


 Colorado *Legislative Council Staff*
STATE and LOCAL
REVISED FISCAL IMPACT
(replaces fiscal impact dated April 20, 2006)

Drafting Number: LLS 06-0518	Date: April 24, 2006
Prime Sponsor(s): Sen. Tapia	Bill Status: House Appropriations
Rep. Merrifield	Fiscal Analyst: David Porter (303-866-4375)

TITLE: CONCERNING THE AGE SPECIFICATIONS RELATING TO COMPULSORY SCHOOL ATTENDANCE.

Fiscal Impact Summary	FY 2006/07	FY 2007/08
State Revenues		
State Expenditures		
General Fund		\$1,274,939
FTE Position Change	0.0 FTE	2.1 FTE
Effective Date: July 1, 2007.		
Appropriation Summary for FY 2006/07: None.		
School District Impact: \$631,262 in FY 2007-08 — School districts will be required to provide their share of funding for all students that otherwise would have dropped out. Additionally, school districts will need to follow through on truancy filings on a greater number of children.		

This revised fiscal note reflects SB06-073 as currently amended and, as amendments to the bill eliminated additional FY 2008-09 Judicial Branch costs, the fiscal note no longer includes an analysis for FY 2008-09.

Summary of Legislation

Current law requires children to attend school from age 7 until reaching the age of 16. As students may drop out once they reach age 16, education is only required through age 15. SB06-073 changes the ages of compulsory education to children ages 7 to 17. Again, as students may drop out at the age of 17, this bill requires children to attend school through age 16. The bill modifies several other related sections of the law to comply with the age requirements. Additionally, the bill establishes the number of hours in a school year for kindergarten classes accordingly:

- 900 hours for a full-day kindergarten program; and
- 400 hours for a half-day kindergarten program.

State Expenditures

As SB06-073 is not effective in FY 2006-07, it will not require any state expenditures until FY 2007-08. Once effective, the bill will require total General Fund expenditures of \$1,274,939 and 2.1 FTE in FY 2007-08. These costs result from court monitoring of truancy cases and the state's portion of school finance funding for the pupils that remain in school.

Department of Education. In FY 2007-08, the state is expected to incur \$1,122,243 in school finance costs as a result of SB06-073. This cost is based on the state share of pupil funding, estimated at 64%, for the 265 students discussed below.

Current law states that every public school shall be open for the admission of all children between the ages of 6 and 21 years. The average funding per pupil anticipated in FY 2007-08 is \$6,617 from General Fund public school finance monies. The amount of money provided to the districts is based on their student headcount in early October. Funding is provided for every student that is in school when the attendance numbers are determined. (In FY 2008-09 it is estimated that the average per pupil funding amount will be \$6,800 with a state share of 83%.)

It is difficult to determine the number of 16-year-old students that will be compelled to stay in school as a result of this bill. However, the students that remain in school who would have dropped out otherwise create additional state expenditures. Some research indicates that compulsory attendance laws reduce the number of potential dropouts. One study indicates that in 1980, compulsory laws kept 10% of potential dropouts in school. Recognizing this is a rough estimate from an older study, this fiscal note will apply this rule to our current student population. Additionally, roughly 25% of students recorded as dropouts are anticipated to return in the following year. This indicates that only 75% of the recorded dropouts are not receiving funding in the following year. Table 1 applies these two concepts to the current population of student dropouts.

Table 1: Students Predicted to Remain in School			
Age	Dropouts	Dropouts who do not return	10% affected by bill
15*	1,938	1,453	
16	1,752	1,314	131
17**	3,565	2,674	134
18*	3,054	2,290	
Total Increase			265

* For information purposes only.

** Half of the 17-year-old dropouts are anticipated to continue their education to complete the work already started.

Total funding for 265 students is \$1,753,505 (265 students * \$6,617 per student = \$1,753,505). The state share of this amount is anticipated to be 64%, yielding state costs of \$1,122,243 (0.64 * \$1,753,505 = \$1,122,243). It should be noted that these estimates use current school dropout rates as a surrogate for actual dropouts. Students who are counted as dropouts could be enrolling in a private school or home schooling. Additionally, there may be students who are not in the dropout data due to other circumstances but may return to public school as a result of this bill.

Judicial Branch. The Judicial Branch does not incur any expenditures in FY 2006-07 but has costs of \$152,696 and 2.1 FTE in FY 2007-08. Making school attendance compulsory for 16-year-olds will impact the court system through truancy filings. The number of new truancy cases filed with the court is not expected to cause a significant impact. However, the change in the maximum age results in an increase in the length of time chronically truant cases will be under the jurisdiction of the court. Cases of this nature are typically considered closed once the student reaches the age of 16. With this bill, these cases will remain open for another year. It is estimated that 20 percent of truancy cases are of this nature. The following calculations show the annual impact on the Judicial Branch:

- 2,080 truant cases * 20% = 416 cases requiring review;
- 416 cases * 8 review hearings per case = 3,328 hearings;
- 3,328 hearings * 20 minutes per hearing = 66,560 minutes or 1,109 hours of magistrate work;
- 1,109 hours / 2,080 hours per FTE = 0.5 Magistrate FTE (rounded); and
- 1.5 FTE (rounded) court staff to support the work of the magistrate.

Finally, court-appointed counsel will need to be retained for the additional cases that remain in the court system. Costs that result from the appointed counsel are calculated as follows:

- 416 cases per year * 30% requiring counsel = 125 cases; and
- 125 cases * \$105 per case = \$13,125 in FY 2007-08.

Table 2 - Total Costs for the Judicial Branch Under SB06-073		
Cost Components	FY 2006-07	FY 2007-08
Personal Services		\$101,123
<i>FTE</i>		2.1
Operating Expenses/Capital Outlay		38,448
Court-Appointed Counsel		13,125
General Fund Total		\$152,696
<i>FTE</i>		2.1

School District Impact

The addition of 16-year-old students to the group of students required to stay in school may increase the amount of work required of school districts to follow through on truancy proceedings. As the total number of students against whom truancy proceedings would be brought is difficult to determine, costs to school districts are unknown.

Students who are in school who otherwise would have dropped out create an additional cost to the school districts. School districts are responsible for a share of the student's overall education expense. The share of the cost differs by district, however the average local share of pupil funding is 36%. The total school district cost that results from the addition of 265 students is estimated at \$631,262 in FY 2007-08.

State Appropriations

This fiscal note implies no appropriation will be necessary in FY 2006-07.

Departments Contacted

Education Judicial Higher Education