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BILL ANALYSIS

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Senate Bills 324 and 325 (as introduced 3-17-05)
Sponsor: Senator Ron Jelinek
Committee: Education

Date Completed: 3-17-05

CONTENT

Senate Bill 324 would amend the Revised School Code to do the following:

-- Move up the date by which a child must be five years old, from December 1 to September 1 by the 2007-2008 school year, in order to attend kindergarten.
-- Allow the board of a school district or public school academy to adopt a policy allowing a child who was four years old by September 1 to attend kindergarten.

Senate Bill 325 would amend the State School Aid Act to include in a district's or public school academy's membership, for purposes of its foundation allowance, a child eligible to attend kindergarten according to the revised dates.

The bills are tie-barred.

Senate Bill 324

Under Section 1147 of the Revised School Code, if a school district provides kindergarten, a child who lives in the district may enroll in the kindergarten if he or she is at least five years old on December 1 of the school year of enrollment. Under the bill, a child could enroll in kindergarten if he or she turned five by the following date, as applicable:

-- November 1, 2005, for the 2005-2006 school year.
-- October 1, 2006, for the 2006-2007 school year.
-- September 1 of the school year of enrollment, for the 2007-2008 school year and each subsequent school year.

The bill would permit the board of a school district or the board of directors of a public school academy to adopt a policy that allowed a child who was at least four years old on September 1 to enroll in kindergarten upon request of the child's parent or legal guardian, if it were determined that the child demonstrated capabilities warranting the early enrollment. The policy would have to require that the determination of the child's capabilities be made by the school district superintendent or the public school academy chief administrator, or that person's designee.

The bill specifies that the ages prescribed in Section 1147 for a child's eligibility for enrollment in a school district also would apply to a child's eligibility to enroll in a public school academy.

Senate Bill 325

Under the State School Aid Act, to be counted in the membership of a school district, public school academy, university school, or intermediate district, a pupil must be at least five years old on December 1 of the school year. The bill would require a pupil to be at least five on November 1 for 2005-2006; October 1 for 2006-2007; or September 1 beginning in 2007-2008.

The bill also would require a pupil to be counted in membership if he or she were enrolling in kindergarten early under a local policy adopted under Section 1147 of the Revised School Code (allowing four-year-olds to enroll, as Senate Bill 324 would permit).

MCL 380.1147 (S.B. 324) Legislative Analyst: Suzanne Lowe
388.1606 (S.B. 325)

FISCAL IMPACT

State Impact: Current law allows a child who is five years old by December 1 of the current school year to enroll in kindergarten and be counted in membership, thus allowing the enrolling school district to receive a foundation allowance for these pupils.

Moving up the eligibility date for starting kindergarten would produce savings to the State. Implementing an earlier eligibility date would result in fewer five-year-olds being allowed to enroll in a particular school year, resulting in fewer foundation allowances having to be paid by the State. There are an estimated 120,000 pupils currently enrolled in kindergarten for the 2004-05 school year. Because FY 2005-06 data are not yet available, this analysis uses the statewide average foundation allowance for FY 2004-05 of an estimated $7,100 per pupil along with fall 2004 data received from the Center for Educational Performance and Information.

Fiscal Year	Grade K Start Date	Estimated Reduction in Number of Pupils Eligible to Start Grade K (at 75% of Avg. Foundation)	Estimated Reduction from All Previous Years (at 100% of Avg. Foundation)	Total Reduction in Pupils Eligible to Start Grade K	Estimated FY 2004-05 Weighted Average Foundation Allowance	Estimated State Savings Based on FY 2004-05 Data
2005-06	Nov. 1	7,432	N/A	7,432	$7,100	$39,575,400
2006-07	Oct. 1	8,594	7,432	16,026	$7,100	$98,530,250
2007-08	Sept. 1	9,116	16,026	25,142	$7,100	$162,327,300
2008-09 to 2017-18	Sept. 1	N/A	25,142	25,142	$7,100	$178,508,200
2018-19	Sept. 1	N/A	N/A	17,710	$7,100	$125,741,000
2019-2020	Sept. 1	N/A	N/A	9,116	$7,100	$64,723,600
2020-21 and each subsequent year	Sept. 1	N/A	N/A	0	$7,100	$0

The information in the above table illustrates the amount of saving that the State would realize if the start dates were moved up in the school year. In the first year that a new start date would be implemented, the saving would be only 75% of the foundation allowance because current law defines membership as the combination of 75% of the current-year September pupil count plus 25% of the previous-year February pupil count. Since pupils starting kindergarten were not enrolled on the previous-year February count day, the impact would be only the 75% of the foundation allowance for the first year in which the change would go into effect. In the second and subsequent years, the full impact of the loss of a foundation allowance would be realized by the district. Beginning in the 2008-09 school year and through the 2017-18 school year, the estimated cost saving to the State would be $178.5 million for each year due to the enrollment of fewer pupils in kindergarten than under current law. As the foundation allowance increases in future years, the saving to the State also would increase accordingly.

In the 2018-19 school year, the saving would drop to $125.7 million because the first wave of fewer pupils from the 2005-06 school year would have graduated. The saving would drop further to $64.7 million for the 2019-20 school year as the pupils from the 2006-07 school year would have graduated. Finally, beginning in the 2020-21 school year, the State would no longer realize any saving because all pupils who were affected when the changes were originally made would have graduated.

In addition, the bills would allow for pupils who turn age four by September 1 of the school year to enroll and be counted in membership. Knowing that there are currently an estimated 120,000 five-year-olds in kindergarten with the current eligibility date of December 1, it is estimated that there would be a maximum of 111,000 four-year-olds eligible in the first year due the eligibility date of September 1. In the second and subsequent years, there would be an estimated maximum of 120,000 four-year-olds eligible to begin kindergarten.

Given these assumptions, the State would have an additional cost of an average foundation allowance of $7,100 for each four-year-old who began kindergarten. Thus, the savings listed in the above table would be reduced by $7,100 for each four-year-old who enrolled in kindergarten.

Local Impact: The converse of the above table would hold true for local school districts and public school academies (PSAs). As fewer pupils became eligible to enroll in kindergarten, school districts and PSAs would lose the relevant portions of foundation allowance for each pupil as indicated in the above table. For each four-year-old who began kindergarten, the school district or PSA would receive an additional foundation allowance and thus reduce the loss due to the earlier kindergarten eligibility date by the corresponding amount.

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