

Date of Hearing: July 1, 2015

ASSEMBLY COMMITTEE ON EDUCATION

Patrick O'Donnell, Chair

SB 252 (Leno) – As Amended June 2, 2015

**SENATE VOTE:** 40-0

**SUBJECT:** Pupils: diploma alternatives: fees.

**SUMMARY:** Prohibits a fee from being charged to a homeless youth for the high school proficiency exam and the high school equivalency test. Specifically, **this bill:**

- 1) Prohibits the California Department of Education (CDE) from charging a fee for the high school proficiency exam to an examinee who is a homeless child or youth.
- 2) Prohibits a scoring contractor or testing center from charging a fee for the high school equivalency exam to an examinee who is a homeless child or youth.
- 3) Requires an examinee to meet the following criteria to be exempt from the fee:
  - a) Meets the federal definition of "homeless youth or child" in the McKinney-Vento Homeless Assistance Act;
  - b) Has not attained the age of 25 years as of the date of the scheduled exam; and
  - c) Can verify his or her status as a homeless child or youth.
- 4) Provides that a homeless services provider that has knowledge of the examinee's housing status may verify the examinee's status.
- 5) Defines "homeless services provider" to include either of the following:
  - a) A homeless services provider listed in Section 103577(3)(d) of the Health and Safety Code; or
  - b) Any other person or entity that is qualified to verify an individual's housing status, as determined by the CDE.
- 6) Provides that additional state funds shall not be appropriated to implement the fee exemption.

**EXISTING LAW:**

- 1) Requires the State Board of Education (SBE) to award a "certificate of proficiency" to persons who demonstrate proficiency in basic skills taught in public high schools.
- 2) Authorizes the CDE to charge a fee to cover the cost of administering the proficiency exam.
- 3) Requires the Superintendent of Public Instruction (SPI) to issue a California high school equivalency certificate to a person who passes a SBE-approved equivalency exam and meets specified residency and age requirements.

- 4) Defines (in federal law) "homeless children and youth" to mean:
- a) Individuals who lack a fixed, regular, and adequate nighttime residence;
  - b) Children and youths who are sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason; are living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations; are living in emergency or transitional shelters; are abandoned in hospitals; or are awaiting foster care placement;
  - c) Children and youths who have a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings;
  - d) Children and youths who are living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings; and
  - e) Migratory children who are living in circumstances described above.
  - f) Defines (in the California Health and Safety Code) a "homeless service provider" to mean:
    - i) A governmental or nonprofit agency receiving federal, state, or county or municipal funding to provide services to a "homeless person" or "homeless child or youth," or that is otherwise sanctioned to provide those services by a local homeless continuum of care organization;
    - ii) An attorney licensed to practice law in this state;
    - iii) A local educational agency liaison for homeless children and youth designated as such or a school social worker.
    - iv) A human services provider or public social services provider funded by the State of California to provide homeless children or youth services, health services, mental or behavioral health services, substance use disorder services, or public assistance or employment services; and
    - v) A law enforcement officer designated as a liaison to the homeless population by a local police department or sheriff's department within the state.

**FISCAL EFFECT:** According to the Senate Appropriations Committee:

- 1) This bill prohibits additional state funding from being provided to implement the fee exemptions and would therefore require that they be absorbed at the local level. Costs are estimated to be in the low to mid hundreds of thousands to cover the loss of fee revenue.
- 2) The CDE indicates that this bill imposes minimal costs to the department.

**COMMENTS:**

**Background.** The California High School Proficiency Exam (CHSPE) and High School Equivalency Tests are offered as alternatives to a high school diploma. The CHSPE is available to pupils 16 and over, and measures basic skills in English language arts and math. A Certificate of Proficiency is accepted by federal agencies for purposes of employment, and all persons and institutions subject to California law that require a high school diploma are required to accept the certificate as satisfying the requirement. The fee is \$110 for those who register by the deadline, \$135 for late registration, and \$160 for emergency registration. The CDE reports that there were 4,594 CHSPE test takers in 2013-14, with a pass rate of about 47%. Those who fail the test can retake it.

