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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/28/06  
 SPONSOR Cordova LAST UPDATED 1/31/06 HB 370  
 SHORT TITLE Valencia County Dropout & G.D.E. Programs SB \_\_\_\_\_  
 ANALYST Baca

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$250.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Public Education Department (PED)

### SUMMARY

#### Synopsis of Bill

House Bill 370 appropriates \$250,000 from the general fund for expenditure in FY07 to support two programs in Valencia County:

- \$150,000 for a general equivalency program (GED), and
- \$100,000 for an existing dropout prevention program in the Los Lunas Public Schools.

### FISCAL IMPLICATIONS

The appropriation of \$250,000 contained in this bill is a recurring expense to the fund. Any unexpended or unencumbered balance remaining at the end of FY07 shall revert to the general fund.

### SIGNIFICANT ISSUES

School dropouts and school dropout prevention continue to be challenges for public schools. PED reports that New Mexico schools reports 4,809 students were considered dropouts during the 2004 -05 school year, at a 4.8 percent rate. While this is considered an improvement over

previous year's dropout rates, the need to further reduce the number of dropouts continues. Dropout prevention programs are being implemented in many school districts, Los Lunas Public Schools among them. GED programs that provide individualized instruction, stress employability skills and job placement are considered instrumental in allowing students to obtain high school equivalency diplomas and are thus able to pursue additional education and/or obtain jobs that pay more than minimum wage while providing improved opportunities for upward economic and social mobility.

### **PERFORMANCE IMPLICATIONS**

Dropout prevention strategies may positively impact public school performance measures and benchmarks regarding reading, language arts, math and graduation rates.

### **ADMINISTRATIVE IMPLICATIONS**

The PED reports that, if funded, the PED would be responsible for providing funding to and monitoring the program. This process takes approximately 80 hours of an Education Administrator – A's time @ \$25.495 per hour plus benefits ( $25.495 \times 80 + 30\% = \$2.6$  Total Cost).

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

The dropout prevention programs proposed in the bill may not continue.

### **POSSIBLE QUESTIONS**

1. How many students are currently being served by the Los Lunas dropout prevention program?
2. How many students completed the GED program during the 2004-05 school year.