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LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
53rd Legislature, 2nd Session, 2018

Bill Number SB108 **Sponsor** Stefanics

Tracking Number .209445.1 **Committee Referrals** SCC/SEC/SFC

Short Title Adult Educational Opportunities

Analyst Bedeaux **Original Date** 1/25/18
Last Updated _____

BILL SUMMARY

Synopsis of Bill

Senate Bill 108 (SB108) appropriates \$500 thousand from the general fund to the New Mexico Higher Education Department (HED) for expenditure in FY19 to fund adult educational opportunities.

FISCAL IMPACT

The bill appropriates \$500 thousand from the general fund to HED for expenditure in FY19. Any unexpended or unencumbered balance remaining at the end of FY19 shall revert to the general fund.

SUBSTANTIVE ISSUES

To fund adult education systems in FY16, HED received \$5.6 million from the general fund, \$4.2 million from federal sources, and served a total of 14,564 adults. Federal funds are allocated by a formula, 80 percent of which is based on enrollment, and 20 percent of which is based on performance and outcomes. Increasing the number of adults enrolled in adult education and improving the credentials earned and employment outcomes and can increase federal revenue for that adult education.

FY16 HED Funding for Adult Education Programs

	FY16 Funding	Adult Students Served	Funding Per Student
State Funding	\$5,678,700	14,564	\$389.91
Federal Funding	\$4,197,889		\$288.24
Total Funding	\$9,876,589		\$678.15

Source: HED

The 2014 Legislative Finance Committee (LFC) program evaluation, *Cost Effective Options for Increasing High School Graduation and Improving Adult Education*, found public schools received more funding to educate adults than adult education programs. In FY13, public schools received \$10.1 million to fund 1,125 students over the age of 22, and adult basic education programs received \$5.4 million to educate over 19 thousand students. In FY16, the state spent roughly \$8,414 per adult student in the public education system and \$390 per adult student in the adult education system, creating significant inequity in funding across the two systems.

According to the 2016 U.S. Census American Community Survey, nearly 250 thousand New Mexican adults age 18 and older have not earned any high school credential. In FY16, HED served 14,564 adult students, or 5.83 percent of eligible adults, a percentage higher than the

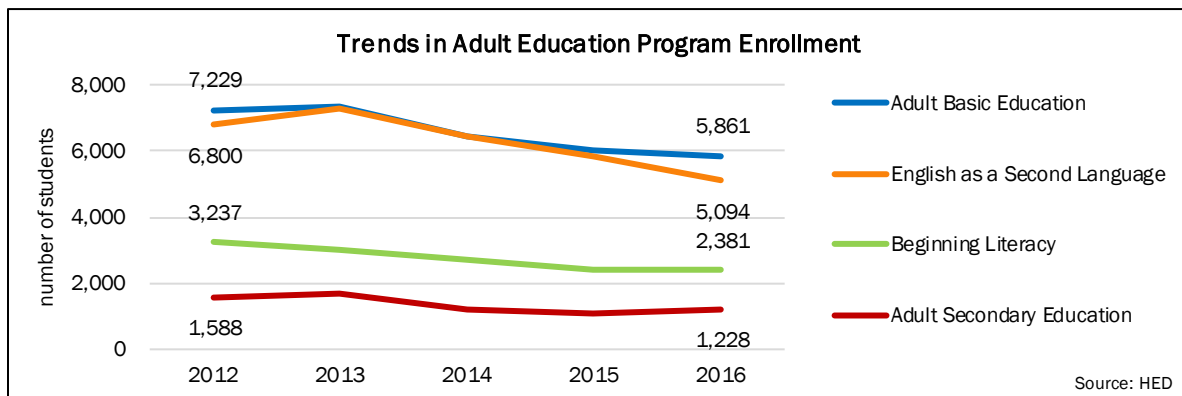
Estimated Additional Students Served by SB108 Appropriation

U.S. Census: Adults without High School Credentials Statewide	249,713
HED: Students Served in Adult Education Programs, FY16	14,564
Percent of Eligible Adults Served	5.83%
Additional Students Served by \$500 thousand at \$389.91 per student	1,282
Percent of Eligible Adults Served after SB108	6.35%

Source: LESC Analysis of U.S. Census and HED Data

United States Department of Education estimated coverage rate of 5 percent of eligible adults nationwide. The additional appropriation of \$500 thousand contained in SB108 at the current state funding rate of \$390 state dollars per student in adult education would join federal funds in funding an additional 1,282 adults. It is unclear whether additional funding would be used to increase access for students at the current per-student rate, or whether it would increase quality of education by increasing the amount spent per student.

