

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE

Senate Bill 591 (Senator Van Hollen)  
Economic and Environmental Affairs

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**Educational Standards Act**

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This bill requires the State Board of Education to establish a high school assessment program to determine whether a student has mastered the essential knowledge needed to graduate. A student must pass the assessment test beginning in the year 2002 before graduating from high school. In addition, beginning in August 1997, if a student fails to pass the Maryland School Performance Assessments Program (MSPAP), the student is required to take additional instruction until the student passes the test. Local school systems are required to provide additional instruction, including Saturday classes, summer school, or tutorial programs for students who do not pass the MSPAP.

This bill takes effect June 1, 1996.

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**Fiscal Summary**

**State Effect:** General fund expenditures could increase by \$2.3 million in FY 1998. Revenues are not affected.

**Local Effect:** Significant indeterminate increase in local expenditures beginning in FY 1998. No effect on revenues. **This bill imposes a mandate on a unit of local government.**

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**Fiscal Analysis**

**Background:** The Maryland School Performance Assessment Program (MSPAP) was established in 1990 to assess a school's progress in meeting the State's learning goals. The program is administered in the 3rd, 5th, and 8th grades, and assesses student performance in six subjects (reading, writing, language usage, mathematics, science, and social studies).

**State Effect:** The Maryland State Department of Education (MSDE) is currently developing a High School Assessment Program (HSAP) to measure the performance of individual high school students as part of their graduation requirement. Approximately \$1.7 million has been

included in MSDE's fiscal 1997 budget to develop the HSAP. MSDE advises that State expenditures to develop, implement, and administer the HSAP will increase to \$4.6 million in fiscal 1998 and \$6.2 million by fiscal 2001. Since the HSAP initiative is already underway, State general fund expenditures would not be affected by the provisions of the bill requiring high school assessment tests.

However, the bill also requires students to pass the MSPAP beginning in fiscal 1998. MSDE advises that the existing assessment program is not designed to determine a student's education placement. Therefore the MSPAP would have to be redesigned at a cost of \$6.9 million. This expenditure increase is partially offset by a \$4.6 million cost savings from eliminating the current testing program. In sum, State general fund expenditures would increase by \$2.3 million in fiscal 1998 and \$400,000 annually thereafter.

The State Board of Education is required to study the advisability of a high school diploma that indicates whether a student has achieved a score on the HSAP that is above the graduation requirements. The State board is required to report to the General Assembly by December 1, 1996 on recommendations concerning incentives to encourage students to achieve high test scores. The study will not affect State expenditures.

**Local Effect:** Local school systems are required beginning in August 1997 to provide additional instructional programs, including Saturday classes, summer school, or tutorial programs, for students who do not pass the assessment tests. This could result in a significant increase in local expenditures. For example, only around one-third of 8th graders scored satisfactory on the MSPAP reading test in fiscal 1995. Assuming student performance remains the same, approximately two-thirds of high school students will require additional instruction. The following table illustrates the number of 8th graders that received a satisfactory score on the MSPAP in 1995.

Subject	Students Tested	% Satisfactory	Students Needing Additional Instruction
Reading	50,509	27.6%	36,600
Writing	51,168	42.1%	29,600
Language Usage	51,281	52.2%	24,500
Mathematics	49,822	42.3%	28,700
Science	51,748	46.1%	27,900
Social Studies	51,706	35.9%	33,100

In Prince George's County, 5,600 elementary and secondary students are expected to enroll in summer school programs at a cost of \$905,146 in fiscal 1996, or \$162 per student. Of this amount, approximately 73% is funded with student tuition and 27% with county funds. If summer school programs are expanded statewide to accommodate all of the students performing unsatisfactory on the assessment tests, local expenditures could increase by \$5.9 million. The impact would vary by school system, depending upon the performance of their students. For example, in Howard County 45% of 8th graders scored satisfactory on the reading test, compared to only 7% in Baltimore City.

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

**Fiscal Note History:** First Reader - March 11, 1996  
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