



LFC Requester: Jorgensen

**PUBLIC EDUCATION DEPARTMENT
BILL ANALYSIS
2025 REGULAR SESSION**

SECTION I: GENERAL INFORMATION

Check all that apply:

Original Amendment
Correction Substitute

Date Prepared: 01/29 /25
Bill No: HB167

Agency Name and Code: PED - 924

Sponsor: Garrat/Torres-Velásquez

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Short Title: HIGHER ED. PAYMENT FOR CERTAIN TESTS

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SECTION II: FISCAL IMPACT

(Parenthesis () Indicate Expenditure Decreases)

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
\$2,000.0	None	Nonrecurring	GF

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
None	None	None	N/A	NFA

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	None	None	None	None	N/A	NFA

Duplicates/Relates to Appropriation in the General Appropriation Act (GAA): [HB141](#), the current version of the GAA, proposes general fund appropriations to the Policy Development and Institutional Financial Oversight Program of the Higher Education Department (HED) of approximately \$7.3 million to provide adults with education literacy services and materials and access to high school equivalency tests; \$1.25 million for an adult literacy program; and \$500 thousand for high school equivalency degree preparation and exam costs.

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: House Bill 167 (HB167) would create a new section of [Chapter 21, Article 1, State and Private Education Institutions](#), for the Higher Education Department (HED) to provide free high school equivalency (HSE) credential tests to New Mexico residents who:

- are at least 16 years of age;
- are not currently enrolled in secondary school;
- have not graduated from an accredited high school or received a HSE certificate or a diploma; and
- have passed an official practice test with scores indicating test readiness.

The bill does not provide an effective date. Laws go into effect 90 days after the adjournment of the legislature enacting them unless a later date is specified. If enacted, this bill would become effective June 20, 2025.

FISCAL IMPLICATIONS

The bill would appropriate \$2 million from the general fund to HED for expenditure in FY26 for costs to provide free high school equivalency credential tests to New Mexico residents and to pay associated test preparation costs incurred by the department. Any unexpended or unencumbered balance remaining at the end of fiscal year 2026 shall revert to the general fund.

SIGNIFICANT ISSUES

Individuals may study for high-school equivalency credential tests by themselves or with help from a free adult education program. These programs are available throughout New Mexico and are designed to meet a wide range of personal education and career goals. They provide help with career exploration and advancement, getting into college or job training programs, mastering the English language, and helping support participants' children's learning and education.

PERFORMANCE IMPLICATIONS

Increasing the number and percentage of school-age persons who graduate with a high school diploma from public schools is a high priority for PED. HSE credentials, however, are still regarded as a necessary alternative for school-age students who are no longer enrolled in public schools, as well as being useful for advancing the education of students who are no longer school age. For those who do withdraw from high school before graduation, provisions of HB167 may help to minimize negative effects on an individual's economic and social wellbeing by making an HSE credential more attainable. Long-term impacts of dropping out of high school, such as lower earnings and limited employment opportunities, limited access to postsecondary education programs, and higher likelihood of dependence on public assistance programs, may be ameliorated by earning an HSE credential.

Performance measures for HED tied to the HB141 appropriations noted above include:

- 45 percent of unemployed adult education students obtaining employment two quarters after exit;
- 75 percent of adult education high school equivalency test-takers who earn a high school

- equivalency credential; and
- 32 percent of high school equivalency graduates entering postsecondary degree or certificate programs.

Relevant key performance measures for HED that were reported in the [2024 General Appropriation Act](#) include the following:

- 23 percent of unemployed adult education students obtained employment two quarters after exit;
- 26 percent of adult education high school equivalency test-takers earned a high school equivalency credential; and
- 31 percent of high school equivalency graduates entered postsecondary degree or certificate programs.

ADMINISTRATIVE IMPLICATIONS

None for PED. The HED Adult Education Division would administer this program.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If HB167 is not enacted, HSE-related services will continue at a level based on available funding, which is far below the associated need.

AMENDMENTS

None.