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H.B. 800
136th General Assembly

Fiscal Note & Local Impact Statement

Click here for H.B. 800's Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Lett and Robinson

Local Impact Statement Procedure Required: Yes

Patrick Campbell, Budget Analyst, and other LBO staff

Highlights

- Beginning with the 2031-2032 school year (FY 2032), the bill generally requires school districts to provide all-day kindergarten free of tuition and to offer at least universal half-day preschool programs for children four and five years of age and not enrolled in kindergarten. The bill funds preschool students enrolled in a school district or community school preschool program through the state foundation aid formula.
- The bill increases GRF expenditures by an estimated $862.3 million annually for state aid to school districts, based on FY 2025 student counts and a fully phased-in version of the FY 2025 state foundation aid formula. This estimate assumes that all eligible unserved or privately educated preschool children will participate in district preschool programs and represents the potential state obligation. However, the proposed preschool program is voluntary for children, so the bill's actual costs may be lower.
- School districts will incur additional operations costs to educate all-day kindergarteners and half-day preschool students, which would be more or less offset by state aid. There may be additional significant costs for facilities or administration.
- Districts will lose approximately $17.0 million annually in kindergarten tuition revenue, as the bill prohibits the charging of tuition for kindergarten. The bill permits districts to charge tuition for preschool using an income-based formula under certain conditions.
- Sports gaming tax revenues will increase by an estimated $140.0 million annually beginning January 1, 2028. The bill increases the sports gaming tax for sports gaming proprietors with a market share of 2.25% or higher from 20% to 33% and requires the additional revenue from the increased rate to be deposited into the newly created Sports Gaming Profits Preschool Fund, to be used to fund licensed preschool programs operated by public schools.

Detailed Analysis

Overview

The bill requires school districts to provide all-day kindergarten and offer at least a half-day preschool program to four-year-olds and five-year-olds not yet enrolled in kindergarten beginning with the 2031-2032 school year. The bill provides state funding for the costs of preschool programs through the state foundation aid formula by counting a district or school's preschool students in the formula's measure of student enrollment. The bill permits districts to contract with certain eligible providers to operate a preschool program and requires the Department of Children and Youth to establish a rating system for those providers. The bill allows districts to charge tuition for preschool programs using an income-based formula, but prohibits districts from charging tuition for kindergarten.

The bill also makes several changes to the sports gaming tax beginning January 1, 2028. Specifically, the bill increases the tax on the net receipts of sports gaming proprietors with a share of 2.25% or more of the sports gaming market in Ohio from 20% to 33%, and requires the additional revenue from the increased rate to be deposited into the newly created Sports Gaming Profits Preschool Fund. The bill requires the fund to be used to support certain licensed preschool programs operated by public schools.

To plan for the implementation of all-day kindergarten and universal preschool, the bill requires the Department of Education and Workforce (DEW) to conduct surveys and stakeholder meetings to assess the potential impacts of the bill's requirements on districts. Following this stakeholder outreach, the bill requires LSC to prepare and present a report and cost estimate to designated legislative committees and the State Board of Education.

All-day kindergarten and universal preschool

Beginning with the 2031-2032 school year (FY 2031), the bill requires traditional school districts to provide all-day kindergarten to all entering kindergarteners and to provide at least a half-day preschool program for four-year-olds and five-year-olds not yet enrolled in kindergarten. The bill funds these requirements through the foundation funding formula that provides state aid to public schools. In addition, the bill funds all children currently supported through the existing preschool special education program (children ages three to five with disabilities) in the main school funding formula.

