

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT**

LS 6303
BILL NUMBER: SB 124

NOTE PREPARED: Dec 3, 2025
BILL AMENDED:

SUBJECT: Age for Compulsory School Attendance.

FIRST AUTHOR: Sen. Taylor G
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that a student is bound by compulsory school attendance requirements from the beginning of the fall school term for the school year in which the student is five years of age on August 1 of that school year. (Current law provides that a student is bound by compulsory school attendance requirements from the beginning of the fall school term for the school year in which the student becomes seven years of age.) It makes conforming amendments.

Effective Date: July 1, 2026.

Explanation of State Expenditures: *Summary* – The bill would require children to enroll in kindergarten at age 5. This will accelerate state tuition support expenditures from the General Fund for students who would be required to enroll earlier than they would otherwise. Assuming the children attend full-day kindergarten, state tuition support expenditures may increase by an estimated \$269.2 M in FY 2027. This increase will be offset over time by a decrease in the size of future kindergarten cohorts.

Additional Information – The amount of the initial increase is sensitive to the estimated number of children ages 5 to 7 who are not currently enrolled in school. Using microdata from the U.S. Census Bureau’s 2023 5-Year American Community Survey, it is possible to estimate how many children may be impacted by this bill. After adjusting for imperfect enrollment (on average about 97.4% of children aged 8 to 14 attend school in Indiana), the number of children who will turn age 5 by August 1, 2026, and the likelihood of attending a public school or receive a Choice Scholarship, the bill could cause 31,620 students to enroll earlier than they would otherwise.

Using estimated FY 2027 per-student grant amounts for the Foundation, Complexity, Special Education, and Non-English Speaking Program grants, along with a projected average Choice Scholarship, LSA calculated the average cost per additional kindergarten student. The estimates assume the newly added students would receive special education services at the same rate as the current student population.

The bill expands the FY 2027 cohort of kindergartners, which will include students aged 5 to 7, with some 4-year-old children as well. Since parents will no longer have the option of starting their child's education

at ages 6 or 7, all future cohorts will contain only 5 year olds and some 4 year olds.

Explanation of State Revenues:

Explanation of Local Expenditures: Public schools would experience an increase in expenditures as more students enrolled in school. This would be offset by an increase in state tuition support.

Explanation of Local Revenues: In FY 2027, public schools could receive an estimated \$249.7 M increase in state tuition support revenue due to the increase in children enrolling in kindergarten under the bill. This impact will decrease overtime. [See *Explanation of State Expenditures*].

State Agencies Affected: Department of Education.

Local Agencies Affected: Public schools.

Information Sources: United States Census Bureau; National Center for Education Statistics; LSA education database; <https://www.in.gov/health/reports/natality/2017/tbl4.htm>; <https://wonder.cdc.gov/controller/datarequest/D149>

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