



DEPARTMENT OF AUDITS AND ACCOUNTS

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December 11, 2019

Honorable Gregg Kennard
State Representative
507-C Coverdell Legislative Office Bldg.
Atlanta, Georgia 30334

SUBJECT: Fiscal Note
House Bill (LC 49 0009)

Dear Representative Kennard:

This bill would lower the age of compulsory school attendance and provide for mandatory kindergarten. Specifically, the age of compulsory attendance in public schools would be lowered from six years old to five years old, a full-day kindergarten program would be offered by the state to all eligible children, and all children will be required to attend kindergarten before enrolling in first grade. In addition, mandatory attendance in the Georgia Pre-Kindergarten (Pre-K) Program would be required for every child aged four by September 1.

The bill would result in additional costs to the Georgia Department of Education (GaDOE) and the Georgia Department of Early Care and Learning (DECAL).

Costs to the Georgia Department of Education

There are a variety of methods to estimate the number of additional public school students that would result from the bill, resulting in a range of potential costs. We estimated annual costs of between \$8.9 million and \$27.8 million in additional Quality Basic Education (QBE) formula funding. One-time funding for additional classroom space is estimated at \$3.3 million to \$10.4 million.

- *Additional QBE Funding* – Georgia children who are age five on September 1 are currently eligible, but not required, to enroll in kindergarten. There is no source for the number of eligible children who do not enroll.

We used two methods to estimate the number of additional children likely to enroll in public schools:

1. *Increase in enrollment between kindergarten and first grade (Low Scenario)* – Over the last three school years, first grade enrollment in the public school system has averaged 1,386 higher than the previous school year’s kindergarten enrollment. This scenario assumes that the increase is associated with students who did not attend kindergarten.
2. *Difference between U.S. Census data and reported enrollment (High Scenario)* – The U.S. Census Bureau estimated 133,485 five-year-olds in Georgia in 2018. In the 2018-19 school year, kindergarten enrollment in public schools and private schools totaled 129,163. The difference of 4,322 is the estimated number of five-year-olds not enrolled in kindergarten.

Exhibit 1 shows the estimated costs under both the low and high scenarios. Consistent with Georgia Department of Education data, both cases assume 20% of students will be in the Kindergarten Early Invention Program, which requires higher QBE funding.

Exhibit 1

Additional QBE Funding for Kindergarten Students, LC 33 7668

Grade Level	Number of Students	FTE Costs (Including Training and Experience) ¹	Total Estimated Cost
Low Scenario			
Kindergarten	1,111	\$6,064	\$6,737,104
Kindergarten EIP	<u>275</u>	\$7,867	<u>\$2,163,425</u>
TOTAL	1,386		\$8,900,529
High Scenario			
Kindergarten	3,465	\$6,064	\$21,011,760
Kindergarten EIP	<u>857</u>	\$7,867	<u>\$6,742,019</u>
TOTAL	4,322		\$27,753,779

¹ The Full Time Equivalent costs are GaDOE estimates for FY2021.

GaDOE also anticipates an increase in funds over time, due to population growth and any changes to the QBE formula. DOE projects FTE growth of approximately 1% in the QBE formula annually. Any changes to the QBE formula would also have a material impact.

- *Additional Capital Costs* – The increased enrollment would require constructing between 55 and 173 additional classrooms, assuming 25 students per classroom. At \$60,000 for a 750 square foot classroom, the one-time costs would be \$3.3 million to \$10.4 million (**Exhibit 2**).

Exhibit 2

Additional Capital Funding for Kindergarten Classrooms, LC 33 7668

Grade Level	Number of New Classrooms	Cost Per Classroom	Total Estimated Cost
Low Scenario	55	\$60,000	\$3,300,000
High Scenario	173	\$60,000	\$10,380,000

Costs to the Georgia Department of Early Care and Learning

This bill would require DECAL to fund approximately 2,500 additional Pre-K classrooms, something that agency stated would require five years to implement. As shown in **Exhibit 3**, the additional cost to the state would be approximately \$246 million by year five. Approximately \$4 million of each year's total would be one-time startup funds for new classrooms.

Exhibit 3**DECAL's Yearly Estimated Costs to Expand Georgia's Pre-K Program**

	Year 1	Year 2	Year 3	Year 4	Year 5
Additional Classes	503	1,006	1,509	2,012	2,515
Students Served	10,563	21,126	31,689	42,252	52,815
Classroom Funding	\$46,605,465	\$93,210,930	\$139,816,395	\$186,421,860	\$233,027,325
Administration	\$1,573,835	\$3,147,669	\$4,721,504	\$6,295,339	\$7,869,173
Classroom Support	\$160,380	\$320,760	\$481,140	\$641,520	\$801,900
<i>Subtotal (Annual Costs)</i>	<i>\$48,339,680</i>	<i>\$96,679,360</i>	<i>\$145,019,040</i>	<i>\$193,358,720</i>	<i>\$241,698,400</i>
New Classroom Start-up Costs (One-Time Costs) ¹	\$4,024,000	\$4,024,000	\$4,024,000	\$4,024,000	\$4,024,000
Total Funding	\$52,363,680	\$100,703,359	\$149,043,039	\$197,382,719	\$245,722,398

¹ Start-up costs for new classrooms would total approximately \$20.1 million for all five years.

- *Annual Costs:* To accommodate U.S. Census projections of 134,000 four-year-olds in Georgia for the 2020-2021 school year, DECAL would need to fund an additional 2,514 classes to maintain its average of 21 children per classroom (503 additional classes per year for five years). The average cost per class is \$92,655. DECAL would also require additional classroom support funds for items such as transportation and classroom assessments and would require additional funding for administration and monitoring.
- *One-Time Costs:* DECAL provides an \$8,000 start-up payment for each new classroom. The funds are used by operators to purchase required Pre-K curriculums, as well as equipment, supplies, and materials needed to operate a Pre-K classroom.

Sincerely,



Greg S. Griffin
State Auditor



Kelly Farr, Director
Office of Planning and Budget

GSG/KF/jd