

### Fiscal Estimate - 2023 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>23-4379/1</b>	<b>Introduction Number</b> <b>SB-0508</b>
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**Description**  
 counting pupils enrolled in four-year-old kindergarten for purposes of state aid and revenue limits

**Fiscal Effect**

**State:**

- No State Fiscal Effect
- Indeterminate
  - Increase Existing Appropriations
  - Decrease Existing Appropriations
  - Create New Appropriations
- Increase Existing Revenues
- Decrease Existing Revenues
- Increase Costs - May be possible to absorb within agency's budget
  - Yes       No
- Decrease Costs

**Local:**

- No Local Government Costs
- Indeterminate
  - 1.  Increase Costs       Permissive     Mandatory
  - 2.  Decrease Costs       Permissive     Mandatory
  - 3.  Increase Revenue       Permissive     Mandatory
  - 4.  Decrease Revenue       Permissive     Mandatory
- 5. Types of Local Government Units Affected
  - Towns       Village       Cities
  - Counties       Others
  - School Districts       WTCS Districts

**Fund Sources Affected**      **Affected Ch. 20 Appropriations**

GPR     FED     PRO     PRS     SEG     SEGS

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
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## Fiscal Estimate Narratives

DPI 11/7/2023

LRB Number	23-4379/1	Introduction Number	SB-0508	Estimate Type	Original
<b>Description</b> counting pupils enrolled in four-year-old kindergarten for purposes of state aid and revenue limits					

### Assumptions Used in Arriving at Fiscal Estimate

This bill changes how a pupil enrolled in a four-year-old kindergarten (4k) is counted by a school district for purposes of state general aid and revenue limits. Under current law, a pupil enrolled in a 4k program is counted as either a 0.50 or a 0.60 full time equivalent (FTE) pupil, depending on whether the program provides at least 87.5 additional hours of outreach activities.

Under the bill, beginning with state aid paid in the 2024-25 school year and revenue limits calculated for the 2024-25 school year, if the 4k program requires full-day attendance by pupils for five days a week, a pupil enrolled in the program is counted as one pupil.

The primary impact of the bill is to increase a school district's membership for state general aid and revenue limits for pupils enrolled in a full-day 4k program. Initially, the impact of the bill would be seen in a school district's revenue limit calculation, reflecting the increased FTE (from .50/.60 to 1.0) for full-day 4k pupils. However, because the revenue limit membership is a 3-year rolling average (current and two prior school years), the full impact of the change would be reflected in the third year in which the change is effective. Because state general aid uses prior year data for membership, the impact of the bill on a district's state general aid would begin in the year following implementation.

When a school district's revenue limit membership increases, generally (all other things being equal) the impact is to increase the district's authority to raise controlled revenue (state general aid plus tax levy). However, other factors in the revenue limit formula will affect a school district's revenue authority and may confound the effect of increased membership on the district's resulting revenue limit authority (e.g., a smaller declining enrollment exemption).

DPI does not have data on the number of 4k pupils enrolled in programs that would qualify as a full-day program and therefore cannot accurately project the impact of the bill on districts' revenue limit membership. Additionally, the impacts will vary among districts, depending on the size of 4k classes and whether the district is experiencing declining, steady, or growing enrollment.

The impact of the bill on a district's membership for state general aid would depend on school districts' other factors (total membership, shared costs, and property values). The bill does not appropriate additional amounts for state general aid, so the total funding would remain the same, but there would likely be some redistribution of state general aid (compared to current law).

### Long-Range Fiscal Implications