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LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
55th Legislature, 1st Session, 2021

Bill Number	<u>HB282/aHEC</u>	Sponsor	<u>Trujillo</u>
Tracking Number	<u>.218272.3</u>	Committee Referrals	<u>HEC/HAFC</u>
Short Title	<u>External Diploma Program</u>		
Analyst	<u>Hathaway</u>	Original Date	<u>2/27/2021</u>
		Last Updated	<u></u>

BILL SUMMARY

Synopsis of HEC Amendment

The House Education Committee (HEC) amendment to House Bill 282 (HB282/aHEC) strikes Section 2 of the original HB282 in its entirety. This amendment removes any possible changes to the definition of a qualified student to generate state equalization guarantee (SEG) funding. The description of the bill is also amended and sections of the bill are renumbered to reflect the removal of Section 2. This amendment addresses the technical issues noted below.

Synopsis of Bill

HB282/aHEC appropriates \$5 million to HED to administer the external diploma program in collaboration with the Public Education Department (PED).

HB282/aHEC also amends the definition for a qualified student pursuant to Section 22-8-2 NMSA 1978 and adds a requirement that eligibility for certification and funding of an external diploma program is contingent on a public school being in existence prior to July 1, 2021. HB282/aHEC also requires that a public school providing an external diploma program receives \$5 thousand per student enrolled in the program.

HB282/aHEC includes an effective date of July 1, 2021.

FISCAL IMPACT

HB282/aHEC appropriates \$5 million from the general fund to HED for expenditure in FY22. Any unexpended or unencumbered balance remaining at the end of FY22 shall revert to the general fund.

There is currently no appropriation in House Appropriations and Finance Committee substitute for House Bills 2 and 3 specifically for an external diploma program; however, it does include a \$6.5 million appropriation from the general fund to HED to provide adults with education services and materials and access to high school equivalency tests.

SUBSTANTIVE ISSUES

National research suggests adult without a high school credential are more likely to live in poverty, become incarcerated at some point in their lives, rely upon public assistance, and cost taxpayers an average of \$200 thousand over their lifetimes. In its [2020 State of the Workforce report](#), the Department of Workforce Solutions (DWS) reported that as of 2018, 14.7 percent of New Mexico's population has not completed high school, a share that is 2.3 percentage points higher than the average across the U.S. of 12.4 percent. Although New Mexico's overall educational attainment is lower than national averages generally, educational attainment has increased in recent years. Additionally, high school graduation rates have improved. In 2019, 74.9 percent of high school students graduated, a share that is 10 percentage points lower than the national average, but the highest graduation rate in New Mexico in over a decade.

Educational attainment is important for the overall economic success of New Mexico. A more educated and skilled workforce is a crucial factor in developing, staffing, and supporting businesses across the state. Although increasing the educational attainment levels of a population is a substantial task, higher educational attainment levels typically correlate with higher incomes, lower poverty rates, and lower unemployment.

Adult Education in New Mexico. HED administers New Mexico's statewide adult education system. As part of administering this system, HED is a required core partner under the federal Workforce Innovation and Opportunity Act (WIOA) along with DWS and the New Mexico Division of Vocational Rehabilitation (NMDVR). Jointly, HED and DWS support the alignment of activities both at the state and local level. HED reports DWS and HED work together to guard against service delivery duplication while increasing access to services for adults seeking high school credentials, industry-related certifications, and postsecondary certificates and degrees. HED adult education providers and DWS often provide coordinated case management and support services.

HED works not only with WIOA core partners, but also with postsecondary institutions across New Mexico to provide integrated education and job training aimed at helping adults gain employment, college credit, and high school equivalency credentials. In 2019-2020, HED received a state appropriation of \$6.2 million and \$4.2 million in federal funding under Title II of WIOA. With these funds, HED administered 24 programs statewide and reports the agency [spent \\$655.03 per student to serve 9,520](#) adult students statewide. HED reports a [371 percent](#) return on investment of state funds in 2019-2020. The House Appropriations and Finance Committee substitute for House Bills 2 and 3 includes a \$6.5 million appropriation from the general fund to HED to provide adults with education services and materials and access to high school equivalency tests.

