



- School districts could see a reduction in expenditures, as there will be fewer children to service. However, as this reduction is only temporary, it may not be feasible for schools to downsize their programs.
- Districts could see an increase in expenditures from early admissions testing if more parents request that their child be tested.

## ***Detailed Fiscal Analysis***

Over a two-year period, this bill moves the admission date for kindergartners and first graders from September 30 to August 1. Under current law, a child must be five years old by September 30 to enter kindergarten and six years old by September 30 to enter the first grade. School districts may waive this requirement at the request of the parents for children who meet the necessary standards and pass a testing program designated by the board of education. Under the provisions of this bill, a child must be five years old by September 1 to enter kindergarten or six years old by the same date to enter first grade in year one of implementation. In year two and every year thereafter a child must be five years old by August 1 to enter kindergarten and six years old by the same date to enter first grade.

### **State Fiscal Highlights**

As admission dates change, school districts can expect to see a decrease in enrollment of approximately 1/12<sup>th</sup> per year. Statewide, enrollment will be reduced by approximately 12,000 students a year in both FY 2001 and FY 2002. When the date is moved back one month, students who have birthdays during an eleven-month, rather than a twelve-month period, are eligible for enrollment. The Department of Education will spend less in basic aid for the fourteen-year period that these two reduced classes are in school. Once the bill is fully implemented, enrollment will return to normal, as will expenditures.

Kindergartners are generally counted as 0.5 in the basic state aid formula as they only attend school for half a day. One hundred and five school districts in the state are eligible for all-day every day kindergarten. Kindergartners in these districts are counted as 1.0 in the basic state aid formula. In FY 1999 approximately 35 percent of the children statewide were eligible for all-day every day kindergarten. The calculations in the table below show the reduction in state basic aid that will occur as a result of this bill. It is assumed that all school districts that are eligible for additional funding for all-day kindergarten will take advantage of it.

<i>Current Year</i>	
Total kindergartners statewide – FY 1999	142,868
Current kindergarten basic aid expenditure*	\$414,095,755
<i>Impact 1<sup>st</sup> Year</i>	
Children not included in 1 <sup>st</sup> year (Sept babies in Kindergarten)	11,906
State savings in basic aid*	\$34,508,731
<i>Impact 2<sup>nd</sup> Year</i>	
Children not included in 2 <sup>nd</sup> year (Aug babies in Kindergarten & Sept babies in 1 <sup>st</sup> grade)	23,812
State savings in basic aid*	\$85,633,095
<i>Impact per year 3<sup>rd</sup> Year to 13<sup>th</sup> Year</i>	
Children not included these years (Aug & Sept babies in grades 1 thru 12)	23,812

State savings in basic aid*	\$102,248,728
<i>Impact 14<sup>th</sup> Year</i>	
Children not included in Year 14 (Aug babies in grade 12)	11,906
State savings in basic aid*	\$51,124,364

\*Assumes the FY 2001 formula level of \$4294

### **Local Fiscal Effects**

During the implementation phase, districts may see a loss in basic aid revenue. The actual amount lost per district will vary based on enrollment. As students in these two admission years move through the grade levels, these years will continue to have fewer students than normal. (There are no succeeding years of higher admission to make up for these low enrollment years.) Thus, total enrollment will continue to be lower by about 24,000 students (1.3 percent of total attendance) until these two cohorts leave the school system 14 years later.

A district that offered half-day kindergarten would lose \$2147 per pupil, while a district that offered all day kindergarten would lose \$4294 per pupil. This translates into a statewide total of approximately \$34.5 million in year one, \$85.6 million in year 2, and \$102 million in years three through thirteen, and \$51 million in year fourteen. Once the two smaller cohorts graduate from high school, districts would return to full enrollment.

Districts may see a reduction in expenditures because there will be fewer children to service. Larger districts may be able to reduce expenditures even more by eliminating one or more of the classes that serve the students who entered in FY 2001 or FY 2002.

Some districts may see an increase in expenditures if more parents request that their child be tested for early admission to kindergarten. This effect is likely to be more pronounced during the first few years until parents become familiar with the new starting date. After the first few years, this effect should be minor as the number of parents currently requesting early kindergarten admission is relatively low.

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