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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/23/08

SPONSOR Salazar LAST UPDATED \_\_\_\_\_ HB 94

SHORT TITLE Expand Adult Education Capacity SB \_\_\_\_\_

ANALYST Haug

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$4,000.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Higher Education Department (HED)

### SUMMARY

#### Synopsis of Bill

House Bill 94 appropriates \$4,000.0 from the general fund to the Higher Education Department to expand adult education program capacity, including adult basic education, general educational development certificate programs and English as a second language programs.

### FISCAL IMPLICATIONS

The appropriation of \$4,000.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2009 shall revert to the general fund.

HED states that this request was submitted to the Executive Office by the New Mexico Higher Education Department and is not included in the Executive recommendation for FY09.

### SIGNIFICANT ISSUES

The HED states that:

HB94 moves Governor Richardson *Making Schools Work* initiative forward by offering:

- Customized professional development for teachers

- State-of-the-art student data accountability system
- Site evaluation visits providing assistance/follow-up to local programs
- Pay for performance incentive funding
- Minority and ESL outreach
- GED plus college transition and support programs
- Distance education and learning technologies instructional programs

State and local ABE programs are positioned to take on a larger role in workforce development and transition to college. The administrative structure is in place with a fully staffed state office and 28 local sites effectively managing ABE programs. Postsecondary institutions operate 22 of the ABE administrative entities. All programs are funded through an RFP process and follow state and federal regulations. ABE is prepared to scale up its services and meet the challenges that the workforce presents.

Adult Basic Education programs in New Mexico currently serve only 5% of the adult population in need of ABE services while many programs maintain a substantial student waiting list. Of the 1,239,433 adults over age 25 in New Mexico, 229,510 have not finished high school. 198,397 New Mexicans do not speak English or do not speak English well. More than 420,000 adults or 34% of the adult population cannot fully participate in family, work, and community opportunities (figure does not include adults 16-24 years of age).

According to the New Mexico Department of Labor, the state ranked 50th in the nation for job growth from May 2006 to 2007, a 4% increase over last year. 70% of new jobs require some education beyond high school and no less than 40% require an associate's degree. Currently New Mexico does not have the capacity to educate a workforce to fill existing and future jobs.

Currently ABE students spend an average of only two hours per week in the classroom each year. HB94 proposes to expand ABE in New Mexico by offering intensive services that accelerate students through the programs faster with goals to enter postsecondary education and/or improve their vocational technical skills.

Increased funding for ABE and ESL programs and their inclusion in workforce development planning will pay off. Return on investment is estimated at \$11 million per year. Programs are cost effective at about \$500 per student annually. ABE graduates earn \$10,000 more per year than high school dropouts. ABE contributes to: higher college enrollment, better skilled workforce, improved literacy, stronger families, healthier communities, and more participation in society.