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BILL**ANALYSIS**

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Senate Bill 216 (Substitute S-4 as passed by the Senate)

Sponsor: Senator Dave Robertson

Committee: Education

Date Completed: 2-18-16

CONTENT

The bill would amend the State School Aid Act to do the following:

- Replace references to the General Educational Development (GED) test and certification with references to the high school equivalency test and certification.**
- Require the Department of Talent and Economic Development to approve at least one high school equivalency test and determine whether a high school equivalency certificate met State standards.**

Where the Act refers to GED, the bill would refer to high school equivalency. "High school equivalency certificate" would mean a certificate granted for the successful completion of a high school equivalency test. "High school equivalency test" would mean a high school equivalency test approved by the Department under Section 107. (Section 107 allocates an amount not to exceed \$25.0 million from public schools and education appropriations for authorized adult education programs, including a GED test preparation program.)

Also, the bill would require the Department to approve at least one high school equivalency test and determine whether a high school equivalency certificate met the requisite standards for high school equivalency in this State.

The bill would take effect 90 days after its enactment.

MCL 388.1604 et al.

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bill would have a fiscal impact on the State and on local units (schools) that currently help pay the cost of a student's General Educational Development test, if a different test/program were chosen and had a different cost structure than the GED. According to the Department of Talent and Economic Development, GED Testing Service charges test-takers \$37.50 per test (that is, per component of the test, as discussed below). Of this amount, GED Testing Service pays the State \$7.50 per test, generating roughly \$150,000 per year that the State uses for oversight and general administration. If a test/program other than GED were chosen as the bill would allow, the fiscal impact on the State would depend upon whether the other provider paid the State more, less, or the same as the current \$7.50 per test and upon the associated State costs for administration and oversight of the new test.

School districts or other local providers of adult education sometimes use some of their State adult education funding to pay the GED costs as an incentive to keep participants in the program, and to remove barriers for those who cannot afford the test. Local providers can pay the entire GED cost or a portion of it, or require the participant to pay the entire cost of

the GED test. Therefore, the fiscal impact on local units of government that currently pay at least a portion of the GED test costs would depend on whether a different vendor were chosen, and how the program costs compared to those of the GED.

The entire GED test has four components; at a cost of \$37.50 each, the test costs \$150, which includes \$40 paid to the testing center(s) and \$30 paid to the State. Retakes for the GED cost \$10. According to the Workforce Development Agency, the High School Equivalency Test (HiSET) costs \$50 for the complete test series (five tests) and includes two retakes per test. The HiSET costs up to \$75 if tests are taken individually and not bundled, with retake costs of \$15. The Test Assessing Secondary Completion (TASC) costs \$52 for the test series. (No information is readily available on the cost or provision of TASC retakes.) It is unknown how much would be charged and remitted to the State for oversight of the HiSET or TASC, or how much would be charged for testing centers, as those costs (if any) do not appear to be reflected in the prices shown here, although it is likely that the State could include those provisions in a request for proposal during a competitive bidding process. Therefore, any fiscal impact from this bill would depend upon whether a vendor other than GED Testing Service were chosen, and upon the terms of the agreement with a different vendor.

Fiscal Analyst: Kathryn Summers