

FISCAL NOTE

Requested by Legislative Council
01/26/2005

Bill/Resolution No.: HB 1234

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$3,700,000	\$0	\$7,400,000	\$0
Appropriations	\$0	\$0	\$3,700,000	\$0	\$7,400,000	\$0

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$3,700,000	\$0	\$0	\$7,400,000

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This bill expands the per student weighting factors to allow state aid for full day kingergarten (KG). The current per pupil payments for KG is based on half day programs with no additional funding for longer days.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Total Expenditures for KG programs were \$30 million in 2003-04 of which \$12 million were identified as direct classroom expenditures. If all school districts went to full day KG, we would expect classroom costs to double increasing costs by another \$12 million annually.

Using a weighting factor of 1.1095 for full day KG and estimating that 50% of all KG students would attend full day programs, weighted pupil units would increase 1,311 each year. Estimating the base per student payment at \$2,775, the annual cost in state aid payments would be \$3.7 million annually (1,311 wpu x \$2,775) or \$7.4 million for the biennium.

For the purposes of this note, we estimate that 25% of all KG students would attend full day programs in the first biennium and that 50% would attend full day KG in the following biennium.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget.*

Indicate the relationship between the amounts shown for expenditures and appropriations.

The appropriations line for per student aid and transportation payments would require an additional \$3.7 million for the current biennium to fund the change in factors under this bill.

Name: Jerry Coleman
Phone Number: 328-4051

Agency: Public Instruction
Date Prepared: 01/26/2005