

REVISED FISCAL IMPACT STATEMENT ON BILL NO. **S.134**

(Doc. No. 13061dg13.docx)

TO: The Honorable John E. Courson, Chairperson, Senate Education Committee
FROM: State Budget Division, Budget and Control Board
ANALYSTS: Rachael Fulmer
DATE: *April 29, 2013* SBD: 2013013

AUTHOR: Senator Sheheen PRIMARY CODE CITE: 59-156-10
SUBJECT: South Carolina Child Development Education Program

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

A Cost to the General Fund (See Below)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

A Cost of Federal and/or Other Funds (See Below)

BILL SUMMARY:

Senate Bill 134 amends the 1976 South Carolina Code of Laws by adding Section 59-63-100 so as to create the South Carolina Child Development Education Program (CDEP) which is a full day, four-year old kindergarten program for at risk children which must be made available to qualified children in all public school districts within the State. The Department of Education and the South Carolina First Steps to School Readiness are tasked with acting as administrators of the program.

EXPLANATION OF IMPACT:

Working with the Education Oversight Committee, it was determined that approximately 41,592 children would meet the criteria for a full day four-year old kindergarten (4K) for at-risk children. The EOC stated that children being served by Head Start Programs would most likely opt to continue their current programs as opposed to participating in the CDEP. Approximately 6,483 children that would qualify for the CDEP are in Head Start Programs. The Education Oversight Committee indicates that the current level of participation in the CDEP program is 78%.

State Department of Education

Recurring costs include: a per pupil cost of \$4,218, per pupil assessment cost of \$18, transportation cost of \$185 for public transportation and \$550 for private transportation per pupil, annual development costs of \$800 per classroom, and \$300,000 evaluation cost for FY 2013-2014 and each subsequent year. Non-recurring costs include \$10,000 equipment cost per classroom. New classrooms are based upon a 20-student class size.

At a 78% participation of eligible children, SDE personnel costs are \$416,000 for 5 new FTEs as well as \$300,000 for technical assistance in new school districts. The Department indicates that personnel costs would increase to \$500,500 and 6 new FTEs at a 100% participation level. Technical assistance to serve new school districts would be \$400,000.

SC First Steps

First Steps reports a cost of \$754,000 in personnel costs with 9 FTEs and \$300,000 in technical assistance to serve the new districts with a 78% participation of eligible children. With 100% participation, First Steps indicates that 12 FTE's would be required to implement the non-public CDEP for a total of \$903,604 in personnel costs and \$600,000 in technical assistance to serve the new districts.

Department of Social Services

The Department would approve, register, and license each provider in the state which would require 17 new FTEs for a total cost of \$859,340 in personal service/employer contributions. Other operating costs are \$279,250 and non-recurring costs are \$42,500.

Recapitulation

Costs estimates are included for participation levels of 78% and 100% of eligible children. To arrive at a cost, it is assumed that 85% would be enrolled in public school and 15% enrolled in a private school. Additionally, the numbers are adjusted to account for students who are served by Head Start programs across the state.

Including DSS costs, based on a range of the participation levels (78%-100%), the cost to implement CDEP statewide could range from \$108,572,711 to \$148,985,289 in recurring funds and \$13,443,500 to \$18,012,500 in non-recurring funds. These estimates have been adjusted to account for the current CDEP funding of \$19,784,628 which is funded with Education Improvement Act (EIA) funds as well as the EIA appropriation for half day four-year old kindergarten of \$15,813,426.

These costs could be further reduced by considering current children being served by Head Start, approximately 6,483 statewide. The total costs would be \$86,501,499 and \$120,688,786 for 78% and 100% participation levels, respectively.

SPECIAL NOTES:

Facilities Cost

The State Department of Education reports that new construction would cost \$120,000 - \$200,000 per classroom. Relocatable classroom costs including delivery, set up and site work would cost \$106,000 - \$175,000.

The italicized portion of this impact indicates the items that have been revised. For this impact, the revised constitutes information that was not available in the original impact.

Approved by:



Brenda Hart
Assistant Director, State Budget Division