



126th MAINE LEGISLATURE

LD 1530

LR 171(02)

An Act To Establish a Process for the Implementation of Universal Voluntary Prekindergarten Education

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Education and Cultural Affairs

Fiscal Note Required: Yes

Fiscal Note

	FY 2013-14	FY 2014-15	Projections FY 2015-16	Projections FY 2016-17
Net Cost (Savings)				
General Fund	\$0	\$69,877	\$69,667	\$320,576
Appropriations/Allocations				
General Fund	\$0	\$69,877	\$69,667	\$320,576

Fiscal Detail and Notes

This bill includes a General Fund appropriation of \$69,877 to the PK-20, Adult Education and Federal Programs Team program within the Department of Education for 80% of the cost of one Early Childhood Coordinator position and related all other beginning in fiscal year 2014-15. The requirement that a uniform common statewide assessment program be established for kindergarten which must be used by all local school administrative units (SAU's) beginning with the 2016-2017 school year will result in a one-time General Fund cost to the Department of Education of approximately \$248,000 in fiscal year 2016-17 for professional development for teachers, principals and central office representatives, including the cost for teacher stipends, travel reimbursement and other related expenses. According to the Department of Education, it is part of a multistate consortium that will be working on developing a kindergarten assessment over the next 3 and a half years as part of a federal grant. This fiscal note assumes that the assessment tool will be provided to SAU's at no cost and will be administered to students during normal school hours.

This legislation requires SAU's to operate or otherwise provide for the availability of a public preschool program if adequate funding is provided from State, federal and/or private funding sources, including slot machine and table game revenue from the Oxford Casino distributed to SAU's by the Department of Education pursuant to current law. This legislation also provides that SAU's are not required to expend any local revenues to implement and operate a public preschool program.

Public Law 2013, Chapter 368, Part C, section 5 required funds from casino slot machines and casino table games distributed by the Department of Education pursuant to Title 8, section 1036, subsection 2-A, paragraph A or Title 8, section 1036, subsection 2-B, paragraph A to SAU's as general purpose aid for local schools with each SAU making its own determination as to how to allocate the funds. This legislation diverts those funds by requiring that, beginning in fiscal year 2015-16, slot machine and table games revenue from the Oxford Casino be used to fund an approved plan for the development or expansion of a public preschool program. Current estimates of slot machine and table game revenue to be distributed to SAU's for K-12 public education for fiscal year 2015-16 and fiscal year 2016-17 are projected to be \$19.3 million and \$19.5 million respectively.

The total cost for SAU's to provide a public preschool program will depend on the number of students that participate in the program each year. Had this requirement been in place during the 2013-2014 school year the cost to the State associated with funding 100% of the total cost of the public preschool program is estimated to have been between \$42.3 million and \$102.2 million depending on the number of 4 year olds enrolled. After adjusting for state funding currently being provided to those SAU's that are offering public preschool programs in the 2013-2014 school year, the additional cost to the State would have been between \$26.1 million and \$85.9 million. These estimates are based on the following:

10/1/2013 Kindergarten Count	13,365
10/1/2013 4 year olds plus Pre-K 5 year olds Counts	4,887
Estimated additional public preschool program students	<u>8,478</u>

FY14 State Elem EPS Rate	\$ 6,415
FY14 State Elem EPS Rate @ 10% for PreK-2 Targeted Funds	\$ 642
Total estimate per student	<u>\$ 7,057</u>

Total FY 14 cost - additional public preschool students	\$ 59,825,007
Total FY 14 cost -existing public preschool students	\$ 34,485,116
Estimated FY 2014 cost for public preschool program	<u>\$ 94,310,123</u>

Classroom cost	63 classrooms @ \$125,000	\$ 7,875,000
----------------	---------------------------	--------------

Assume 100% eligible student participation:

Estimated FY 2014 cost for public preschool program	\$ 94,310,123
Classroom cost	<u>\$ 7,875,000</u>

Cost to fund 100% of public preschool program	\$ 102,185,123
less: FY 14 Estimated state funding provided for pre-k programs	<u>\$ 16,308,011</u>

Estimated additional state funding needed (100% student participation)	<u>\$ 85,877,111</u>
--	-----------------------------

Assume only currently participating students continue to participate:

Estimated FY 2014 cost for public preschool program	\$ 34,485,116
Classroom cost	<u>\$ 7,875,000</u>

Total cost	\$ 42,360,116
------------	---------------

Cost to fund 100% of public preschool program	\$ 42,360,116
less: FY 14 Estimated state funding provided for pre-k programs	<u>\$ 16,308,011</u>
Estimated additional state funding needed (no new student participation)	<u>\$ 26,052,104</u>

Additional costs to the Department of Education associated with gathering the required feedback and submitting the required report can be absorbed within existing budgeted resources.