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FISCAL IMPACT REPORT

ORIGINAL DATE 2/26/09

SPONSOR Gutierrez LAST UPDATED _____ HB 693

SHORT TITLE Teen Parent High School Graduations SB _____

ANALYST Varela

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$1,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$6.6	\$6.6	\$13.2		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Public Education (PED)

Department of Health (DOH)

SUMMARY

Synopsis of Bill

House Bill 693 appropriates \$1 million from the general fund to Department of Public Education (PED) to fund a statewide recovery and retention program that targets teenage parents who have dropped out of school or are at risk of dropping out.

FISCAL IMPLICATIONS

The appropriation of \$1 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of 2010 shall revert to the general fund

According to the February 2009 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$575 million less than the FY09 appropriations before the 2009 solvency reductions. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

PED has been identified as the fiscal agent for this appropriation. PED would be required to write and monitor a contract for this program. This process takes approximately 200 hours of staff time at an estimated cost of \$6.6 thousand.

SIGNIFICANT ISSUES

An appropriation for \$1,000.0 for New Mexico Graduation and Dual Role Skills (NM GRADS) is in HB 3a and is part of the executive request.

According to PED, there is a need for quality teen parent and youth risk-taking behavior reduction programs across New Mexico.

- Only 40 percent of teen mothers graduate from high school or earn a GED, as compared to 94 percent of teen girls who did not have a baby.
- Studies have found that young adults with low education and skill levels are more likely to live in poverty and to receive government assistance.
- Babies born to teen moms are about one-third more likely to be of low birth weight and require 20 percent more medical attention at the cost of \$37 thousand per child per year.
- Babies born to teen moms are 22 percent more likely to be “teen moms” themselves if they are female.

PED reports that the 2008 Legislature funded the GRADS program at \$1,000.0. Currently, HB 3a includes a \$1,000.0 appropriation for this program. In FY09 NM GRADS funded 32 sites across the state.

PED notes the following points:

- An average of 143 pregnancy related drop-outs have been recruited each year for the past five years.
- 11,701 teenage parents have participated in the NM GRADS system since 1989.
- Repeat pregnancies for NM GRADS students have been reduced to 2.3 percent, typically 21.4 percent (statewide).
- 37 percent of NM GRADS students are employed while attending school.
- 50 percent of NM GRADS curriculum competencies address individual student career planning and development of employability skills.
- NM GRADS has reduced the drop-out rate among participating students to 4.62 percent.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill relates to HB 3.

PV/mc