particular percentage of the total cost of care, depending on their income. There are 4 levels on the scale, evenly divided (e.g., families in this “middle tier” pay either 20%, 40%, 60%, or 80% of the full cost).

**2. Durham, North Carolina:**

Based on a sliding fee schedule from 2020-2021, families with incomes below 400% FPL pay no tuition, and those families whose incomes range from 400% FPL through the cap of fees have their parent fee set at paying 4% of their monthly income per child.

**MSDE BLUEPRINT OPTIONS UNDER CONSIDERATION:**

The FY 2021 federal poverty level is \$26,500 for a family of four. The calculations in each option use FY 2021 federal poverty level for a family of four and the FY 2025 PreK Program per pupil amount of \$13,003. The options MSDE is considering for the sliding scale are outlined below.

**Option 1: Family Pays Percent of Total Cost of Care: Three Levels**

- Families with an annual income between 301% FPL and 400% FPL are eligible for full-day PreK at 25% of the per pupil cost.
- Families with an annual income between 401% FPL and 500% FPL are eligible for full-day PreK at 50% of the per pupil cost.
- Families with an annual income between 401% FPL and 600% FPL are eligible for full-day PreK at 75% of the per pupil cost.

**Chart 1: Option 1**

Federal Poverty Level	Annual Income Range	Family Share	Annual Amount	Monthly Amount
301% - 400%	\$ 79,765 - \$106,000	25%	\$3,251	\$325
401% - 500%	\$106,265 - \$132,500	50%	\$6,502	\$650
501% - 600%	\$132,765 - \$158,735	75%	\$9,752	\$975

**Option 2: Family Pays Percent of Total Cost of Care: Five Levels**

- Families with an annual income between 301% FPL and 360% FPL are eligible for full-day PreK at 10% of the per pupil cost.
- Families with an annual income between 361% FPL and 420% FPL are eligible for full-day PreK at 30% of the per pupil cost.
- Families with an annual income between 421% FPL and 480% FPL are eligible for full-day PreK at 50% of the per pupil cost.
- Families with an annual income between 481% FPL and 540% FPL are eligible for full-day PreK at 70% of the per pupil cost.

- Families with an annual income between 541% FPL and 600% FPL are eligible for full-day PreK at 90% of the per pupil cost.

**Chart 2: Option 2**

Federal Poverty Level	Annual Income Range	Family Share	Annual Amount	Monthly Amount
301% - 360%	\$ 79,765 - \$ 95,400	10%	\$1,300	\$130
361% - 420%	\$ 95,665 - \$111,300	30%	\$3,901	\$390
421% - 480%	\$111,565 - \$127,200	50%	\$6,502	\$650
481% - 540%	\$127,465 - \$143,100	70%	\$9,102	\$910
541% - 600%	\$143,365 - \$158,735	90%	\$11,703	\$1,170

**Option 3: Family Pays Percent of Total Cost of Care: Fifteen Levels**

- Income thresholds mirror those suggested in the Maryland Commission on Innovation and Excellence in Education’s Interim Report (January 2019, page 41).<sup>10</sup>
  - “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 PreK”

**Chart 3: Option 3**

Federal Poverty Level	Annual Income Range	Family Share	Annual Amount	Monthly Amount
301% - 320%	\$ 79,765 - \$ 84,800	6%	\$ 780	\$ 65
321% - 340%	\$ 85,065 - \$ 90,100	12%	\$ 1,560	\$ 130
341% - 360%	\$ 90,365 - \$ 95,400	19%	\$ 2,471	\$ 206
361% - 380%	\$ 95,665 - \$ 100,700	25%	\$ 3,251	\$ 271
381% - 400%	\$100,965 - \$106,000	31%	\$ 4,031	\$ 336
401% - 420%	\$106,265 - \$111,300	37%	\$ 4,811	\$ 401
421% - 440%	\$111,565 - \$116,600	44%	\$ 5,721	\$ 477
441% - 460%	\$116,865 - \$121,900	50%	\$ 6,502	\$ 542
461% - 480%	\$122,165 - \$127,200	56%	\$ 7,282	\$ 607

<sup>10</sup> <http://dls.maryland.gov/pubs/prod/NoPblTabMtg/CmsnInnovEduc/2019-Interim-Report-of-the-Commission.pdf>

481% - 500%	\$127,465 - \$132,500	62%	\$ 8,062	\$ 672
501% - 520%	\$132,765 - \$137,800	69%	\$ 8,972	\$ 748
521% - 540%	\$138,065 - \$143,100	75%	\$ 9,752	\$ 813
541% - 560%	\$143,365 - \$148,400	81%	\$10,532	\$ 878
561% - 580%	\$148,665 - \$153,700	87%	\$11,313	\$ 943
581% - 599%	\$153,965 - \$158,735	94%	\$12,223	\$1,019