The bill's fiscal effects on state foundation aid beginning in FY 2032 are uncertain, as a school funding formula for years after FY 2027 has yet to be enacted. The current formula began operation in FY 2022 and is only authorized through the FY 2026-FY 2027 biennium under H.B. 96 of the 136th General Assembly. Because of this uncertainty and limitations on available data, this fiscal note presents an estimate of the cost to implement the bill's all-day kindergarten and universal preschool provisions relative to and within a fully phased-in version of the FY 2025 school funding formula using FY 2025 student counts.[1]

[1] The formula phases in funding using a percentage of the difference between a district's calculated core formula aid and a base amount determined by the core formula aid it received under the previous formula

Cost estimate if implemented for FY 2025

To estimate the effect of the bill's provisions on school funding, we used the school funding formula for FY 2025, with a 100% phase-in percentage, as the baseline. Under this baseline scenario, total foundation aid for traditional school districts would be $8.68 billion in FY 2025. Applying the bill's provisions to the FY 2025 school funding formula with a 100% phase-in percentage results in total foundation aid for traditional districts of $9.73 billion. While state foundation aid increases by $1.05 billion, our model partially offsets this increase by assuming that (1) separate payments to school districts outside the formula for preschool special education decrease by $147.5 million, since the bill eliminates these payments, and (2) early childhood education (ECE) grants decrease by $41.3 million, since we assume state foundation aid would replace ECE grants awarded to traditional school districts for their preschool programs under current law. In our model, the bill's all-day kindergarten and universal half-day preschool requirements result in an estimated net cost to the state of $862.3 million (see the table below), which will more or less offset additional operations costs for school districts. Note that this estimate is only for state subsidy for operating costs. There may be additional significant costs for facilities or administration of preschool programs. Further analysis of the bill's effects on state aid follows the table.

Estimated Effect of All-Day Kindergarten and Universal Preschool if Implemented Under Current School Funding Formula with Full Phase-In, FY 2025

1	Enrolled ADM (current law)	1,423,263
2	Enrolled ADM (bill draft)	1,502,383
3	*Change*	*+79,120*
4	Foundation aid in millions (current law, 100% phase-in)	$8,678.4
5	Foundation aid in millions (bill draft)	$9,729.6
6	*Change in millions*	*+$1,051.1*
7	Foundation aid per pupil (current law, 100% phase-in)	$6,098
8	Foundation aid per pupil (bill draft)	$6,476
9	*Change*	*+$379*
10	Marginal state cost per additional pupil	$13,285
11	*Reduction in preschool special education (in millions)*	*-$147.5*
12	*Reduction in ECE grants (in millions)*	*-$41.3*
13	***Net Cost (in millions)***	***$862.3***

in FY 2020. These percentages are 66.67% in FY 2025, 83.33% in FY 2026, and 100% in FY 2027. This analysis assumes a full phase-in scenario of 100%.

Student counts

Adding new full-time equivalent (FTE) students to the formula's overall student count is the primary driver of the additional funding needed to support the bill's all-day kindergarten and universal half-day preschool programs. The formula uses a district's enrolled average daily membership (enrolled ADM) as the primary student count for most funding purposes. Overall, we estimate 79,120 additional enrolled ADM resulting from the bill (table below, line 3). To estimate the change in enrollment, we used FY 2025 kindergarten and preschool data from DEW and other sources. Specifically, we estimate an additional 7,156 enrolled ADM for kindergarten and an additional 71,964 enrolled ADM for preschool.

All-day kindergarten student counts

Currently, a partial-day or tuition-paying all-day kindergarten student is not counted as one FTE student for state funding purposes. Under current law, kindergarten students are counted for state funding purposes based on the proportion of the school year the student is enrolled in a district. In general, a kindergarten student enrolled in an all-day program is counted as 1.0 FTE while a kindergarten student enrolled in a half-day program is counted as 0.5 FTE. Current law also requires DEW to adjust each district's enrollment by 0.5 FTE for each student charged fees or tuition for all-day kindergarten, which prevents a district from receiving state funding for the full FTE as well as tuition payments for those students.

The additional 7,156 FTE kindergarten students in traditional school districts includes 4,315 FTEs for "regular" (i.e., nontuition paying) partial-day students going to an all-day program and 2,841 FTEs to add the 0.5 FTE that DEW subtracted for each tuition-paying all-day kindergarten student. We added these additional FTEs to the enrolled ADM of the districts where they are educated. We also assumed these additional children will count toward disadvantaged pupil impact aid, special education aid, and English learner aid in the same proportions as current students.

