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LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
54th Legislature, 2nd Session, 2020

Bill Number	<u>HB88</u>	Sponsor	<u>Trujillo, C.</u>
Tracking Number	<u>.215919.1</u>	Committee Referrals	<u>HEC/HAFC</u>
Short Title	<u>Adult Basic Education Services</u>		
Analyst	<u>Kennedy</u>	Original Date	<u>1/28/2020</u>
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FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE

BILL SUMMARY

Synopsis of Bill

House Bill 88 (HB88) would appropriate \$3 million from the general fund to the Higher Education Department (HED) to fund adult basic education services statewide. HB88 would also appropriate \$7 million from the general fund to HED to fund adult education services for students involved in the criminal justice system who were impacted by the establishment of a maximum age of 22 for public school students.

FISCAL IMPACT

The bill appropriates \$10 million from the general fund to HED for expenditure in FY21 and subsequent fiscal years. Any unexpended or unencumbered balance remaining at the end of FY21 shall not revert to the general fund.

The Public Education Department (PED) may be unable to access these funds, despite the fact that PED will soon begin offering a department-issued high school diploma for adults who lack a high school diploma or equivalency credential pursuant to Laws 2019, Chapter 185 (Senate Bill 391).

The Legislature significantly increased funding for HED adult education programs in 2019. HED's Adult Education Division received \$5.2 million in recurring general fund revenue in FY19; in the 2019 legislative session, the Legislature allocated an additional \$3 million to HED and included language in the General Appropriation Act allowing HED to use up to \$3 million to pilot adult education services for students involved in the criminal justice system and prioritize services for adults impacted by the school-age limit. The House Appropriations and Finance Committee Substitute for House Bills 2 and 3 maintains the \$8.2 million allocated to HED for adult education services in FY20, but removes the requirement to use the funds for students involved in the criminal justice system and impacted by the school-age limit. As a result, HED reimbursement rates for adult education providers will likely increase.

Analysis from University of New Mexico branch campuses in Taos, Los Alamos, and Valencia notes the \$3 million appropriation included in HB88 would allow these programs to expand their adult education services to serve a greater number of students.

SUBSTANTIVE ISSUES

The U.S. Census Bureau reports over 200 thousand New Mexico adults lack a high school diploma or equivalency credential. Only 74 percent of New Mexico students graduated on time in 2018. Adult education services can assist individuals in the acquisition of a high school equivalency credential. Obtaining a high school diploma or equivalency credential significantly improves economic well-being. U.S. Census Bureau data from New Mexico indicate adults who possess only a high school diploma or equivalency credential have median annual earnings of \$26,446 compared with \$18,634 for adults who do not, a 42 percent difference. Similarly, only 19 percent of New Mexico high school graduates live in poverty, compared with 34 percent of adults without diplomas. Moreover, a high school diploma or equivalency credential is a prerequisite for postsecondary education. Georgetown University's Center on Education and the Workforce reports 65 percent of job openings through 2020 will require at least some college education.

Prior to the 2019 legislative session, state law did not place an upper limit on the age of a public school student. In FY19, school districts and charter schools enrolled 612 adult students. Over 90 percent of these adult students were enrolled in charter schools. Adult students enrolled in public school programs as of the third reporting period of the 2018-2019 school year will continue to be eligible for funding until they disenroll, but new adult students will no longer generate formula funding. 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, effectively making PED part of New Mexico's adult education network. PED has yet to adopt rules but anticipates doing so in the near future.

HED allocates funds to adult education providers on a reimbursement basis. The majority of funding corresponds to the headcount of students who receive 40 or more hours of instruction, with additional funding provided if students achieve measurable skill gains, obtain a high school equivalency credential, transition to postsecondary education, or become employed shortly after exiting the program.

In FY19, the state funded HED adult education programs at a rate of only \$478 per student. Adult students in public school programs, by contrast, received an average of \$8,099 per student in state funding.

OTHER SIGNIFICANT ISSUES

HED will be responsible for administering the funds; it is unclear whether this will be done through a competitive grant process, but public schools, adult basic education providers, and correctional facilities may all be eligible. In addition to individuals currently incarcerated, the clause "involved in the criminal justice system" can be interpreted to include individuals awaiting trial or party to a legal agreement pursuant to a court ruling (e.g., individuals on probation or parole). Every New Mexico adult who does not possess a high school diploma or equivalency credential was effectively impacted by the imposition of a maximum age for public school students. Any such adult who is currently involved in the criminal justice system or becomes involved in the criminal justice system in the future would presumably be eligible for funding pursuant to these appropriations.

RELATED BILLS

Relates to HB89, Adult Ed for Students in Justice System, which appropriates \$2 million to HED to provide adult education services to adult students involved in the criminal justice system at Gordon Bernell Charter School.

Relates to HB152, Fund for Adult Education Services, and SB112, Adult Education Plan, Schools & Funding, which task the secretary of HED with conducting oversight of adult education services statewide, create an adult education services fund to provide funding for charter schools that provide adult education services, establish criteria for eligible charter schools, direct HED and PED to jointly develop a strategic adult education plan, appropriate \$6 million to the adult education services fund, and appropriate \$200 thousand to HED to hire personnel to oversee adult education services.

SOURCES OF INFORMATION

- LESC Files
- University of New Mexico (UNM)

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