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FISCAL IMPACT REPORT

ORIGINAL DATE 02/04/2020

SPONSOR Brandt/Steward LAST UPDATED _____ HB _____

SHORT TITLE Adult Workforce Diploma Program Act SB 165

ANALYST Bachechi

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY20	FY21		
	\$5,000.0	Nonrecurring	

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Workforce Solutions Department (WSD)
 New Mexico State University (NMSU)
 Higher Education Department (HED)

SUMMARY

Synopsis of Bill

Senate Bill 165 appropriates \$5 million from the general fund to the Workforce Solutions Department (WSD) to implement the provisions of the new “Adult Workforce Diploma Program Act” to provide program services to individuals who are twenty-two years of age or older, who are residents of New Mexico, and who have not earned a high school diploma.

The bill requires WSD to issue a request for applications for the provision of the Act on or before August 15 of each year and to publish a list of providers selected on or before October 15 of each year. Section 3 of the bill sets out a list of required qualifications for program providers, including:

1. Does not already receive federal or state funding or private tuition for providing services to adult workforce diploma students;
2. Is accredited to grant a diploma;
3. Has a minimum of two years’ experience in providing adult dropout recovery services;
4. Has the ability to administer academic skills assessments and transcript evaluations;

develop learning plans, and provide the courses necessary to meet graduation requirements, including remedial education in literacy and numeracy;

5. Can provide employability skills certification, career pathway coursework and preparation for industry recognized credentials;
6. Can provide career placement services.

In Section 4, the bill requires that WSD enter into an agreements with qualified providers, before November 15 of each year that includes a payment schedule based on student achievements; for example \$250 for a high school credit unit, \$500 for an industry-recognized credential; \$1,000 for a high school diploma, etc.

Section 5 includes a reporting schedule for providers and Section 6 sets out the performance standards to be used in evaluating a provider’s performance and eligibility for a new or continuing contract.

FISCAL IMPLICATIONS

Senate bill 165 appropriates \$5 million from the general fund to WSD for expenditure in FY21 to implement the provisions of proposed “Adult Workforce Diploma Program Act.” The unexpended or unencumbered balance at the end of FY21 will revert back to the general fund.

The bill tasked WSD with the administration of the program. WSD will need additional administrative funding to manage the program. If the bill is interpreted to include provisions for administrative funding, then WSD would not need additional operating funds.

SIGNIFICANT ISSUES

WSD is the primary agency responsible for administering the funds issued by the US Department of Labor (USDOL) for employment services, job training and support services to help New Mexicans with significant barriers to employment, including individuals who need adult basic education services and support to obtain a high school diploma.

WSD receives approximately \$25 million from the USDOL that is distributed to the four local workforce development boards (LWDBs) to fund subsidized training activities for adults, dislocated workers and youth using individual training accounts (ITA) as part of the Workforce Innovation and Opportunity Act (WIOA). Participants, including adults, dislocated workers and youth interested in education, including basic education and post-secondary training programs can choose from programs registered in the statewide Eligible Training Provider List (ETPL).

WSD does not directly oversee, review or approve Adult Education and Family Literacy programs. The New Mexico Higher Education Department (NMHED) is responsible for administering adult literacy and education programs, and is a required core partner under WIOA. Annually, NMHED receives a general fund appropriation of around \$5.2 million and approximately \$4.6 million in federal WIOA funding to support 24 literacy and adult education programs statewide. The programs serve ten to twelve thousand students each year.

Under WIOA, the agencies are required to work together to implement statewide education and training strategies. Accordingly, WSD and NMHED support alignment of activities at both the state and local level to prevent service duplication and increase access to services for adults

seeking high school credentials, industry related certifications, and postsecondary certificates and degrees. This interagency collaboration includes direct referrals to WSD for career readiness, career exploration and job placement. WSD and NMHED adult education providers often provide coordinated case management and support services.

The NMHED adult education program also works in partnership with postsecondary institutions throughout New Mexico to provide integrated education and job training aimed at gaining college credit, a high school credential, and an industry-recognized certification, much as described in SB165.

DUPLICATION, RELATIONSHIP

If implemented, the Department of Workforce Solutions would be duplicating services organized through the Higher Education Department, Adult Literacy and Family Education programs.

CLB/sb