

LFC Requester:	Sunny Liu
-----------------------	------------------

**AGENCY BILL ANALYSIS
2018 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{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}

Check all that apply: Date 01/29/18
Original **Amendment** **Bill No:** HB23
Correction **Substitute**

Sponsor: Representative Nate Gentry **Agency Code:** 924
Senator Daniel A. Ivey-Soto
Short Title: ADDITIONAL GRADUATION REQUIREMENTS **Person Writing** Matt Montano
Phone: _____ **Email** Matthew.motano@state.nm.us

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY18	FY19		
None	None		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY18	FY19	FY20		
None	None	None		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY18	FY19	FY20	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	None	None	None			

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

HB23 subsection B amends graduation requirements, starting with graduating cohort 2020, to include as a requirement of the final next step plan that students will either submit a college application or commit to an internship, apprenticeship or military service prior to graduation.

HB23 subsection D.4 requires inclusion of the consideration of the financial benefits of graduating from a college and the availability of financial aid in the next step plan.

HB23 subsection F allows graduation requirements to be changed once to accommodate the proposed amendments in HB23.

HB23 subsection P.5 includes a definition of College.

HB23 subsection P.6 further defines a next step plan to mean a plan that a student has committed to and removes the option of “a job”.

FISCAL IMPLICATIONS

HB23 is an unfunded mandate and will not impact funding at the Public Education Department. However, there may be additional support and resources required of Local Education Agencies in order to support bill implementation.

SIGNIFICANT ISSUES

Prior research has shown that an educational and career plan is an important indicator of later postsecondary student success¹. Subsection B of HB23 seeks to further operationalize the process of the next step plan, by including a requirement that a student must either submit an application to a college, or commit to an internship, apprenticeship, or the military. The bill seeks to ensure that students graduate from high school having completed the necessary benchmarks in order to be prepared for college and career. As 65% of jobs by 2020 will require some type of postsecondary training, this requirement is aligned with the economic reality of the education and skills that future graduating cohorts will require to be successful.

¹ Bedsworth, William, Susan Colby, and Joe Doctor. "Reclaiming the American Dream." *Bridgespan Group* (2006).

PERFORMANCE IMPLICATIONS

None Noted

ADMINISTRATIVE IMPLICATIONS

Oversight of student fulfillment of graduation requirements will remain the purview of the Local Education Agency. However, there may be additional systemic support required of the PED in order to support LEA administrators and counselors in the implementation and tracking these additional next step plan requirements.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None Noted

TECHNICAL ISSUES

Subsection B of HB23 states, “For students entering the eleventh grade beginning in the 2018 2019 school year, the secretary shall promulgate rules to provide that the plan shall require a student to file an application with a college or show that the student has committed to an internship or apprenticeship or military service.”

The word “commit” in this statement may be problematic, as the term is not defined or operationalized within the context of the bill. For a cleaner reading, the term “commit” should be defined. Alternately, the language could be changed from “commit” to “apply,” which would be more in-line with the proposed college application requirement in the bill, but this would be a broader interpretation of the requirement.

In subsection P.6. HB23 defines a next step plan as:

"final next-step plan" means a next step plan that shows that the student has committed ~~[or intends to commit in the near future]~~ to a four-year college or university, a two-year college, a trade or vocational program, an internship or apprenticeship or military service ~~[or a job]~~;

Removing the text “*or intends to commit in the near future*” contradicts the proposed changes to the next step plan. The proposed changes state that the students “*will either submit a college application to a secondary educational institution or commit to an internship, apprenticeship or military service prior to graduation*”. An application to a college is not a commitment to attend that postsecondary institution. The language should be kept consistent throughout the bill. The PED recommends that the language in subsection P.6 be amended to read:

"final next-step plan" means a next step plan that shows that the student has applied ~~committed~~ ~~[or intends to commit in the near future]~~ to a four-year college or university, a two-year college, a trade or vocational program, or committed to an internship or apprenticeship or military service ~~[or a job]~~;

OTHER SUBSTANTIVE ISSUES

Requiring this for graduating cohort of 2020 does not comply with NMSA 22-13-1.1 which does not allow for graduation requirements to change when a freshmen class has started high school.

This may need to begin with graduation cohort of 2021 or 2022.

ALTERNATIVES

None Noted

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

According to the Georgetown Center for Workforce Development², almost twice as many jobs today as 40 years ago require a post-secondary education. Other scholars estimate that by 2025 two-thirds of all jobs in the United States will require education beyond high school. Recent data on NM show that only 34.6% of New Mexicans between the ages of 25 and 64 hold an associate's degree or higher and only an additional 9% hold a postsecondary credential. By not taking steps to ensure that New Mexico graduates are on a concrete path to additional postsecondary training, many students may graduate from high school underprepared for college and career opportunities.

AMENDMENTS

Under subsection D.4 the bill states that the next step plan should now include, “the financial benefits of graduating from a college and the availability of financial aid.” Research shows that the benefits of graduating from college vary greatly between majors and degrees obtained; in addition a key component of a successfully completed final Next Step Plan is that a student identifies a career goal. The PED recommends that section D.4 be amended to the following:

D.4 an analysis of the availability of financial aid and the cost of degree completion and

D.5 the financial benefits of graduating from a college with a degree in the student's area of career interest.

The implied and explicit educational outcome of HB23 is to increase the number of New Mexico graduates with concrete steps taken towards plans for additional post high school training, a major component of which is increasing the number of students enrolling in postsecondary programs. Not addressed in the current iteration of the HB23 bill is the low completion rates of the Free Application for Federal Financial Aid (FAFSA) in New Mexico; a major benchmark of eventual postsecondary enrollment for all students and in particularly low-income students. Research has documented the effect of FAFSA completion on not only initial college enrollment^{3 4} but also on college persistence.⁵ Despite the need and importance of the FAFSA in the college going process many students fail to complete this step. A 2006 study by the American Council on Education Center for Policy Analysis found that over 67% of low-income students do not complete the FAFSA⁶.

² Anthony P. Carnevale, Nicole Smith, and Jeff Strohl, “Help Wanted: Projections of Jobs and Education Requirements through 2018,” Georgetown University Center on Education and the Workforce, June 2010.

³ Novak, Heather, and Lyle McKinney. "The consequences of leaving money on the table: Examining persistence among students who do not file a FAFSA." *Journal of Student Financial Aid* 41.3 (2011): 1

⁴ Bettinger, E. P., Long, B. T., Oreopoulos, P., & Sanbonmatsu, L. (2012). The role of application assistance and information in college decisions: Results from the H&R Block FAFSA experiment. *The Quarterly Journal of Economics*, 127(3), 1205-1242.

⁵ Bettinger, E. (2004). How financial aid affects persistence. In *College choices: The economics of where to go, when to go, and how to pay for it* (pp. 207-238). University of Chicago Press.

⁶ King, J. E. (2004). Missed opportunities: Students who do not apply for financial aid. *Washington, DC: American Council on Education.*

By not addressing this key post-secondary enrollment benchmark it is unlikely that HB23 will produce the desired increases in postsecondary enrollment. The current iteration of HB23 alludes to the financial aid component under subsection D.4. The PED proposes more explicitly stating this requirement by amending HB23 to include FAFSA submission as part of the revised next step plan graduation requirements. The following revised language under subsection B is proposed:

For students entering the eleventh grade beginning in the 2018-2019 school year, the secretary shall promulgate rules to provide that the plan shall require a student to submit the Free Application for Federal Financial AID (FAFSA) and file an application with a college or show that the student has committed to an internship or apprenticeship or military service.