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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/03/12

SPONSOR Maestas LAST UPDATED \_\_\_\_\_ HB 267

SHORT TITLE GED Educational Training SB \_\_\_\_\_

ANALYST Boerner

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY12	FY13		
	\$100.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY12	FY13	FY14	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		\$0.0	\$0.0	\$0.0		DFA/LGD Operating Budget

(Parenthesis ( ) Indicate Expenditure Decreases)

**Relates to SB265** which appropriates \$235,400 from the general fund to the local government division of the DFA for FY13 to contract with the mid-region council of governments for a work force skills development program.

**Duplicates SB266** which appropriates \$100,000 from the general fund to the local government division of the DFA for FY13 to fund educational training in a class A county with a population greater than six hundred thousand people (Bernalillo County meets this criteria) for individuals attempting to attain their GED certificates.

### SOURCES OF INFORMATION

LFC Files

### SUMMARY

#### Synopsis of Bill

House Bill 267 appropriates \$100,000 from the general fund to the Local Government Division of the DFA for expenditure in FY13 for Bernalillo County to provide educational training for persons working to attain a general education development (GED) certificate.

## **FISCAL IMPLICATIONS**

The appropriation of \$100,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2013 shall revert to the general fund.

## **SIGNIFICANT ISSUES**

The bill may provide for duplication of services. For example,

The NM Higher Education Department (HED) Adult Basic Education Division (ABE) currently supports adult education and GED instruction at three adult education providers in Bernalillo County: Albuquerque GED, Inc.; Central NM Community College Adult Basic Education; and Catholic Charities. The ABE Division maintains a rigorous accountability system for all local providers, including program review, financial controls and longitudinal student database. Also the ABE Division serves adults 16 years and older who function below the high school completion level. In FY11, the ABE Division served 21,466 students at 26 local program; 2,407 students received their GED.

## **PERFORMANCE IMPLICATIONS**

The DFA reported previously (regarding SB266) that the LGD does not have performance measures specific to GED training. If funded, DFA would need to develop such measures.

## **ADMINISTRATIVE IMPLICATIONS**

The DFA and HED reported previously (regarding SB266) that an education appropriation to DFA as contained in this bill appears to be outside the purview of DFA's statutory oversight. The purpose of the Department of Finance and Administration Act [9-6-1 to 9-6-3, 9-6-4, 9-6-5, 9-9-6 NMSA 1978] is to make state government more efficient and responsive through consolidating, and eliminating the overlapping of certain state government functions; to establish a single, unified department to administer laws relating to finance of state government; and to perform other duties as provided by law. All of the existing divisions within DFA are fiduciary in nature while DFA serves as the custodian of the State's funds.

## **ALTERNATIVES**

The DFA suggested (previously regarding SB266) changing the appropriation from the LGD to the Higher Education Department's Adult Basic Education (ABE) Division since ABE currently supports GED instruction. According to the Higher Education Department's Adult Basic Education (ABE) Division staff, an appropriation to their department could serve the same purpose as this bill with enhanced accountability and without duplicative administrative burden.

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

If the DFA does not receive the appropriation for GED instruction, New Mexicans will continue to be served by existing GED programs.