

FISCAL IMPACT STATEMENT ON BILL NO. **S.815 of the 2007-2008 Legislative Session**

(Doc. No. 11746ab07.doc)

Subject: Full Day Four-Year-Old Kindergarten

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BILL SUMMARY:

Senate Bill 815 of the 2007-2008 Legislative Session, as last amended, would continue the Child Development Four-Year-Old Education Program. During FY 2011-12, the program must be made available by approved providers to “At Risk” four-year-olds, with priority to those programs funded as part of the Child Development Education Pilot Program, and then to districts based on percentages of at-risk children, with first priority given to those students whose family income is at the lowest level.

EXPLANATION OF IMPACT:

There is a fiscal impact associated with numerous sections of the Bill. The level of funding for the program is at the General Assembly’s discretion. For fiscal impact purposes, it is assumed that the thirty-six (36) plaintiff districts would be served in FY 2011-2012. In these 36 districts, the total population of eligible children not served by other programs is 5,680. It is further assumed that 75% of these children, or 4,260, would participate in the Child Development Four-Year-Old Education Program.

It is assumed that the program would also serve the remaining forty-nine (49) non-plaintiff districts in subsequent fiscal years. In these 49 districts, the total population of eligible children not served by other programs is 25,557. It is further assumed that 50% of these children, or 12,779, would participate in the Child Development Four-Year-Old Education Program.

Section 59-35-330

Costs associated with conducting the evaluation is estimated at \$162,675. For FY 2010-11, EOC was appropriated \$296,678 for the evaluation program; however these funds were redirected to the Office of First Steps by proviso for use in the CDEPP program. For fiscal impact purposes it is assumed these funds will be available in the future for evaluation.

Section 59-35-440

This section requires the agencies involved to establish an ongoing public information campaign. On-going public information campaign costs are estimated at \$500,000 annually.

Section 59-35-360

Among other things, providers must maintain individual student records including assessment and health data. SDE estimates the cost of supporting a statewide on-line system at \$15 per child. DSS indicates the costs to providers for a license lasting two years is \$125 for each facility. There are 634 elementary schools in the state. The number of private providers that may participate is unknown but could be as many as 600. Therefore, total cost to providers for DSS licensing could be estimated at \$154,250.

Section 59-35-390

Providers must also have all instructional personnel participate in at least seven and one-half hours per semester or fifteen hours annually of professional development. The professional development cost is estimated at \$300 per instructor. The number of teachers in the 36 plaintiff districts is estimated at 426, and the number of teachers in the 49 non-plaintiff districts is estimated at 1,278. These numbers are based on an assumption of 20 students per classroom.

Section 59-35-320

The funding rate per child is \$4,378 for FY 2011-12 based on EFA inflation rates. This cost would continue to increase annually based on the EFA inflation factor. Transportation is funded at \$550 per student. Funding may be provided in the amount of \$2,500 for materials in existing classrooms. There are 241 existing classrooms in the 36 plaintiff districts. In the 48 non-plaintiff districts, 639 new classrooms would need to be constructed or identified.

Facilities

Enactment of this Bill creates the need for additional classroom space within the public education system. Construction costs for a new classroom are estimated to be \$250,000 while a portable costs \$75,000. According to SDE, there are 241 existing classrooms in the 36 plaintiff districts, which are enough classrooms to accommodate all the students in those districts. However, it will create the need to construct 639 new classrooms in the 49 non-plaintiff districts. Estimated one-time classroom set-up costs are estimated at \$10,000 per classroom. Facilities cost could be considered a state and/or a local school district expense.

Administration

SDE's administration cost is estimated at \$415,360 which includes salary and fringe benefits for six additional staff. First Steps administration costs are estimated at \$460,500 which includes salary and fringe benefits for five additional staff plus other operating expenses. The Department of Social Services indicates that this Bill would require additional General Funds of the State totaling \$434,440. The recurring costs of \$423,440 include eight FTEs and \$129,800 in other operating expenses and a one-time operating expense cost of \$6,000. There are approximately 460 programs in public schools that would be required to meet licensing criteria per DSS.

Recapitulation

Based on the assumptions noted above, the total estimated cost, excluding facilities, is \$23,752,030 for the 36 plaintiff districts and \$87,302,027 for statewide implementation. The cost for facilities could be funded at the General Assembly's discretion with non-recurring State funds, local district funds, or a combination of the two. Existing EIA CDDEP appropriations for SDE and First Steps totals \$19,487,950. **A summary of costs associated with this Bill is attached.**