

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 109 (Chairman, Education, Health, and Environmental Affairs Committee)
(By Request – Departmental – Education)

Education, Health, and Environmental Affairs

Ways and Means

**State Government - Forms Management - Extension of Implementation Date for
School Data**

This departmental bill extends the date by which the Maryland State Department of Education (MSDE) and local school systems must comply with State standards for data collection forms. The deadline is extended from July 1, 2006 to either December 1, 2007 or the date established by the U.S. Department of Education, whichever is sooner. In addition, each local school system must implement a training program for school registrars and personnel who record or register the racial and ethnic categories of students and must allow students' parents or guardians to decline from including race or ethnicity information on school registration and data collection forms.

The bill takes effect June 1, 2006.

Fiscal Summary

State Effect: Significant general fund expenditures associated with altering the methods for collecting student race and ethnicity data could be delayed for up to 18 months. The bill could also avoid the possibility that these costs are incurred twice and would ensure that federal funds under No Child Left Behind are not jeopardized.

Local Effect: Local school system expenditures associated with altering the methods for collecting student race and ethnicity data could be delayed for up to 18 months. Local school systems could implement the required training with existing resources.

Small Business Effect: MSDE has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Current Law: Data collection forms used by schools, school systems, and MSDE must comply with State government standards by July 1, 2006. State standards require forms to include the following racial categories, of which respondents may pick more than one: (1) American Indian or Alaskan Native; (2) Asian; (3) Black or African American; (4) Native Hawaiian or Other Pacific Islander; and (5) White. Forms are also required to include a separate question asking whether respondents are of Hispanic or Latino origin. In addition to the race identification requirements, State forms must be well-organized, easy to understand, and as unintrusive as possible.

Most other State agencies were required to comply with State standards for data collection forms by January 1, 2002.

Background: In response to the recommendations of the Task Force on Multiracial Designations, Chapter 459 of 1998 required State forms to reflect the increasing racial and ethnic diversity of the Maryland population by allowing individuals to report multiple races and ethnicities. Although many federal forms require the same choices, No Child Left Behind requires education data to be reported across just five categories of race/ethnicity: American Indian/Alaskan native; Hispanic; African-American; Asian/Pacific islander; and white. MSDE advises that it has been unsuccessful in its attempts to elicit guidance from the U.S. Department of Education for a resolution to the conflicting requirements.

The deadline for MSDE and local school systems to comply with State standards for data collection forms has been postponed twice previously. SB 900 of 2000 (Chapter 91) extended the deadline from January 1, 2002 to July 1, 2003, and HB 1055 of 2003 (Chapter 467) extended the deadline by an additional three years to July 1, 2006.

State and Local Fiscal Effect: State general fund and local school system expenditures needed to re-register current students, alter race and ethnicity categories in existing software applications and student tracking forms, and train staff for the new race/ethnicity categorization method are expected to be significant. The bill would allow these costs to be delayed for up to 18 months. It may also avoid a situation in which the expenses would be incurred twice, once to comply with State law and a second time to

conform to federal standards. MSDE estimates total costs for each change in the race/ethnicity identification method at approximately \$4 million to \$6 million statewide.

In addition, the current methods for collecting student race and ethnicity data comply with accountability requirements under the federal No Child Left Behind Act of 2001. Local school systems in Maryland receive more than \$200 million annually through the Act. Altering the current method for collecting race and ethnicity data in a way that does not conform to federal reporting standards could jeopardize that funding.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 1, 2006
mll/rhh Revised – Enrolled Bill - May 4, 2006

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