Half-day universal preschool student counts

The additional 71,964 half-day preschool enrolled ADM represents (1) 50% of the roughly 126,536 four- and five-year-olds currently either (a) attending a school district preschool, (b) attending a private pay preschool program, or (c) unserved by a preschool program and not enrolled in kindergarten, plus (2) approximately 8,700 estimated FTE three-year-olds for which school districts currently receive preschool special education aid outside the foundation funding formula.[2] In other words, we assume that each of the 126,536 children will count as 0.5 FTE for funding purposes. We generally assumed these additional children will count toward disadvantaged pupil impact aid in the same proportions as K-12 students for each district. To capture the full potential state obligation under the bill, the analysis assumes that all eligible unserved or private pay preschool students will participate in a school district's program. We assigned the additional students proportionally to districts based on each district's share of the state's total population of three- and four-year-olds reported in 2024 American Community Survey data. However, actual increases in enrollment and

[2] Our model adds all preschool students with disabilities into enrolled ADM and special education category counts to avoid having preschool special education students outside the mandatory preschool age range specified by the bill be funded by the separate preschool special education formula in current law and the rest funded in the main school funding formula.

state foundation aid may be lower than estimated. Although the bill requires a school district to offer preschool educational services, enrollment is voluntary for children.

Three-year-old and all-day preschool students

The bill allows districts to choose to provide preschool to three-year-olds and to offer an all-day preschool program. These optional services are not included in this cost estimate. Any district that chooses to provide these optional services would count children in their preschool enrolled ADM in a manner that reflects their educational program. Districts that choose to provide an all-day preschool program generally will have each of their all-day preschool students counted as 1.0 FTE. As a result, state aid may be higher than estimated to the extent that districts choose to offer the bill's optional services.

Student-teacher ratios and teacher salaries

The formula's base cost component calculates an amount for each district that represents the typical cost to educate a student without accounting for special needs or circumstances such as special education, economic disadvantage, or English learner status. The base cost relies on various cost inputs including staff salaries, student-staff ratios, and other factors. The bulk of the cost of the model lies in the teacher base cost component. Under current law, the model for this component is driven by student-teacher ratios that increase by grade band, ranging from 20:1 for kindergarten students to 27:1 for students in grades 9-12. The bill establishes a preschool student-teacher ratio of 10:1 for funding purposes in alignment with the bill's modified preschool program standards (see below), effectively generating twice the number of teachers for preschool students as for the same number of kindergarten students. For example, for every 100 kindergarten students, the base cost model calculates funding for five teachers, whereas under the bill, the model calculates funding for ten preschool teachers for every 100 preschool students.

Note that the base cost model is used only for calculating funding; the model is not prescriptive with respect to the number of teachers a district actually must have on staff. However, the bill separately modifies preschool program standards to reduce class sizes by requiring a student-teacher ratio of 10:1 for a class with three- and four-year-old children and a maximum class size of 20 children. Under current law, classes of three-year-olds may have a maximum of 24 children per class and must have a 12:1 student-teacher ratio and four- and five-year-olds have a maximum class size of 28 students and must have a 14:1 student-teacher ratio.

Adding preschool and kindergarten teachers will increase districts' payroll costs, which, as noted above, will be at least partially offset by state foundation aid under the bill. The current formula and this fiscal note use base cost inputs based on FY 2022 data. The statewide average teacher salary in FY 2025 was approximately $68,000.[3] The bill requires preschool teacher salaries be at least $35,000 per year, the same minimum base salary for teachers established in continuing law.

State funding per pupil and state share percentage

When considering how state foundation aid changes when enrollment changes, one cannot look at the average state foundation aid per pupil since the average will not describe how much state aid increases when a new student is added to enrollment. Rather, one must look at the

[3] Including benefits and district-paid insurance costs, the total average teacher cost in the base case cost model amounts to about $96,000.

marginal state foundation aid per pupil. Under the current school funding formula, the state generally bears the formula cost when a student is added to a district's enrollment under what can be referred to as the "marginal student effect." We calculated the overall marginal change per student by dividing the estimated increase in foundation aid by the estimated increase in enrolled ADM. In our simulation, the marginal state foundation aid per pupil is approximately $13,300 ($1,051.1 million additional foundation aid / 79,120 new students).

