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FISCAL IMPACT REPORT

SPONSOR Nava DATE TYPED 2/2/04 HB _____

SHORT TITLE Expand Adult & Family Literacy Services SB 255

ANALYST Gilbert

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	\$250.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Cultural Affairs Department Library Division (CAD)

SUMMARY

Synopsis of Bill

Senate Bill 255 appropriates \$250 thousand from the general fund to the Office of Cultural Affairs Library Division (CAD) to provide basic literacy services in areas of the state that are underserved by existing adult basic education and literacy programs.

Significant Issues

This bill provides funding for management and operating support for community-based literacy programs using volunteer tutors to deliver literacy services. The bill also provides for the provision of technical support for community-based literacy programs. Technical support is defined as training on evaluation standards and techniques, best practices in the delivery of literacy services, volunteer recruitment and support, financial and program management, and quantifiable documentation of outcomes. The bill calls for the use of existing services in order to avoid duplication of efforts.

The New Mexico Coalition for Literacy currently serves more than 3,600 students per year through their work with 95 volunteer-based literacy programs. Of these 95 programs, 24 receive grants for technical assistance from the Coalition through a competitive process. These grants average \$7,500 per site.

The funding provided by this bill would reach approximately 1,800 additional students, and allow for an increase in the number of sites receiving grants and/or an increase in the amount of the average grant award to those sites receiving grants.

FISCAL IMPLICATIONS

The appropriation of \$250.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2005 shall revert to the general fund.

ADMINISTRATIVE IMPLICATIONS

The State Library fiscal office will use existing procedures and resources to implement this contract extension.

OTHER SUBSTANTIVE ISSUES

The Cultural Affairs Department Library Division provided the following background information:

- 20% of New Mexicans age 16 and older have literacy skills at level 1, the lowest level on a scale of 1 to 5. Each literacy level is associated with a specific set of skills that are generally accepted as necessary for full participation in society. Individuals at level 1, for example, have difficulty locating simple information in a news article or applying basic math to determine the total on a sales receipt.
- Nationally, level 1 estimates range from a low of 11% in Alaska, Utah, and Wyoming to a high of 37% in the District of Columbia. The national average for individuals at level 1 or below is 21%. Within New Mexico, level 1 estimates range from a low of 5% in Los Alamos County to a high of 35% in Luna County.
- In terms of literacy level 2, 46% of New Mexico's population is at this level or below. As a benchmark in practical terms, nearly two-thirds (64%) of all jobs today require literacy skills beyond level 2, while only 12% require skills at level 1 and 24% at level 2, according to a study by the Milken Institute.
- 25% of New Mexico's population age 25 and older lack a high school diploma or the equivalent. Based on a statewide population of 922,590 in this age group, it is estimated that there are approximately 230,000 individuals needing literacy and basic education services at this time. In four New Mexico counties the percentage of adults lacking a high school education exceeds 45% (Mora, Luna, McKinley, and Guadalupe counties).