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**Date:** April 12, 2013

**To:** Representative Ann Lenczewski, Chair  
Representative Gred Davids  
Representative Lyndon Carlson Sr., Chair  
Representative Mary Liz Holberg  
Senator Rod Skoe, Chair  
Senator Julianne Ortman  
Senator Richard Cohen, Chair  
Senator Michelle Fischbach

**From:** Margaret Kelly  
State Budget Director

**Phone:** 651.201.8031

**Subject:** Local Impact Note: HF 198 (Mariani): Compulsory attendance age for public schooling increased from 16 to 18.

On February 19, 2013 Minnesota Management and Budget received a local impact note request for HF 198 (Mariani), a bill amending the compulsory attendance age for students. We have completed our analysis and found negligible fiscal impact to local units of government.

Local impact notes are similar to the fiscal notes that you are familiar with, but they focus on the fiscal impact of proposed legislation on local governments rather than the State. This process is described in Minnesota Statutes 3.987 and 3.988. This statute requires Minnesota Management and Budget to gather and analyze information on local costs of legislation when requested by the chair or ranking minority member of the House and Senate Tax committees, the Senate Finance committee and the House Ways and Means committee.

HF 198 has two primary fiscal impacts to local units of government. The first is the retention of students in high school resulting in additional costs for school districts. Costs associated with educating students are reimbursed through state aid and therefore identified in the Department of Education's fiscal note on HF 198. Those costs were not included in our analysis.

The second fiscal impact of HF 198 is costs to school districts and counties related to the change in truancy cases. Under current law, school districts allow for students between the ages of 16 and 18 to legally withdraw from school after meeting with school personnel and signing a written election to withdraw. Those students between the ages of 16 and 18 that leave school without withdrawing are considered truant. School districts file truancy paperwork with the county after a student has missed a certain amount of school within a school year. Each county within Minnesota has a different process on handling truancy cases.

The Department of Education assumed in the fiscal note for HF 198 that pupils that drop out between the ages of 16 and 18 without filing paperwork will continue to drop out if the compulsory age is increased from 16 to 18. Under current law districts consider these pupils truant and report them to the

county and counties follow-up with the families per their truancy programs. The fiscal note also assumed that the pupils between the ages of 16 and 18 that legally withdraw from school would stay in school if the compulsory age is increased from 16 to 18. School districts would no longer spend time meeting with these students and filing withdraw paperwork. Because these students are staying in school, counties would not see a change in the number of truancy cases reported.

If the assumption that students that obtain a waiver to withdraw from school stay in school turns out to be false, then school districts would file additional truancy paperwork with the counties and counties would have additional truancy cases to act on. The Department of Education identified 75 pupils statewide that obtained a waiver to withdraw from school in FY 2012. The statewide fiscal impact of some portion of this population dropping out of school is negligible.

If you or your staff has any questions about the local note process feel free to contact Executive Budget Officer Kristy Swanson (651)201-8082 or Bryan Dahl (651)201-8031.

cc: Representative Carlos Mariani  
Senator Patricia Torres Ray  
Legislative staff (electronic)