The marginal student effect is also apparent in changes to the state share percentage, which is the ratio of a district's per-pupil state share of the base cost to its per-pupil base cost and is used in the calculation of a number of categorical components in the formula. In the baseline simulation, the statewide average state share percentage – essentially the weighted average percentage of the base cost supported by the state – is 38.3% in FY 2025. This percentage increases to an estimated 42.2% under the bill, indicating the state will cover a greater share of the costs under the proposal.

Preschool special education

Under current law, school districts provide special education services to preschool children aged three to five who have certain disabilities and an individualized education program (IEP). The state provides payments outside the foundation funding formula for these students using a base per-pupil amount of $4,000 plus an additional amount that is calculated by multiplying a weight for the student's applicable category of special education services by half of the statewide average base cost per pupil and then by the district's state share percentage.

Under the bill, children supported by the current preschool special education funding formula shift into the student counts for the state foundation aid formula, where they instead count toward the state share of the base cost and categorical special education aid alongside students in grades K-12, meaning that separate preschool special education payments to school districts would no longer be made. The elimination of these payments will offset some of the increase in state foundation aid. In our simulation, the offsetting savings are equal to the FY 2025 funding for preschool special education of $147.5 million (see the table above, line 11).

Early childhood education grants

Currently, the state provides early childhood education (ECE) grants to providers that meet certain quality criteria to support the costs of their services for preschool children. Eligible providers of preschool programs include traditional school districts and joint vocational school districts (JVSDs), county boards of developmental disabilities, chartered nonpublic schools, Head Start programs, and private preschool and childcare centers. H.B. 33 of the 135th General Assembly transferred the program from DEW to the Ohio Department of Children and Youth (DCY) and funded it through DCY's budget. However, DEW still expended some funds under its budget for the program during FY 2025.

Grant awards for FY 2025 were $4,250 per child, funded by GRF expenditures of $97.2 million in FY 2025. As noted above, our model assumes that state foundation aid will replace ECE grants awarded to traditional school districts for their preschool programs under current law. Similar to preschool special education payments, a discontinuation of ECE grants for traditional school districts will offset some of the increase in state foundation aid. We assume the offsetting savings to be $41.3 million, an amount equal to the estimated traditional school district ECE grants for

four-year-olds in FY 2025 (table above, line 12).[4] Other eligible providers could continue to receive ECE grants under the bill. Ultimately, however, it is unclear how the bill will impact ECE grants. The bill does not address whether or how ECE grants will change beginning in the 2031-2032 school year.

Tuition provisions

Elimination of kindergarten tuition

Current law allows school districts to offer full-day kindergarten and charge tuition for the costs of doing so above and beyond the half-day requirement. In FY 2025, 34 districts, mainly in suburban areas, charged tuition. According to DEW data, there were 5,681 tuition-paying kindergarten FTEs in these districts in FY 2025. Tuition varies by district, but averaged just under $3,000 annually in FY 2025.

The bill requires all districts to provide all-day kindergarten and eliminates the option to charge tuition. Districts currently charging tuition would lose the revenue currently collected from tuition payments, estimated at roughly $17.0 million annually based on the average tuition and the number of tuition-paying kindergarten students in FY 2025. Instead, these districts generally will receive state aid through the formula generated by the additional enrolled ADM resulting from counting kindergarteners as all-day students.

Preschool tuition

In addition to the state foundation aid a district may receive for preschool students, the bill allows a school district to charge tuition for its preschool program under certain conditions.[5] These charges may occur until DEW determines the school financing system is fully implemented unless the district obtains a waiver from DEW to continue doing so. Such a determination will likely depend, at least in part, on the continued phase-in of the formula by the General Assembly. Under H.B. 96, the formula's phase-in percentage will continue to increase across the FY 2026-FY 2027 biennium, reaching 100% in FY 2027. Since the bill's preschool requirements do not begin until FY 2032, there is uncertainty about how the school funding formula will operate by the time these requirements take effect. If the current formula remains in place and DEW determines its implementation is complete in FY 2032, no tuition may be charged unless a waiver is granted. Ultimately, however, the General Assembly may elect to alter or replace the formula or otherwise determine it has not been "fully implemented" by FY 2032. Therefore, the remainder of this section describes how the bill's tuition provisions work.

