

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6945
BILL NUMBER: SB 229

DATE PREPARED: Dec 17, 1998
BILL AMENDED:

SUBJECT: Optional full day kindergarten.

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FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that the governing body of a school corporation may establish a full day, half day, or combination program for kindergarten. For a school corporation that establishes a full day kindergarten program, it provides that the parent of an enrolled kindergarten student determines whether the student attends kindergarten for a full or half day.

Effective Date: July 1, 1999.

Explanation of State Expenditures: School corporations which implement full day kindergarten are likely to hire new teachers. To the extent that these new teachers will attend the Beginning Teacher Internship Program, the state will pay \$600 per mentor for each teacher that the mentor supervises. If 1,400 to 2,000 new teachers will need to enroll in the Beginning Teacher Internship Program, the added costs could range between \$840,000 and \$1.2 million.

Explanation of State Revenues:

Explanation of Local Expenditures: Depending on local action, passage of this bill could increase the costs to the school corporations for additional teachers, classroom space, added utility and maintenance costs and transportation costs.

For purposes of this analysis, it is assumed that **all** school corporations will offer full day kindergarten and that **all** children of kindergarten age will enroll in the full day programs. The following analysis is based on the costs of school corporations which currently do not provide full day kindergarten incurring additional expenses of teachers, classrooms, maintenance and utility expenses and transportation costs. ***It does not include the ongoing costs of school corporation who are already providing full day kindergarten for their some or all of their students.***

The Estimated Number of Children: Kindergarten children would likely come from two distinct populations: those who are currently enrolled in half day kindergarten programs in public schools and those who are either enrolled in kindergarten programs in nonpublic schools or those who are not enrolled in any program. The following estimates are shown below:

1) Children in Public Schools: DOE reported that 72,941 children were enrolled in a kindergarten program in a public school during school year 1997-98. Of these, an estimated 8,317 or 11% of the kindergarten students are enrolled in full day programs.

2) Children enrolled in nonpublic kindergarten might attend public kindergarten if a full day program is offered in their school corporation. LSA estimates this number as the difference between first grade enrollment in school year 1998 and kindergarten enrollment in school year 1997. The difference is 8,200 students.

The costs associated with full day kindergarten are based on the following categories:

Added Teachers: Unknown variables include the class size, the mix of teachers and teaching assistants and the salary levels that would be paid to these teachers. Because of these unknowns, the analysis includes a range of assumptions concerning class size and salary levels based on current information that is available. Depending on the class size, the number of additional teachers that will be needed could range between 1,400 and 2,120. The number of teaching assistants will also depend on the class size and the extent to which school corporations include teaching assistants.

The additional costs for teachers in this analysis assume class size ranges from 22 children per teacher with an additional aid and 18 children per teacher with no aid. Teacher salaries are assumed to range between \$36,463 and \$37,085 including benefits. The total costs for added teachers and aides will range between **\$64.5 and \$78.4 million in the first year.**

Added Classrooms: Depending upon whether school corporations have growing or declining enrollments, schools may need to build additional classrooms. Adjusting for students in declining enrollment school corporations and for students already enrolled in full day programs, the additional number of classrooms needed could range between 1,500 and 1,900. LSA staff examined 28 construction projects and found that the average cost per square foot was an estimated \$100. Besides the construction costs, the costs of classroom furnishings (including desks, tables and filing cabinets) were an estimated \$5,000. These classroom furnishings were included in the classroom costs. These costs are amortized over a 20 year period at 5.4% interest. The annual costs are projected to range between **\$9.9 and \$12.8 million.**

Added Maintenance and Utility Expenses: School corporations with new buildings would incur added utilities and maintenance expenses. To estimate these costs, 13 new facility appeals that were filed with the State Board of Tax Commissioners were examined and an average cost per square foot was estimated. This average cost per square foot was then multiplied by the additional square footage that would be added by the new classrooms that would be built. The added costs for school corporations is projected to range between **\$2.2 and \$5.45 million annually.**

Transportation Costs: The added costs for transportation will depend on whether school corporation provides transportation to their students and whether they already provide 2 way transportation. Most school corporations (210) provide only one way transportation to their kindergartners. Sixty-seven school corporations provide only two way transportation. Ten school corporations provide both one and two way

transportation. Five school corporations provide no transportation. School corporations serving rural or small town areas and currently providing one way transportation would likely either need to add additional school buses or more route miles if they were to provide two way transportation to accommodate additional kindergartners. The added costs are estimated to range between **\$1.4 and \$3.3 million** annually, assuming that school corporations which already provide either no transportation or 2 way transportation would incur minimal if any additional expenses.

Summary of Costs: The following table shows the what the costs could range between if all school corporations implement full day kindergarten in the next year.

<u>Cost Components</u>	<u>low</u>	<u>high</u>
Classrooms	\$9,996,333	\$12,833,761
Utilities & Maintenance	\$2,223,018	\$5,452,730
Teachers	\$64,575,418	\$78,473,595
Transportation	\$1,457,177	\$3,331,470
Estimated Costs:	<u>\$78,251,946</u>	<u>\$100,091,556</u>

The Department of Education surveyed school corporations concerning their plans to offer full day kindergarten if a kindergartner who was enrolled in full day kindergarten was counted as one rather than one-half for ADM (Average Daily Membership) calculation purposes. Based on the 253 school corporations who responded, the following enrollment projections were made:

<u>School Year</u>	<u>Full Day</u>	<u>Half Day</u>
1998-1999	11%	89%
1999-2000	83%	17%
2000-2001	87%	13%
2001-2002	89%	11%
2002-2003	91%	9%

Explanation of Local Revenues:

State Agencies Affected: Department of Education, Professional Standards Board.

Local Agencies Affected: School Corporations.

Information Sources: Department of Education Data Bases, State Board of Tax Commissioners, Indiana School Boards Association, IC 20-6.1-8.