



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 315 (Substitute S-6 as passed by the Senate)
Senate Bill 316 (Substitute S-4 as passed by the Senate)
Sponsor: Senator Darwin L. Booher
Committee: Education

Date Completed: 5-9-12

CONTENT

Senate Bill 315 (S-6) would amend Section 1147 of the Revised School Code to require a child to be at least five years old as of November 1, rather than December 1, in order to enroll in kindergarten in the 2013-2014 school year. Subsequently, in the 2014-2015 school year, a child would have to be at least five years old as of October 1, and, beginning with the 2015-2016 school year, a child would have to be at least five years old as of September 1 in order to enroll in kindergarten. However, the bill would allow parents or legal guardians to enroll their child in kindergarten if the child did not meet the age eligibility specified above, but would turn age five by December 1 of the school year.

If a parent chose to enroll his or her child who did not meet the earlier eligibility date, but who would turn five by December 1, the parent would have to notify the district in writing not later than June 1 if the child were a resident of the district, or not later than August 1, if the child became a resident after June 1. The school district receiving the notification could make a recommendation that the child was not ready for kindergarten, but the parent or legal guardian would retain sole discretion in determining whether to enroll the child in kindergarten.

The bill would require districts to report the numbers of children enrolling in kindergarten, who enrolled using the parental notification exception to the age eligibility requirements. The report would be required by December 31 of each school year.

The bill specifies that the ages prescribed in Section 1147 for a child's eligibility for enrollment in a school district also would apply to a child's eligibility to enroll in a public school academy.

Currently, in a school district that has semiannual promotions, a child may enroll in kindergarten for the second semester if he or she is at least five years old on March 1 of the year of enrollment. The bill would delete that provision.

Senate Bill 316 (S-4) would amend the State School Aid Act to require that a pupil meet the minimum age requirement to attend school under Section 1147 of the Revised School Code in order to be counted in membership for the purpose of calculating school aid.

The bills are tie-barred to each other.

MCL 380.1147 (S.B. 315)
388.1606 (S.B. 316)

FISCAL IMPACT

Current law allows a child to enter kindergarten if age 5 on or before December 1 of the school year. Moving this date up by one month each of the next three years (to November 1 in 2013-2014, to October 1 in 2014-2015, and to September 1 beginning in 2015-2016) would mean prohibiting children born after September 1 but on or before December 1 from enrolling in kindergarten, subject to the phase-in schedule proposed by Senate Bill 315 (S-6). For 2013-2014, this would mean prohibiting children born between November 2, 2008, and December 1, 2008, from enrolling in the 2013-2014 school year, to the extent parents did not choose to use the allowable exception, and for that year, the kindergarten class would be smaller than a typical-size class, again, to the extent that parents did not choose the option to enroll their children in kindergarten even if they did not meet the age eligibility. The next two kindergarten cohorts (in 2014-2015 and 2015-2016) also would be smaller than a typical class, due to the continued phase-in of an earlier kindergarten eligibility age, although parents would continue to be allowed to enroll their children in kindergarten under the allowable exception (with notification to the district).

A change in the kindergarten start date would result in lower State costs in FY 2013-14 equal to the reduction in kindergarten enrollees, multiplied by districts' per-pupil foundation allowance. State savings that could occur in 2013-2014 would result from eliminating those children born between November 2 and December 1 of 2008, whose parents did not use the allowable exception, from enrollment in kindergarten in 2013. It is estimated that the maximum number is approximately 7,000 children who, without parental notification to the district, would not be allowed to enter kindergarten in the 2013-2014 school year, and would have to wait until 2014-2015. Multiplying 7,000 pupils by an average foundation allowance of \$7,200 yields maximum State savings of \$50.0 million in FY 2013-14, but if all parents used the allowable exception, then State savings would be \$0. If 50% of parents used the exception, estimated State savings would be \$25.0 million.