The SBE has approved three high school equivalency tests for use in California: the General Educational Development Test (GED), published by the GED Testing Service, which is owned by Pearson, a for-profit company; the High School Equivalency Test (HiSET), published by the Educational Testing Service (ETS), a private not-for profit company; and the Test Assessing Secondary Completion (TASC), published by CTB/McGraw-Hill, a for-profit company. The fees vary from test to test and from one test center to another, but are more than \$100. For example, the Los Angeles testing center for the HiSET charges \$150.

**Estimates of test-taking rates among homelessness youth.** According to an informal survey conducted by the National Association for the Education of Homeless Children and Youth (NAEHCY), which received responses from 77 local education agencies representing 42,467 homeless youth, less than 0.3% of homeless youth take either the proficiency or equivalency test. Two respondents reported that cost is a barrier to more homeless youth taking the test. Extrapolating from this data, NAEHCY estimates that, statewide, about 862 homeless youth take either test each year.

**Who pays?** While few would argue with the merits of providing free access to these exams by homeless youth, it is not clear who would pay. This bill prohibits the use of state funds to backfill the fee, which means that the cost would either have to be absorbed by the test publishers or administrators or passed on to other test takers in the form of higher fees. However, most of the other test takers, while not necessarily homeless, are low income. According to the CDE, 56% of GED test takers reported their annual income level as less than \$10,000. Another 15% earned between \$10,000 and \$19,999, so 71% earned less than \$20,000 annually.

Meanwhile, the CDE reports a surplus of \$1.3 million in its GED administrative account. The funds come from an administrative fee that is charged to test takers. Existing law caps the fee at \$20. Currently, the revenue from the administrative fees covers the CDE's costs of administering the tests. In prior years, however, the revenue exceeded costs, which resulted in the surplus. These funds are not currently designated for any other use. Rather than potentially increasing testing fees charged by private companies to other, low income test takers, **staff recommends** that the bill be amended to allow the GED surplus funds to be used to subsidize the fees of homeless test takers for a four-year period (sunsetting on January 1, 2020.) or until surplus funds are exhausted, whichever comes first. If the number of homeless test takers more than doubled to 2,000 per year, there still would be enough money in the surplus to last for at least that period of time.

Unlike the equivalency tests, which are administered by private entities approved by the SBE, the proficiency test is administered by a local education agency (currently the Sacramento

County Office of Education) under contract to the CDE. Since the GED surplus cannot be used to subsidize fees for the proficiency test, **staff recommends** the bill be amended to allow the CDE to use revenue from the CHSPE administrative fees it currently collects to cover the cost of fees to homeless youth. Since there is no statutory cap on the amount of the administrative fee that can be charged to test takers, the CDE already has the authority to raise the fee as necessary to cover the additional costs.

To expedite these changes, **staff recommends** the bill be amended to require the SPI to adopt emergency regulations to implement them. Finally, **staff recommends** that the bill be amended to require the SPI to report to the Legislature by December 1, 2018 on the following:

- The impact of the opportunity to take the tests at no cost on the number and percentage of homeless youth who take a test;
- The estimated number of homeless youth expected to take either test in future years; and
- Recommendations for a permanent funding source.

#### **REGISTERED SUPPORT / OPPOSITION:**

##### **Support**

American Federation of State, County and Municipal Employees, AFL-CIO  
California Attorney General, Kamala D. Harris  
California Coalition for Youth  
California Federation of Teachers  
California State PTA  
City and County of San Francisco  
City of West Hollywood  
Common Sense Kids Action  
County Welfare Directors Association of California  
Disability Rights California  
Divinity Prophet and Associated  
Echoes of Hope  
Hollywood Homeless Youth Partnership  
Los Angeles County Office of Education  
National Association of Social Workers  
San Francisco Unified School District  
Young Invincibles

##### **Opposition**

None received

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