

HOUSE BILL 1381

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4lr2518

By: **Delegate Reilly**

Introduced and read first time: February 9, 2024

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Education – Publicly Funded Prekindergarten – Payments to Private Providers**
3 **and Building Use**

4 FOR the purpose of altering the definition of prekindergarten enrollment for private
5 prekindergarten providers; requiring the State Department of Education to forward
6 fund the State and local share or provide a pay guarantee of not greater than a
7 certain period of time for certain prekindergarten funding; authorizing a county
8 board of education and an eligible private prekindergarten provider to utilize certain
9 spaces for prekindergarten; prohibiting the Interagency Commission on School
10 Construction and the Department from establishing certain prekindergarten space
11 requirements; authorizing a county board to apply for certain funding for
12 prekindergarten spaces; and generally relating to publicly funded prekindergarten.

13 BY repealing and reenacting, with amendments,
14 Article – Education
15 Section 5–229 and 7–1A–07
16 Annotated Code of Maryland
17 (2022 Replacement Volume and 2023 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
19 That the Laws of Maryland read as follows:

20 **Article – Education**

21 5–229.

22 (a) (1) In this section the following words have the meanings indicated.

23 (2) “County program amount” means, for each county, the product of the
24 per pupil amount and the prekindergarten enrollment.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(3) “ELIGIBLE PREKINDERGARTEN PROVIDER” INCLUDES:

(I) AN ELIGIBLE PUBLIC KINDERGARTEN PROVIDER; AND

(II) AN ELIGIBLE PRIVATE KINDERGARTEN PROVIDER.

(4) “ELIGIBLE PRIVATE PREKINDERGARTEN PROVIDER” HAS THE MEANING STATED IN § 7-1A-01 OF THIS ARTICLE.

(5) “ELIGIBLE PUBLIC PREKINDERGARTEN PROVIDER” HAS THE MEANING STATED IN § 7-1A- 01 OF THIS ARTICLE.

[(3)] (6) “Family share” means the amount calculated under subsection (e) of this section rounded to the nearest whole dollar.

[(4)] (7) “Local share” means, for each county, the result of the county program amount minus the State share rounded to the nearest whole dollar.

[(5)] (8) “Per pupil amount” means:

(i) In fiscal year 2023, \$10,094;

(ii) In fiscal year 2024, \$11,594;

(iii) In fiscal year 2025, \$13,003;

(iv) In fiscal year 2026, \$14,473;

(v) In fiscal year 2027, \$15,598;

(vi) In fiscal year 2028, \$16,811;

(vii) In fiscal year 2029, \$18,118;

(viii) In fiscal year 2030, \$19,526; and

(ix) In subsequent fiscal years, the per pupil amount for the prior fiscal year increased by the inflation adjustment rounded to the nearest whole dollar.

[(6)] (9) (I) “Prekindergarten enrollment” means, FOR PUBLIC PREKINDERGARTEN PROVIDERS:

[(i)] 1. Beginning in fiscal year 2023, the number of Tier I children enrolled with an eligible PUBLIC prekindergarten provider; and

1 [(ii)] 2. Beginning in fiscal year 2025, the number of Tier I and
2 Tier II children enrolled with an eligible PUBLIC prekindergarten provider.

3 (II) “PREKINDERGARTEN ENROLLMENT” MEANS, FOR PRIVATE
4 PREKINDERGARTEN PROVIDERS:

5 1. FOR FISCAL YEAR 2025, THE AVERAGE NUMBER OF
6 TIER I CHILDREN ENROLLED WITH AN ELIGIBLE PRIVATE PREKINDERGARTEN
7 PROVIDER IN THE 3 PRIOR SCHOOL YEARS PLUS THE NUMBER OF TIER II CHILDREN
8 ENROLLED WITH AN ELIGIBLE PRIVATE PREKINDERGARTEN PROVIDER;

9 2. FOR FISCAL YEAR 2026, THE AVERAGE NUMBER OF
10 TIER I CHILDREN ENROLLED WITH AN ELIGIBLE PRIVATE PREKINDERGARTEN
11 PROVIDER IN THE 3 PRIOR SCHOOL YEARS PLUS THE AVERAGE NUMBER OF TIER II
12 CHILDREN ENROLLED WITH AN ELIGIBLE PRIVATE PREKINDERGARTEN PROVIDER
13 IN THE 2 PRIOR SCHOOL YEARS; AND

14 3. FOR FISCAL YEAR 2027 AND EACH FISCAL YEAR
15 THEREAFTER, THE AVERAGE NUMBER OF TIER I AND TIER II CHILDREN ENROLLED
16 WITH AN ELIGIBLE PRIVATE PREKINDERGARTEN PROVIDER IN THE 3 PRIOR SCHOOL
17 YEARS.

18 [(7)] (10) “State share” means, for each county, rounded to the nearest
19 whole dollar, the following calculations multiplied by 0.5:

20 (i) Multiply the per pupil amount by the county’s prekindergarten
21 enrollment;

22 (ii) Divide the result calculated under item (i) of this paragraph by
23 the ratio, rounded to seven decimal places, of local wealth per pupil to statewide wealth per
24 pupil; and

25 (iii) Multiply the result calculated under item (ii) of this paragraph
26 by the result, rounded to seven decimal places, that results from dividing the total program
27 amount by the sum of all of the results calculated under item (ii) of this paragraph for all
28 counties.

29 [(8)] (11) “Tier I child” has the meaning stated in § 7–1A–01 of this article.

30 [(9)] (12) “Tier II child” has the meaning stated in § 7–1A–01 of this article.

