

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2014 – SB 2228

March 19, 2009

SUMMARY OF BILL: Requires that children starting pre-kindergarten (Pre-K) be four years old on September 1st the year they begin Pre-K and five years old by September 1st in the year they enter kindergarten. Current law requires that children be four and five by September 30 of the year they begin each program respectively. Provisions of the bill will apply to students entering these programs in the 2010-11 school year.

ESTIMATED FISCAL IMPACT:

Decrease State Expenditures - \$23,343,400/One-Time/FY10-11

Decrease Local Expenditures - \$12,254,000/One-Time/FY10-11

Assumptions:

- In the 2010-11 school year, there will be a one-time reduction in the number of children enrolling in kindergarten. Children with birthdays in September will enroll the next year.
- The BEP is based on prior year enrollment. The state and LEAs will have a one-time decrease in expenditures in the 2010-11 school year. The funds generated by the BEP take a year to match the prior year's attendance.
- Approximately 75,722 children entered kindergarten in 2007-2008. One-twelfth of 75,722 or 6,310 would be affected.
- The average state BEP per pupil expenditure for 2007-2008 was approximately \$3,698 and the average local match was approximately \$1,942.
- Total one-time decrease in state expenditures in FY10-11 will be approximately \$23,343,380 (6,310 x \$3,698).
- Total one-time decrease in local expenditures in FY10-11 will be approximately \$12,254,020 (6,310 x \$1,942).
- Pre-K costs are not funded through the BEP formula. Pre-K costs will remain constant because the waiting list for Pre-K attendance is greater than the decrease in students in the first year. The bill will result in

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approximately 1,450 fewer children eligible for Pre-K in 2010-11. The waiting list currently exceeds 2,000 children.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "James W. White". The signature is written in a cursive style with a large initial "J" and "W".

James W. White, Executive Director

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