**Option 4: Family Pays a Percent of Income – sliding scale; no more than 7% of annual income**

- Families provide verification of total income
- MSDE calculates family share based on a sliding scale tied to the total family income (see chart below)

**Chart 4: Option 4**

Federal Poverty Level	Annual Income Range	Family Share: Percent of Annual Income	Annual Amount	Monthly Amount
301% - 360%	\$ 79,765 - \$ 95,400	1%	\$797 - \$954	\$66 - \$80
361% - 420%	\$ 95,665 - \$111,300	2%	\$1,913 - \$2,226	\$159 - \$186
421% - 480%	\$111,565 - \$127,200	4%	\$4,463 - \$5,080	\$372 - \$423
481% - 540%	\$127,465 - \$143,100	6%	\$7,648 - \$8,586	\$637 - \$716
541% - 600%	\$143,365 - \$158,735	7%	\$10,035 - \$11,111	\$836 - \$926

**NEXT STEPS:**

As Maryland moves to expand voluntary, public PreK, MSDE will:

1. **Gather Input.** MSDE will share and vet the proposed sliding scale options with local school systems and community providers, as well as families themselves – especially those families most historically unable to access high quality PreK.
2. **Model Impact.** MSDE will also continue to evaluate the distribution of eligible families within the selected scale. If, for example, eligible families cluster within a particular sliding fee range and are not evenly distributed, MSDE may need to adjust the cutoffs in the sliding scale option to distribute eligible families within the range more evenly.
3. **Select and Disseminate a Sliding Scale.** MSDE will select the option for establishing the sliding scale based on input from stakeholders and an evaluation of the projected impact.

# Requirement 5: Prekindergarten Supplemental Grant (Recommendations)

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The Blueprint for Maryland's Future requires MSDE to report on "recommendations on whether to extend the prekindergarten supplemental grant provided under § 5-232 of this subtitle." The Prekindergarten Supplemental Grants were authorized for State Fiscal Year (SFY) 2020 and SFY 2021 to provide funding to all local school systems for the number of four-year-old children served in full-day prekindergarten the previous year, regardless of income.

## MARYLAND PREK PROGRAM:

Using the Prekindergarten Supplemental Grants, 6 local school systems were able to provide full-day PreK for four-year-old children from any family that wished to participate: Baltimore City, and Garrett, Kent, Somerset, Talbot, and Washington Counties. School systems had the option of expanding as quickly or slowly as they preferred. Coupled with the Prekindergarten Expansion Grants made to local school systems and private providers to serve three- and four-year-old children at 300% FPL, Maryland effectively initiated a mixed-delivery system.

## NEXT STEPS / RECOMMENDATIONS:

- 1. Continue Prekindergarten Supplemental Grants in FY 2023 and FY 2024 and use the funds to pay for full-day PreK for all enrolled four-year-old students.** Expanding the grant program will:
  - Address Data Shortages.** In the 2021-2022 school year, local school systems were unable to report enrollment data for three- and four-year-old students by tiers of income eligibility. Therefore, it is not possible to determine the State share based on the number of students in Tier I enrolled in FY 2022 for the next fiscal year's budget. Continuing the Supplemental Grants will allow for a transition period in which local school systems collect and report data on family income aligned to the Blueprint Tiers and ensure there are no unintended consequences of high-income families not having access to PreK. It is therefore recommended that the Prekindergarten Supplemental Grants continue, and funding be calculated on enrollment of all three- and four-year-old students on September 30, 2021 using the state share of the per pupil amount funding for State PreK (\$10,094) as indicated in the Blueprint for Maryland's Future.
  - Maintain Access for "Tier II" families.** The Prekindergarten Supplemental Grants are pivotal to PreK stability and sustainability at the local level. The funding also provides for more universal access to PreK. Therefore, it is further recommended that the Prekindergarten Supplemental Grants continue in FY 2024, prior to the sliding scale being implemented for Tier II families (those with income between 300% - 600% FPL), which is scheduled to occur in FY 2025.
- 2. MSDE recommends extending the Prekindergarten Expansion Grant Program beyond FY 2025.** Expansion of both public and private provider capacity to increase the number of three- and four-year-old children served depends upon this grant program. As new eligible private providers participate in the Maryland PreK Program, they will leverage the PreK expansion grant funding to increase the capacity, quality, and sustainability of their programs. Extending this grant program

will provide time to fully develop a viable mixed-delivery system in Maryland. Specifically, extending the grant program will allow:

- Additional private providers the opportunity to participate in publicly funded PreK
- Private providers additional time to develop the infrastructure necessary to expand and sustain high-quality PreK slots to meet the requirement that a minimum of 50% of eligible PreK seats are located in private providers
- Local school systems additional time to implement income eligibility determination procedures to identify families with annual incomes at different levels of federal poverty
- Local school systems to further develop relationships with private providers within their jurisdiction, supporting the mixed-delivery model envisioned in the Blueprint for Maryland's Future.