

**Department of Legislative Services**  
 Maryland General Assembly  
 2008 Session

**FISCAL AND POLICY NOTE**

House Bill 1040 (Prince George’s County Delegation)  
 Ways and Means

**Prince George's County - Compulsory School Attendance - Increased Age Range  
 PG 402-08**

This bill increases the age of compulsory school attendance from 15 to 17 for students in Prince George’s County. A child who is receiving alternative instruction, however, is only required to attend school through age 15.

The bill takes effect July 1, 2008.

**Fiscal Summary**

**State Effect:** General fund expenditures would increase by an estimated \$27.9 million in FY 2010 due to an increase in public school enrollments in Prince George’s County in fall 2008. Future year expenditure estimates reflect inflation and normal enrollment shifts. Long-term savings that might be realized from decreases in future public assistance and correctional costs cannot be reliably estimated. Revenues would not be affected.

(\$ in millions)	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	27.9	28.3	29.5	30.5
Net Effect	\$0	(\$27.9)	(\$28.3)	(\$29.5)	(\$30.5)

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** State education aid for Prince George’s County would increase by an estimated \$36.3 million in FY 2010; however, funding for the other local school systems would decrease by an estimated \$8.4 million collectively. The minimum required local appropriation to the Prince George’s County school system under the maintenance of effort provision would increase by at least \$13.3 million in FY 2010.

**Small Business Effect:** Minimal.

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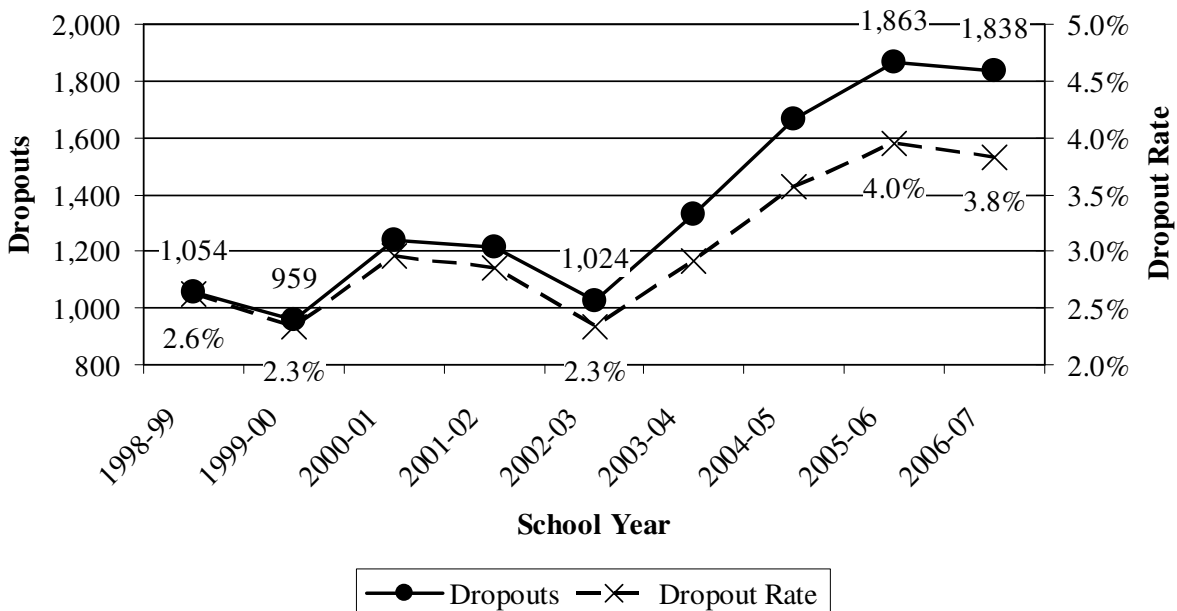
### Analysis

**Current Law:** A child 5 to 15 years old must attend public school regularly unless the child is otherwise receiving regular, thorough instruction at an alternative setting (*i.e.*, a private or home school). An individual who has legal custody of a child ages 5 to 15 and fails to see that the child attends school is guilty of a misdemeanor.

