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FISCAL IMPACT REPORT

ORIGINAL DATE 2/13/09

SPONSOR Salazar LAST UPDATED _____ HB 71

SHORT TITLE Adult Education Program Capacity SB _____

ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$4,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)
 Public Education Department (PED)
 Department of Finance and Administration (DFA)

SUMMARY

Synopsis of Bill

House Bill 71 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 2010 shall revert to the general fund.

SIGNIFICANT ISSUES

The HED states that this legislation is consistent with the aims and priorities of the department, although it is not in NMHED's budgetary requests for this fiscal year.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a

base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

The DFA states that the FY10 General Fund has limited resources and the \$4,000.0 appropriation would incur a significant strain. The DFA notes further that the current (FY09) adult basic education program is funded through HED and receives \$6,735.3 in General Fund and \$3,612.1 in federal funds. The bill does not specify what amount would be appropriated to which program area.

The PED states:

Adult Basic Education (ABE) programs in New Mexico currently serve only 5% of the adult population in need of services. There is a substantial student waiting list. In New Mexico, 275,338 adults over the age of 18 do not have a high school diploma. This number continues to grow. Further, as many as 198,397 New Mexicans do not speak English or do not speak English well (data from 2006 American Community Survey).

In 2008, 8,209 students completed the GED. Of those students 4,878 students passed the GED and received a New Mexico High School Diploma issued by the Secretary of Education (72% pass rate) (source: Oklahoma Scoring Service, 2009).

HB 71 proposes to expand ABE in New Mexico by reducing existing waiting lists and targeting underserved communities. Increased funding will give ABE the capacity to target the staggering number of New Mexicans without a high school diploma by providing the tools and ability to pursue their goals of higher education and better jobs.

GED graduates earn \$7,400 more per year than high school dropouts. Adult education significantly provides the needed services adults require to achieve a high school diploma.

PED notes further that HB 71 could impact the public school performance measures related to percent of elementary and middle school students who achieve annual measurable objectives for proficiency or above on standards-based assessments in math, reading and language arts.

GH/mc