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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/12/13

SPONSOR Stapleton LAST UPDATED \_\_\_\_\_ HB 387

SHORT TITLE MLK Commission College Prep Test Program SB \_\_\_\_\_

ANALYST Aledo-Sandoval

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	\$60.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Martin Luther King, Jr. Commission (MLKC)

### SUMMARY

#### Synopsis of Bill

House Bill 387 appropriates \$60 thousand from the general fund to the Martin Luther King, Jr. Commission for the purpose of providing for an ACT and SAT preparation program and program evaluation in Bernalillo County.

### FISCAL IMPLICATIONS

The appropriation of \$60 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2014 shall revert to the general fund.

### SIGNIFICANT ISSUES

The MLK, Jr. Commission states that this bill would provide ACT/SAT prep to students that would not otherwise have such assistance available to them. The agency states that the program will serve a minimum of 100 students and each student will be tracked for completion and success rate. The MLK Commission also notes that the SAT/ACT preparation program will be contracted to eREAD, Inc.

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Currently, there are expenditure concerns with this agency. For FY13 the commission received an increase of \$26.1 thousand over FY12, specifically to enable the executive director to go from three-quarter time to full time. The agency is projecting a deficit of \$37.3 thousand by the end of FY13. The director is still working three-quarter time and has submitted a budget adjustment request that is pending at the DFA to move funds out of personal services and employee benefits, thus circumventing legislative intent for the increased appropriation.

The commission also submitted a FY13 supplemental request to begin a new initiative.

Also of concern is that the contractor for the SAT/ACT program is already identified in the agency analysis for this bill. The procurement process calls for contracts over \$50 thousand to participate in the formal RFP process.

MCAS/blm