LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS

301 State House
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FISCAL IMPACT STATEMENT

LS 6839 | **DATE PREPARED:** Dec 18, 2000
BILL NUMBER: HB 2105 | **BILL AMENDED:**

SUBJECT: Kindergarten enrollment date.

FISCAL ANALYST: Chuck Mayfield
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FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

STATE IMPACT	FY 2001	FY 2002	FY 2003
State Revenues			
State Expenditures		4,613,000	14,530,000
Net Increase (Decrease)		(4,613,000)	(14,530,000)

LOCAL IMPACT	CY 2001	CY 2002	CY 2003
Local Revenues		9,200,000	19,800,000
Local Expenditures			
Net Increase (Decrease)		9,200,000	19,800,000

Summary of Legislation: This bill provides that a child must be at least five years of age on the following dates to officially enroll for the particular school year in a kindergarten program offered by a school corporation: (1) July 1 of the 2001-2002 school year. (2) August 1 of the 2002-2003 school year. (3) September 1 of the 2003-2004 school year or any subsequent school year. (Current law requires that a child must be at least five years of age on June 1 to officially enroll in a kindergarten program.) The bill allows the governing body of a school corporation to adopt a procedure affording a parent the right to appeal to the school superintendent for kindergarten enrollment of a child who is not at least five years of age on the statutory date (instead of requiring a school corporation to adopt the procedure).

Effective Date: Upon passage.

Explanation of State Expenditures: This bill will increase the average daily membership (ADM) of school corporations over a three-year period as compared to the ADM under current law. Consequently, this increase in ADM will also increase expenditures from the school funding formula. During the 2000-01 school year, 70,633 students were enrolled in public school kindergarten. Assuming an even distribution of births over 12 months, each month will add 5,886 children to the statewide average daily membership (ADM). Under current statute, kindergarten students are counted as a half ADM. Consequently, the additional costs in the first year will be based on additional ADM count of 2,943.

Based on the changes in ADM as a result of the dates of admission changes, the additional costs that are generated by the school funding formula are shown in the following table. (The FY 2002 impact is ½ of the CY 2002 impact shown in the table and the FY 2003 is ½ of the CY 2002 and CY2003 impacts shown in the table.)

Note: The estimated costs are based on current state law projected for CY 2002, CY 2003, and CY2004. The future costs that are associated with the additional ADM could be changed during the 2001 General Assembly when the school funding formula is reauthorized.

Year	State Tuition Support	At-Risk Monies	Growing Enrollment	Primetime	Total State Support
2002	$7,504,000	$160,000	$1,473,000	$89,000	$9,226,000
2003	$16,944,000	$334,000	$1,933,000	$623,000	$19,834,000
2004	$26,794,000	$501,000	$1,933,000	$1,007,000	$30,235,000

Explanation of State Revenues:

Explanation of Local Expenditures: The following table shows the additional number of students who would be added to the school corporations over the three-year period when the admission date is changed. As the table indicates, more than half of the school corporations (58%) would experience increases of between 15 and 50 students. Another 34% of the school corporations could experience increases of between 50 and 890 -- the largest increase in the number of kindergarten children that any school corporation would experience.

Additional Number of Students over 3 Year Period	# of School Corporations	Percentage Distribution
Less than 5 Students	1	0%
Between 5 and 10 Students	5	2%
Between 10 and 15 Students	20	7%
Between 15 and 25 Students	57	20%
Between 25 and 50 Students	111	38%
Between 50 and 100 Students	57	20%
Between 100 and 200 Students	29	10%
More than 200 Students	12	4%
Total Number of School Corporations	294	

An alternative way to look at the additional students is by elementary school during the first year of implementation. As the table indicates, about 90% of the elementary schools would experience increases of fewer than 8 kindergarten students the first year.

Additional Number of Kindergarten Students the First Year	# of Elementary Schools	Percentage Distribution
1 Student	15	1.36%
2 Students	85	7.72%
3 Students	179	16.26%
4 Students	183	16.62%
5 Students	181	16.44%
6 Students	158	14.35%
7 Students	112	10.17%
8 Students	82	7.45%
9 Students	45	4.09%
Between 10 and 15 Students	53	4.81%
Between 15 and 25 Students	5	0.45%
Over 25 Students	3	0.27%
Total Number of Schools	1,101	100%

Currently, schools can admit students with birthdays between June and September by using a waiver. The Department of Education conducted a survey of 184 schools and those schools estimated that they would admit 2,041 students early using the waiver process. The admission of the students would lower the fiscal impact of moving the start date by about 10%.

Depending on the existing capacity of each school corporation, some school corporations may need to build new classrooms, add new teachers, acquire additional buses, or incur more route miles to transport kindergarten children to school. Other school corporations may be able to accommodate the additional children with current staff and facilities.

School corporations with classroom shortages may need to rent classrooms from local businesses or churches or use temporary classrooms until new classrooms are built. School corporations which add new classrooms will also incur additional costs for utilities and custodial care.

Explanation of Local Revenues: See Explanation of State Expenditures.

State Agencies Affected: Department of Education.

Local Agencies Affected: Local School Corporations.

Information Sources: Department of Education Databases and Survey.