

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website ([www.nmlegis.gov](http://www.nmlegis.gov)) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

**SPONSOR** Martinez, K/Papen      **ORIGINAL DATE** 2/9/15  
**LAST UPDATED** 2/27/15      **HB** 308/aHEC

**SHORT TITLE** School Work Force Assessment System      **SB** \_\_\_\_\_

**ANALYST** Klundt/Chavez

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
\$0	\$35.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates Senate Bill 157

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Economic Development Department (EDD)

Workforce Solutions Department (WSD)

Public Education Department (PED)

### SUMMARY

#### Synopsis of HEC Amendment

The House Education Committee Amendment to House Bill 308 changes language related to graduation requirements by allowing alternative work-oriented assessments to “supplement”, rather than “replace”, the reading and mathematics examinations currently required for graduation.

#### Synopsis of Original Bill

House Bill 308 appropriates \$35 thousand from the general fund to the Workforce Solutions Department (WSD) in FY16 for implementation of a national workforce assessment system in public schools, specifically to help workforce-bound high school students to enter the workforce after graduation. House Bill 308 proposes to provide an alternative pathway to existing reading and mathematics exit examinations typically required for high school graduation with this workforce assessment.

## **FISCAL IMPLICATIONS**

The appropriation of \$35 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY16 shall revert to the general fund. Neither the LFC nor executive recommendations include funding for this purpose in the FY16. However, the Workforce Solutions Department currently has funding from various grants to administer the WorkKeys assessments at local workforce connection offices.

WSD notes that the additional resources proposed in House Bill 308 would expand current skills assessment opportunities for workforce-bound high school students and align with existing statewide assessment initiatives.

## **SIGNIFICANT ISSUES**

This bill as amended allows alternative work-oriented assessments to supplement the reading and mathematics examinations currently required for graduation. The Assessment and Accountability Act (Section 22-2C NMSA 1978) assigns PED with the responsibility of establishing acceptable readiness assessment systems. Currently, the New Mexico standards-based assessment is used as the primary high school competency exam. Additionally, the United States Department of Education requires that students take a summative assessment that is aligned to state standards at least once in high school (currently met with the 11<sup>th</sup> grade standards-based assessment). PED notes that allowing students to bypass that assessment could lead to New Mexico being out of compliance with federal requirements.

New Mexico statute also allows alternative demonstrations of competency to meet graduation requirements. According to PED, department-approved alternatives include:

- Meeting the PED-adopted score on college readiness/placement exams such as ACT, SAT, PSAT, AccuPlacer, or International Baccalaureate.
- Passing appropriate courses or corresponding end-of-course exams for math and reading.

Currently, PED does not accept any workforce skills assessments as a means of demonstrating competency for graduation purposes.

PED analysis of the HEC amendment states that the committee's one word establishes a system such as WorkKeys as a supplement to existing exit exams. PED finds that it is unclear what a "supplemental assessment" might mean, noting that WorkKeys might come to be understood by districts as a preferred alternative demonstration of competency, or that this assessment could be an additional standards-based-assessment in addition to the PARCC. PED adds they do not advocate for requiring multiple tests of competency, and that the intent for the use of Alternative Demonstrations of Competency is that it be limited. Finally, PED notes the department discourages creating differentiating graduation expectations for students who are career vs. college bound. However, under current law, PED is tasked with ensuring that any readiness assessment system "is aligned with state academic content and performance standards, college placement tests and entry-level career skill requirements" (Section 22-2C-4.1 NMSA 1978) and so would have the power to determine whether or not the WorkKeys assessment meets requirements under state law.

WSD currently provides other resources to ascertain workforce readiness of job seekers, which are available to high school students seeking to enter the workforce. WSD offers the ACT WorkKeys Assessments in applied mathematics, locating information, and reading for

information. Assessments are provided at WSD locations statewide at no cost to the test-taker. Arrangements can be made for testing at school sites in rural areas with no WSD location. Successful completion of WorkKeys assessments can lead to earning ACT's National Career Readiness Certificate (ACT NCRC). The results can also be used by job seekers and employers to make better decisions by assessing skill level requirements for specific jobs and evaluating the skill level or skill gap of individual job seekers. PED notes that nothing would preclude a student on a workforce path from electing to take WorkKeys on an elective basis.

### **PERFORMANCE IMPLICATIONS**

The Workforce Solutions Department states the agency does not take a position on this bill's proposal to replace current reading and mathematics exit exams with a national skills assessment for workforce-bound students; however, skills assessment tools provide valuable information to students seeking to improve overall employability.

A prepared workforce is a critical element of economic development. EDD states any effective system to prepare those entering the workforce will likely enhance the agency's efforts to recruit new industry to New Mexico.

### **DUPLICATION**

Senate Bill 157 is a duplicate.

### **TECHNICAL ISSUES**

This bill changes graduation requirements by allowing alternative work-oriented assessments to replace the reading and mathematics examinations currently required for graduation. However, the Assessment and Accountability Act (Section 22-2C NMSA 1978) assigns PED with the responsibility of establishing acceptable readiness assessment systems. This bill allows WSD to implement assessments that could meet graduation requirements, which could be interpreted as conflicting with existing statute. The Legislature may wish to change the legislation to allow PED to consider the workforce assessment proposed in the bill as "an alternative demonstration of competency using standards-based indicators" as allowed under section 4.1 of the Assessment and Accountability Act.

KC/aml/je