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**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

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{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Click all that apply:

Original **Amendment**
Correction **Substitute**

Date 2024-01-31

Bill No: SB264

Sponsor: Maestas, Antonio **Agency Name and Code** NMHED
Short ADULT HIGH SCHOOL **Number:** _____
Title: DIPLOMA PILOT **Person Writing** Gallup, Amber
Phone: 5052317490 **Email** amber.gallup@hed.nm

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
\$5,000.0	N/A	Nonrecurring but able to be spent through 2031	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue	Recurring	Fund
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FY24	FY25	FY26	or Nonrecurring	Affected
N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	N/A	N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act:

SECTION III: NARRATIVE

BILL SUMMARY

SB264 is the Adult High School Diploma Pilot Project Act. It creates a pilot project that creates a pathway for adults without a high school diploma in New Mexico to earn a "high school diploma of excellence" and industry-recognized "certificates of college credits." Five million dollars (\$5,000,000) is appropriated from the General Fund to an Adult High School Diploma Fund for expenditure in FY24 through FY31. SB264 assigns new functions and duties to the New Mexico Higher Education Department (NMHED). NMHED would administer the program in collaboration with the New Mexico Corrections Department (NMCD). This request does not include an additional appropriation to help cover the increased costs and workload associated with these new duties.

FISCAL IMPLICATIONS

Five million dollars (\$5,000,000) is appropriated from the General Fund to an Adult High School Diploma Fund for expenditure in FY24 through FY31. This appropriation is non-recurring, and any unexpended or unencumbered balance remaining at the end of FY31 reverts to the General Fund.

The New Mexico Higher Education Department (NMHED) would administer the program. NMHED expects that one full-time employee (FTE) would be needed to administer the new program. The sponsors did not submit this request to NMHED for possible incorporation into the NMHED higher education comprehensive funding recommendation, though expenditures begin in FY24. NMHED has a formal process for reviewing earmarked budget requests for higher education institutions when developing the NMHED funding recommendation. NMHED submitted its higher education funding recommendation to the New Mexico Department of Finance and Administration (NMDFA) and the Legislative Finance Committee (LFC) on November 1 as is required by statute. (9-25-9 NMSA 1978)

SIGNIFICANT ISSUES

SB264 proposes the creation of an adult high school diploma pilot project. This project is administered by the New Mexico Higher Education Department (NMHED) in conjunction with the New Mexico Corrections Department (NMCD) and would fund a community-based nonprofit organization to operate a program within a state or private correctional facility to support adults in earning a "high school diploma of excellence.?"

One consideration is that this bill duplicates work that the NMHED Adult Education Division already performs effectively in partnership with NMCD, as evidenced by record-high levels of high school equivalency (HSE) completions in the state in FY23. The NMHED Adult Education Division administers the state's High School Equivalency Program. In addition to two testing pathways (GED and HiSET) available to adult learners in Corrections, the Adult Education Division also administers the National External Diploma Program (NEDP), authorized by the New Mexico Public Education Department (NMPED), which provides a competency-based pathway to an adult high school diploma as directed by a 2019 law (see Section 22-1-9.2 NMSA 1978). SB264 would duplicate the NEDP.

Another consideration is that the "high school diploma of excellence?" listed in the legislation is not state-recognized by New Mexico. Encouraging inmates to seek it could be a disservice as it will not be accepted by many employers and state public colleges and universities.

Another consideration is that NMHED and NMCD already collaborate on programs to assist adult learners to earn industry-recognized certificates. These programs are called Integrated Education and Training (IET) programs and are already a successful and increasingly-utilized program type administered by the NMHED Adult Education Division and funded by both the General Fund and Temporary Assistance for Needy Families (TANF).

A final consideration is that NMHED also funds, in addition to NMCD, seven other community-based adult education programs to provide adult educational services, including high school equivalency preparation, inside correctional institutions in New Mexico.

The pilot may be unnecessary because these programs are already operating successfully throughout the state. In essence, this pilot has already been performed.

PERFORMANCE IMPLICATIONS

SB264 requires the New Mexico Higher Education Department (NMHED) and New Mexico Corrections Department (NMCD) to create academic accountability standards for the adult high school pilot program, including graduation rate metrics, workforce readiness metrics, and student demographic data. A funded adult high school program would report program outcomes aligned with these metrics to NMHED.

ADMINISTRATIVE IMPLICATIONS

The Adult Education Division of the New Mexico Higher Education Department (NMHED) would administer these funds and expects to need one full-time employee (FTE) to administer the program.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB264 conflicts with or duplicates the National External Diploma Program (NEDP), administered by the New Mexico Higher Education Department (NMHED), and the existing work of the NMHED Adult Education Division.

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

The New Mexico Higher Education Department (NMHED) Adult Education Division already administers the High School Equivalency Program, supporting all adult learners, including incarcerated individuals served by the New Mexico Corrections Department (NMCD) and seven additional programs statewide, to earn a state-recognized high school equivalency credential. The NMHED Adult Education Division also administers the National External Diploma Program (NEDP), a competency-based way for New Mexico adults to earn a high school diploma for adults.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

No additional appropriation will be made. The Adult Education Division of the New Mexico Higher Education Department (NMHED), in collaboration with the New Mexico Corrections Department (NMCD) and seven other community-based adult education programs statewide, will continue to serve incarcerated individuals over age 22 with adult education services and prepare them to complete high school equivalency credentials.

AMENDMENTS

N/A