The bill establishes an income-based formula to determine the tuition amounts a district may charge. Specifically, the bill establishes a family income multiple and applies it to, in essence,

[4] H.B. 33 expanded ECE grant funding significantly for FY 2024 and FY 2025 and made three-year-olds eligible for funding on the same basis as four-year-olds (formerly, priority for ECE grant funding was given to four-year-olds). We derived this number by multiplying the total FY 2025 ECE grant allocation for traditional school districts ($97.2 million for approximately 30,700 slots) by the average ratio of four-year-olds to the total number of three- and four-year-olds supported by ECE grants in the several years before the policy providing priority for four-year-olds took effect, which was 68%.

[5] The bill permits tuition charges for preschool students without respect to the types of services the district offers. That is, a district may charge tuition for students attending the bill's mandated half-day program for four-year-olds and five-year-olds not yet in kindergarten as well as students enrolled in optional services, such as programs for three-year-olds and all-day programs.

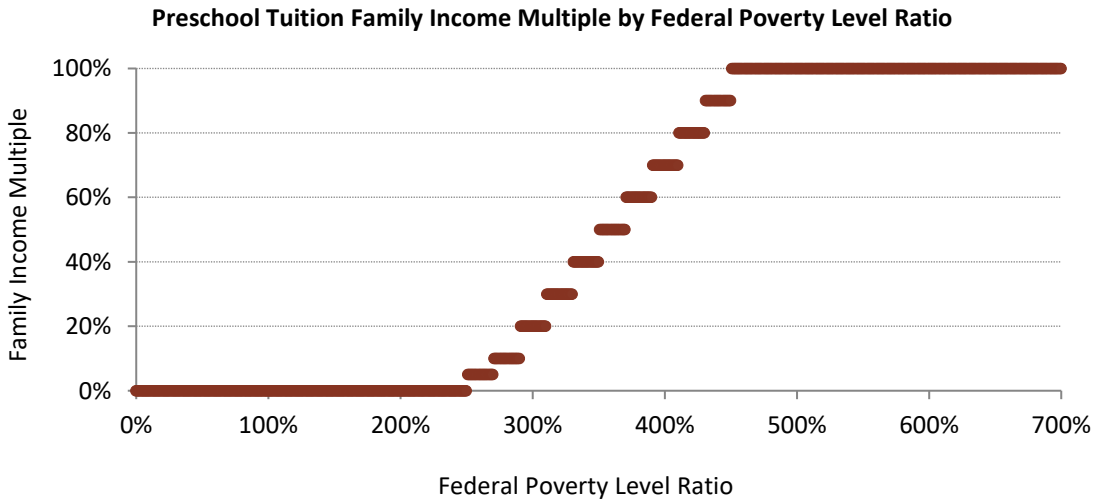
40% of the district's local share of the base cost per pupil (the complete formula is presented in Figure 1 below).

Figure 1. Formula for Determining Preschool Tuition

[District's base cost per pupil - (district's base cost per pupil x district's state share percentage)] x 0.40 x student's family income multiple

Under this formula, the maximum tuition before applying a student's family income multiple range from about $450 to about $3,860, excluding some small outlier districts. The maximum tuition amount generally is lower for lower wealth districts. In general, under the school funding formula, lower wealth districts receive a greater share of their per-pupil revenues from the state (i.e., have higher state share percentages); thus, the tuition formula allows these districts to charge less. Higher wealth districts tend to receive a greater share of per-pupil revenues from local taxes (i.e., have lower state share percentages), and thus the tuition formula allows these districts to charge more. The bill prohibits a district from charging preschool tuition above the maximum amount calculated by the bill's formula, but allows a district to charge any amount it deems appropriate for students with family incomes above 700% federal poverty level (FPL) ($225,050 for a family of four in 2025).

