

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 303 (Delegate Shriver, et al.)
Ways and Means

Compulsory School Attendance - Age Limits

This bill increases the age of compulsory school attendance from 16 to 18, unless a student under 18 has obtained a high school certificate or diploma.

Fiscal Summary

State Effect: General fund expenditures could increase by \$22.5 million beginning in FY 1998. Future year expenditures reflect enrollment increases and adjustments to the current expense foundation amount. Revenues would not be affected.

(in millions)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	0	22.5	46.8	48.5	50.5
Net Effect	\$0	(\$22.5)	(\$46.8)	(\$48.5)	(\$50.5)

Note: () - decrease; GF - general funds; FF - federal funds; SF - special funds

Local Effect: Local expenditures could increase by \$38.6 million in FY 1997. Local revenues would increase by \$22.5 million beginning FY 1998. **This bill imposes a mandate on a unit of local government.**

Fiscal Analysis

State Effect: Raising the compulsory attendance age to 18 will increase school enrollment by approximately 11,877 students statewide in fiscal 1997. However, since State current expense aid is based on a one-year lag in student enrollment, State aid will not increase until fiscal 1998. The average per pupil State grant under the current expense formula in fiscal 1998 is estimated at \$1,892. Accordingly, State expenditures could increase by \$22.5 million in fiscal 1998. Since this bill would require most student dropouts to remain in school for

two additional years, State expenditures could increase by \$46.8 million in fiscal 1999. This estimate incorporates 23,992 additional students. Future year expenditures reflect increases in student enrollment and the basic current expense foundation amount.

In addition, the State contribution for teacher's retirement could increase in fiscal 1999 and in subsequent years, to the extent that local school systems hire additional teachers.

Local Revenues: State aid to local board of education could increase by approximately \$22.5 million beginning in fiscal 1998. In addition, the inclusion of additional students to the enrollment count will alter the current distribution of State aid under the current expense formula in that the additional students as a proportion of enrollment will vary by county. For example, Baltimore City comprises only 14% of total student enrollment, but represents approximately 45% of additional students affected by this bill.

Local Expenditures: Local school expenditures could increase by \$38.6 million in fiscal 1997, which is based on a projected \$3,251 local average per pupil instructional costs. However, the magnitude of the total fiscal impact will depend upon the ability of each local school district to accommodate additional students within available resources. Beginning in fiscal 1998, there could be some offsetting of expenses due to the increase in State aid.

Information Source(s): Department of Fiscal Services, Maryland State Department of Education

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