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FISCAL IMPACT REPORT

ORIGINAL DATE 02/05/13

SPONSOR Candelaria/Maestas LAST UPDATED _____ HB _____

SHORT TITLE Bernalillo GED Educational Training SB 263

ANALYST Boerner

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	\$100.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB 183, Replace GED Terms with Equivalency Diploma
 Relates to HB 321, Adult Education Programs & GED Test

SOURCES OF INFORMATION

LFC Files

Responses Received From

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

SUMMARY

Synopsis of Bill

The bill appropriates \$100 thousand from the general fund to the Local Government Division (LGD) of the DFA to provide educational training for persons in Bernalillo County pursuing a general educational development certificate.

FISCAL IMPLICATIONS

The appropriation of \$100 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.

The DFA argues that it is not statutorily or financially equipped to administer an education testing and preparation program; however, the department did not quantify what the costs to the DFA would be to fully carry out the requirements of the bill as written.

SIGNIFICANT ISSUES

The consensus from responding agencies is that the Public Education and Higher Education departments are both better-equipped by the legislature, statutorily and financially, to oversee training and testing for students wishing to pursue general education development certificate (GED) and that the appropriation found in this bill should be directed to one or both of these departments (see detailed discussion in ADMINISTRATIVE IMPLICATIONS below).

Nevertheless, the HED notes that as is true in the rest of New Mexico, there is a need for adult education in Bernalillo County. According to data from the US Census Bureau 2010 American Community Survey (5-year estimates), approximately 320 thousand New Mexicans age 18 and over do not have a high school diploma. Nearly 120 thousand of these adults reside in Bernalillo County.

LEGAL /PERFORMANCE IMPLICATIONS

The DFA notes that the LGD ensures that funding is spent per statutory language. However, the education appropriation as contained in this bill appears to be outside the purview of DFA statutory oversight. The purpose of the DFA Act [9-6-1 to 9-6-3, 9-6-4, 9-6-5, 9-6-6 NMSA 1978] is to make state government more efficient and responsive through consolidation 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; the DFA serves as the custodian of the state's funds.

ADMINISTRATIVE IMPLICATIONS

The DFA/LGD is not properly equipped, either statutorily or financially, to administer an education testing and preparation program.

Conversely, the Public Education Department (PED) has been statutorily and financially equipped by the legislature to administer testing, and the Higher Education Department (HED) has been properly equipped statutorily and financially by the legislature to administer college preparation programs. Further, both the HED and PED have the computer programs to administer the 5 modules which a GED test requires at a cost of \$120.00 per student. Because they have the equipment to oversee testing and preparation of the GED the appropriation found in this bill should be directed to one or both of the departments.

The Public Education Department houses the State GED Testing Office. The New Mexico GED Testing Program is responsible for the oversight and supervision of GED Testing Centers, issuance of the New Mexico High School Diploma and Official GED transcripts, and review of requests for GED testing accommodations.

The New Mexico Higher Education Department (NMHED) Adult Basic Education (ABE) Division serves individuals 16 years and older who function below the high school completion level. The ABE Division serves approximately 20,000 students annually at 26 local programs. The ABE Division supports adult education and GED instruction at five adult education providers in Bernalillo County: Albuquerque GED, Inc., Central New Mexico Community College Adult Basic Education, University of New Mexico at Los Alamos, and Catholic

Charities. Moreover, the ABE Division maintains a rigorous accountability system for all local providers, including program review, financial controls, and a longitudinal student database.

TECHNICAL ISSUES

The bill does not specify the local entity the appropriation would support, beyond stating it is intended for GED attainment in Bernalillo County.

ALTERNATIVES

An appropriation to the HED's Adult Basic Education (ABE) Division could serve the same purpose as this bill with enhanced accountability and without duplicative administrative burden.

This bill could be amended to specify the educational entity that the appropriation is intended to support.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

New Mexicans will continue to be served by existing GED programs.

CEB/svb