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## FISCAL IMPACT REPORT

SPONSOR Tsosie DATE TYPED 02/09/05 HB \_\_\_\_\_

SHORT TITLE Tribal Literacy Programs SB 481

ANALYST Chabot

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$2,425.7			General Fund	Recurring

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates HB 260

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Finance and Administration (DFA)

Department of Indian Affairs (DIA)

General Services Department (GSD)

### SUMMARY

#### Synopsis of Bill

Senate Bill 481 appropriates \$2,425,675 from the general fund to PED for expenditure in FY06 and FY07 for the purpose of establishing literacy on twelve tribal sites integrating in-school, after-school and school programs in grades kindergarten through eight. The bill requires contracting with a nonprofit sponsorship organization with more than fifty years experience working with Native American children and is already working in New Mexico on the integrated literacy program and is willing to match the appropriation with \$1,237,235.

#### Significant Issues

The DFA analysis is that the contract would go to Save the Children, a nonprofit sponsorship organization that meets the specifications in the bill. The organization is willing to provide the match specified. Save the Children has been providing literacy programs to underserved chil-

dren in rural American since 1932. Presently this organization is providing after school, in school and summer school literacy support programs at eleven tribal sites in the state.

DIA states children lacking preparation in basic literacy skills will be ill-prepared for secondary and post-secondary levels. Literacy programs that are tailored to the educational needs of Native American children may help to fill the gap in literacy development and increase educational performance of Native American students. Save the Children plans to serve eight sites in 2006 and add four additional in 2007. Each program is estimated at \$183.2 thousand.

### **PERFORMANCE IMPLICATIONS**

Improved performance in schools relates to PED performance measures on mathematics and reading and language arts proficiency. PED should specify performance specifications in the contract.

### **FISCAL IMPLICATIONS**

The appropriation of \$2,425,675 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

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.

The language in this bill implies the contract will go to a pre-determined contractor and would be contrary to open and competitive contracting as required by Section 13-1-164 NMSA 1978 which reads as follows:

13-1-164. Specifications; maximum practicable competition.

All specifications shall be drafted so as to ensure maximum practicable competition and fulfill the requirements of state agencies and local public bodies.

### **ADMINISTRATIVE IMPLICATIONS**

PED would have to request permission to administer the contract on a sole source basis.

### **ALTERNATIVES**

The bill should be re-written to specify what services are desired without specifying qualifications applicable to a specific bidder. PED would then be able to determine the best method to provide the desired services.

### **POSSIBLE QUESTIONS**

1. What specific services are envisioned by this bill?
2. Have all competent bidders for this contract been considered?

**GAC/njw**