

Department of Legislative Services  
Maryland General Assembly  
2000 Session

**FISCAL NOTE**

House Bill 460 (Delegate Heller)

Ways and Means

---

**Education - Disadvantaged Student College Placement Examination Grant Program**

---

This bill establishes a Disadvantaged Student College Placement Examination Grant Program within the Maryland State Department of Education. The State must provide grants to local boards of education to cover a portion of the cost of college placement examination fees paid by disadvantaged students. Local boards of education will disburse the grants to the disadvantaged students. The Governor must provide funds in the State budget to implement and maintain the program beginning in fiscal 2002.

This bill takes effect June 1, 2000.

---

**Fiscal Summary**

**State Effect:** General fund expenditures would increase by \$182,000 annually beginning in FY 2002. Revenues would not be affected.

**Local Effect:** None. Local boards of education can comply with the reporting requirements with existing resources.

**Small Business Effect:** None.

---

**Analysis**

**Bill Summary:** This bill establishes a Disadvantaged Student College Placement Examination Grant Program within the Maryland State Department of Education. Local boards of education must record on an annual basis (1) the number of disadvantaged students (students qualifying for free or reduced price lunch) in the county who take a college placement examination; and (2) the individual and total cost of fees paid by the disadvantaged students in the county to take college placement examinations.

Local boards of education must notify the State Board of Education by August 1 of each year on the number of disadvantaged students in the county who took a college placement examination in the previous fiscal year and the total cost of fees paid by disadvantaged students in the previous year. By October 1 of each year, the State board must distribute a grant to each local board of education in an amount equal to total cost of fees paid by disadvantaged students multiplied by the existing cost share percentages used to determine the maximum State share construction allocation for each county. By December 1 of each year, a local board must provide a grant to each disadvantaged student in the county who took a college placement examination in the previous year.

**Current Law:** The State does not reimburse students for the cost of college placement examinations.

**State Fiscal Effect:** Approximately 58,800 students in Maryland each year take a college placement examination. These examinations include the SAT, PSAT, and ACT. It is estimated that 12,600 of these students qualify for free and reduce price lunch. The cost for a college placement examination totals \$23.50 or \$296,100 for all disadvantaged students.

The State is required to provide a grant to local school systems in the amount equal to the total cost of fees paid by disadvantaged students multiplied by the existing cost share percentages used to determine the maximum State share construction allocation for each county. The State share amounts for public school construction projects ranges from 50% in wealthier jurisdictions to 80% in poorer jurisdictions. The grants would be distributed to local school systems which would forward the payments to the disadvantaged students.

**Exhibit 1** shows the State and local cost share amounts for public school construction projects.

The projected State cost for college placement examination grants would total approximately \$182,000 annually. Since the size of the grant amount is based on the State share amounts for public school construction projects, the grant amount received by a disadvantaged student would depend on the local school system in which the student attends. For example, a disadvantaged student in Somerset County would be reimbursed for 80% of the test cost (\$18.80), whereas a disadvantaged student in Worcester County would only be reimbursed for 50% of the test cost (\$11.75).

---

**Exhibit 1**  
**Public School Construction**  
**State/Local Cost Share Amounts of Eligible Costs**

<b>50/50</b>	<b>55/45</b>	<b>60/40</b>	<b>65/35</b>	<b>70/30</b>	<b>75/25</b>	<b>80/20</b>
Anne Arundel	Calvert	Prince George's <sup>1</sup>	Carroll	Cecil	Allegany	Somerset
Baltimore County	Queen Anne's		Charles	Dorchester	Baltimore City <sup>2</sup>	
Howard			Frederick	Garrett	Caroline	
Kent			Harford	St. Mary's		
Montgomery			Washington	Wicomico		
Talbot						
Worcester						

<sup>1</sup> For fiscal 1999 through 2002, Prince George's County's match will be 25% for the first \$35 million allocated by the State and 40% on any State funds in excess of \$35 million. At least \$20 million of the State funds must be spent each year on neighborhood school projects.

<sup>2</sup> For fiscal 1998 through 2002, Baltimore City's match will be 10% for the first \$10 million allocated by the State and 75% on any State funds in excess of \$10 million.

Source: Department of Legislative Services

---

### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 18, 2000  
nncsjr

---

Analysis by: Hiram L. Burch, Jr.

Direct Inquiries to:  
John Rixey, Coordinating Analyst  
(410) 946-5510  
(301) 970-5510