

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2019 REGULAR SESSION**

MEASURE

2019 BR NUMBER 0903

HOUSE BILL NUMBER 112

TITLE AN ACT relating to early childhood education.

SPONSOR Representative Raymond

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ACTUARIAL ANALYSIS LOCAL MANDATE CORRECTIONS IMPACT HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: Support Education Excellence in Kentucky (SEEK)

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED _____

FISCAL ESTIMATES	2018-2019	2019-2020	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES			
EXPENDITURES		\$109,000,000	Indeterminable
NET EFFECT		(\$109,000,000)	Indeterminable

() indicates a decrease/negative

PURPOSE OF MEASURE: The purpose of the measure is to provide full-day funding for kindergarten students at the equivalent per-pupil rate of primary and secondary students.

FISCAL EXPLANATION: Currently, Kentucky law permits kindergarten programs to operate less than six hours a day. If enacted, this legislation would no longer permit reduced hours for kindergarten programs. Based on information provided by the Kentucky Department of Education (KDE) for school year 2016-17, 49,131 students were enrolled in public kindergarten programs. Full-day kindergarten was provided at 161 districts, five districts provided half-day kindergarten, and seven districts offered a mixture of half-day and full-day programs.

KRS 157.320 (7) requires each kindergarten pupil (regardless of whether those students are enrolled in half-day or full-day programs) to be counted at one-half the per-pupil base rate of primary and secondary students. This legislation would eliminate that provision so kindergarten students would be counted at the equivalent per-pupil rate of primary and secondary public school students.

For the estimated fiscal impact of this legislation, it was assumed that the current percentage of kindergarteners to all students in each district will remain unchanged in FY 2019-20. After applying the full per-pupil base funding amount of \$4,000 to all kindergarten students, SEEK expenditures would increase by approximately \$109 million in FY 2019-20, which includes \$12 million additional SEEK dollars for facility nickel equalization. All future costs will be determined by the per-pupil base funding levels set by the General Assembly.

It is unknown if those five school districts that currently offer half-day programs and the seven districts that offer a mixture of programs would need additional personnel to implement full-day kindergarten. This could increase the retirement contributions and insurance rates paid by the state on the local school district's behalf. However, those additional costs incurred by the Commonwealth would be minimal.

This fiscal impact statement does not address additional cost burdens that could affect local school districts.

DATA SOURCE(S): Kentucky Department of Education, LRC Staff

PREPARER: Seth Dawson NOTE NUMBER: 29 REVIEW: JAB DATE: 1/25/2019