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FISCAL IMPACT REPORT

SPONSOR Brandt **ORIGINAL DATE** 02/12/21
LAST UPDATED _____ **HB** _____
SHORT TITLE Adult Diplomas Program **SB** 263
ANALYST Becerra

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY21	FY22		
	\$3,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)
 University of New Mexico (UNM)
 New Mexico State University (NMSU)
 Santa Fe Community College (SFCC)
 Central New Mexico Community College (CNM)
 New Mexico Independent Community Colleges (NMICC)

SUMMARY

Synopsis of Bill

Senate Bill 263 (SB263) appropriates \$3 million to the Higher Education Department (HED) to fund, implement, and oversee the provisions of the Adult Workforce Diploma Program Act to provide program services to individuals who are age 21 or older, residents of New Mexico, and who have not earned a high school diploma. The bill requires HED to review data related to providers selected to provide adults with academic and career pathway coursework in preparation for obtaining an adult workforce diploma.

Each qualified provider is required to be accredited to grant a diploma, have a minimum of two years' experience in providing adult dropout recovery services, have the ability to provide academic skill intake and assessment and transcript evaluation, develop a learning plan, provide

courses to meet graduation requirements, provide remedial education in literacy and numeracy, provide an employability skills certification, provide career pathway coursework, provide preparation of obtaining industry recognized credentials, and provide career placement services.

There is no effective date of this bill. It is assumed the effective date is 90 days following adjournment of the Legislature.

FISCAL IMPLICATIONS

SB263 appropriates \$3 million from the general fund to the Higher Education Department for expenditure in FY22 to implement the provisions of the Adult Workforce Diploma Program Act. The unexpended or unencumbered balance at the end of FY22 will revert back to the general fund.

SIGNIFICANT ISSUES

Duplication of Efforts. The Higher Education Department currently administers New Mexico's statewide adult education system and is a required core partner under the Workforce Innovation and Opportunity Act (WIOA), along with the Workforce Solutions Department (WSD) and the Division of Vocational Rehabilitation (DVR). Together, the agencies implement statewide education and training strategies to increase access to services for adults seeking high school credentials, industry-related certifications, and postsecondary certificates and degrees.

HED receives an annual appropriation of approximately \$6.2 million, in addition to the federal funding received under Title II of WIOA (Adult Education and Family Literacy Act) of \$4.1 million, to fund 24 programs statewide to support these adults to

- Become literate and obtain the knowledge and skills necessary for employment and economic self-sufficiency;
- Obtain the education and skills necessary to becoming full partners in the educational development of their children; and
- Attain a secondary school diploma or its equivalent in the transition to postsecondary education and training, including through career pathways.

In its analysis, HED notes concerns for the duplication of services between the provisions of the Adult Workforce Diploma Act and the Adult Education Division of HED and its 24 statewide adult education programs.

Additionally, HED identifies that the bill indicates only those providers that do not already receive state and federal funding may qualify as an adult workforce diploma program provider. This stipulation would exclude all adult education programs currently funded by HED, as well as all public colleges and universities. This concern is echoed in the analysis submitted by the colleges and universities listed above.

PERFORMANCE IMPLICATIONS

SB263 requires that each program provider submit a report annually, on or before July 15, to HED that includes

- Total number of students for which payment was made to program providers,
- Total number of credits earned by all students in the program,

- Total number of employability skills certificates earned by all students in the program,
- Total number of industry-recognized credentials earned for all students in each tier of funding, and
- Total number of graduates from the program.

ADMINISTRATIVE IMPLICATIONS

SB263 specifies the administrative responsibilities for the provisions in the Adult Workforce Diploma Program Act are designated to the Higher Education Department.

TECHNICAL ISSUES

SB263 leaves uncertain if the adult workforce diploma constitutes as a high school equivalency diploma.

MB/sb