
R00A99

Early Childhood Development

Maryland State Department of Education

Response to the Analyst's Review and Recommendations

House Education and Economic Development Subcommittee –

March 2, 2016

Senate Education, Business, and Administration Subcommittee –

March 3, 2016



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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.

Performance Discussion

DECD should comment on why this decline has occurred and the projections for Head Start enrollment for fiscal 2016 and beyond.

MSDE reviewed the enrollment data provided to the federal Department of Health and Human Services for Early Head Start and Head Start programs in Maryland. While there has been a slight decline in total Head Start enrollment, it is not of the magnitude identified in the analysis. MSDE discovered, during this review, inconsistencies in the Head Start enrollment reported for the Agency’s Managing for Results (MFR) Report. MSDE will review the data definitions for this report to ensure more consistent reporting in the future. The chart below provides the accurate funded enrollment for Early Head Start and Head Start for 2012 through 2015.

	Funded Enrollment			
	2012	2013	2014	2015
Head Start	9,593	9,675	9,264	8,921
Early Head Start	1,332	1,332	1,286	1,451
Total	10,925	11,007	10,550	10,372

Using the revised data, there is a net decline of 178 students, or 1.7% between 2014 and 2015. This follows a larger decline of 457 students or 4.1% between 2013 and 2014. The enrollment changes between 2013 and 2014 can be attributed to the federal sequestration in 2013 when enrollment dropped by 57,000 nationally.

DECD should provide an explanation of why a drop has occurred in the credentialing participation rate, given that Maryland EXCELS continues to grow.

As participation in Maryland’s EXCELS increases, a larger number of childcare providers are seeking credentials. Programs that have credentialed staff receive higher ratings in EXCELS. The drop in the credentialing participation rate is due to a backlog in processing applications. MSDE re-issued the procurement for an application processing service and the break in service between contracts resulted in the backlog. The current vendor is processing new applications while simultaneously reducing the backlog and expects it to be fully cleared by April 2016.

Adequacy Study

MSDE should discuss the study’s recommendations and how they would affect the current structure of prekindergarten in Maryland.

As the analysis states, the research team conducting the Adequacy Study submitted the report, *A Comprehensive Analysis of Prekindergarten in Maryland* in January 2016, which includes five recommendations. The recommendations are based on a literature review outlining the immediate benefits for children attending prekindergarten programs and a cost-benefit analysis of providing universal prekindergarten in Maryland.

Long term research studies found that the program quality and duration, the populations' served and the vertical alignment with subsequent elementary programs each impact the benefits of prekindergarten. The research also indicates that while the academic benefits can fade out over time, long term social-emotional benefits, called *sleeper effects* can last long into adulthood. These sleeper effects include increased high school graduation, years of education completed, earnings, and reduced crime and teen pregnancy.

The research team recommends that Maryland move towards offering universal high quality prekindergarten to 80% of Maryland's four-year-olds and cites an ROI of \$5.54 per \$1 invested. The ROI for Maryland's current prekindergarten programs, which serve 77% of four-year-olds at varying quality levels, is \$4.36 per \$1 invested.

The current, high quality prekindergarten programs, including public school programs, serve 32,651 students. An additional 27,713 high quality slots would need to be created to provide high quality universal prekindergarten to 80% of Maryland's four-year-olds. The research team believes the State's continued investment in its EXCELS quality rating improvement system (QRIS) and allocating resources based on quality level will increase the number of high quality programs in the State.

The research team provided two recommendations for sharing in the \$439.6 million cost of providing universal prekindergarten; the first is a State and Local share and the second adds a family contribution for those living above 300% of the federal poverty level. The full report can be found here –

<http://marylandpublicschools.org/adequacystudy/docs/MDPreKComprehensiveAnalysis011316.pdf>.

Child Care Subsidy Program – CDBG Reauthorization

DECD should comment on whether general funds in the allowance are sufficient to issue 12-month vouchers under the CCDBG reauthorization, and on how CCS will be impacted if funding is insufficient.

As the analysis notes, the Governor's FY 2017 budget includes an additional \$3.8 million in General Funds to implement the provision of the Child Care Development Block Grant reauthorization that requires all states to issue 12-month vouchers for eligible families. MSDE also plans to use additional federal funds that may be available in FY 2017 as well as federal carryover funds from prior fiscal years to cover program costs. MSDE will closely monitor

program expenditures will keep the Administration and the Department of Budget and Management apprised of expenditure trends throughout the fiscal year.

Child Care Subsidy Program – Case Management

MSDE should provide details on how it is working with DHR in processing cases, why its arrangement with DHR in determining eligibility for TCA cases was made, and whether this will be an ongoing long-term arrangement.

Consolidating all aspects of the Childcare Subsidy Program operation in one agency provides the opportunity for more efficient operation and management. As such, in June 2012, MSDE and the Department of Human Resources (DHR) began the process of transitioning the remaining tasks associated with the program from DHR to MSDE. MSDE determined that additional efficiencies were available through the use of a vendor to provide the necessary services. MSDE issued an RFP and awarded the contract for comprehensive childcare subsidy case management services in May 2015, with the timeline for assuming full responsibility in August 2015. During this transition, a number of on-going customer service issues were identified.

Since early fall 2015, MSDE and DHR have engaged in leadership-level discussions to collaboratively address the issues identified during the transition of from DHR to MSDE. Currently, MSDE is responsible for all case management services, including customer service activities for families and providers, childcare voucher and provider payment processing and eligibility determination for families not participating in the federal Temporary Cash Assistance (TCA) program. As of December, 2015 DHR has resumed responsibility for determining TCA eligibility. Per the December 2015 MOU between MSDE and DHR, DHR will remain responsible for TCA eligibility determination through December 2016.

MSDE will continue to work with DHR over the course of the next year to determine the best course of action. However, the best interest of the families served by this program, including the childcare providers, will be at the forefront of all decisions.

MSDE should comment on whether this backlog has been addressed through the transfer of TCA cases back to DHR.

As noted in the analysis, there was a higher than expected number of pending cases when case management services were transferred to MSDE. The initial backlog, including TCA eligibility, of completed applications has been resolved and incomplete applicants were notified. Only incomplete TCA cases were transferred back to DHR in December.

Kindergarten Readiness Assessment

DECD should provide an update on the fall 2015 implementation of the KRA and preparations for administering the ELA.

MSDE administered a survey to assess the 2015-16 administration of the revised Kindergarten Readiness Assessment (KRA). Respondents were asked to rate the assessment and the assessment materials. A majority of teachers agreed or strongly agreed that the Teacher Administration Manual (TAM) was easy to follow (97%), that the test materials were easy to use during administration (89%), and that the specific skills or behaviors addressed by the assessment were appropriate for entering kindergarten students (80%) and aligned to classroom instruction (74%). For each of these statements, more respondents agreed or strongly agreed in 2015 than in 2014, and several teachers commented that the 2015 version was easier to use than the previous year. Teachers were also asked about the time it took them to administer the assessment. Teachers responded that it took them approximately 40 minutes per student and on average 50 minutes for students with disabilities.

The Early Learning Assessment (ELA) is the second component of the Ready for Kindergarten (R4K) assessment system. It is an online, formative assessment completed in December 2015, to be used by preschool teachers for instructional purposes. Beginning in school year 2017-2018, special education teachers will be required to use the assessment to measure the skills and behaviors of preschoolers with disabilities. Prekindergarten teachers and early educators in child care and Head Start have the option of using the ELA in the 2016-17 school year.

Recommended Actions

Concur with the Governor's allowance.

MSDE concurs.