

**Department of Legislative Services**  
Maryland General Assembly  
2006 Session

**FISCAL AND POLICY NOTE**  
**Revised**

Senate Bill 373

(Senator Hogan, *et al.*)

Budget and Taxation

Ways and Means

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**Education - Adult External High School Program**

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This bill eliminates the sunset on the Maryland Adult External High School Program and mandates an annual general fund appropriation for the program that is at least equal to the program's fiscal 2006 general fund appropriation. To the extent available, federal funds for the program in an amount at least equal to the amount provided in fiscal 2006 must also be provided in the State budget each fiscal year.

The bill takes effect June 1, 2006.

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**Fiscal Summary**

**State Effect:** Mandated general fund expenditures of at least \$281,100 annually for the Maryland Adult External High School Program would continue beyond FY 2006. The proposed FY 2007 State budget includes this level of funding for the program. Revenues would not be affected.

**Local Effect:** Local school systems, community colleges, and community-based organizations would continue to receive State and federal funding to implement adult external high school programs locally. A 25% local match for the programs would also continue.

**Small Business Effect:** Minimal.

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## Analysis

**Current Law:** The Maryland Adult External High School Program is due to expire on July 1, 2006. The program was codified by Chapter 542 of 1997, and the State has provided \$281,070 each year for the program since fiscal 1998.

**Background:** Although it wasn't formally codified until 1997, the Adult External High School Program has been in existence since 1978 and has enabled 13,435 adults in Maryland to earn high school diplomas. The program requires candidates to display competencies in 65 required areas and one individualized competency skill to earn a high school diploma. In its December 2005 evaluation of the program, the Maryland State Department of Education (MSDE) reports that the State pays \$612 per graduate and that participants' wages had increased by at least \$7,000 per graduate within three years of graduation.

**State Expenditures:** Mandated general fund expenditures of at least \$281,070 would continue beyond fiscal 2006. The proposed fiscal 2007 State budget includes this level of State funding for the program.

In addition, to the extent that federal funds are available for this purpose, the State must provide an additional \$439,189 annually in federal funds, the amount that is being provided in fiscal 2006. MSDE advises that it anticipates a slight decline in federal funds for the program in fiscal 2007.

**Local Fiscal Effect:** Currently 13 counties and Baltimore City receive grants from the State to operate external high school programs locally. Ten of the grantees are local school systems, three are community colleges, and one is a community-based organization. Grants are awarded on a competitive basis and grant amounts are determined by the number of adults in the jurisdiction without a high school diploma. Continuation grants are adjusted based on enrollments and results.

The grants also involve a required 25% local match, so local expenditures for the programs would continue in future fiscal years.

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## Additional Information

**Prior Introductions:** None.

**Cross File:** HB 129 (Delegate Cadden, *et al.*) – Ways and Means.

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

**Fiscal Note History:** First Reader - February 8, 2006  
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Analysis by: Mark W. Collins

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510