

**NORTH CAROLINA GENERAL ASSEMBLY**

**LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** HB 957 (1<sup>st</sup> Edition)

**SHORT TITLE:** Change Age for Entry Into Public Schools

**SPONSOR(S):** Rep. Arnold

<b>FISCAL IMPACT</b>					
	<b>Yes (X)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
	<b><u>FY 2001-02</u></b>	<b><u>FY 2002-03</u></b>	<b><u>FY 2003-04</u></b>	<b><u>FY 2004-05</u></b>	<b><u>FY 2005-06</u></b>
<b>REVENUES</b>					
<b>EXPENDITURES</b>	(\$116,751,000)	(\$2,500,000)	(\$5,594,000)	(\$2,986,000)	(\$5,592,000)
<b>POSITIONS:</b>	(1,717)	(37)	(79)	(41)	(76)
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> Department of Public Instruction, Local Education Agencies					
<b>EFFECTIVE DATE:</b> July 1, 2001					

**BILL SUMMARY:** Amends GS 115C-364 to permit entry of child into public schools if child reached the age of 5 on or before July 1 of that year (was, Oct. 16), or if child did not reach age of 5 by July 1 but has been attending school during that school year in another state in accordance with the laws of that state before moving to North Carolina.

Source: Bill Digest, April 3, 2001

**ASSUMPTIONS AND METHODOLOGY:**

1. There will be a one-time reduction in the number of children eligible to enter kindergarten for the 2001-02 school year.
2. Since enrollment in kindergarten is projected to increase over the next five years due to increases in the number of births, there will be a slowing of the increase in school enrollment with this statutory delay.
3. The reduced costs are based on the projected public school enrollment for 2001-02 that is included in the Governor's proposed continuation budget.
4. Reductions in categories are based on the formulae used to calculate budget increases and decreases by the Department of Public Instruction.

5. Only the major allotments affected were calculated in making these estimates. If HB 957 is enacted, Fiscal Research and DPI will need to recalculate the base budget using the new enrollments, and the savings could be somewhat higher.
6. Personnel costs are inflated by 2% annually; non-personnel costs are inflated by the estimated Consumer Price Index.
7. Some of these children are in childcare and receiving childcare subsidies. The bill will cause a one-time increase in the number of children eligible for day care. Because childcare subsidies are capped (i.e., funded at specific dollar amounts), there is no immediate impact on General Fund costs. However, increases in the day care waiting list may occur, with subsequent pressure on the General Assembly to provide additional funding.

**TECHNICAL CONSIDERATIONS:**

1. The major cost reduction in 2001-02 is a one-time reduction in the number of kindergarten teachers allotted to the local education agencies (LEA's). There would be 1,488 fewer kindergarten teachers allotted for 2001-02 than in the current year. However, for the following year an additional 1,604 teachers would be required. The difficulty of eliminating 1,488 teaching positions, only to try to add them back after one year creates significant personnel difficulties for the LEA's.
2. There would be a total of 1,717 positions reduced from the proposed continuation budget for the 2001-02 fiscal year. While the majority of these are teachers, other positions such as instructional support personnel and assistant principals would be reduced as well, with similar difficulties as cited in number one above.
3. It would be difficult to implement this new eligibility requirement for FY 2001-02. Local school administrative units are currently employing teachers for FY 2001-02, and students eligible for entry into kindergarten next year are being assigned to schools.

**FISCAL RESEARCH DIVISION 733-4910**

**PREPARED BY:** Jim Newlin

**APPROVED BY:** James D. Johnson

**DATE:** April 17, 2001



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