Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: Am. S.B. 173 of the 128th G.A. **Date**: December 9, 2009

Status: As Reported by Senate Education **Sponsor**: Sen. Cates

Local Impact Statement Procedure Required: No — No local cost

Contents: Delays the effective date of rules regarding school districts' expenditures for core teachers and the requirement that school districts provide all-day kindergarten

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

- The bill delays by one year the requirement for districts to provide all-day kindergarten and the effective date of rules regarding school districts' expenditure of funds for core teachers. Any costs related to these requirements will, therefore, also be delayed.

Detailed Fiscal Analysis

The bill delays by one year the effective date of two requirements for school districts initiated by Am. Sub. H.B. 1 of the 128th General Assembly. First, H.B. 1 requires all school districts to provide all-day kindergarten beginning in FY 2011. The bill delays this requirement until FY 2012 and requires districts not providing all-day kindergarten in FY 2011 to submit a plan for meeting the requirement in FY 2012 to the Superintendent of Public Instruction. Second, H.B. 1 requires the Superintendent to adopt rules regarding school districts' expenditure of certain funds received from the state, including funds for core teachers. H.B. 1 also stipulates that the rules may not be effective before FY 2011. The bill modifies this provision so that the rules regarding expenditures of state funds for core teachers may not be effective before FY 2012. To the extent that school districts may incur costs in complying with these two requirements, the bill's delay may reduce districts' expenditures by postponing these costs or by providing additional time to implement less costly methods of compliance. The cost of compliance with the rules regarding expenditures of state funds for core teachers will depend on the rules actually adopted by the Superintendent. The possible costs of the all-day kindergarten requirement are discussed in more detail below.

All-day kindergarten

The cost of the requirement to provide all-day kindergarten varies depending on the circumstances of the school district. Many districts already provide the service and should, therefore, incur no additional cost. Prior to FY 2010, the state provided funding for all-day kindergarten to districts with concentrations of poverty students above the state average. In FY 2009, 129 districts (21.1%) received this funding and provided approximately 50,600 kindergartners with all-day services. This represents a comparatively high percentage of statewide kindergartners (38.2%), since many of the state's largest districts are among these 129. On a survey conducted by the Department of Education as a result of H.B. 190 of the 127th General Assembly, 187 additional districts that were not receiving state assistance for all-day kindergarten reported providing all-day kindergarten services to at least 50% of their kindergarten students, or approximately 22,800 kindergartners (17.2% of the statewide total).[1]

For those districts that are not already providing all-day kindergarten there may be both operating and facilities costs. Presumably switching from half-day to all-day services is similar to doubling the number of kindergarten students served. For example, in a half-day program one full-time teacher could teach 40 children in one classroom – 20 in the morning then 20 in the afternoon. The same 40 children in an all-

[1] Some of these additional districts reported charging tuition for all-day kindergarten. H.B. 1 prohibits this practice beginning in FY 2012.

day program would require two teachers and two classrooms. A cost may also be incurred in expanding the curriculum to cover more material.

The state's current school funding formula defines an adequacy amount for each school district that is partially based on the number of students in the district. Under this model, the marginal adequacy amount for a "typical"[2] kindergarten student based on FY 2010 assumed salary levels is about $6,100.[3] The marginal adequacy amount is a measure of the increase in the adequacy amount if the district's kindergarten student average daily membership[4] (ADM) increased by one student. Half this amount ($3,050) may be one proxy for the additional operating costs of increasing services from half-day to all-day for one kindergarten student.

The cost of facilities will largely depend on each district's current capacity. A district that is growing may need to add classroom space. A district that is losing students may already have the classroom space available. Continuing law provides districts with facilities constraints the option of using space in child day-care centers for kindergarten classes. This may be a less costly option for districts than constructing new facilities. Districts may also apply for a waiver from the all-day kindergarten requirement and the Superintendent may consider space concerns when determining whether to grant the waiver.

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[2] In this context, "typical" means a student who receives no special services, for instance, special education, LEP services, supplemental services, etc. This calculation also assumes an educational challenge factor of 1.0.

[3] This is assuming the student to teacher ratio of 19 to 1 for kindergarten students, but otherwise fully phasing in the components of the model.

[4] ADM is the measure the state uses for the number of students funded in each district.