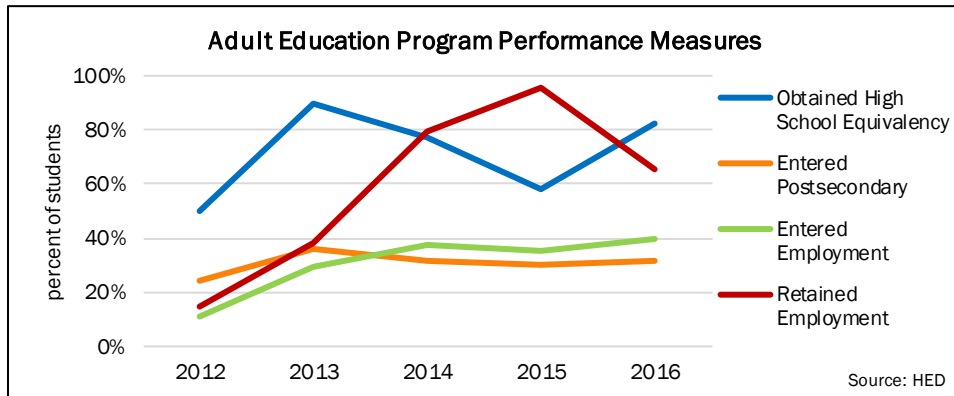
In FY17, 772 students over the age of 23 were enrolled in public schools generating approximately \$6.2 million in public education program cost in 16 charter schools (\$5.5 million) and 13 school districts (\$708 thousand). Attachment 1 details how this funding is distributed among school districts and charter schools. Most charter schools that enroll a large number of adult students are supplemental accountability model (SAM) schools, schools specifically designed to serve a high population of adults and students at risk of academic failure. Improving opportunities for adult education through HED could reduce the number of adults attending public schools, reducing overall program units and allowing these funds to be redistributed through the state equalization guarantee. SB108 would fully fund all 772 adults over the age of 23 at the current per-student adult education rate, but it is unclear how many adults would leave the public school system to pursue adult education programs.



Enrollment in HED adult education programs has been steadily declining, consistent with decreasing funding. Adult education programs encompass beginning literacy, adult basic education, adult secondary education, and English as a second language programs. In 2012, HED reported a combined enrollment of nearly 19 thousand students across these four programs. In

2016, the combined enrollment was 14.6 thousand. Additional funds could improve HED’s capacity to run adult education programs and increase enrollment in these programs.

HED’s 2016 annual report shows trends in annual performance measures for adult education. Eighty-two percent of students completing adult education programs in 2016 received a high-school equivalency credential, 31 percent entered postsecondary education, and 39 percent entered employment. Additionally, 65 percent of students that completed adult basic education in previous years retained employment. In 2016, each of these performance measures was at a higher level compared with 2012, but students retaining employment was down compared with 2015.



OTHER SIGNIFICANT ISSUES

LESC and LFC endorsed legislation during the 2017 interim that would amend the definition of “school-age person” and “qualified student” in the Public School Code to prevent public schools from claiming funding for students over 21 years of age. The bill also includes language stating it is the intent of the Legislature to appropriate \$3 million to HED to improve adult basic education programs in FY20.

SOURCES OF INFORMATION

- LESL Files
- Legislative Finance Committee
- Higher Education Department

TCB/rab

**Cost of Adult Students in Public Schools
FY18**

	School District or Charter School	SAM School	Students Age 23 or Older (2016-2017)	Per MEM Program Cost (FY18)	Cost of Students Age 23 or Older		
1	ALAMOGORDO		16	\$6,810	\$108,960	1	
2	ALBUQUERQUE		7	\$7,489	\$52,421	2	
3	CENTRAL CONS.		7	\$7,544	\$52,806	3	
4	CLOVIS		1	\$7,074	\$7,074	4	
5	FARMINGTON		2	\$6,904	\$13,807	5	
6	GADSDEN		3	\$7,545	\$22,635	6	
7	GALLUP		4	\$7,653	\$30,613	7	
8	LAS CRUCES		3	\$7,380	\$22,141	8	
9	LOGAN		25	\$10,271	\$256,782	9	
10	PORTALES		8	\$7,713	\$61,705	10	
11	SANTA FE		7	\$7,737	\$54,160	11	
12	SILVER CITY		1	\$8,119	\$8,119	12	
13	ZUNI		2	\$8,421	\$16,841	13	
14	CHARTER SCHOOLS						14
15	ABQ CHARTER ACADEMY	YES	53	\$8,932	\$473,418	15	
16	ACADEMY OF TRADES AND TECHNOLOGY	YES	6	\$10,858	\$65,150	16	
17	ACE LEADERSHIP HIGH SCHOOL	YES	21	\$7,829	\$164,403	17	
18	CESAR CHAVEZ COMMUNITY SCHOOL	YES	1	\$10,139	\$10,139	18	
19	DEMING CESAR CHAVEZ	YES	25	\$10,679	\$266,980	19	
20	GORDON BERNELL CHARTER	YES	309	\$6,934	\$2,142,563	20	
21	THE GREAT ACADEMY	YES	16	\$11,707	\$187,307	21	
22	HEALTH LEADERSHIP HIGH SCHOOL		4	\$12,090	\$48,361	22	
23	LOS PUENTES CHARTER	YES	3	\$10,567	\$31,702	23	
24	NEW AMERICA SCHOOL - ALBUQUERQUE	YES	77	\$7,672	\$590,773	24	
25	NEW AMERICA SCHOOL - LAS CRUCES	YES	127	\$8,588	\$1,090,646	25	
26	NEW MEXICO CONNECTIONS ACADEMY		1	\$8,338	\$8,338	26	
27	NEW MEXICO VIRTUAL ACADEMY		2	\$6,278	\$12,557	27	
28	ROBERT F. KENNEDY CHARTER	YES	28	\$10,194	\$285,425	28	
29	SCHOOL OF DREAMS ACADEMY	YES	9	\$7,514	\$67,622	29	
30	TIERRA ADENTRO		4	\$9,865	\$39,461	30	
31	STATEWIDE TOTAL		772		\$6,192,910	31	

Source: LESC Analysis of PED Data