**Background:** More than 12,000 Prince George’s County students dropped out of school from the 1998-1999 school year to the 2006-2007 school year, an average of approximately 1,350 per year. **Exhibit 1** charts the number of Prince George’s County dropouts over this span and also displays the reported dropout rate for each year. The exhibit shows that the number and rate of dropouts has increased considerably since a dip in the 2002-2003 school year. The number and rate of dropouts peaked in the 2005-2006 school year before declining slightly last school year.

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**Exhibit 1**  
**Number of Dropouts and Dropout Rate for Prince George’s County**  
**1998-99 to 2006-07 School Years**



Source: Maryland State Department of Education

Chapter 449 of 2006 established the Task Force to Study Raising the Compulsory Public School Attendance Age to 18, and the task force submitted a final report in December 2007. The task force noted that students who drop out of high school face “harsh futures” characterized by lower wages, disproportionate representation in prisons, and shorter overall life spans. The costs to society were also described, including greater dependency on public assistance among dropouts and high incarceration costs for the population.

The task force recognized several factors that would make increasing the age of compulsory school attendance difficult, including the significant operating and capital cost increases associated with the age change and the ongoing shortage of qualified teacher candidates. The task force did not specifically recommend that the age of compulsory school attendance be raised, but did encourage strong use of student supports and alternative paths to high school graduation. In addition, the task force recommended that, if the State does increase the age of mandatory school attendance, it should provide adequate financial support for the endeavor.

**State Expenditures:** General fund expenditures would increase by an estimated \$27.9 million in fiscal 2010 due to an increase in Prince George’s County’s public school enrollment in the 2008-2009 school year. Future year expenditures would increase with inflation and would reflect normal shifts in enrollment. The information and assumptions used to calculate this estimate are described below.

- Due to the bill’s July 1, 2008 effective date, it is assumed that enrollment at the start of the 2008-2009 school year will be affected by the bill.
- Approximately 1,800 Prince George’s County students per year have dropped out of school in recent years. It is assumed that 1,800 students who have dropped out or will drop out this school year (2007-2008) will have to return to school in fall 2008 due to the increase in the compulsory attendance age. In addition, approximately half of the students who dropped out during the 2006-2007 school year (those who were 16 when they dropped out) will be required to return to school. In total, approximately 2,700 additional students will be included in the fall 2008 enrollment counts for Prince George’s County. The higher enrollment count will be used to calculate fiscal 2010 State aid.
- The number of Prince George’s County students in at-risk categories (students eligible for free and reduced price meals, students with disabilities, and students with limited English proficiency) will increase in accordance with the overall increase in enrollment.

The projected fiscal 2010 to 2013 increases in direct State education aid are shown by program in **Exhibit 2**.

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**Exhibit 2**  
**Increases in State Education Aid Programs**  
**Fiscal 2010 to 2013**  
**(\$ in Millions)**

<b><u>State Aid Program</u></b>	<b><u>FY 2010</u></b>	<b><u>FY 2011</u></b>	<b><u>FY 2012</u></b>	<b><u>FY 2012</u></b>
Foundation Program	\$9.3	\$9.4	\$9.5	\$9.7
Geographic Cost of Education Index	0.9	0.9	0.9	0.9
Supplemental Grants	4.6	4.6	4.6	4.6
Compensatory Education	5.0	4.6	4.8	4.9
Special Education Formula	1.0	1.0	1.0	1.0
Limited English Proficiency	1.3	1.4	1.5	1.5
Guaranteed Tax Base	5.4	6.0	6.7	7.4
Student Transportation	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
<b>General Fund Expenditure Increase</b>	<b>\$27.9</b>	<b>\$28.3</b>	<b>\$29.5</b>	<b>\$30.5</b>

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Depending on the available capacity of high schools in Prince George’s County, additional school construction funding might also be needed to ensure that school facilities have sufficient space to accommodate the added students. For example, the Task Force to Study Raising the Compulsory Public School Attendance Age to 18 estimated that costs to accommodate additional students in portable classrooms would total \$12.1 million in Prince George’s County, although that cost would be shared by the State and the county government. Beginning in fiscal 2010, the State is expecting to pay approximately 73% of eligible school construction costs in Prince George’s County or up to an estimated \$8.9 million of the \$12.1 million projected by the task force.

