

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

House Bill 1249
Ways and Means

(Delegate Smigiel, *et al.*)

Public Schools - Classes and Extracurricular Activities - Home-Schooled
Students

The bill authorizes a public elementary or secondary school to allow a home-schooled student to participate in an extracurricular activity and in the academic curriculum of the school. A home-schooled student may not participate in more than four course offerings in the academic curriculum of the public school, chosen from mathematics, science, languages, art, and music. If limited spaces are available in extracurricular activities or course offerings, the school must give priority to the students enrolled in the school over nonenrolled home-schooled students. The enrollment of home-schooled students is included in the calculation of funding under the foundation program.

Fiscal Summary

State Effect: General fund expenditures would increase in FY 2009 to upgrade Maryland State Department of Education data systems to be able to track and count home-schooled students participating in public school activities and courses. Beginning in FY 2011, general fund expenditures would increase by approximately \$3.4 million for every 1,000 full-time equivalent home-schooled students participating in public school activities and courses. The number of home-schooled students who would be included in the counts cannot be reliably estimated. Revenues would not be affected.

Local Effect: Local school expenses resulting from the participation of home-schooled students in public school activities and courses could increase beginning in FY 2009 in school systems that permit their participation. Local school revenues from State aid could increase beginning in FY 2011, but aid for some school systems could decrease. Required local government expenditures to support public school systems would not be affected.

Small Business Effect: None.

Analysis

Current Law: The participation of home-schooled students in extracurricular activities and academic courses offered by public schools is not specifically authorized or prohibited in statute or regulations. Upon request from a parent or guardian, a home-schooled student may participate in regularly scheduled standardized testing programs administered in the public school the child is eligible to attend.

The parent or guardian of a school-age child who wishes to home school the child must submit an application to the local superintendent of schools at least 15 days before the beginning of the home instruction program. The application must specify whether the home instruction program will be monitored by the local school system or a qualifying nonpublic school. A home instruction program monitored by the local school system must provide regular, thorough instruction in the studies usually taught in public schools to children of the same age, including English, mathematics, science, social studies, art, music, health, and physical education. In addition, the parent or guardian of a home-schooled student must maintain a portfolio of materials that demonstrates that the student is receiving the required instruction. The portfolio must include samples of the student's work and must be reviewed by a designee of the local school system following each semester.

Full-time equivalent (FTE) student enrollment counts are taken annually on September 30 and are used to compute State aid for education in the next following fiscal year. As the largest program in the State's education aid structure, the foundation program calculates State and minimum local shares of an amount derived by multiplying a per pupil base funding level times the FTE enrollment in each local school system. In fiscal 2009 and 2010, the per pupil amount is \$6,694. After fiscal 2010, the per pupil amount will increase annually with inflation. The State and local governments each provide about 50% of the total foundation program funding level; however, the funding is wealth-equalized so that more wealthy counties receive less than 50% of the funding from the State, while less wealthy counties receive more than 50% of the funding from the State.

Background: A statistical report from the National Center for Education Statistics (NCES) indicates that approximately 1.1 million students in 2003 were home schooled. This represented 2.2% of the elementary and secondary education students in the United States, and was an increase from 850,000 students or 1.7% of students in 1999. In both

the 1999 and 2003 surveys conducted by NCES, 18% of home-schooled students were enrolled part-time in a local school, with approximately 70% of these students enrolled for less than nine hours per week. Nearly one-third of the parents of home-schooled students (31%) reported concerns about the environments of schools (including safety, drugs, or negative peer pressure) as the most important reason for home schooling their child; another 30% reported the desire to provide religious or moral instruction.

MSDE reports that 15,226 families and 24,329 students in Maryland were involved in home instruction in the 2005-2006 school year. The number of home-schooled students is equivalent to less than 3% of the public school enrollment.

State Expenditures: General fund expenditures would increase in fiscal 2009 to upgrade data systems at MSDE to enable the systems to track the participation of home-schooled students in public school activities and courses. Since home-schooled students would be included in the enrollment counts, an accurate and consistent methodology for tallying these students would be critical. The additional expenditures cannot be reliably estimated, but would represent a one-time cost for fiscal 2009 only.

Due to the bill's October 1, 2008 effective date, home-schooled students would not be included in the September 30, 2008 enrollment counts that will be used to calculate foundation program funding for fiscal 2010. In fiscal 2011, general fund expenditures would increase by an estimated \$3.4 million for every 1,000 FTE home-schooled students who participate in public school activities in September 2009. This estimate is based on the projected fiscal 2011 per pupil foundation amount of \$6,802 and the 50% State share of that cost. The number of school systems that would permit the participation of home-schooled students and the number of home-schooled students who would then choose to participate in public school activities and courses cannot be reliably estimated.

Local Fiscal Effect: Beginning in October 2008, home-schooled students would be eligible to take part in certain public school activities if space is available and the local school system authorizes their participation. Local school systems allowing home-schooled students to participate in public school activities would do so at their own expense in fiscal 2009 and 2010 since no State funding would be available until fiscal 2011.

Beginning in fiscal 2011, local school systems could receive additional State aid for each additional FTE home-schooled student included in the September 2009 enrollment count. The foundation program is wealth-equalized on a per pupil basis, so if some counties permit participation of home-schooled students while others do not, there would be an impact on aid to all the school systems. The counties that include home-schooled

students in their enrollment counts would likely receive additional State funds, while those that do not would receive less State aid than they would under current law.

Although the bill specifies that home-schooled students would be used to compute the local share of the foundation program, that provision is not expected to have a significant impact on local government contributions to public schools. Currently, every county funds the local school system in excess of the required local share of the foundation.

Additional Information

Prior Introductions: Bills that would allow home-schooled students to participate in extracurricular activities offered by public schools were introduced in 2001 (HB 1072), 2002 (HB 1088), and 2003 (HB 578). All the bills were heard by the House Committee on Ways and Means and none were reported favorably. Unlike this bill, the prior introductions did not impact the State's education funding formulas.

Cross File: None.

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

Fiscal Note History: First Reader - March 18, 2008
ncs/rhh

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