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## FISCAL IMPACT REPORT

SPONSOR	SEC		ORIGINAL DATE LAST UPDATED		НВ	
SHORT TITLE		Early Enrollment into Kindergarten			SB	323/SECS
				ANAI	LYST	Liu/Courtney/Marmol Serna

## ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$0.0 - \$4,871.1	\$0.0 - \$4,871.1	\$0.0 - \$9,742.1	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to HM15, HJR5, SB256

#### SOURCES OF INFORMATION

LFC Files

Legislative Education Study Committee (LESC) Files

Responses Received From

Public Education Department (PED)

### **SUMMARY**

### Synopsis of SEC Substitute

The Senate Education Committee substitute for Senate Bill 323 would allow early enrollment in kindergarten for students turning five years old between September 1<sup>st</sup> and December 15<sup>th</sup> if their skills and maturity indicate school readiness. Early enrollment would require assessments in kindergarten readiness selected and conducted by the school district that encompass cognitive, social, physical, and language development. The program would be voluntary, allowing local school boards to adopt a policy to allow early admission. The bill also amends the Public School Finance Act to qualify these students for full-day kindergarten program funding.

#### FISCAL IMPLICATIONS

The bill does not make an appropriation.

Assuming a relatively even number of children born each day and the relatively flat kindergarten student enrollment trend, an estimated 8,500 children may be eligible in New Mexico for early enrollment under provisions of this bill. Assuming a 10 percent acceptance rate and given the

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early childhood education program unit generation per student membership of 1.44, up to 1,224 thousand additional units could potentially be generated. Using the FY17 final unit value of \$3,979.63, the additional units could potentially create a statewide fiscal impact up to \$4.9 million if local school boards elect to allow early enrollment and the estimated children qualify.

Typically, the unit value is adjusted by the PED secretary in the middle of a fiscal year, so fiscal impacts for FY18 and subsequent years will be dependent on the value that is determined. It is also unclear how many districts or students would participate in early enrollment for kindergarten students, although the demand for early childhood education remains high in New Mexico. An increase in program units may dilute the unit value – and consequently, per unit allocations for all public school – if the state equalization guarantee distribution remains flat.

### **SIGNIFICANT ISSUES**

According to the Public School Finance Act (Chapter 22, Article 8, NMSA 1978), to be included in membership counts as a qualified student, the child must be at least five years of age prior to 12:01 A.M. on September 1 of the school year. The only exception currently in law for children younger than five in the public school funding formula involves children that are at least three years of age and are receiving special education services. This bill would allow children who will turn five years old on or before December 15 of the school year to be included in membership counts as a qualified student.

Student assessments are often stringent and, in other states with early kindergarten admittance, only the top ten percent of students are typically eligible for early kindergarten admittance. Children are expected to meet standards in all areas assessed approximately six months above their chronological age. It is unclear which assessments or cutoffs would be used to determine admittance as the selection of such tools would be left up to school districts.

#### ADMINISTRATIVE IMPLICATIONS

School districts would be responsible for determining readiness through the assessment of children's cognitive, social, physical and language development. Teachers would be required to conduct a parent conference after six weeks for children that qualify. School districts would be responsible for selecting the assessment tool to be used for readiness.

#### RELATIONSHIP

This bill relates to HM15, which requests PED to study early enrollment into kindergarten; HJR5, which prohibits enforcement of new public education mandates without sufficient funding; and SB256, which increases instructional time minimums for kindergarten through sixth grade.

### **TECHNICAL ISSUES**

PED offers the following analysis:

• The bill requires 'qualified staff' to conduct age-appropriate assessments to determine the level of the child's cognitive, social, physical, and language development. As these tests have the potential to be high stakes, that is, determining whether a child would be

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- allowed to enroll in school, districts may need to purchase standardized test instruments. 'Qualified staff' is not defined, so it is unclear as to whether a diagnostician would be required, which could be costly, particularly for districts that contract for these services.
- Early enrollment students will not be eligible to attend New Mexico prekindergarten programs unless the Pre-Kindergarten Act of 2015 is also amended to allow for early enrollment. Funding for prekindergarten is currently not sufficient to serve all age-eligible four-year-old children.
- The language "fall between September 1 and December 15" is vague and could be interpreted as children with birthdays of September 2 through December 14. This interpretation would eliminate the option of early enrollment for children with a birthday of September 1. PED suggests the language be changed to "12:01 A.M. on September 1 through 12:00 PM on December 15" or "with birthdays of September 1 through December 15."
- The bill would be stronger if the outdated language delineating the phase-in of optional full-day kindergarten was removed. Full-day kindergarten was fully implemented across the state in FY05 and PED must provide funding as indicated by the language of the bill, given that kindergarten students are funded as any other grade.

## **OTHER SUBSTANTIVE ISSUES**

Research on the effects of early admittance to kindergarten is mixed. A 2007 study by the NICHD Early Child Care Research Network found that children who enter kindergarten at younger ages have higher scores on a letter-word recognition test but receive lower ratings from teachers on language, literacy, and mathematical thinking scales. The same study also showed children who entered kindergarten at older ages showed greater increases over time in a number of areas and outperform children who started kindergarten at older ages in some areas. Elder & Lubotsky (2009) found children who enter kindergarten early are likely to be gifted whereas children who enter kindergarten late are more likely to have developmental problems. Additionally, the researchers found a positive relationship between achievement and the age at which children begin kindergarten, indicated by older students scoring higher on achievement tests. Additionally, there are peer effects related to age of entry such that children with older classmates exhibit higher test scores but also experience a higher likelihood of grade repetition and a higher likelihood of receiving a diagnosis of a learning disability.

A 2012 Educational Consultancy and Research Center study examined the extent to which children's mathematics achievement varied by their kindergarten enrollment status, as well as the interactions between kindergarten enrollment status and the child's gender, race, and family socio-economic status (SES). The findings suggested children whose enrollment was on time or delayed had stronger math skills than children that enrolled early; however, children with later enrollment were more likely to be white males from higher SES families. One important finding of the current study was the effect of kindergarten enrollment status was smaller than the effects of socio-demographic characteristics, particularly smaller than the effect of family SES. The study indicated that:

"...children from less advantaged backgrounds and from a non-White racial group may benefit more from early or on-time kindergarten enrollment than they may benefit from delayed enrollment. Many studies suggest that children are less likely to be ready for school and therefore vulnerable to school failure if they

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enter kindergarten when they are younger. However, for families from lower SES, providing an extra year of child care may be untenable. Additionally, children's home and educational environment is not probably going to change when they do not enter kindergarten. If they were at a disadvantage a year ago because of their family and personal backgrounds, they are still at a disadvantage the following year. On the other hand, when they access a kindergarten program, they will have a chance to succeed in school."

SL/jle