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FISCAL IMPACT STATEMENT

LS 7194

BILL NUMBER: HB 1219

NOTE PREPARED: Jan 7, 2007

BILL AMENDED:

SUBJECT: Full-day kindergarten.

FIRST AUTHOR: Rep. Hoy

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that for purposes of computing the average daily membership and other pupil counts of school corporations, pupils enrolled in a full-day kindergarten program shall be counted as one pupil. It limits any increase in funding resulting from the recalculation of average daily membership to the part of the increase that is distributed from the state.

Effective Date: July 1, 2007.

Explanation of State Expenditures: Under current law, kindergarten students count as half of a student for purposes of the school formula whether or not the student attends half-day or a full-day kindergarten. The bill would count students enrolled in a full-day kindergarten program 1 for school formula purposes. Based on a survey done by the Department of Education in the fall of 2006 about 45,379 students added full-day kindergarten.

The impact would depend on:

1. The number of schools that would offer a full-day program,
2. The number of parents that would elect to send their students to a full-day program, and
3. The school formula that would be in place for CY 2008 and 2009. The current school formula expires on December 31, 2007.

Using the 2007 formula as an example and assuming all schools and students took advantage of the option the possible increase in state expenses would be about \$200 M per year.

The bill does require the state tuition support distribution for the last six months of CY 2007 to be

recalculated counting full day kindergarten students as 1 instead of one-half.. The additional cost for the six month could range between \$50 M- \$100 M except the CY 2007 distribution of tuition support is limited to \$3,747,200,000. If the recalculation would distribute more than the \$3,747.2 M then all school tuition support distributions would be proportionately reduced so the distribution was \$3,747.2 M.

Explanation of State Revenues:

Explanation of Local Expenditures: School could have additional expenditures for teachers, transportation, and classrooms needed to implement full-day kindergarten. The maximum increase in expenditures for teachers, transportation, and amortizing new classrooms over 40 years is about \$275 M.

Schools currently fund full-day kindergarten from a variety of sources: state grants for full-day kindergarten, parents, and Title I funding as examples. If the state were to provide additional funding then the current Title I funds could be used to support other programs for students in need.

Explanation of Local Revenues: *See Explanation of State Expenditures.*

State Agencies Affected: Department of Education.

Local Agencies Affected: Local Schools.

Information Sources: Department of Education databases.

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