Fiscal Note & Local Impact Statement

122 nd General Assembly of Ohio

BILL: **H.B. 379** DATE: **March 24, 1998**

STATUS: **As Introduced** SPONSOR: **Rep. Brading**

LOCAL IMPACT STATEMENT REQUIRED: **No — Permissive**

CONTENTS: **Allows local school districts to change the admission date for kindergartners**

State Fiscal Highlights

STATE FUND	FY 1997	FY 1998	FUTURE YEARS
General Revenue Fund			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	- 0 -	- 0 -	Potential decrease

- During the implementation of an earlier admission date, the kindergarten classes of a local district would likely be smaller, resulting in less basic aid from the state.
- The decreases in Basic Aid expenditures would be temporary and depend on how many districts change the admission dates. Kindergarten class sizes would return to previous levels after an earlier admission date became effective.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 1997	FY 1998	FUTURE YEARS
School districts			
Revenues	- 0 -	- 0 -	Potential decrease
Expenditures	- 0 -	- 0 -	Potential decrease

- During implementation, there would be a loss in school district basic aid revenues and a reduction in local expenditures because of the decreased kindergarten enrollment. After the phase-in period, kindergarten enrollment will return to normal levels.
- Some school districts could experience increased expenditures as a result of this bill. If more parents request their child be tested for early admission to kindergarten. However the number of parents currently requesting early kindergarten admission is relatively low. It is expected that any increase in caseload would result in a potential minimal increase in expenditures.

Detailed Fiscal Analysis

The bill would allow school districts to require pupils to be older before entering school. It proposes that school districts be allowed to change the date by which children must be five years old in order to be admitted to kindergarten and the date by which children must be at least six years old to be considered for a waiver of the requirement that kindergarten be completed before admission to the first grade.

Under current law, a child must be five years old by September 30th in order to be admitted to kindergarten. However if a parent of child who is not five years old by the cut-off date wishes to have the child enrolled in school, the parent may apply for a waiver to have the child admitted. The waiver for early admission to kindergarten as well as the provision admitting students in the middle of the school year to either kindergarten or first grade as long as the children are five or six, respectively, by the first day of the term remain.

STATE FISCAL HIGHLIGHTS

As school districts change their admission dates to reflect an earlier date in the year, the Department of Education would experience decreased basic aid expenditures due to lower kindergarten enrollment. The decreased enrollment would decrease Basic Aid expenditures by the following amount on a per student, per district basis:

Decreases in State Basic Aid Expenditures = ½(ADM decrease for each district)($3,851)(Cost of doing business factor for each district) where $3,851 is the basic aid amount for FY1999

In addition, DPIA funding for districts would decrease by similar amount where ADC/TANF percentage is above the state average and the district is providing all day kindergarten.

How the individual school districts decide to implement an admission date change will affect the time frame for the State basic aid savings. For example, if a school district decides to move the entrance date from September to June in one year, state expenditures would only decrease for one year. After such time, kindergarten enrollment would return to normal levels. However, if a school district choose to phase the entrance date in over a period of a couple of years, the district would have decreased enrollment for a few years before implementation of the date change was complete.

Another factor in the amount of decreased expenditures for the state is the number of school districts that opt for any earlier kindergarten admission date. A few, smaller district changes will have a minimal effect where as changes in larger school districts will have a significantly greater fiscal impact.

Another state area affected by kindergarten admission dates is Head Start. Age eligibility for the program is impacted as a result of the proposed changes. Federal law requires that Head Start age eligibility be correlated with each state's age criteria for compulsory school attendance. By changing the school age eligibility requirements, the bill is indirectly changing the Head Start eligibility as well.

Head Start is a comprehensive developmental program for children ages 3-5 and their low income families. Head Start services include education, health (including medical, dental, mental and nutritional health), social services, and parent involvement. Most Head Start curriculums are directed toward children between the ages of 3 and 4, with the assumption that by age 5 the child will be attending kindergarten.

Low-income children of districts who elect to alter the age eligibility requirements will be impacted in terms of their eligibility for Head Start. Children who are too young to enter kindergarten later will not be eligible for Head Start until age 4, and will likely continue through age five.

The fiscal impact on Head Start is indeterminate. Head Start funding is not done on a per pupil basis, rather is provided in the form of grants awarded by the Ohio Department of Education and the U.S. Department of Health and Human Services. Funding is unlikely to change as a result of this bill. Rather, the age range of students being served by Head Start is likely to change as a result of the bill.

Local Fiscal Effects

During the implementation period, there would be a loss in a school district's basic aid revenue and a decrease in local expenditures due to the lower kindergarten enrollment. By the end of the phase-in period, revenue and expenditure changes are expected to level out. However, districts on a guarantee would not have their revenues affected. District losses from State Basic Aid decreases would equal:

District Losses per Kindergarten Student = ½(ADM decrease)($3,851)(Cost of doing business factor) where $3,851 is the basic aid amount for FY1999

In addition, DPIA funding for districts would decrease by similar amount where ADC/TANF percentage is above the state average and the district is providing all day kindergarten.

The level of temporary expenditure reductions will depend upon the size of the school district. Larger school districts may reduce the number of kindergarten classes during an adjustment period, due to the reduction in kindergarten enrollment and therefore may experience a reduction in expenditures. Smaller school districts are less likely to reduce the number of classes, but expenditure reductions in smaller schools are expected to be less that those in larger districts.

Some school districts could experience increased expenditures if more parents request their child be tested for early admission to kindergarten, as a result of admission date changes. However the number of parents currently requesting early kindergarten admission is relatively low when compared to the district's size. It is unlikely that requests for early admission would rise quite significantly.

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