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**FISCAL IMPACT STATEMENT**

**LS 7878**

**BILL NUMBER: SB 567**

**NOTE PREPARED: Feb 20, 2007**

**BILL AMENDED: Feb 20, 2007**

**SUBJECT:** Full-Day Kindergarten.

**FIRST AUTHOR:** Sen. Lubbers

**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED: X GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill requires school corporations and charter schools that offer kindergarten programs to offer full-day kindergarten programs for all students by the 2009-2010 school year after a phase-in beginning with programs for students who are eligible for free and reduced price lunches, if the General Assembly makes specific appropriations for the full-day programs. It provides that a kindergarten program must meet state academic standards.

**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 as 1 for school formula purposes for the CY 2008 and later school formulas.

The State Board of Education is to provide support to school corporations in the development and implementation of child-centered learning-focused programs using the following methods:

1. Targeting professional development funds to provide teachers in kindergarten to Grade 3 education in scientifically proven methods of teaching reading, the use of data to guide instruction, and use of age-appropriate literacy and mathematics assessments.
2. Making uniform, predictively valid, observational assessments that provide frequent information of the student's progress and measure the student's progress in literacy available to teachers.
3. Undertaking a longitudinal study of students to determine the achievement levels of students in kindergarten and later grades.

The current appropriation for professional development is about \$13.8 M, and the Department of Education has \$387,348 appropriated for research and development programs. It is unknown how much it might cost to develop the observational assessments.

The bill requires full-day kindergarten to be offered to the following:

1. Students eligible for free or reduced lunch starting with the 2008 school year.
2. Students enrolled in a school corporation whose percentage of students eligible for free or reduced lunch is greater the state median starting with the 2009 school year.
3. All students starting with the 2010 school year.

Based on a survey conducted by the Department of Education in the fall of 2006, about 45,379 students attend 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 CY 2009. The current school formula expires on December 31, 2007.

The school formula projected increase for the last six months of FY 2008 (January 1, 2008 to June 30, 2008) using the current school formula and assuming all eligible students based on the above schedule attend a full-day program would be about \$31.8M. The total increase for FY 2008 would be about \$31.8 M, \$103.4 M for FY 2009, and \$186.6 M for FY 2010. The implementation depends on the General Assembly making specific appropriations for full-day kindergarten.

### **Explanation of State Revenues:**

**Explanation of Local Expenditures:** The additional costs to schools would depend on the number of students selecting a full-day program, the number of additional teachers needed, the average salary paid to the additional teachers, transportation costs, and possible additional classrooms that might be needed. The possible additional cost the first school year of implementation could range between \$44.4 M and \$94.9 M if all eligible students took advantage of the program. The additional annual cost when fully implemented could range between \$135 M and \$285 M, depending on the various factors mentioned above. The bill would allow school corporations to offer the full-day kindergarten program in any suitable space in the school corporation boundaries. This provision could possibly reduce capital construction costs if schools did not have enough classroom space to accommodate the expansion of full-day kindergarten.

The current funding for full-day kindergarten comes from the state, federal government, local schools, and parents.

Title I dollars are currently used for full-day kindergarten since the program is supplemental to the state required programs. Title I dollars would probably not be available for full-day kindergarten programs when the program is required to be available for all free and reduced lunch students. The Title I dollars could be used for other supplemental programs by the corporation.

The implementation depends on the General Assembly making specific appropriations for full-day kindergarten.

**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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