

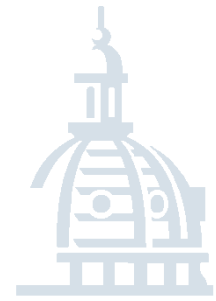


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# Fiscal Note

*Fiscal Services Division*



**HF 592** – Preschool Starting Age (LSB2095HV)

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Fiscal Note Version – New

## **Description**

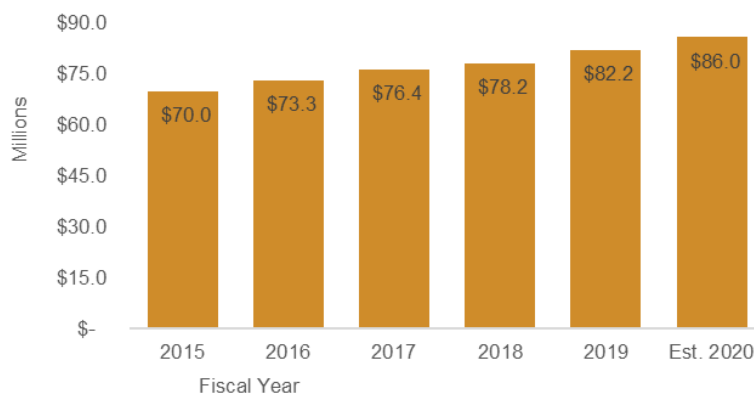
[House File 592](#) expands the eligibility and State funding provisions for the Statewide Voluntary Preschool Program (SWVPP) for four-year-old children under Iowa Code chapter [256C](#) by removing the statutory eligibility date of September 15 and including five-year-old children in the Program. The Bill allows for up to two years of State funding for eligible enrollment.

## **Background**

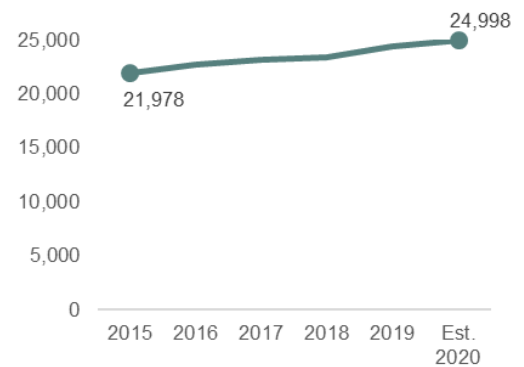
Under current law, the SWVPP provides funding to school districts for eligible preschool age children (four years old) and programs. A child is only eligible for one year of State funding.

There are 323 school districts that participate in the Program. Eligible and certified enrolled children are funded through the State Aid formula from the General Fund at half the State cost per pupil (SCPP). In FY 2019, this amounts to \$3,368 per pupil. Statewide funding and State-funded enrollments for the SWVPP since FY 2015 are shown in the charts below. Preschool children with Individualized Education Programs (IEPs) who qualify for special education weighting generate additional funding through the school aid formula.

SWVPP Funding — FY 2015 - Est. FY 2020



SWVPP Funded Enrollment  
FY 2015 - Est. FY 2020



Under current law, five-year-old children may attend a preschool through the SWVPP if space is available; however, five-year-old children are not eligible for State funding. Districts have the option of using any remaining funds in their preschool program fund or flexibility fund, or charging tuition for children who are not four years of age by September 15 of the current school year.

The Department of Education estimates that under the provisions of this Bill, up to 27,885 five-year-old children may be eligible to receive an additional year of funding under the SWVPP.

### **Assumptions**

- Allowing five-year-old children to be eligible for SWVPP will increase the number of State-funded preschool children.
- State funding for the SWVPP each fiscal year will be based on certified enrollment of eligible four- and five-year-old children on October 1 of the previous school year.
- It is not known how many districts currently have space for additional eligible preschool children in their the SWVPP.
- It is not known how many districts may expand or otherwise alter the preschool program based upon the addition of eligible five-year-old children in the SWVPP.
- Weighting for the SWVPP will remain at 0.5. Under current law, the SCPP will remain at \$6,880.

### **Fiscal Impact**

It is not known how school districts will choose to implement the provisions of this Bill, or how many parents or guardians of eligible students will choose to enroll their five-year-old children in the SWVPP. Under the provisions of this Bill, for every 1,000 additional eligible students enrolled, there will be an increase of \$3.4 million in State aid from the General Fund, starting in FY 2021.

School districts that choose to expand their preschool programs may need to hire additional staff to maintain teacher-child ratios. The additional cost of one full-time equivalent (FTE) licensed preschool teacher is approximately \$54,500.

### **Sources**

Department of Education  
Iowa Department of Management, School Aid File  
LSA analysis and calculations

/s/ Holly M. Lyons

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March 18, 2019

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The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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