

**Department of Fiscal Services**  
Maryland General Assembly

**FISCAL NOTE**

House Bill 890 (Delegate Rudolph)  
Ways and Means

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**Education - Obtaining a High School Diploma by Examination**

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This bill enables the State Board of Education to waive the requirement that a student be withdrawn from a public or private school program for at least three months before obtaining a high school diploma by examination. This waiver applies only to students enrolled in an approved alternative education school. Under current law, the State Board may waive this requirement for students enrolled in the Paquin School in Baltimore City. The State Board is required to submit a report on the effectiveness of the waiver to the General Assembly on or before January 1, 1999.

This bill extends the sunset date for Chapter 404 of the Acts of 1995 from June 30, 1998 to June 30, 1999.

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**Fiscal Summary**

**State Effect:** Assuming the Maryland State Department of Education (MSDE) receives a waiver from the GED Testing Service, general fund expenditures could increase by \$20,500 in FY 1997. Future year expenditures reflect annualization and inflation. Revenues would not be affected.

(in dollars)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	20,500	20,400	20,800	0	0
Net Effect	(\$20,500)	(\$20,400)	(\$20,800)	\$0	\$0

*Note: ( ) - decrease; GF - general funds; FF - federal funds; SF - special funds*

**Local Effect:** Local government expenditures could increase by \$23,500, assuming local boards of education provide training programs to teachers conducting the GED tests. Revenues would not be affected.

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## Fiscal Analysis

**Background:** GED tests are administered by the MSDE. Approximately 12,000 individuals take the GED test annually. This bill extends GED testing to an additional 3,500 individuals enrolled in alternative education schools. Under current guidelines set by the GED Testing Service of the American Council on Education (ACE), the national organization that prepares and scores the GED tests, individuals enrolled in a current high school program are not eligible to take the GED tests. MSDE advises that this bill would bring the State out-of-compliance with its current contract with the Testing Service and jeopardize the department's authority to administer the tests to other students. In order for MSDE to implement this legislation, they would need a waiver from the GED Testing Service.

MSDE has received a waiver from the GED Testing Service to implement GED testing for students at the Paquin School in Baltimore City (Chapter 404 of the Acts of 1995). Of the 15 students from the Paquin School who took the GED tests this year, six did not show up for the examination, six failed the tests, and three were awarded high school diplomas.

**State Effect:** General fund expenditures could increase by an estimated \$20,500 in fiscal 1997, which reflects the bill's October 1, 1996 effective date. This estimate reflects the cost of hiring one contractual Office Clerk to process the additional GED applications. It includes salaries of \$11,888, fringe benefits, one-time start-up costs, and ongoing operating expenses. The information and assumptions used in calculating the estimate are stated below:

- 25% of the 3,489 students enrolled in alternative schools taking the GED tests; and
- current staff ratio of one employee for every 2,000 applications.

Salaries and Fringe Benefits	\$12,959
Equipment	5,277
Operating Expenses	<u>2,246</u>
<b>Total FY 1997 State Expenditures</b>	<b>\$20,482</b>

Future year expenditures reflect annualization and 2% annual increases in ongoing operating expenses.

**Local Effect:** Local government expenditures could increase by \$23,500 for staff development cost for teachers in alternative education schools. This estimate is based on a \$500 training cost per teacher in each of the State's 47 alternative education schools. The cost for the GED tests (\$18) and textbooks (\$25) would be absorbed by the students taking

the test and would not affect local finances. Enabling students to obtain a high school diploma earlier is not expected to decrease the cost of any additional educational programs offered by the local boards of education.

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**Information Source(s):** Maryland State Department of Education, Maryland Association of Boards of Education, Department of Fiscal Services

**Fiscal Note History:** First Reader - February 19, 1996

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Analysis by: Hiram L. Burch Jr.

Reviewed by: John Rixey

(410) 841-3710

(301) 858-3710

Direct Inquiries to:

John Rixey, Coordinating Analyst