

Fiscal Services Division
Legislative Services Agency
Fiscal Note

HF 6 - Compulsory Attendance Age (LSB 1326 HH)

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Fiscal Note Version - New

Description

House File 6 raises the age for compulsory school attendance from 16 to 18 years. The Bill also makes related technical changes for dual enrollment and for children exempt from the compulsory attendance requirements.

Assumptions

- The Bill has an effective date of July 1, 2008, so the additional students will attend beginning with 2008-2009 school year. These students will be counted in October 2008 and be included in the FY 2010 budget enrollment for School Foundation Funding.
- School districts may apply to the School Budget Review Committee (SBRC) for on-time funding for the additional students in FY 2009 which would be funded through property taxes. It is not known how many school districts will have a sufficient number of students remaining in school to cause the school district to seek on-time funding.
- The State cost per pupil, assuming a 4.0% allowable growth rate for all affected years, would be \$5,546 for FY 2009 and \$5,768 for FY 2010.
- Approximately 25.0% of the students affected by the compulsory attendance age change will comply with the requirement.
- In FY 2006, there were 3,373 dropouts with recorded birth dates; 10 did not have recorded birth dates and are not included in this estimate. It is assumed future years will have similar numbers of affected students. The dropouts reported age is by September 2006. Thirty-seven sixteen- year-old students and 152 seventeen-year-old students had Individualize Educational Plans (IEPs); their special education weighting is distributed proportionately to the statewide special education distribution. The students are distributed by age and affected by this Bill as follows:

| <u>Age by September</u> | <u>FY 2006 Dropouts</u> | <u>Affected by HF 6</u> | <u>Special Ed. Weighting</u> | <u>Weighted Total</u> | <u>25.0% Compliance</u> |
|-----------------------------|-----------------------------|-----------------------------|----------------------------------|---------------------------|-----------------------------|
| Under 16 | 42 | 0 | 0 | 0 | 0 |
| 16 | 144 | 144 | 40 | 184 | 46 |
| 17 | 682 | 682 | 166 | 848 | 212 |
| 18 | 1,178 | 0 | 0 | 0 | 0 |
| Over 18 | 1,327 | 0 | 0 | 0 | 0 |
| Total | <u>3,373</u> | <u>826</u> | <u>206</u> | <u>1,032</u> | <u>258</u> |

- A high school graduate will pay (in current year dollars) an estimated \$8,600 more in taxes than a high school dropout over a 45-year work life. Using the average cost per affected student, each student who attends one additional year and graduates will return approximately \$1,400 more in taxes than will be paid for the additional year of schooling. Each student that stays an additional two years and graduates will cost approximately \$6,100 more in School Foundation Aid than will be returned in taxes paid. No estimate is available for how many of these students who remain in school will actually graduate.

- Raising the age for compulsory school attendance may create issues for truancy with the potential for mediation, civil penalties and court involvement. Information is not available at this time to estimate that impact.
- The change in the age for compulsory school attendance may bring the older truants into conflict with the graduated driver license requirements. The Department of Transportation expects no fiscal impact from this change.

Fiscal Impact

In FY 2009, House File 6 will cost less than \$1.4 million in local property taxes through on-time funding. In FY 2010, the additional 207 students cost an estimated \$1.3 million in State Foundation Aid and \$186,000 in property taxes, for a total cost of \$1.5 million.

Sources

Department of Education

Angrist, Joshua and Alan B. Krueger.

"Does Compulsory School Attendance Affect Schooling and Earnings?" The Quarterly Journal of Economics, 1991

http://econpapers.repec.org/article/tprjjecon/v_3A106_3Ay_3A1991_3Ai_3A4_3Ap_3A979-1014.htm

"High School Dropouts" **Issue Review**: Legislative Services Agency, November 2004
Criminal and Juvenile Justice Planning Division, Department of Human Rights
Department of Transportation

/s/ Holly M. Lyons

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The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