This smaller-than-average kindergarten class would persist in school years 2014-2015 (as children born between October 2 and November 1 would be prohibited from enrolling, absent parental use of the allowable exception) and in 2015-2016 (as children born between September 2 and October 1 would be prohibited from enrolling). Each yearly one-month phase-in would reduce the otherwise likely population of kindergarteners by 1/12th. Therefore, continuing the phase-in, the impact likely would be up to another 7,000 to 7,500 children not able to enroll in 2014-2015 due to their birthdays falling between October 2 and November 1 of 2009, and again, one year later, another 7,000 or so children with birthdays between September 2 and October 1 of 2010 who would have to wait until 2015-2016 to enroll in kindergarten.

Therefore, the first-year State savings impact would again occur in the second and third years, along with further savings, to the extent parents did not use the allowable exception. Estimated State savings by the third year would range between \$0 (if all parents chose to notify districts and enroll their children turning age five by December 1) and \$150.0 million (if no parents chose the allowable exception).

It should also be noted that any savings occurring because of a smaller pool of children entering kindergarten would continue as that smaller cohort moved through the K-12 system. In other words, the reduction in the size of a kindergarten class would turn into a smaller-than-normal first grade class, second grade class, and so on. Table 1 shows the estimated impact of the kindergarten phase-in as the smaller cohorts moved from kindergarten through the 12th grade.

Turning to the impact on local schools, a reduction in the number of children eligible to enroll in kindergarten would mean a reduction in revenue. Whatever amount the State were to save would be the amount lost by school districts. Again, this would be a loss in

revenue that would track the smaller cohorts as they moved from kindergarten all the way through grade 12. Districts would have an additional fiscal challenge in trying to align staff with the change in cohort sizes. In other words, the kindergarten class would be smaller than normal for three consecutive years, then increase back to "normal" size the fourth year, but three subsequent grade 1 classes would be smaller as the smaller kindergarten classes moved up, and so on.

Table 1
Tracking Smaller Kindergarten Cohorts through K-12 System,
Phase-In of Change in Kindergarten Date

Pupil Population	FY 2012-13 Dec. 1 Cutoff	FY 2013-14 Nov. 1 Cutoff	FY 2014-15 Oct. 1 Cutoff	FY 2015-16 Sept. 1 Cutoff	FY 2016-17 Sept. 1 Cutoff	FY 2017-18 Sept. 1 Cutoff
Kindergarten	120,000	113,000	113,000	113,000	120,000	120,000
Grade 1	120,000	120,000	113,000	113,000	113,000	120,000
Grade 2	120,000	120,000	120,000	113,000	113,000	113,000
Grade 3	120,000	120,000	120,000	120,000	113,000	113,000
Grade 4	120,000	120,000	120,000	120,000	120,000	113,000
Grade 5	120,000	120,000	120,000	120,000	120,000	120,000
Grade 6	120,000	120,000	120,000	120,000	120,000	120,000
Grade 7	120,000	120,000	120,000	120,000	120,000	120,000
Grade 8	120,000	120,000	120,000	120,000	120,000	120,000
Grade 9	120,000	120,000	120,000	120,000	120,000	120,000
Grade 10	120,000	120,000	120,000	120,000	120,000	120,000
Grade 11	120,000	120,000	120,000	120,000	120,000	120,000
Grade 12	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>
Total K-12 Pupils	1,560,000	1,553,000	1,546,000	1,539,000	1,539,000	1,539,000
Maximum Change in Pupils		(7,000)	(14,000)	(21,000)	(21,000)	(21,000)
Est. State Savings from Phase-In4)		Between \$0 and (\$50,400,000)	Between \$0 and (\$100,800,000)	Between \$0 and (\$151,200,000)	Between \$0 and (\$151,200,000)	Between \$0 and (\$151,200,000)

