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FISCAL IMPACT REPORT

SPONSOR Thomson/Fajardo **ORIGINAL DATE** 1/23/19
LAST UPDATED 1/30/19 **HB** 253/aHEC
SHORT TITLE Higher Education and Workforce Career Pathways **SB** _____
ANALYST Fischer

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY19	FY20		
	\$5,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Santa Fe Community College (SFCC)

Higher Education Department (HED)

SUMMARY

Synopsis of HEC Amendments

The House Education Committee made three amendments: (1) striking the \$11.5 million appropriation and instead includes an appropriation of \$5 million; (2) Decreasing the number of community colleges participating in the SUN PATH consortium program from 11 to eight, and (3) language in the bill that originally stated that SFCC “shall” expand the program by region is changed to state that SFCC “may” expand the program by region.

Synopsis of Original Bill

House Bill 253 appropriated \$11.5 million from the general fund to the Higher Education Department for Santa Fe Community College (SFCC) to administer and expand the Skill Up Network: Pathways Acceleration in Technology and Healthcare (SUN PATH) program. The appropriation would support the SUN PATH program for four years.

FISCAL IMPLICATIONS

The appropriation of \$5 million contained in this bill is a recurring expense to the general fund. Though HB253 notes that any unexpended or unencumbered balance remaining at the end of FY23 shall revert to the general fund, the General Appropriation Act generally does not allow unexpended or unencumbered balances from higher education appropriations to revert.

HB253 states that “Funding shall be used to leverage funds of state institutions of higher education and workforce solutions department and other available funding.” However, the bill is unclear about the nature of this leverage or of any mechanism or model for funding leverage.

HB253 seeks to continue the work of the New Mexico Skill Up Network: Pathways Acceleration in Technology and Healthcare (SUN PATH) project, a \$15 million initiative funded by the U.S. Department of Labor Trade Adjustment Assistance Community College and Career Training Initiative between 2014 and 2018. The goals of the project were to expand healthcare career pathways; increase the attainment of degrees and certifications; and create strategic alignment between higher education and workforce systems, resulting in improved employment outcomes, retention, and average earnings for graduates.

SUN PATH grant activities focused on new processes and activities at eleven different community colleges in New Mexico. These included integrated basic education and skills training (I-BEST), employing job development career coaches, and creating Skill-Up Network Online, SUN PATH’s online course sharing initiative with the Western Interstate Commission for Higher Education.

According to SUN PATH-focused staff at SFCC, over \$5 million from the federal grant was spent on required indirect costs, program evaluation, and establishing health simulation centers and equipment at each college.

SIGNIFICANT ISSUES

HED reports that the department has a formal process for colleges to request earmarked appropriations. This request was not one of the SFCC priorities. Rather, SFCC made a request of \$151.5 thousand for its integrated basic education and skills training (I-BEST) program. SFCC’s I-BEST program was previously funded as part of the SUN PATH grant between 2014 and 2018.

Under the I-BEST program model, adult students without a high school degree are provided accelerated remedial education while simultaneously enrolled in entry-level healthcare certification programs. Based on a model developed in Washington State, I-BEST works to quickly teach students basic work and college readiness skills so they can earn an entry-level credential and move into living wage jobs within a year.

Neither HED nor LFC included I-BEST funding in the in their FY20 budget recommendations.

PERFORMANCE IMPLICATIONS

The Higher Education Department notes:

HB 253 addresses performance measures by stating that “participating in SUN PATH requires community colleges to collect, measure and analyze data on program and student

outcomes.” Specific performance objectives and measures would have to be developed with HED and with DWS [Department of Workforce Solutions] to ensure that SUN PATH activities and outcomes dovetail with and support workforce and education goals of these and other stakeholders.

POSSIBLE QUESTIONS

What types of positions would be funded at which community colleges through this appropriation?

Are these positions that would require sustained funding beyond the FY23 timeline of this appropriation?

How do positions and activities to be funded under this appropriation overlap with the roles of current student advisors and faculty providing adult basic education?

Why did SFCC only request additional appropriations for the I-BEST program portion of their previous SUN PATH work?

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