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FISCAL IMPACT REPORT



SPONSOR: Stapleton DATE TYPED: 01/28/02 HB 98

SHORT TITLE: School-to-Work Programs SB _____

ANALYST: Baca

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
	\$1,250.0			Recurring	General Fund

(Parenthesis) Indicate Expenditure Decreases)

Duplicates SB 90

SOURCES OF INFORMATION

New Mexico Department of Labor (DOL)
 Commission on Higher Education (CHE)
 State Department of Education (SDE)

SUMMARY

Synopsis of Bill

House Bill 98 appropriates \$1,250,000 from the general fund to the State Department of Education to provide comprehensive career education opportunity systems that prepare students for employment through a planned program of study that will lead to a two year post secondary degree or certificate. Funds will support the existing school to work administrative structure at the state, regional, and local level, continue the School to Work Advisory Council, implement career pathways to enhance career development and school and work based learning, and implement an evaluation component. Funds will be awarded through a competitive process and the criteria for that process will be established by the State Department of Education.

Significant Issues

In 1996, New Mexico was awarded a five year federal School to Work grant in the amount of \$13.2 million which began implementation in 1997 and will be completed in 2002. The grant was designed to assist the state in creating a sustainable system of school to work opportunities. At the

2001 Legislative Session, HJM 12 requested that a study be made and that a plan be developed to assure sustainability of School to Work efforts. A response was created by a work group of program partnerships, business, collaborating agencies and state government, and presented to the LESC in the fall of 2001.

SDE, CHE and DOL report that a strong collaboration of education, business and industry, state agencies and community organizations exists that supports the efforts of school-to-work within the state. The system has become an integral part of local communities and has been instrumental in bridging the gap between schools and local businesses in a mutually beneficial way.

According to the analyses, New Mexico has achieved the following during the four years it has had the federal grant:

- An increase in the number of businesses involved in school-to-work activities from 1,422 to 3,235;
- An increase in the number of middle and junior high schools with structured career activities from 25 to 51;
- An increase in the number of high school students engaged in an integrated school-to-work curriculum from 3,798 to 37,384;
- An increase in the number of high school students participating in work-based internships from 935 to 3,808;
- An increase in the number of high school students participating in job shadowing from 1,500 to 7,945; and
- The development of statewide initiatives for collaboration known as Career Cluster Alliances.

Historically, through a proposal process, funds have been allocated to 16 Regional Area Partnerships (RAPs) throughout the state. The funding process continually emphasized the importance of regional sustainability of efforts after the federal funding runs out. Although the federal funding will end soon, sustainability for any systemic change requires a multi-year, multi-level, multi-partner approach and constant review and support. The STW program has been guiding regional and local partnerships in their areas, however, some are more capable at this time than others to sustain the efforts that have begun. Additional support for one more year, with the assistance of a state agency would support current efforts and perhaps assure the continued success of those RAPs that are close to sustainability.

FISCAL IMPLICATIONS

The appropriation of \$1,250.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY2003 shall revert to the general fund.

ADMINISTRATIVE IMPLICATIONS

The bill transfers administration of the program from the Department of Finance and Administration to SDE.

CONFLICT/DUPLICATION/COMPANIONSHIP/RELATIONSHIP

House Bill 98 duplicates Senate Bill 90.

OTHER SUBSTANTIVE ISSUES

The bill changes the administrative oversight program structure and eligible student population of the existing five year NM School-to-Work program:

- It moves administration from the Department of Finance and Administration to the Department of Education.
- It eliminates the work-based training element central to School-to-Work.
- It limits eligibility to those planning to enter a two year degree rather than all students.
- It changes oversight of the application process from the Advisory Council to the Department of Education.

LB/ar