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## FISCAL IMPACT REPORT

SPONSOR King DATE TYPED 02/21/05 HB 764

SHORT TITLE TANF Adult Basic Education Services SB \_\_\_\_\_

ANALYST Williams

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$250.0			Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to House Bill 833 and Senate Bill 804

Relates to Appropriation in the General Appropriation Act for the Commission on Higher Education, Policy Development and Institutional Financial Oversight Program

### SOURCES OF INFORMATION

LFC Files

Human Services Department

No response received from Commission on Higher Education

### SUMMARY

#### Synopsis of Bill

House Bill 764 appropriates \$250 thousand from the general fund to the Commission on Higher Education for the purpose of providing adult basic education services to students who qualify for temporary assistance for needy families.

#### Significant Issues

The Human Services Department (HSD) notes the \$250 thousand of general fund appropriation included in this bill could be counted as Maintenance of Effort (MOE) monies for the TANF program. State General Fund expenditures for this purpose and for families either receiving TANF cash assistance and/or TANF eligible families at 100 percent of the federal poverty level could be certified toward the State's TANF MOE budget.

## **FISCAL IMPLICATIONS**

The appropriation of \$250 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 would revert to the general fund.

Note the Legislative Finance Committee (LFC) budget recommendation reduces temporary assistance for needy families (TANF) funding for the adult basic education program in FY06 to \$250 thousand, down from \$1 million in FY05. The reduction is partially addressed through an increase in recurring general fund appropriation of over \$400 thousand in FY06 in the LFC recommendation. In contrast, the Executive budget recommendation for FY06 entirely eliminates TANF funding for the adult basic education program and does not increase the general fund appropriation for the program.

## **ADMINISTRATIVE IMPLICATIONS**

HSD staff would need to prepare a joint powers agreement (JPA) or extend the existing joint powers agreement, with CHE for the certification of MOE for TANF recipients or TANF-eligible families.

## **TECHNICAL ISSUES**

HSD notes the bill states the funds will be spent on “services to students who qualify for the Temporary Assistance for Needy Families (TANF) Program.” It is not clear from this language whether the students will have to receive TANF or be eligible for TANF at 100 percent of the federal poverty level. As such, this issue would be clarified in the JPA between HSD and CHE.

## **POSSIBLE QUESTIONS**

1. How many individuals does the adult basic education program currently serve?
2. How extensive is the need for this program?
3. Does the program have performance measures? What do those performance measures reflect as program outcomes?
4. What is the status of the transition of the program from administration by the Public Education Department to the Commission on Higher Education?

**AW/lg**