

Department of Legislative Services  
Maryland General Assembly  
2006 Session

FISCAL AND POLICY NOTE

House Bill 179  
Ways and Means

(Delegate Mayer, *et al.*)

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Education - Public Schools - Registration

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This bill requires the Maryland State Department of Education (MSDE) to develop and implement a statewide system for the registration of students in public schools. In developing the system, MSDE must consider standardized proof of residency and specified times for registration.

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Fiscal Summary

**State Effect:** If some students are excluded from the official enrollment counts due to stricter residency checks, general fund expenditures could decrease beginning in FY 2008. MSDE could establish any additional student registration policies and systems with existing resources.

**Local Effect:** Local revenues from State aid could decrease beginning in FY 2008 if fewer students are included in the fall 2006 enrollment counts. State aid revenues and local costs could shift from one jurisdiction to another, but the bill would not materially impact local board of education funding requests or local appropriations to the boards.

**Small Business Effect:** None.

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Analysis

**Current Law:** With a few exceptions, a public school student must attend a school in the county where the student lives. If a child fraudulently attends a public school in a county where the child is not domiciled with the child's parent or guardian, the parent or guardian is subject to a fine payable to the county for the child's tuition.

MSDE requires local school systems to maintain and report enrollment and registration data, and students must provide proof of residency to enroll in public schools. Obtaining proof of residency is a local school system responsibility.

**Background:** According to MSDE, residency can be proved by providing a deed, a lease, a utility bill, an affidavit, or some other documentation acceptable to a local school system. MSDE also notes that some schools that enroll more transient student populations enroll and withdraw as many as 800 students per year.

**State Expenditures:** Using a stricter process to verify student residency could reduce the number of students included in the fall enrollment counts that are used to determine State aid allocations. Based on fall 2005 public school enrollment figures, the proposed fiscal 2007 State budget includes \$4.5 billion for public schools, nearly \$5,400 per pupil. If a new, stricter policy is in place for the start of the 2006-2007 school year, fiscal 2008 general fund expenditures would decrease for each student who does not qualify as a State resident. It is assumed that the number of nonresident students attending public schools in Maryland is not significant.

Assuming the bill requires further standardization of the current registration and enrollment process, MSDE will incur additional administrative costs to develop additional procedures and forms for use in local school systems. However, the additional costs are expected to be minimal and could be absorbed within MSDE's existing budget.

**Local Fiscal Effect:** Local school system revenues from State aid will decrease in fiscal 2008 for each student excluded from the fall 2006 enrollment count due to stricter residency standards. The allocation of State aid could also shift slightly if the bill results in students shifting from one county to another. It is assumed, however, that the number of students who are not attending their home school systems is relatively small.

Counties are spending \$4.6 billion on public schools in fiscal 2006, approximately \$5,500 per pupil. Unlike the State, however, counties do not necessarily provide funding to the local school systems based on enrollment counts. The bill is not expected to have a significant impact on local board of education funding requests or on local appropriations to the boards.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

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