

Department of Legislative Services
Maryland General Assembly
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FISCAL AND POLICY NOTE

Senate Bill 201 (Senator Pugh, *et al.*)
Education, Health, and Environmental Affairs

Baltimore City - Age for Compulsory Public School Attendance - Exemption

This bill increases the age of compulsory school attendance from 15 to 17 for students in Baltimore City. Existing penalties for legal custodians who fail to ensure that their children attend school and for individuals who induce or attempt to induce children to be unlawfully absent from school apply. However, a child who is 16 or 17 years old may withdraw if the child's parent or guardian provides written consent to the local school system.

The bill takes effect July 1, 2011.

Fiscal Summary

State Effect: General fund expenditures increase by \$21.0 million in FY 2013 due to an increase in public school enrollment in Baltimore City during the 2011-2012 school year. Future year expenditures reflect inflation and normal enrollment shifts. Revenues are not affected.

(\$ in millions)	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	21.0	21.1	22.1	22.8
Net Effect	\$.0	(\$21.0)	(\$21.1)	(\$22.1)	(\$22.8)

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

Local Effect: State education aid for Baltimore City increases by \$37.6 million in FY 2013; however, funding for the other local school systems decreases by \$16.6 million collectively. The minimum required local appropriation to the Baltimore City Public School System under the maintenance of effort provision increases by approximately \$6.3 million in FY 2013.

Small Business Effect: Minimal.

Analysis

Current Law: A child age 5 to 15 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 age 5 to 15 and fails to see that the child attends school is guilty of a misdemeanor.

A person who has legal custody or care and control of a child age 5 to 15 and fails to see that the child attends school, receives instruction, or has written consent to withdraw from school is subject to the following:

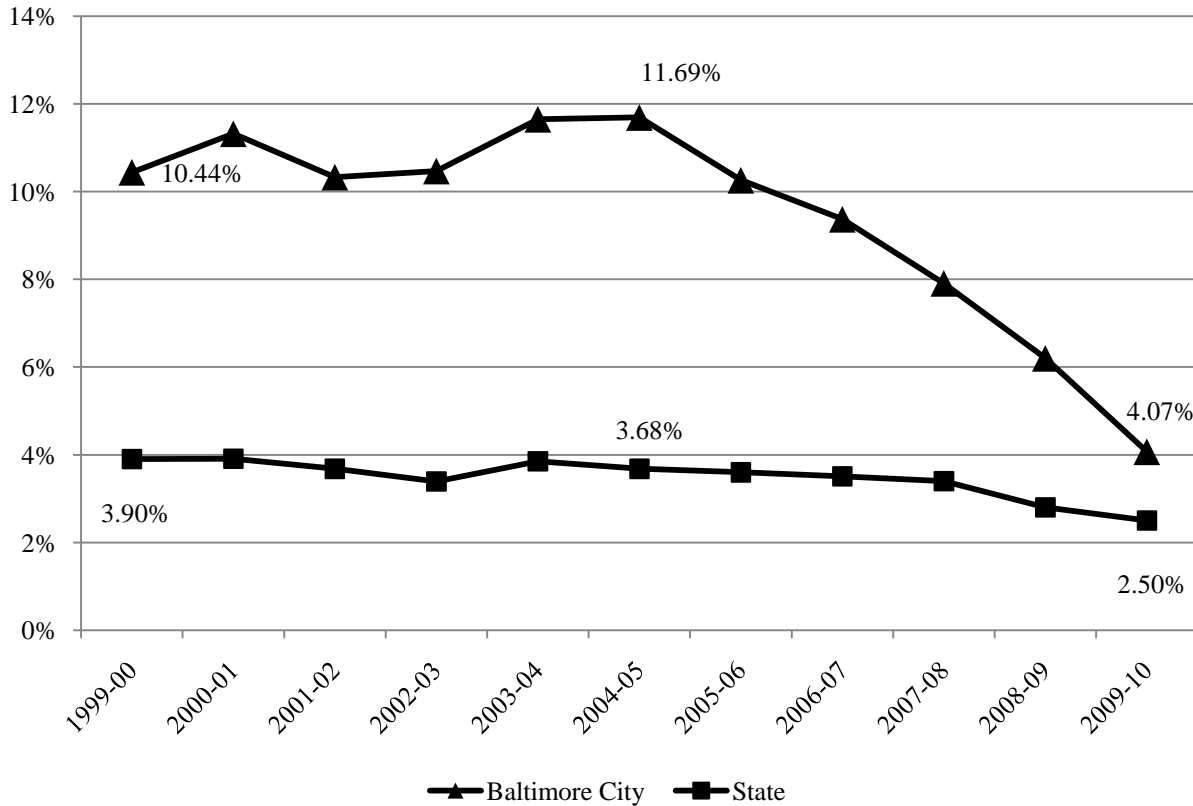
- for a first conviction, maximum penalties of \$50 per day of unlawful absence and/or 10 days imprisonment; and
- for a second or subsequent conviction, maximum penalties of \$100 per day of unlawful absence and/or 30 days imprisonment.

However, the court may suspend the fine or the prison sentence and establish terms and conditions to promote the child's school attendance.

A person who induces or attempts to induce a child to be absent unlawfully from school is guilty of a misdemeanor and subject to maximum penalties of 30 days imprisonment and/or a fine of \$500.

Background: More than 28,000 Baltimore City students dropped out of school from the 1999-2000 school year to the 2009-2010 school year, an average of approximately 2,800 per year. Reported annual dropout rates for Baltimore City and the State are charted in **Exhibit 1**. The exhibit shows that over the past 10 years Baltimore City has had a higher dropout rate than the State as a whole. However, since the Baltimore City dropout rate peaked at 11.69% during the 2004-2005 school year, it has decreased steadily to 4.07% during the 2009-2010 school year.