Pupil Population	FY 2018-19 Sept. 1 Cutoff	FY 2019-20 Sept. 1 Cutoff	FY 2020-21 Sept. 1 Cutoff	FY 2021-22 Sept. 1 Cutoff	FY 2022-23 Sept. 1 Cutoff	FY 2023-24 Sept. 1 Cutoff
Kindergarten	120,000	120,000	120,000	120,000	120,000	120,000
Grade 1	120,000	120,000	120,000	120,000	120,000	120,000
Grade 2	120,000	120,000	120,000	120,000	120,000	120,000
Grade 3	113,000	120,000	120,000	120,000	120,000	120,000
Grade 4	113,000	113,000	120,000	120,000	120,000	120,000
Grade 4	113,000	113,000	113,000	120,000	120,000	120,000
Grade 6	120,000	113,000	113,000	113,000	120,000	120,000
Grade 7	120,000	120,000	113,000	113,000	113,000	120,000
Grade 8	120,000	120,000	120,000	113,000	113,000	113,000
Grade 9	120,000	120,000	120,000	120,000	113,000	113,000
Grade 10	120,000	120,000	120,000	120,000	120,000	113,000
Grade 11	120,000	120,000	120,000	120,000	120,000	120,000
Grade 12	120,000	120,000	120,000	120,000	120,000	120,000
Total K-12 Pupils	1,539,000	1,539,000	1,539,000	1,539,000	1,539,000	1,539,000
Maximum Change in Pupils	(21,000)	(21,000)	(21,000)	(21,000)	(21,000)	(21,000)
Est. State Savings from Phase-In4)	Between \$0 and (\$151,200,000)	Between \$0 and (\$151,200,000)	Between \$0 and (\$151,200,000)	Between \$0 and (\$151,200,000)	Between \$0 and (\$151,200,000)	Between \$0 and (\$151,200,000)

Pupil Population	FY 2024-25 Sept. 1 Cutoff	FY 2025-26 Sept. 1 Cutoff	FY 2026-27 Sept. 1 Cutoff	FY 2027-28 Sept. 1 Cutoff	FY 2028-29 Sept. 1 Cutoff
Kindergarten	120,000	120,000	120,000	120,000	120,000
Grade 1	120,000	120,000	120,000	120,000	120,000
Grade 2	120,000	120,000	120,000	120,000	120,000
Grade 3	120,000	120,000	120,000	120,000	120,000
Grade 4	120,000	120,000	120,000	120,000	120,000
Grade 4	120,000	120,000	120,000	120,000	120,000
Grade 6	120,000	120,000	120,000	120,000	120,000
Grade 7	120,000	120,000	120,000	120,000	120,000
Grade 8	120,000	120,000	120,000	120,000	120,000
Grade 9	113,000	120,000	120,000	120,000	120,000
Grade 10	113,000	113,000	120,000	120,000	120,000
Grade 11	113,000	113,000	113,000	120,000	120,000
Grade 12	120,000	113,000	113,000	113,000	120,000
Total K-12 Pupils	1,539,000	1,539,000	1,546,000	1,553,000	1,560,000
Maximum Change in Pupils	(21,000)	(21,000)	(14,000)	(7,000)	0
Est. State Savings from Phase-In4)	Between \$0 and (\$151,200,000)	Between \$0 and (\$151,200,000)	Between \$0 and (\$100,800,000)	Between \$0 and (\$50,400,000)	\$0

Notes:

- 1) Assumes average foundation allowance of \$7,200 per pupil, and no change in foundation allowance.
- 2) Assumes equal 7,000 student drop for each month that the kindergarten age eligibility is phased in.
- 3) Assumes hypothetical, stable K-12 population to isolate the change in kindergarten enrollments.
- 4) Represents range of State savings possible if no parents chose to enroll their children who would not meet the new age eligibility, but would be age five by December 1, or if all parents chose to enroll and use the allowable exceptions.

Fiscal Analyst: Kathryn Summers

S1112\315sc.

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.