

Revised on 2/22/10 based upon amendments adopted through 2/19/10.

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *</b>				
	<b>FY 2010-11</b>		<b>FY 2011-12</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 1006 changes provisions relating to kindergarten entrance. Current law provides that a child may not enter kindergarten unless the child has reached age five on or before October 15<sup>th</sup> of the current year. A child may also be admitted if the child reaches age five between October 16<sup>th</sup> and February 1<sup>st</sup> and presents evidence that: the child attended kindergarten elsewhere in the current school year; the family anticipates relocation to a jurisdiction that will allow admission in the current year; or, the child has demonstrated through assessment procedures approved by the school board that they are capable of handling kindergarten.

The bill changes the entrance requirements beginning in 2012-13 to provide that a child must reach age five before July 31<sup>st</sup> of the preceding school year to be admitted. So, there is 2.5 month difference in the required age of attendance. The second condition for entrance is changed to allow entrance for children reaching age five on or after August 1<sup>st</sup> and on or before October 15<sup>th</sup> of the current school year under the same circumstances as are allowed in current law. The bill makes it mandatory for each school board to approve and make available a recognized assessment procedure to determine readiness for kindergarten.

Model Assessments: Information is not available as to how many school districts in the state are currently using assessment procedures to determine a child's readiness for school and what procedures are being utilized. NDE indicates there are only 41 children in kindergarten in the state in 2009-10 who turned five between October 16<sup>th</sup> and February 1<sup>st</sup>, so it appears very few school districts are using assessments to allow early entrance. Since the bill requires each school district to approve and make available an assessment by January 1, 2012, there may be increased expenditures for the majority of school districts to approve recognized assessment procedures. Schools may also incur increased costs to administer such assessments. The fiscal impact for school districts will vary depending upon what the current practice is with regard to early entrance and the procedures that are adopted pursuant to the bill.

State Aid: The change in the kindergarten entrance age will also impact the amount of state aid received by school districts. NDE indicates there were 3,335 children in kindergarten that turned five between August 1<sup>st</sup> and October 15<sup>th</sup> in 2009-10. Based on this information, in the initial year, 2012-13, of the new entrance age requirements there will probably be about 3,300 fewer children in kindergarten and a like increase in preschool-age children. The needs computation in the state aid formula is based in part on the number of children in a school district in the prior year. The computation also includes children who are age four in approved early childhood programs in the prior year.

So, if districts expand approved preschool programs to serve additional children in 2012-13, then the needs calculation will reflect an increased number of preschoolers and a decreased number of school age children. The actual impact on state aid for individual school districts in 2013-14 cannot be determined. Aid changes for a particular district depend upon the comparison group of the school district and how other components of the formula such as the averaging adjustment and stabilization impact the aid calculation.