The provisions of HB282/aHEC seek \$5 thousand per student in FY22. HED notes this differential raises a concern about the added value offered to adult learners as outlined in HB282/aHEC and whether such an appropriation might be able to support a greater number of adult learners. In New Mexico, over 59 thousand adults do not have a high school credential.

In the HED analysis of HB282/aHEC, the agency notes the provisions of the bill indicate that only public schools may provide an external diploma, which suggests that existing state-funded adult education programs, many of which are non-profit entities, would be excluded from funding.

Legislative Investments in Adult Education. A number of changes related to adult education took place in the 2019 legislative session. Prior to the 2019 legislative session, state law did not

place an upper limit on the age of a public school student. Education reform in the 2019 legislative session established an upper age limit of 22 years for public school students. Adult students enrolled in public school programs as of the third reporting period of the 2018-2019 school year would continue to be eligible for funding until they disenrolled.

Recognizing the importance of ensuring New Mexico's adult population is able to effectively join the workforce, the Legislature significantly increased funding for HED adult education programs beginning in 2019. HED received \$5.2 million in recurring general fund revenue in FY19, \$6.2 million in recurring general fund revenue in FY20, and \$8.2 million in recurring general fund revenue in FY21.

Also during the 2019 legislative session, Laws 2019, Chapter 185, (Senate Bill 391) directed PED to authorize a PED-issued diploma program for adults who do not possess a high school diploma or high school equivalency credential. [PED adopted rules](#) to do so in January 2020, but has not authorized any programs to provide the diploma program.

External Diploma Programs. HB282/aHEC would require PED to administer an external diploma program in collaboration with HED. The Public Education Department (PED) reports this would effectively create a new diploma program, but notes the bill does not define "external diploma program," creating uncertainty of how such a program would operate and who would be eligible for participation.

One model of external diploma programs is the [National External Diploma Program](#) (NEDP). The NEDP was created in 1975 in response to research indicating adult education classes were not compatible with adult responsibilities. Many students found adult education class content unrelated to real life, and the testing format too limited. In 1979, the U.S. Department of Education (USDE) recognized the NEDP as an exemplary program and the NEDP expanded as an alternative option for adults to earn a high school diploma. Comprehensive Adult Student Assessment Systems (CASAS), a nonprofit organization that provides basic skills assessments and curriculum tools, acquired the rights to the NEDP in 2006. According to CASAS, the NEDP is a flexible, performance based option for adults to earn a high school diploma through a web-based, self-directed program that offers the flexibility to complete the program at home and on their own time. This flexibility permits students to earn their diploma while still maintaining a full-time job, caring for family, or managing other commitments. On average, students complete the program in four to 12 months.

The NEDP offers students the opportunity to earn a high school diploma as opposed to a high school equivalency credential. The federal Workforce Innovation and Opportunity Act (WIOA) and the federal Office of Career, Technical, and Adult Education recognizes the NEDP as an alternative pathway to a high school diploma.

ADMINISTRATIVE IMPLICATIONS

HB282/aHEC would require collaboration between PED and HED. Although the appropriation would be to HED, the two agencies would be directed to administer the program collaboratively. HED notes this may impact the federally-funded adult education division of HED, which currently funds and oversees 24 existing adult education programs.

PED also notes HB282/aHEC does not indicate the roles and responsibilities of each respective agency to administer the external diploma program. PED notes that currently, HED has more experience working directly with adults and administers equivalency tests for adult non-graduates.

HED also notes that because New Mexico's 24 adult education programs effectively prepare adults for high school equivalency exams, the duplication of services between the provisions of HB282/aHEC and the adult education division of HED could create conflict. HED particularly notes the high differential between existing adult education programs' per-student cost and the per-student cost stipulated by HB282/aHEC.

TECHNICAL ISSUES

Changes to Qualified Student Definition. Section 2 of HB282/aHEC amends the definition of a qualified student in the Public School Code. As it is worded in HB282/aHEC, the changes to the definition of a qualified student would not allow a newly enrolled adult student to generate funding because there is a requirement that an adult student would need to have been a funded student in FY19 or any subsequent school year.

RELATED BILLS

Relates to SB263, Adult Diplomas Program.

SOURCES OF INFORMATION

- LESC Files
- Public Education Department (PED)
- Higher Education Department (HED)

JKH/mb