

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 297

(Chair, Ways and Means Committee)(By Request -
Departmental - Labor)

Ways and Means

**Adult Education – High School Diploma Pathways – GED Option Pilot Program
and MDiplomaWorks Pathway**

This departmental bill establishes (1) a two-year GED Option Pilot Program to expand the existing GED Option Program as specified and (2) the MDiplomaWorks (MDW) Pathway within the Maryland Department of Labor (MD Labor) to recognize and certify high school diploma achievement through alternate means. MD Labor must oversee the GED Option Pilot Program. MD Labor and the Maryland State Department of Education (MSDE) must report to the Governor and General Assembly on the pilot program's effectiveness by December 1, 2028 and December 1, 2029. **Provisions relating to the GED Option Pilot Program terminate September 30, 2030.**

Fiscal Summary

State Effect: MD Labor can implement both programs with existing resources. MSDE can likely collaborate with MD Labor on the development of the pilot program and MDW Pathway with existing resources. However, to the extent that the bill requires substantial statutory and regulatory changes related to graduation requirements, MSDE may require additional staff, as discussed below. Revenues are not affected.

Local Effect: For local school systems participating in the pilot program, expenditures increase to expand GED Option Programs to non-English learner students for FY 2027 through 2029. No effect for nonparticipating school systems. Local revenues are not affected.

Small Business Effect: MD Labor has determined that this bill has a meaningful impact on small business (attached). The Department of Legislative Services (DLS) concurs with this assessment.

Analysis

Bill Summary:

GED Option Pilot Program

The bill establishes the GED Option Pilot Program for a period of two school years beginning in the 2027-2028 school year. The pilot program aims to expand the GED Option Program to students beyond English language learners in selected school districts to ensure that students have a pathway to obtain a high school diploma and are prepared to enter postsecondary programming or the workforce. MD Labor and MSDE jointly may adopt regulations to implement the pilot.

MD Labor, in consultation with MSDE and the Public School Superintendents' Association of Maryland must develop criteria for pilot participation, including a recognition of geographic diversity. MD Labor in consultation with MSDE must use the criteria to select at least three local school systems to participate in the pilot.

Participating school systems may select up to 150 students to participate in the pilot program. Selected students may begin the GED Option Program when the student is at least 17 years old, must be at significant risk of not successfully completing high school, and must take the high school diploma by examination before the conclusion of the GED Option Program.

MD Labor and MSDE must explore options for expanding the GED Option Program based on the results of the pilot and jointly report to the Governor and the General Assembly on the effectiveness of the program by December 1, 2028 and December 1, 2029. The report must include the number of students participating in the pilot from each participating school system, feedback from educators, students, and parents of students participating in the pilot on ways to improve the GED Option Program, the number of students who earned a high school diploma as a result of completing the pilot, and an evaluation of the pilot program and the GED Option Program with any recommendations for improvements.

MDiplomaWorks

The bill also establishes the MDW Pathway in MD Labor to recognize and certify high school diploma achievement through demonstrated academic and career competencies, including workforce experience.

Individuals eligible to obtain a high school diploma through the MDW Pathway must not have obtained a high school diploma, reside in the state, not be subject to the compulsory

school attendance requirement, and have withdrawn from a regular full-time public or private school program.

To earn a diploma through the MDW Pathway, an individual must demonstrate equivalency to a Maryland high school diploma by completion of a combination of four components as approved by MD Labor, including (1) earning industry-recognized credentials; (2) demonstrating foundational academic skills through formal assessments; (3) completing career and technical education coursework; and (4) completing an on-the-job learning experience. A high school diploma must be awarded to an individual who completes the MDW pathway in accordance with the regulations adopted by the Secretary of Labor and the Maryland State Board of Education.

Current Law: A Maryland resident may obtain a high school diploma by examination (GED) if the individual is at least 18 years old and has not obtained a high school diploma. To qualify, the individual must have withdrawn from a regular full-time public or private school program.

Chapters 373 and 374 of 2018 exempt specified English language learners from the requirement to withdraw from high school prior to obtaining a diploma by examination (GED). Specifically, individuals are exempt if they: (1) are a currently enrolled English language learner; (2) are under the age of 21; (3) have experienced interrupted education; (4) have a lower level of English proficiency than their peers; and (5) participate in a GED Option Program administered by MSDE.

MD Labor must offer examinations to individuals who are pursuing a high school diploma at least twice each year at places throughout the State that are reasonably convenient for the applicants. The examination must be in appropriate high school subject areas and be of a comprehensive nature as determined by the State Board of Education. Chapters 327 and 328 of 2025 also require MD Labor to allow an individual to choose to take all components of the high school diploma by examination (e.g., GED) in either English or Spanish.