Exhibit 1
Number of Dropouts and Dropout Rate for Baltimore City
1999-2000 to 2009-2010 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 increase by \$21.0 million in fiscal 2013 due to an increase in Baltimore City's public school enrollment in the 2011-2012 school year. Future year expenditures increase with inflation and reflect normal shifts in enrollment. The information and assumptions used to calculate this estimate are described below.

- Due to the bill's July 1, 2011 effective date, it is assumed that enrollment at the start of the 2011-2012 school year will be affected by the bill.
- Approximately 1,400 Baltimore City students per year have dropped out of school in recent years. It is assumed that 1,400 students who have dropped out or will drop out this school year (2010-2011) will have to return to school in fall 2011 due to the increase in the compulsory attendance age. In addition, approximately three-quarters of the students who dropped out during the 2009-2010 school year (those who were 16 when they dropped out) will be required to return to school. In total, approximately 2,400 additional students will be included in the fall 2011 enrollment counts for Baltimore City. The higher enrollment count will be used to calculate fiscal 2013 State aid.
- The number of Baltimore City 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 average dropout numbers for the two-year period ending with the 2009-2010 school year were used in this estimate under the assumption that the downward trend in dropout rates will slow in the coming years. However, if the downward trend continues, actual costs will be less than projected here.

The projected fiscal 2013 to 2016 increases in direct State education aid are shown by program in **Exhibit 2**.

Exhibit 2
Increases in State Education Aid Programs
Fiscal 2013-2016
(\$ in Millions)

<u>Direct Aid</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
Foundation Program	\$8.4	\$8.5	\$8.7	\$8.9
Geographic Cost Index	0.7	0.7	0.7	0.7
Compensatory Education	8.5	8.5	8.6	8.9
Special Education Formula	1.5	1.5	1.5	1.6
Limited English Proficiency	0.4	0.5	0.6	0.6
Guaranteed Tax Base	0.9	0.6	-0.8	-0.8
Student Transportation	0.8	0.8	0.8	0.8
Direct Aid Subtotals	\$21.0	\$21.1	\$20.1	\$20.7
Teachers' Retirement	<u>0.0</u>	<u>0.0</u>	<u>2.0</u>	<u>2.1</u>
Total	\$21.0	\$21.1	\$22.1	\$22.8

Source: Department of Legislative Services

Using data from the 2005-2006 school year, the Task Force to Study Raising the Compulsory Public School Attendance Age to 18 estimated that no additional classroom space was needed in Baltimore City if the compulsory age of attendance was raised to 18. It is assumed that this finding is still accurate.

The bill may 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 Baltimore City reduces the number of students who leave high school before earning a diploma, this may 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 Baltimore City Public Schools will increase by an estimated \$37.6 million in fiscal 2013; however, State funding to the other 23 local school systems decreases collectively by an estimated \$16.6 million due to the wealth equalization factor in State aid. The effect on direct fiscal 2013 State education funding for each local school system is shown in **Exhibit 3**. According to current estimates,

two local school systems will be unaffected by the change, and 21 local school systems will receive less State aid than they are expected to receive under current law.

Exhibit 3
Projected Changes in Fiscal 2013 Direct State Aid
(\$ in Thousands)

<u>County</u>	<u>Change in Aid</u>	<u>County</u>	<u>Change in Aid</u>
Allegany	(\$374)	Harford	(\$822)
Anne Arundel	(934)	Howard	(638)
Baltimore City	37,612	Kent	(32)
Baltimore	(2,639)	Montgomery	(1,948)
Calvert	(302)	Prince George's	(3,906)
Caroline	(204)	Queen Anne's	(90)
Carroll	(453)	St. Mary's	(350)
Cecil	(506)	Somerset	(127)
Charles	(795)	Talbot	0
Dorchester	(170)	Washington	(813)
Frederick	(791)	Wicomico	(630)
Garrett	(49)	Worcester	0

Source: Department of Legislative Services

After fiscal 2013, State aid for Baltimore City Public Schools will continue to be approximately \$37.6 million to \$39.3 million higher than it would be without the change in the compulsory school attendance age. There will be at least a small negative impact on every other local school system except Talbot and Worcester counties, which are already at the State minimum funding levels for formulas that will be affected by the higher enrollment counts in Baltimore City. Collectively, State education aid increases by \$21.0 million to \$22.8 million annually, with the annual increases for Baltimore City schools partially offset by decreases for nearly every other local school system.

Local Expenditures: Baltimore City school expenditures increase as a result of adding students to local enrollments, which begin in fall 2011 (fiscal 2012) under the bill. In fiscal 2011, Baltimore City has budgeted approximately \$2,600 per pupil in local SB 201/ Page 6

education spending. If this cost is applied to approximately 2,400 additional students in fiscal 2012, local expenditures will increase by \$6.3 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 will most likely require additional resources is the tracking of truant students. Local 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 June 2010, the average salary and benefits for a pupil personnel worker in Baltimore City was approximately \$89,300. The number of additional pupil personnel workers that might be needed cannot be reliably estimated.

County governments (and Baltimore City) 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 increases in the State share of the foundation formula. Due to the increases in enrollment that will occur if 16- and 17-year-old students in Baltimore City are required to attend school, the city government will be required to increase funding for the school system by an estimated \$6.1 million in fiscal 2013 to comply with the maintenance of effort requirement.

Additional Information

Prior Introductions: A similar bill, SB 60 of 2003, also would have raised the age of compulsory education in Baltimore City. It received an unfavorable report from the Senate Education, Health, and Environmental Affairs Committee. Bills to increase the age of compulsory school attendance statewide have been introduced annually since 2002. None of the bills has been successful.

Cross File: None.

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

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