

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2022 REGULAR SESSION**

MEASURE

2022 BR NUMBER 275

HOUSE BILL NUMBER 66

TITLE AN ACT relating to full-day kindergarten.

SPONSOR Representative James Tipton

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	2021-2022	2022-2023	2023-2024	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES				
EXPENDITURES		\$126,000,000	\$116,000,000	Indeterminable
NET EFFECT		\$(126,000,000)	\$(116,00,000)	(Indeterminable)

() indicates a decrease/negative

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

FISCAL EXPLANATION: Current law permits kindergarten programs to operate less than six hours a day, and KRS 157.320 (7) requires each kindergarten student (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. If enacted, this legislation would no longer permit reduced hours for kindergarten programs and kindergarten students would be counted at the full per-pupil base rate.

In House Bill 382 of the 2021 Regular Session, the General Assembly appropriated \$140 million in fiscal year 2021-2022 to support full-day kindergarten. Based on recent information provided by the Kentucky Department of Education (KDE), for school year 2021-2022, the cost for full-day kindergarten is approximately \$120 million. Pursuant to language in the enacted Budget Bill, any unexpended SEEK funds in fiscal year 2021-2022 would lapse to the Budget Reserve Trust Fund.

For the estimated cost in fiscal years 2023-2023 and 2023-2024, it was assumed that all kindergarten students included in the 2018-2019 Superintendents' Annual Attendance Report would be included in the SEEK attendance projections for each fiscal year. After applying the current per-pupil base funding amount of \$4,000 to the kindergarten students, full-day kindergarten expenditures would be approximately \$126 million in fiscal year 2022-2023 and \$116 million in fiscal year 2023-2024, which includes \$18.2 million and \$16.5 million in each year respectively for facilities nickel equalization.

All future costs will be determined by the per-pupil base funding levels set by the General Assembly.

DATA SOURCE(S): KDE, LRC Staff

PREPARER: Seth Dawson **NOTE NUMBER:** 1 **REVIEW:** JAB **DATE:** 1/5/2022