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FISCAL IMPACT REPORT

SPONSOR Espinoza & Pirtle **ORIGINAL DATE** 01/22/14
LAST UPDATED 02/13/14 **HB** 130/aHEC

SHORT TITLE Services to Students Seeking GEDs **SB** _____

ANALYST Chavez

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	FY15		
	\$100.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB 44

SOURCES OF INFORMATION

LFC Files

Responses Received From

Eastern New Mexico University (ENMU)

SUMMARY

Synopsis of HEC Amendment

The House Education Committee amendment to House Bill 130 changes all references of “general education development certificates” and “general educational development certification” to “high school equivalency credentials”.

Synopsis of Original Bill

House Bill 130 appropriates \$100 thousand from the general fund to the Board of Regents of Eastern New Mexico University for the purpose of assisting with increased costs of providing services to students seeking the general education development certificates (GEDs) at the ENMU branches of Roswell and Ruidoso. The appropriation may be expended on computer hardware and software, computer training for students, staff professional development and other costs associated with the new requirements for GED certification.

FISCAL IMPLICATIONS

The appropriation of \$100 thousand contained in this bill is a recurring expense to the general

fund. Any unexpended or unencumbered balance remaining at the end of FY15 shall revert to the general fund.

SIGNIFICANT ISSUES

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. Historically, more than 18 million Americans have earned their high school equivalency through the GED.

In 2011, Pearson VUE, a for-profit electronic testing company owned by the global media company, Pearson PLC, acquired GED Testing Service. 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. Beginning January 1, 2014, the new GED® test is the only high school equivalency test available in New Mexico.

The Roswell and Ruidoso branches of ENMU are two of 26 GED testing centers located in New Mexico. According to the Higher Education Department (HED) and stakeholders, the new GED® test presents accessibility issues for the approximately 320,000 adult New Mexicans who lack a high school credential (2010 U.S. Census). Issues include the following:

- The GED® test is computer-based and requires a number of technological improvements, including video cameras at testing centers. It will not be available in pencil-and- paper form except “in limited circumstances such as accommodations or for test versions not yet released in the computer delivery mode.” Some New Mexico testing centers have decided not to administer the 2014 GED® test largely due to the cost of technology necessary for Pearson VUE testing center certification, reducing the availability of these tests to the New Mexico population.
- Except in the Department of Corrections, test-takers in New Mexico bear the cost of the test and any testing center fees. The cost for the GED® test will be \$120, a significant increase from past costs to test-takers. In New Mexico, the testing center costs passed on to the test taker vary widely. In the past, the total cost for taking the GED® ranged from \$35 to \$85.

However, the GED test is not the only high school equivalency program recognized in the U.S. Two other vendors in the United States provide such tests: Educational Testing Service and Iowa Testing Programs, two nonprofit assessment organizations, publish the High School Equivalency Test (HiSET), and CTB McGraw Hill publishes the Test Assessing Secondary Completion (TASC). HiSET testing costs are \$50 per student, and TASC costs are \$52 per student. Additionally, computer-based and paper and pencil testing are available for both of these tests.

14 other states have adopted high school equivalency programs in addition to or separately from the GED, and 16 other states are expected to release requests for proposals in 2014. New Mexico may also be considering alternatives – HED submitted a request for information in Summer 2013. If New Mexico decides to offer alternatives to the Pearson GED test, the appropriation contained in HB 130 may not be necessary.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB 44 amends several sections of law to replace the terms “general education development certificate”, “general equivalency certificate”, “general educational development certificate”, “certificate of general equivalency”, “general education diploma”, and “GED certificate” in statute with the term “high school equivalency diploma”.

KC/ds