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BILL ANALYSIS



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Senate Bill 324 (Substitute S-1 as reported)
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Sponsor: Senator Ron Jelinek
Committee: Education

CONTENT

Senate Bill 324 (S-1) would amend the Revised School Code to move up the date by which a child must be five years old, from December 1 to September 1, by the 2009-2010 school year, in order to attend kindergarten. The bill also would allow the board of a school district or public school academy to adopt a policy allowing a child who was at least four on September 1 and would be at least five on December 1 to attend kindergarten.

Under the 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 on December 1 of the school year of enrollment. Under the bill, a child could enroll if he or she turned five by November 1, 2007, for the 2007-2008 school year; by October 1, 2008, for the 2008-2009 school year; and by September 1 of the school year of enrollment, for each subsequent school year. Those ages also would apply to a child's eligibility to enroll in a public school academy (PSA).

The board of a school district or a PSA could adopt a policy that allowed a child to enroll early in kindergarten upon the request of the child's parent or legal guardian if the child demonstrated capabilities warranting early enrollment. The child would have to be at least four on September 1 and at least five on December 1 of the school year of enrollment. The policy would have to require the determination of a child's capabilities to be made by the school district superintendent or PSA administrator, or by his or her designee.

If a child were determined to be ineligible for early enrollment, the policy would have to allow the parent or legal guardian to appeal the decision to the school district's or academy's board within 14 calendar days after receiving the determination. Within 30 days after receiving the appeal, the board would have to decide either to affirm the determination or allow the child to enroll. The board's decision would not be subject to further appeal. The policy's timelines would have to ensure that all procedures, including an appeal, were concluded before the beginning of the school year.

Upon determining that a child was not eligible for early enrollment, a superintendent or administrator would have to provide information to the parent or legal guardian on preschool programs, including Head Start, that could be available for the child. The Department of Education would have to make that information available to school districts and public school academies.

Senate Bill 325 (S-1) 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 as provided under Senate Bill 324 (S-1). Senate Bill 325 (S-1) also states a legislative intent that any school aid money not spent as a result of the bill be allocated for school readiness programs under the Code.

The bills are tie-barred.

MCL 380.1147 (S.B. 324)
388.1606 (S.B. 325)

Legislative Analyst: Patrick Affholter

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. An estimated 120,000 pupils currently are enrolled in kindergarten for the 2004-05 school year. Because FY 2007-08 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 Previous All 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
2007-08	Nov. 1	7,432	N/A	7,432	\$7,100	\$39,575,400
2008-09	Oct. 1	8,594	7,432	16,026	\$7,100	\$98,530,250
2009-10	Sept. 1	9,116	16,026	25,142	\$7,100	\$162,327,300
2010-11 to 2019-20	Sept. 1	N/A	25,142	25,142	\$7,100	\$178,508,200
2020-21	Sept. 1	N/A	N/A	17,710	\$7,100	\$125,741,000
2021-2021	Sept. 1	N/A	N/A	9,116	\$7,100	\$64,723,600
2022-23 and each subsequent year	Sept. 1	N/A	N/A	0	\$7,100	\$0

The above table illustrates the amount that the State would save 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 a district. Beginning in the 2010-11 school year and through the 2019-20 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 2020-21 school year, the saving would drop to \$125.7 million because the first wave of fewer pupils from the 2007-08 school year would have graduated. The saving would drop further to \$64.7 million for the 2021-22 school year as the pupils from the 2008-09 school

year would have graduated. Finally, beginning in the 2022-23 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 pupils who turned five between September 1 and December of the affected school year to enroll and be counted in membership under certain circumstances. The number of eligible children would directly coincide with and amount to the exact reduction in pupils due to the earlier eligibility dates as outlined in the previous table.

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. 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.

Date Completed: 4-25-05

Fiscal Analyst: Joe Carrasco

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.