

## Department of Planning and Budget 2019 Fiscal Impact Statement

**1. Bill Number:** SB1587

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:** Suetterlein

**3. Committee:** Education and Health

**4. Title:** Public schools; average daily membership; early graduation.

**5. Summary:** Provides that a student who graduates from a public high school in less than four school years will be counted in the average daily membership in the relevant school division until the graduation of his class cohort or he is no longer of school-age, whichever is earlier. The provisions of the bill do not apply to any student who completes a high school equivalency examination.

**6. Budget Amendment Necessary:** Yes, Item 136.

**7. Fiscal Impact Estimates:** Preliminary. See Item 8.

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2019	\$0	0	N/A
2020	\$10.8 million	0	General Fund
2021	\$10.8 million	0	General Fund
2022	\$10.8 million	0	General Fund
2023	\$10.8 million	0	General Fund
2024	\$10.8 million	0	General Fund
2025	\$10.8 million	0	General Fund

**8. Fiscal Implications:** The Department of Education (DOE) estimates an additional state cost of \$10.8 million in FY 2020 if students who graduate from a public high school in less than four school years continue to be counted in the average daily membership (ADM) in the relevant school division until the graduation of their class cohort or they are no longer of school age, whichever is earlier. This estimated state cost is based on using historical data of early graduates reported by local school divisions to DOE to estimate the potential increase in ADM.

Any actual state cost in future fiscal years is indeterminate and would be based on the Direct Aid to Public Education budget as rebenchmarked for future biennia as well as the actual number of students who meet the criteria of this bill; however, for the purpose of this review, the estimated state cost of \$10.8 million is carried forward in outgoing fiscal years.

Local school divisions would be required to provide the local share to match any additional state funds based on each division's local composite index. Any actual cost to localities is indeterminate at this time.

DOE also anticipates additional work to perform the necessary data system and documentation changes and to train school divisions on the new membership reporting methodology. The agency anticipates that these administrative costs can be absorbed by existing resources.

**9. Specific Agency or Political Subdivisions Affected:** Department of Education, local school divisions

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None