The family income multiple further means-tests the maximum tuition a district may charge by allowing for higher tuition for higher income families. Specifically, the family income multiple increases as a student's "family adjusted gross income" increases as a percentage of FPL. The family income multiple for a student whose family income is at or below 250% FPL (at or below $80,375 for a family of four in 2025) is zero, entitling them to attend preschool at no cost even if the district charges tuition under the bill. The multiple is 5% for families with incomes from 251% to 270% FPL, and 10% for families with incomes from 271% to 290% FPL. The multiple increases by ten percentage points for each 20 percentage point increase in a family's FPL ratio after that, topping out at 100% for families with incomes above 450% FPL (above $144,675 for a family of four in 2025). The chart below illustrates how the family income multiple steps up with increasing family income levels. Hypothetically, if a district's base cost per pupil and state share percentage were the same as the statewide averages in the LBO simulation ($8,502 and 42.2%, respectively, in FY 2025), a family earning 251% FPL, for example, would pay a maximum annual tuition rate of about $98, while a family earning above 450% would pay up to $1,967.



The bill requires districts to establish multiple tuition payment plans parents may use. At a minimum, these must include options for a single lump sum payment, nine equal payments, and equal monthly payments. The bill prohibits districts from requiring a single lump sum payment or from charging a fee or interest for choosing a plan of multiple equal payments.

Other preschool provisions

Contracting for preschool provision

The bill allows school districts to contract with a third-party operator to provide preschool services to students living in the district. Under the bill, eligible operators include an adjacent school district; a community school that meets certain criteria; a science, technology, engineering, and mathematics (STEM) school; a chartered nonpublic school without a religious affiliation; an organization operated by a county or municipality; a nonprofit secular childcare center; or a for-profit secular childcare center with a Step up to Quality (SUTQ) rating of at least four stars. Any preschool program with which a district may contract under the bill must be located within the district and have a SUTQ rating of at least three stars, or be within an adjacent district and have a SUTQ rating of at least four stars. Under the bill, districts must administer the enrollment process for contracted preschool programs.

The bill does not explicitly count children enrolled in a contracted preschool toward a district's enrolled ADM for purposes of the school funding formula. Rather, the bill adds "the number of students enrolled in the district's preschool program who reside in the district" to a district's enrolled ADM. LBO is uncertain if enrolled ADM under the bill will include or exclude students in contracted programs. If students in contracted programs are excluded, school districts would not receive state foundation aid for them and, functionally, would need to pay for the costs of such contractual arrangements from other sources. The bill allows districts to charge tuition for contractually operated programs under the same requirements described above in the section entitled "**Preschool tuition**."

Preschool accountability and reporting

The bill requires DCY to develop a rating system for preschool programs that uses the same components and standards as the existing SUTQ system for childcare programs. Under current law, licensed preschool programs are among the entities subject to the existing SUTQ ratings. Thus, this provision does not appear to change any DCY operations and likely has no fiscal effect.

Waivers from all-day kindergarten and universal preschool

The bill allows school districts to apply to DEW for a waiver from the requirements to provide all-day kindergarten and offer half-day preschool in the 2031-2032 school year. The bill requires district boards of education to hold a public hearing on the waiver and adopt a resolution requesting the waiver. The bill creates a process by which districts may appeal waiver denials to the State Board of Education and may request extensions of a waiver into the 2031-2032 and 2032-2033 school years under the same requirements as for the initial waiver.

In general, any waivers are expected to lessen the estimated increase in state foundation aid to school districts since enrolled ADM will be lower than otherwise to some degree for the years waivers are in effect. Also, DEW, the State Board, and districts may incur additional administrative costs associated with applying for waivers.

Sports gaming tax

The bill makes several changes to the sports gaming tax beginning January 1, 2028. Currently, the sports gaming tax receipts are taxed at 20% and deposited into the Sports Gaming Revenue Fund (Fund R068), from which amounts are first transferred to the Tax Refund Fund (Fund 4250) and the Sports Gaming Tax Administration Fund (Fund 5YQ0).

Beginning January 1, 2028, the bill alters the sports gaming tax such that if a sports gaming proprietor has a 2.25% or more share of the sports gaming market, the sports gaming receipts are taxed at a new rate of 33%. If a sports gaming proprietor has less than a 2.25% share of the sports gaming market, then they will continue to be taxed at a 20% rate. The bill mandates that in June and December of each year, the Ohio Casino Control Commission (CAC) must determine the market share of each sports gaming proprietor in the state.

