

Department of Legislative Services
 Maryland General Assembly
 2016 Session

FISCAL AND POLICY NOTE
 Third Reader

House Bill 1503
 Economic Matters

(Delegate Simonaire, *et al.*)

Finance

Adult Education - GED Testing Fees - Exemption for Homeless Youth

This bill exempts a homeless youth from paying general equivalency development (GED) testing fees if the individual (1) has had a consistent presence in the State for at least one year before applying to take the GED test, as evidenced by school, employment, or other records; (2) is a homeless child or youth, as defined by the McKinney-Vento Homeless Assistance Act; and (3) was determined to be a homeless youth by one of several specified individuals. The Department of Labor, Licensing, and Regulation (DLLR) must adopt regulations to implement the bill.

Fiscal Summary

State Effect: DLLR general fund expenditures increase minimally beginning in FY 2017 to exempt homeless youth from paying GED testing fees. *For illustrative purposes*, if 100 homeless youth are exempt from GED testing fees, general fund expenditures increase by approximately \$4,500 annually. Revenues are not affected.

Local Effect: Homeless liaisons from local school systems can verify that individuals are homeless youth with existing resources.

Small Business Effect: None.

Analysis

Current Law: The Adult Education and Literacy Services Office must distribute competitive grants for adult education and literacy services in accordance with the State plan for adult education and family literacy. These grants may be used for adult education and literacy services including (1) GED instruction; (2) the Maryland Adult External High

School Program; (3) Workplace Literacy Services; (4) English for speakers of other languages; (5) family literacy; and (6) literacy instruction. DLLR must compile a list by county of adult education and literacy services offered to the public.

A Maryland resident may obtain a high school diploma by examination through the Maryland Adult External High School Program. To qualify, an individual must be at least age 16 and may not have already obtained a high school certificate or diploma. The individual must also have officially withdrawn from a regular public or private school. Maryland administers the National Adult External Program, an alternative option for adults to earn a high school diploma, offered by the Comprehensive Adult Student Assessment Systems.

Unaccompanied homeless youth are eligible for a tuition and mandatory fee exemption to attend a public institution of higher education in Maryland if the individual (1) has had a consistent presence in the State for at least one year before enrollment in a public institution of higher education that is documented by school, employment, or other records; (2) is not in the physical custody of a parent or guardian; (3) is a homeless child or youth, as defined by the McKinney-Vento Homeless Assistance Act; and (4) was determined to be a homeless youth by one of several specified individuals.

Background: In fiscal 2015, 220 students graduated from a Maryland Adult External High School, and 2,187 students earned a GED.

Chapters 544 and 545 of 2013 established the Task Force to Study Housing and Supportive Services for Unaccompanied Homeless Youth. The task force reported in November 2013 that it is unclear how many unaccompanied homeless youth reside in Maryland, in large part because these youth frequently go unidentified or unserved, but there is reason to believe that the population is significant and growing.

The National Center for Homeless Education reports that nationally the number of students identified as homeless and enrolled in school has increased by 15% over the last three school years. From school years 2011-2012 to 2013-2014, the number of homeless students grew from 1.1 million to 1.3 million nationwide. The largest growth was in preschool (age 3 through 5) and ninth grade students. In Maryland, the total number of homeless students grew from 14,468 in 2011-2012 to 16,239 in 2013-2014, the most recent available data.

State Expenditures: The GED test is made up of four modules, and individuals pay \$11.25 for each module with DLLR subsidizing the remaining cost of \$18.75. Thus, GED testing fees total \$120, of which the individual taking the test pays \$45 and DLLR subsidizes the remaining \$75. Under the bill, DLLR would subsidize the entire cost of the GED testing fee for qualified homeless youth taking the exam. It is unknown how many

homeless youth take the GED in Maryland. In 2015, 6,232 GED applicants took at least one module of the test and 3,217 applicants took all modules of the test.

DLLR advises it needs to create a database system with the capability to track homeless GED testers and ensure payments are properly issued, which DLLR estimates costs \$300,000 in fiscal 2017 and \$50,000 annually thereafter for maintenance. Additionally, DLLR advises it needs one contractual administrative staff to validate documentation and process the payments for homeless GED test-takers. However, the Department of Legislative Services (DLS) does not anticipate a significant number of homeless youth would take the GED exam, and therefore DLLR can manually track homeless youth with existing resources. If the number of homeless youth taking the exam increases significantly, DLLR may need additional staff and resources to update its database.

According to data from the National Center for Homeless Education, nationally approximately 25% of homeless youth are in grades 9 through 12. Assuming 25% of the 16,239 homeless students enrolled in Maryland in the 2013-2014 school year are in high school, and based on Maryland high school enrollment in the same year, DLS estimates 2% of Maryland high school students are homeless youth. Accounting for the proportion of GED test-takers that are over the age of 24 and likely would not be considered homeless youth, DLS estimates fewer than 100 individuals may qualify as homeless youth exempt from paying the GED fees in fiscal 2017. If 100 homeless youth take the GED, general fund expenditures increase by \$4,500. Since the number of homeless students has risen by 15% over the past three years, the number of homeless youth eligible under the bill likely increases in the out-years, but the impact is likely still minimal.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland State Department of Education; Maryland Association of Boards of Education; Department of Human Resources; Department of Labor, Licensing, and Regulation; National Center for Homeless Education; GED Testing Services; Department of Legislative Services

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