



HF 783 – Preschool Funding (LSB2800HV)

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Fiscal Note Version – New

Description

[House File 783](#) 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 including children who reach the age of five on or after March 15 but on or before September 15 of the calendar year in which the school year begins, creating an 18-month window of State funding eligibility. The provisions of this Bill will first apply to the school budget year beginning FY 2021. The following chart shows the current range of eligibility and the proposed range for the initial fiscal year.

Children turning four years old between March 15, 2019, and Sept 15, 2020, would be eligible for funding under the SWVPP for school year 2020-2021.



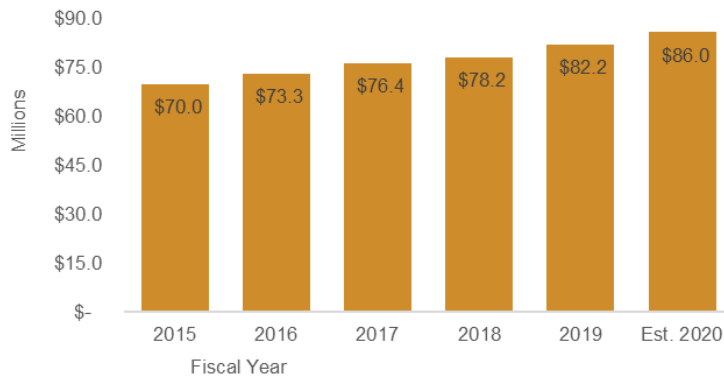
Background

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. Using data available from the U.S. Census, the Department of Education estimates that approximately 67.0% of all four-year-old children residing in Iowa attend a preschool program under the SWVPP.

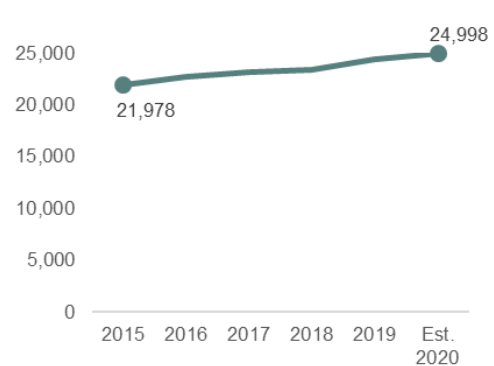
There are 323 school districts that participate in the Program. Eligible and certified enrolled children are funded through the State Aid formula from the General Fund at half the State cost per pupil (SCPP) multiplied by the enrollment counts from the previous school year. In FY 2019, this amounts to \$3,368 (0.5 of SCPP) per pupil multiplied by a certified enrollment of 24,423 in the 2017-2018 school year.

Statewide funding and State-funded enrollments for the SWVPP since FY 2015 are shown in the charts below. All preschool children, regardless of State funding, 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.

Assumptions

- Allowing certain five-year-old children to be eligible for SWVPP will increase the number of State-funded preschool children.
- The Department of Education estimates that under the provisions of this Bill, up to 13,734 five-year-old children may be eligible to receive funding under the SWVPP.
- 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 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 starting in FY 2021.
- Funding for eligible five-year-old children will begin in FY 2022.
- Weighting for the SWVPP will remain at 0.5. The SCPP will remain at the current level of \$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 eligible five-year-old children in the SWVPP. Under the provisions of this Bill and under the current SCPP, 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 2022.

Using the Department’s maximum estimate of eligible five-year-old children, there may be an increase of \$47.2 million in State aid from the General Fund starting as early as FY 2022 under the current SCPP.

School districts that choose to expand their preschool programs may need to hire additional staff to maintain teacher-child ratios. The additional cost of 1.0 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

April 24, 2019

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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