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FISCAL IMPACT REPORT

SPONSOR Kernan **ORIGINAL DATE** 01/21/14
LAST UPDATED 02/04/14 **HB** _____

SHORT TITLE Use of “High School Equivalency Credential” **SB** 44/aSEC/aSPAC

ANALYST Chavez

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY14	FY15	FY16	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI	NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Workers' Compensation Administration (WCA)

Workforce Solutions Department (WSD)

Higher Education Department (HED)

Public Education Department (PED)

SUMMARY

Synopsis of Senate Public Affairs Committee Amendment

The Senate Public Affairs Committee Amendment to Senate Bill 44 creates a new section of the bill on p. 1, between lines 18 and 19. The new section amends Section 22-2-8.8 NMSA 1978 to reflect language changes to the high school equivalency credential and tests. The amendment renumbers the succeeding sections accordingly.

Synopsis of Senate Education Committee Amendment

The Senate Education Committee amendment to Senate Bill 44 changes the summary of the bill to “conforming multiple varying terms in statute to the term ‘high school equivalency credential’”. The amendment also strikes section 1 through 10 of the bill and in its place:

- 1) Provides that all references in statute to “general education diploma”, “general education development certificate”, a “certificate of general equivalency”, a “graduate equivalent diploma”, a “GED certificate”, a “high school equivalency diploma”, a “certificate of equivalency” and an “equivalency diploma” to be references to a “high school equivalency credential”.

- 2) All references in law to a “high school diploma or equivalent” shall be deemed to be references to a “high school diploma or high school equivalency credential.”
- 3) All references in law to a “high school equivalency education” shall be deemed to be references to a “high school equivalency credential education”.
- 4) All references in law to a “general educational development test” shall be deemed to be references to a “high school equivalency credential test”.

The amendment also declares an emergency.

Synopsis of Original Bill

Senate Bill 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 the 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 bill reconciles multiple amendments to the same section of law. The bill also corrects the law to be gender-neutral.

FISCAL IMPLICATIONS

None.

SIGNIFICANT ISSUES

The acronym “GED” is a registered trademark that generally refers to “general education diploma”, “general education development”, and “general equivalency diploma”, and is a registered trademark. 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. However, 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. 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).

According to the Higher Education Department (HED), requiring the GED® by statute 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. 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.” The pencil-and-paper test is not the 2014 GED®, but rather the 2002 series.

- 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.
- The state of New Mexico pays the cost for tests administered to inmates of state prisons. Higher testing fees will increase budgets for administering tests; supplying the state with other testing options would reduce the need for these budget increases.
- The increased cost and the availability of testing only at certified Pearson testing centers will reduce access to potential test takers, particularly the poor and those in rural areas. 75 percent of New Mexico’s adult education students have household incomes at or below poverty level.
- 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, further reducing the availability of these tests to the New Mexico population.

SB 44 creates the possibility of providing state-approved alternatives for those seeking a high school credential, while retaining the GED® test as one of the options. Alternatively, the legislation provides the opportunity to issue a request for proposals to select a single vendor for New Mexico, which many other states have done.

A similar bill was pocket vetoed in the 2013 regular session.

ADMINISTRATIVE IMPLICATIONS

PED will need to amend NMAC 6.30.3 to align with the proposed statutory changes in SB 44.

TECHNICAL ISSUES

The following sections of law reference “general educational development certificate” or “general education development certificate” and are not included in this bill: Section 21-1-1.2, 21-1-4.6, 21-1-43, 21-21L-3, 22-1-9, 22-1-11, 22-2-8.4, 22-2C-11, 22-12-2, 35-2-1, and 58-30-8. They should be amended as well to ensure consistency

OTHER SUBSTANTIVE ISSUES

HED points out that the New Mexico Administrative Code may require similar amendments to clearly implement SB 44, if enacted. Currently, 17 other states and the District of Columbia need similar changes to comply with their procurement regulations. Also, 14 states have adopted other high school equivalency tests (4 approved multiple tests and included the GED), six states and the Job Corps have an active request for proposals, information, quotations, or response in process, and 15 states are expected to issue a request for proposals during 2014.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

According to PED, continued conflict with federal IDEA regulations related to SWD and diploma requirements will remain in place.