

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE

Senate Bill 41 (Chairman, Budget and Taxation Committee)
(Departmental – Education)

Budget and Taxation

Appropriations

Education - Adult External High School Program

This departmental bill extends the sunset date for the Maryland Adult External High School Diploma Program from June 30, 2001 to June 30, 2006. The bill extends the provision that requires the Governor to include in the annual budget bill a general fund appropriation for the Maryland Adult External High School Diploma Program in an amount not less than the general fund appropriation for the program in fiscal 1996. The bill also extends the date by which the State Board of Education must provide an evaluation report to the General Assembly from December 31, 2000 to December 31, 2005.

This bill takes effect July 1, 2001.

Fiscal Summary

State Effect: General fund expenditures for the Adult External High School Diploma Program would continue through FY 2006. Funding for the program in FY 2002 is expected to total \$281,070. Revenues would not be affected.

Local Effect: Eligible local school systems and local community colleges would continue to receive funding for their adult external high school diploma programs through FY 2006.

Small Business Effect: The Maryland State Department of Education has determined that this bill has minimal or no impact on small businesses (attached). Legislative Services concurs with this assessment.

Analysis

Current Law: The Maryland Adult External High School Diploma Program sunsets on June 30, 2001. The State Board of Education must conduct an evaluation of the program and report the results to the General Assembly by December 31, 2000. The Governor is required to include in the annual budget bill for fiscal 1998 through 2001 a general fund appropriation for the program in an amount not less than the general fund appropriation for the program in fiscal 1996.

Background: According to the 1990 census, 772,306 adults in Maryland (21%) do not have a high school diploma. The Maryland Adult External High School Diploma Program provides an alternative way for adults who did not complete high school to earn a State high school diploma. The program uses a one-on-one assessment that credentials skilled adults who have acquired much of their high school level abilities through life experiences. Candidates for the diploma must demonstrate mastery of 65 required competencies, as well as one individualized competency, which is an occupational or specialized skill.

The program was established in 1978 and is administered by the Maryland State Department of Education (MSDE) in partnership with local boards of education and local community colleges. The program is currently available in only 15 jurisdictions. The average time to complete the program is nine months. The estimated cost per graduate is approximately \$2,000, including State, federal, and local matching funds. On average, individuals pay a \$150 enrollment fee. Since the program started, over 11,200 individuals have received their diplomas through the program.

The Governor discontinued funding for the program in fiscal 1997. Consequently, at the 1997 session, the General Assembly approved legislation establishing a minimum State appropriation for the program. Under current law, the program's general fund appropriation cannot be less than the Governor's general fund appropriation for the program in fiscal 1996, which totaled \$281,070. Since the minimum funding requirement has been imposed, State funding for the program has not exceeded the fiscal 1996 funding level, as shown in **Exhibit 1**.

Exhibit 1
State Funding for the Maryland Adult External High School Diploma Program

| <u>Fiscal Year</u> | <u>State Funding</u> | <u>Fiscal Year</u> | <u>State Funding</u> |
|--------------------|----------------------|--------------------|----------------------|
| 1995 | \$281,070 | 1999 | \$281,070 |
| 1996 | \$281,070 | 2000 | \$281,070 |
| 1997 | \$0 | 2001 | \$281,070 |
| 1998 | \$281,070 | 2002 | \$281,070 |

State Fiscal Effect: State general fund expenditures for the Maryland Adult External High School Diploma Program would be maintained through fiscal 2006. The fiscal 2002 State budget includes \$281,070 for the Maryland Adult External Diploma Program.

Local Fiscal Effect: Twelve local school systems and two community colleges receive State funding to operate the Adult External Diploma Program as shown in **Exhibit 2**. The program in Baltimore and Howard counties are operated by the local community college. This program is also provided in Dorchester County; however, the State only provides the local school system with federal funds. State funds are not used to operate the program in Dorchester County.

Exhibit 2
State Funding for the Maryland Adult External High School Diploma Program
Fiscal 2001 Local Allocation

| <u>County</u> | <u>State Funding</u> | <u>County</u> | <u>State Funding</u> |
|----------------|----------------------|-----------------|----------------------|
| Allegany | \$13,232 | Frederick | \$16,834 |
| Anne Arundel | \$31,044 | Howard | \$20,051 |
| Baltimore City | \$35,014 | Prince George's | \$25,179 |
| Baltimore | \$52,622 | Queen Anne's | \$12,764 |
| Calvert | \$11,419 | Somerset | \$1,952 |
| Carroll | \$19,016 | Washington | \$17,511 |
| Charles | \$17,734 | Wicomico | \$6,698 |

Source: Maryland State Department of Education

Additional Comments: Maryland is one of 13 states that provide the external diploma program as a valid high school diploma option. A study by the University System of Maryland concluded that 72% of program graduates increased their income with 14% of graduates increasing their income by more than \$8,000. The State Board of Education has prepared an evaluation report on the Maryland Adult External High School Diploma Program. **Exhibit 3** provides some demographic information on program participants.

Exhibit 3
Selected Demographic Information on Program Participants

| | |
|------------|--|
| Age | 50% of individuals enrolled were between the ages of 25 and 44 |
| Gender | 63% were female and 37% were male |
| Ethnicity | 49% were white and 45% were African American |
| Employment | 67% were employed |
| Education | 84% had completed grades 9-11 |

Additional Information

Prior Introductions: None.

Cross File: None.

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

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