Background: MD Labor advises that there are nearly 500,000 Marylanders who do not have a high school diploma, which often prevents them from accessing quality jobs and job training programs like registered apprenticeships.

There are currently three alternative pathways through which individuals can obtain a high school diploma outside of traditional K-12 schooling in Maryland. Individuals can either (1) take the GED test, consisting of four different modules including Mathematical Reasoning, Reasoning through Language Arts, Social Studies, and Science; (2) complete the National External Diploma Program (NEDP), which is completed working independently on a series of assigned tasks or competencies on computer, at their own

pace, while meeting periodically with a trained NEDP assessor to develop a portfolio that proves that they have acquired the skills required to be awarded a Maryland High School Diploma; or (3) attend one of Maryland's two adult high schools that offer adults 21 years and older the opportunity to earn a high school diploma based on the Maryland High School Graduation Requirements and potentially earn a post-secondary credit or an industry-recognized credential.

State Expenditures: MD Labor advises that the agency can absorb any additional administrative burdens associated with the expansion of the GED Option Program and the establishment of the MDW Pathway with existing resources.

MSDE advises that, for fiscal 2028 through 2032, the agency requires additional support in the form of a full-time policy specialist to continue coordination with partners in MD Labor and contractual support for legal analysis and data system adjustment related to diploma reclassification and federal counting reporting. DLS advises that, since the bill positions MD Labor as the primary agency responsible for both GED Option program expansion (with local school systems also individually responsible for much of the implementation, as discussed below) and MDW Pathway development, MSDE can likely consult on the creation of these programs using existing resources. Nevertheless, DLS acknowledges MSDE's concerns that, should the implementation of the bill require significant statutory and regulatory changes and updates to graduation, transcript, and data reporting systems, MSDE may require additional staff to support the program and the pilot's implementation.

As the expansion of the GED Option Program is designed to retain students at-risk of dropping out of school, it is assumed that participants are already enrolled in school and therefore do not affect enrollment counts used to determine State education aid for local school systems. Although participants in the MDiplomaWorks pathway are required to have dropped out of the school, that program is administered by MD Labor and not by local school systems. Therefore, State education aid is also not affected.

Local Expenditures: To the extent local school systems elect to participate in the GED Option Pilot Program, local expenditures increase for fiscal 2027 through 2029 to include students beyond the currently eligible English language learners. An exact estimate of costs depends on the size and scope of the expanded programs, primarily the additional number of students eligible for participation in the pilot program. To accommodate the new pilot program, school systems may either need to increase class sizes within existing general education setting or employ additional instructional staff to deliver the GED Option Program curricula. MSDE additionally advises that local school systems may face additional costs associated with support services needed to deploy GED-aligned coursework for students with disabilities or accommodations under an Individualized

Education Program or 504 Plan. Additionally, an expanded GED Option program would require additional instructional support and administrative demands.

For illustrative purposes only, Montgomery County Public Schools advises that costs to expand the county's current GED Option Program to include an additional 130 students total at least \$550,000 annually. This estimate includes the cost of (1) staffing, including four new teachers to provide instruction across the GED's four domains and two support staff positions for paraeducators to provide classroom support and bus drivers to provide student transportation; (2) classroom materials and supplies; and (3) GED exam costs. Montgomery County Public Schools' estimate does not include building space, utilities, and administrative staff, for which the county advises it can leverage its existing GED Option Program resources.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 70 (Chair, Education, Energy, and the Environment Committee)(By Request - Departmental - Labor) - Education, Energy, and the Environment.

Information Source(s): Maryland State Department of Education; Maryland Department of Labor; Baltimore City Public Schools; Montgomery County Public Schools; Department of Legislative Services

Fiscal Note History: First Reader - January 27, 2026
sj/mcr

Analysis by: Michael E. Sousane

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

ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Adult Education - High School Diploma Pathways - GED Option Pilot Program and MDiplomaWorks Pathway

BILL NUMBER: HB 297

PREPARED BY: Jenna Bachman, Policy Analyst, MD Labor, DWDAL

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

 WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

X_ WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The attached proposal is likely to have a meaningful positive impact on Maryland's small businesses. Many of MD Labor's quality job training programs, including Registered Apprenticeship, require participants to have an HSD. Upon completion of these programs, participants leave with an industry-recognized credential and hands-on experience in a skilled occupation. By increasing the ability of individuals to earn an HSD, the attached proposal would increase the number of individuals qualified for RA and other similar job training programs, subsequently increasing the pool of skilled workers available to small businesses.