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FISCAL IMPACT REPORT

SPONSOR Boitano DATE TYPED 2/26/05 HB _____

SHORT TITLE Career Pathways Student Pilot Project SB 996

ANALYST Chabot

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$500.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
	(\$500.0)	(\$500.0)	Recurring	Career Pathways Pilot Project Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

Public Education Department (PED)

SUMMARY

Synopsis of Bill

Senate Bill 996 appropriates \$500 thousand from the general fund to the career pathways pilot project fund, to be created by the bill, for the purpose of funding projects at up to five high schools that have programs and up to seven additional high schools to determine if the career pathways model improves the following: attendance; retention; grade point average; standardized test performance; graduation rates; transition to post secondary education and subsequent graduation rates; adequate yearly progress; and the skilled work force.

PED will determine application requirements, procedures and criteria for evaluation. In addition it will establish reporting and evaluation criteria for participating schools. The department will provide interim and a final summary report to the Governor and Legislature.

Significant Issues

According to DFA, career pathways are clusters of specific occupations or careers grouped together because they share similar interests, strengths and skills. PED will determine application requirements, procedures for participating schools to include student and program assessment; and reporting to the Governor and Legislature on the efficacy of the pilot project and potential for application at high schools statewide.

PED summarizes the key points of the program and these are included at attachment 1.

PED states “in a telephone conversation with Senator Boitano, this bill is supported by the business community in Albuquerque. This bill is being introduced to support a pathways initiative (the academy model) at Albuquerque High School know as the Academy of Advanced Technology.

PERFORMANCE IMPLICATIONS

This pilot project is related to the mathematics and reading and language arts proficiency performance measure for 11th grade students.

FISCAL IMPLICATIONS

The appropriation of \$500 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of any fiscal year shall not revert.

PED estimates its costs to oversee the project at \$70.8 thousand. LFC assesses these costs may be paid out of the appropriation.

The LFC FY06 appropriation recommendation is balanced between revenues and expenditures and any increase in recurring funding must be offset by reductions in other areas of the recommendation. The Legislature must consider all priorities and funding requirements to find revenue to support this legislation.

Education reform may require the expenditures of at least an additional \$26 million in FY07 as follows: \$16 million for raising minimum salaries of level 3-A teachers to \$45,000; \$4 million for pre-kindergarten; and \$6 million for fine arts. These will be in addition to expected increased costs for opening the doors (fixed costs, insurance, enrollment growth, and increased employer contributions to the educational retirement fund) which could be another \$35 million. In addition, \$4 million is needed for increased employer contributions to educational retirement fund from higher education institutions. It may be prudent to avoid additional commitments to recurring appropriations in future fiscal years.

Continuing Appropriations

This bill creates a new fund and provides for continuing appropriations. The LFC objects to including continuing appropriation language in the statutory provisions for newly created funds. Earmarking reduces the ability of the legislature to establish spending priorities.

ADMINISTRATIVE IMPLICATIONS

PED will have to administer the fund, and approve payments. It will have to seek other revenue from other sources which include writing grant proposals and seeking donations.

TECHNICAL ISSUES

Page 3, line 19 and 20, strike “to the department” and insert in lieu “by the legislature”.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

The Academy of Advanced Technology may not be funded.

POSSIBLE QUESTIONS

1. What five high schools currently have approved career pathways pilots and how were they funded?
2. What student outcomes have resulted in the five high schools with career pathways pilots?
3. How is student success measured at the Academy of Advance Technology?

GAC/yr