31 [(10)] (13) “Tier III child” has the meaning stated in § 7–1A–01 of this
32 article.

1 ~~[(11)]~~ **(14)** “Total program amount” means the product of the per pupil
2 amount and the statewide prekindergarten enrollment.

3 (b) To be eligible for public funding, ~~[a]~~ **AN ELIGIBLE** prekindergarten provider
4 shall comply with Title 7, Subtitle 1A of this article.

5 (c) (1) (i) As calculated under subsection (d) of this section, there is a State
6 share and local share of the per pupil amount for Tier I children.

7 (ii) There is no family share for Tier I children.

8 (2) As calculated under subsection (e) of this section and beginning in fiscal
9 year 2025, there is a State share, local share, and family share of the per pupil amount for
10 Tier II children.

11 (3) Tier III children are not eligible for funding under this section.

12 (d) (1) For **ELIGIBLE** public **PREKINDERGARTEN** providers, each fiscal year:

13 (i) The State shall distribute the State share to each county board;
14 and

15 (ii) The county board shall distribute to each **ELIGIBLE** public
16 **PREKINDERGARTEN** provider the minimum school funding amount for prekindergarten
17 calculated under § 5–234 of this subtitle.

18 (2) **(I)** For **ELIGIBLE** private **PREKINDERGARTEN** providers, each
19 fiscal year:

20 ~~[(i)]~~ **1.** The State shall distribute the State share for **ELIGIBLE**
21 private **PREKINDERGARTEN** providers to the Department;

22 ~~[(ii)]~~ **2.** The county shall distribute the local share for **ELIGIBLE**
23 private **PREKINDERGARTEN** providers to the Department; and

24 ~~[(iii)]~~ **3.** The Department shall distribute the State and local share
25 to the **ELIGIBLE** private **PREKINDERGARTEN** providers.

26 **(II) FOR ELIGIBLE PRIVATE PREKINDERGARTEN PROVIDERS,**
27 **THE DEPARTMENT SHALL FORWARD FUND THE STATE AND LOCAL SHARE TO**
28 **ELIGIBLE PRIVATE PREKINDERGARTEN PROVIDERS OR PROVIDE A PAY GUARANTEE**
29 **OF NOT GREATER THAN 30 DAYS.**

30 (e) (1) On or before July 1, 2022, the Department shall establish a sliding scale
31 to calculate the family share required for Tier II children.

1 (2) The sliding scale developed by the Department shall be increased on a
2 linear basis with:

3 (i) A lower limit of \$0 per pupil for a family with an income that is
4 300% of the federal poverty level; and

5 (ii) An upper limit of the per pupil amount for a family with an
6 income that is more than 300% but less than 600% of the federal poverty level.

7 (3) (i) Beginning in fiscal year 2025, the family shall pay the family
8 share to the publicly funded prekindergarten provider.

9 (ii) A county board may provide up to 100% of the family share on
10 behalf of the family.

11 (f) Income-eligible families shall have access to extended day services through
12 the Child Care Scholarship Program under Title 9.5, Subtitle 9 of this article.

13 (g) The Department, county boards, and eligible prekindergarten providers shall
14 work together to address the transportation needs of children enrolled in eligible
15 prekindergarten providers.

16 (h) On or before November 1, 2021, the Department shall report to the
17 Accountability and Implementation Board and, in accordance with § 2–1257 of the State
18 Government Article, the General Assembly on:

19 (1) Plans for an income verification process to determine eligibility for Tier
20 I, Tier II, or Tier III status of a child;

21 (2) Administrative procedures for distributing the funds required under
22 subsection (d) of this section;

23 (3) (i) Providing families with the ability to indicate a preference for the
24 public or private prekindergarten program in which to enroll the child; and

25 (ii) Communicating with families that the ability to choose to enroll
26 a child in a public provider outside the family's attendance area is available only for
27 prekindergarten;

28 (4) Recommendations for the methodology the Department will use to
29 calculate the State, local, and family share for Tier II children under the sliding scale
30 developed under subsection (e) of this section; and

31 (5) Recommendations on whether to extend the prekindergarten
32 supplemental grant provided under § 5–232 of this subtitle.

33 7–1A–07.

(a) (1) The Interagency Commission on School Construction shall prioritize public school construction funding requests for high quality prekindergarten classrooms.

(2) The Interagency Commission on School Construction shall consider the availability of private eligible prekindergarten providers when determining priorities under paragraph (1) of this subsection.

(b) **(1) A county board AND AN ELIGIBLE PRIVATE PREKINDERGARTEN PROVIDER** may partner with the State or the county government to address physical space constraints for eligible prekindergarten providers by utilizing existing available space at a location that is not an eligible prekindergarten provider including:

[(1)] (I) Senior care facilities; [or]

[(2)] (II) Community centers;

(III) COUNTY GOVERNMENT FACILITIES; OR

(IV) HOSPITALS.

(2) THE INTERAGENCY COMMISSION ON SCHOOL CONSTRUCTION AND THE DEPARTMENT MAY NOT ESTABLISH SPACE REQUIREMENTS FOR PREKINDERGARTEN SPACE IN PUBLIC BUILDINGS THAT ARE NOT SCHOOLS.

(c) (1) A COUNTY BOARD MAY APPLY FOR FUNDING FROM THE CAPITAL IMPROVEMENT PROGRAM TO LEASE PUBLIC FACILITIES FOR PREKINDERGARTEN SPACE.

(2) THE MANAGEMENT OF THE LEASED PUBLIC FACILITY SHALL BE THE RESPONSIBILITY OF THE BUILDING OWNER AND NOT THE COUNTY BOARD.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2024.