The bill could also indirectly affect State expenditures for other programs and functions. The Task Force to Study Raising the Compulsory Public School Attendance Age to 18 indicated that dropouts are disproportionately represented in public assistance programs and the juvenile and adult justice systems. If increasing the compulsory school attendance age in Prince George’s County reduces the number of students who leave high school before earning a diploma, this could decrease State costs for social programs, public safety, and correctional services. Any potential long-term savings cannot be reliably estimated.

**Local Revenues:** State aid to Prince George’s County Public Schools will increase by an estimated \$36.3 million in fiscal 2010; however, aid to the other 23 school systems in the State would decrease collectively by an estimated \$8.4 million due to the wealth equalization factor in State aid. The effect on direct fiscal 2010 State education funding for each school system is estimated in **Exhibit 3**. According to current estimates, 11 school systems would be unaffected by the change because of the supplemental grants that will be provided in fiscal 2010, and 12 school systems would receive less State aid than they are expected to receive under current law.

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**Exhibit 3**  
**Projected Changes in Fiscal 2010 Direct State Aid**  
**(\$ in Thousands)**

<u>County</u>	<u>Change in Aid</u>	<u>County</u>	<u>Change in Aid</u>
Allegany	\$0	Harford	\$0
Anne Arundel	(998)	Howard	(665)
Baltimore City	0	Kent	0
Baltimore	(1,311)	Montgomery	(2,416)
Calvert	(225)	Prince George’s	36,306
Caroline	(133)	Queen Anne’s	(100)
Carroll	0	St. Mary’s	(377)
Cecil	0	Somerset	0
Charles	(646)	Talbot	0
Dorchester	0	Washington	(526)
Frederick	(584)	Wicomico	(403)
Garrett	0	Worcester	0

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After fiscal 2010, State aid for Prince George’s County Public Schools would continue to be approximately \$36 to \$41 million higher than it would be without the change in the compulsory attendance age. There would be at least a small negative impact on every other school system except Talbot and Worcester counties, which are already at the State minimum funding levels for formulas that would be affected by the higher enrollment counts in Prince George’s County. Collectively, State education aid would increase by \$28 to \$30 million annually, with the annual increases for Prince George’s County schools partially offset by decreases for nearly every other school system.

**Local Expenditures:** Prince George's County school expenditures could increase as a result of adding students to local enrollments, which would begin in fall 2008 (fiscal 2009) under the bill. In fiscal 2008, Prince George's County has budgeted approximately \$5,000 per pupil in local education spending. If this cost is applied to approximately 2,700 additional students in fiscal 2009, local expenditures will increase by \$13.5 million. However, the actual magnitude of any increase will depend on the ability of the school system to accommodate additional students with available resources.

One school function that would most likely require additional resources is the tracking of truant students. School systems use pupil personnel workers to monitor truancy. If students who would drop out without this legislation are required to stay in school, it is assumed that there will be more truancy problems and that more pupil personnel workers will be needed. In October 2006, the average salary for a pupil personnel worker in Prince George's County was approximately \$82,600. The number of additional pupil personnel workers that might be needed cannot be reliably estimated.

County governments are required to provide local school systems with at least as much funding per pupil as was provided in the previous fiscal year in order to receive the State share of the foundation formula. Due to the increases in enrollment that could occur if 16- and 17-year-old students in Prince George's County are required to attend school, the county government could be required to increase funding for the school system to comply with the maintenance of effort (MOE) requirement. Prince George's County and other local governments often provide funding for public schools above the MOE requirement, so the actual impact of the legislation on local funding for school systems cannot be reliably estimated. However, the minimum required local funding level will increase by at least an estimated \$13.3 million beginning in fiscal 2010.

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### **Additional Information**

**Prior Introductions:** Bills to increase the age of compulsory school attendance have been introduced annually since 2002 without success. No bills have specifically addressed the compulsory school attendance age in Prince George's County, but SB 741/HB 36 of 2006 as introduced would have increased the age of compulsory school attendance for Baltimore City only. The cross filed bills were amended to instead establish the Task Force to Study Raising the Compulsory Public School Attendance Age to 18.

**Cross File:** None.

**Information Source(s):** Prince George's County, Judiciary (Administrative Office of the Courts), Maryland State Department of Education, Department of Legislative Services

**Fiscal Note History:** First Reader - March 3, 2008  
mll/mwc

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