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FISCAL IMPACT REPORT

ORIGINAL DATE 02/07/13

SPONSOR Miera LAST UPDATED _____ HB 321

SHORT TITLE Adult Education Programs & GED Test SB _____

ANALYST Roberts

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	\$4,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Senate Bill 183 and Senate Bill 263

Duplication to Appropriation in General Appropriation Act: Higher Education Department: Adult Basic Education

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

Public Education Department (PED)

SUMMARY

Synopsis of Bill

House Bill 321 appropriates \$4 million dollars from the general fund to the higher education department to fund adult basic education programs and high school equivalency diploma tests. Any unexpended or unencumbered balance remaining at the end of fiscal year 2014 shall revert to the general fund.

FISCAL IMPLICATIONS

The appropriation of \$4 million dollars contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2014 shall revert to the general fund.

SIGNIFICANT ISSUES

The PED reports the following:

GED Statistics

- Approximately 270,000 New Mexicans lack a high school credential; this number is exacerbated by the 195,000 plus adults 25 years and older whose native language is not English for a total of approximately 465,000 people in New Mexico without a high school credential.
- A GED credential allows students to pursue post-secondary education, enter restricted job fields such as the military, and is a powerful second chance for those who did not graduate high school through a traditional path.
- In the calendar year of 2012, 8,495 students took one or more parts of the GED test.
- 7,338 students completed the entire GED test.
- 4,907 students passed the GED (67 percent pass rate).
- The average age of New Mexico GED test-takers is 24; 53 percent are male, 47 percent are female.
- The current cost for GED paper-based testing ranges from \$35 to \$100 among the 29 GED Testing Centers located across the state.
- Computer-based testing is currently available at five testing centers across the state at a rate of \$24 per module (5 modules) for a total of \$120 for the entire test.

A student may take the GED test three times per subject via paper-based testing, and six times per subject via computer-based testing. Therefore, funding the cost of the test will significantly aid students who require repeated testing to achieve success.

Adult Basic Education (ABE)

- The HED's Adult Basic Education (ABE) Division, through its 27 sites, provides free GED classes including books and necessary materials.
- In FY 2010-11, ABE programs in New Mexico enrolled over 21,000 students. Due to limited funding, NMABE was only able to serve approximately 5% of the eligible adult population.
- NMABE is considered primarily a GED program; however, few students enter prepared to study at this level. Approximately 90 percent of New Mexico students enroll in the lowest levels of adult basic education and English language proficiency.

The HED further adds:

In 2011 Pearson VUE, a for-profit electronic testing company owned by the global media company, Pearson PLC acquired GED Testing Service, a part of the non-profit American Council on Education. At the time, GED TS was developing a new GED® test to replace the last revision, "GED® 2002". Pearson VUE has continued that development as a joint venture with the American Council on Education, owner of the GED trademark.

The new GED® test will be the only one available in New Mexico beginning in January of 2014. The 26 Adult Education programs in New Mexico that are funded through the ABE Division (NM ABE) of HED serve approximately 20,000 students each year. Of these about one-third are studying English as a second language (ESL) and the rest are improving their basic skills.

The cost to students to take the GED® test before the Pearson-VUE acquisition averaged about \$65 per student (ranging from \$35 at the Central New Mexico Community College testing center to \$100 at Santa Fe Community College).

- Beginning January, 2014 the cost will be \$120 per student for the first two years and then, according to Pearson-VUE, the cost will rise to perhaps twice that.
- Practice tests which determine student readiness for the final GED® test will cost \$50.
- Obtaining instructional materials for the new test could cost, conservatively, \$300-400 per student per year.
- Each year over 4 percent demonstrate by standardized assessment that they could be ready to pass the GED test within the year.

More than half of New Mexico’s ABE students have a family income under \$12,000.

ADMINISTRATIVE IMPLICATIONS

The HED will be responsible for administering the funds for the adult basic education programs and high school equivalency diploma tests, including GED® tests. The department notes that there will be an administrative impact, but total cost is not known at this time.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Related Bills: SB183 replaces terms referring to GED® in New Mexico statutes with the term ‘high school equivalency diploma’; and SB263 appropriates funds for GED® educational training to DFA to provide training in Bernalillo County

Legislative Education Study Committee’s sponsored legislation, Senate Bill 183 which directly relates to this bill, replaces the terms “general education development certificate”, “general equivalency certificate”, “general educational development certificate”, “certificate of general equivalency”, “general education diploma”, and “GED certificate” in Chapter 21 (State and Private Education Institutions), Chapter 22 (Public Schools), Chapter 27 (Public Assistance), Chapter 29 (Law Enforcement), Chapter 31 (Criminal Procedure), Chapter 33 (Correctional Institutions), Chapter 52 (Workers’ Compensation), and Chapter 58 (Financial Institutions and Regulations) with the term “high school equivalency diploma”.

The acronym “GED” is a registered trademark that generally refers to “general education diploma”, “general education development”, and “general equivalency diploma”. The GED Testing Service is a joint venture between Pearson and the American Council on Education (ACE) that offers adults the opportunity to earn a high school equivalency credential. The GED test is not the only high school equivalency program recognized in the U.S., though it appears to be the most widely recognized test of its kind.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Beginning in 2014, fewer New Mexico adults will be able to afford to take a GED® test, and the number of New Mexicans without a high school credential will rise.