After refunds and administration are covered, on or before the 15th day after each calendar quarter, the bill requires a formula-based transfer equal to $^{13}/_{33}$ of the revenue attributable to the 33% rate to be made from Fund R068 to the Sports Gaming Profits Preschool Fund (SGPPF). Of the remaining revenue in the fund, 98% is transferred to the Sports Gaming Profits Education Fund (Fund 5YO0) and 2% to the Problem Sports Gaming Fund (Fund 5YR0).

LBO estimates that these changes will increase sports gaming tax revenue by approximately $140.0 million per year once the 33% tier takes effect, beginning in 2028. This estimate is informed by total wagers placed and total net taxable revenue from sports gaming proprietors in FY 2026 thus far. LBO assumes that total wagers placed and total net taxable revenue in future years will remain comparable to FY 2026 levels. The estimated revenue gain is based on current market conditions, so it assumes that 95% of sports gaming receipts will be subject to the higher tax rate imposed by the bill. It is possible that the tax increase will elicit a behavioral response from sports gaming proprietors (e.g., increasing costs to Ohio bettors) that will reduce sports wagering and the associated tax base. LBO does not have a reliable basis for evaluating or estimating that possibility for the nascent Ohio industry. The funds in the SGPPF must be used to fund licensed preschool programs operated by public schools, supplementing any additional state revenue received from state foundation aid. The bill is silent on how SGPPF funds will be distributed to public schools.

Pre-implementation planning

The bill requires DEW, school districts, and LSC to conduct various pre-implementation activities beginning on its effective date to plan for the start of universal all-day kindergarten and half-day preschool in the 2031-2032 school year. These include conducting surveys and stakeholder meetings and preparing cost estimates to fund the programs. The bill also declares the intent of the General Assembly to provide one-time start-up funding for implementation during the 136th General Assembly.

Surveys and stakeholder meetings

The bill requires DEW to conduct a survey of and hold stakeholder meetings with school districts regarding the implementation of preschool programs and all-day kindergarten. The bill requires the survey to request information on certain topics to solicit input from districts on the issues and challenges of implementing those programs. The bill also requires DEW to solicit information from various designated statewide stakeholder groups. The bill requires DEW to invite DCY to participate in all these activities, complete them by February 1, 2027, and to share the results

with DCY. The bill requires DEW to prepare a report of its findings by February 15, 2027, and share it with LSC, along with any unfiltered survey data and information provided by stakeholders.

DEW will incur administrative costs to create the surveys and conduct the meetings the bill requires. These may be supportable with existing resources. DEW currently conducts an annual kindergarten survey through which it collects data provided by districts on their kindergarten programs, including whether they provide all-day kindergarten or charge tuition. However, the survey required under the bill encompasses a wider scope and must include questions about factors such as classroom and building capacity, teacher and staff shortages, time and cost burdens, and other potential implementation issues. Districts may also incur administrative costs to respond to the survey and participate in meetings with DEW.

LSC cost estimate

Using the report and data provided by DEW, the bill requires LSC to produce a report and cost estimate of the implementation of all-day kindergarten and preschool programs by March 15, 2027, and to present its findings publicly to the House and Senate finance committees and primary and secondary education committees and to the State Board of Education. The bill also requires LSC to transmit the report to the Governor, the Office of Budget and Management, and the Facilities Construction Commission. Any costs associated with the production of this report are likely supportable using existing resources.

Start-up funding

The bill states the intent of the General Assembly to provide one-time funding in the 136th General Assembly main operating budget (covering FY 2026 and FY 2027 and has already been enacted) and capital budget (covering FY 2027 and FY 2028) for districts to implement the bill's requirements beginning in FY 2032. The bill states the General Assembly's intent to establish a method to provide these funds outside core foundation aid and to consider providing a total amount of at least the amount in LSC's cost estimate. If the amount is less than that, the bill requires the Speaker of the House of Representatives, President of the Senate, and the Governor to issue a public statement as to why the total amount was not provided.

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