

Department of Legislative Services  
Maryland General Assembly  
2018 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 43

(Chair, Finance Committee and Chair, Education, Health,  
and Environmental Affairs Committee)(By Request -  
Departmental - Labor, Licensing and Regulation)

Finance and Education, Health, and  
Environmental Affairs

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**High School Diploma by Examination - Eligibility Requirements - Exemption**

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This departmental bill exempts specified English language learners from the requirement to withdraw from high school prior to obtaining a diploma by examination (GED). **This bill takes effect July 1, 2018.**

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**Fiscal Summary**

**State Effect:** General fund expenditures increase minimally beginning in FY 2019. Revenues are not affected.

**Local Effect:** Expenditures increase minimally for local school systems that participate in the GED Option Program.

**Small Business Effect:** The Department of Labor, Licensing and Regulation (DLLR) has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

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**Analysis**

**Bill Summary:** Specifically, the bill exempts individuals from the requirement to withdraw from high school prior to obtaining a diploma by examination (GED) if the individual: (1) is a currently enrolled English language learner; (2) is under the age of 21 years; (3) has experienced interrupted education; (4) has a lower level of English

proficiency than his or her peers; and (5) participates in a GED Option Program administered by the Maryland State Department of Education (MSDE).

**Current Law:** A Maryland resident may obtain a high school diploma by examination 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 To qualify, the individual must have withdrawn from a regular full-time public or private school program.

DLLR 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.

**Background:** During the 2015-2016 school year (the latest data available), the annual dropout rate across grades 9 through 12 from public schools was 2.57%. The annual dropout rate for students classified as English language learners was much higher, 8.24%. DLLR advises that one of the largest barriers to employment is the lack of a high school diploma.

One factor contributing to the higher dropout rate for English language learners is a subset of English language learners who have arrived in the United States as high school students, experienced interrupted education, and have a lower level of proficiency in English. MSDE advises that these students are typically not able to earn a sufficient number of credits to graduate before age 21 and are at a higher risk of dropping out from school. For two years, MSDE and DLLR have been collaborating on a pilot GED Option program to provide a diploma pathway program for these students. Under current law, an individual must first formally withdraw from school in order to take the GED test. The GED Option program allows a student to remain enrolled in high school and receive the supports and structure of high school while pursuing a GED high school credential.

Six local school systems (Anne Arundel, Charles, Frederick, Howard, Montgomery, and Prince George's) are currently in various stages of implementing a GED Option program for eligible English language learner students. MSDE advises that about 50 students are participating in the program during the 2017-2018 school year. The students who are eligible to participate are a small subset of the approximately 11,000 high school English language learners in the participating counties and approximately 13,700 high school English language learners in the State.

The GED test is offered by GED Testing Services, which is a joint venture between Pearson VUE and ACE. The GED test consists of four tests that can be taken separately: Reasoning through Language Arts; Social Studies; Math; and Science. Candidates who have passed all four modules of the GED test are awarded a Maryland high school diploma issued jointly by MSDE and DLLR. The first time an individual takes a module of the test, the

State supplements \$18.75 of the costs, for a total State supplement of \$75 per individual. Test takers pay GED Testing Services \$11.25 to take each module the first time. Retakes are not supplemented by the State. GED Testing Services charges test takers between \$10 and \$30 to retake each module.

**State Expenditures:** General fund expenditures increase by an estimated \$3,750 annually, beginning in fiscal 2019, for the State to cover its share of GED costs for 50 students, based on the number of students currently participating in the pilot program. Although students began the program this school year, MSDE advises that only one student may be ready to take one module of the GED this year, so there is no impact in fiscal 2018.

Additional students are likely to participate in the program in future years as the six school systems reach full implementation of the program, and other school systems may join the program. To the extent more individuals take the GED test in future years due to the program, general fund expenditures increase by up to \$75 for each additional student annually. The number of students that may participate in the program cannot be reliably estimated at this time, but MSDE advises that the bill applies to a small subset of all English language learners in the State, and only a subset of those enrolled in the program will be ready to take the GED each year. For illustrative purposes, if 1% of English language learners in the State take the full battery of GED tests annually, general fund expenditures increase by approximately \$10,000.

**Local Expenditures:** Although not required by the bill, the memorandum of understanding that participating local school systems have with MSDE requires local school systems to pay the student portion of the GED test. Test takers pay GED Testing Services \$11.25 to take each module the first time. With the local school system support of students within the GED Option Program, a high passing rate is anticipated, and, thus, retakes will likely be minimal. Assuming at least 50 students take all four modules once, local school system expenditures increase by a total of \$2,250 annually. However, only a subset of those students participating in the program may be ready to take the full battery of GED tests in any year.

MSDE advises that Anne Arundel, Charles, Frederick, Howard, Montgomery, and Prince George's counties currently are in various stages of implementing a GED Option pilot program that meets the requirements of the bill. Other local school systems may choose to implement programs in the future. The exact fiscal impact will depend on the number of modules taken by test takers.

## **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland State Department of Education; Department of Labor, Licensing, and Regulation; GED Testing Services; Department of Legislative Services

**Fiscal Note History:** First Reader - January 15, 2018  
md/rhh

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# **ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES**

TITLE OF BILL: High School Diploma – GED Testing – GED Option

BILL NUMBER: SB 43

PREPARED BY: Brandon Butler, Deputy Assist Sec., Workforce Dev. and Adult Learning

## **PART A. ECONOMIC IMPACT RATING**

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

## **PART B. ECONOMIC IMPACT ANALYSIS**

The proposed action will have minimal or no economic impact on Maryland's small businesses. The bill may have a positive effect on small businesses that require their applicants to possess a high school diploma by increasing the pool of available candidates.

## **LOCAL GOVERNMENT IMPACT**

**None.**