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FISCAL IMPACT REPORT

ORIGINAL DATE 2/9/15

SPONSOR Papen/Martinez. K **LAST UPDATED** _____ **HB** _____

SHORT TITLE High School Work Force Assessment System **SB** 157

ANALYST Klunt/Chavez

APPROPRIATION (dollars in thousands)

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

(Parenthesis () Indicate Expenditure Decreases)

Duplicates House Bill 308

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Department (EDD)

Workforce Solutions Department (WSD)

Public Education Department (PED)

SUMMARY

Senate Bill 157 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. Senate Bill 157 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 Senate Bill 157 would expand current skills assessment opportunities for workforce-bound high school students and align with existing statewide assessment initiatives.

SIGNIFICANT 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. 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 11th 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.

However, this bill allows WSD, and not PED, to implement assessments that could replace other assessments to meet graduation requirements. The Assessment and Accountability Act (Section 22-2C NMSA 1978) assigns PED the responsibility of establishing acceptable readiness assessment systems. This bill allows WSD to implement assessments that could meet graduation requirements. However, the final decisions regarding workforce assessments should rest with PED.

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

House Bill 308 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