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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/26/09

SPONSOR Papen LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Tourism Education For Public Schools SB 54

ANALYST Haug

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$250.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Tourism Department (TD)  
 Public Education Department (PED)  
 Higher Education Department (HED)  
 New Mexico State University (NMSU)

### SUMMARY

#### Synopsis of Bill

Senate Bill appropriates \$250.0 from the general fund to the Board of Regents of New Mexico State University to implement a statewide hospitality and tourism education initiative in public schools throughout the state.

### FISCAL IMPLICATIONS

The appropriation of \$250.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2010 shall revert to the general fund.

### SIGNIFICANT ISSUES

The HED states that this request was not submitted by NMSU to the HED for review and is not included in the Department's funding recommendation for FY10.

The LFC Appropriation Recommendations, Volume II, pages 364-365 states:

The committee has concerns about the growth of research and public service projects within the higher education budget, as well as the alignment of these projects with state goals and strategic plans. The committee also continues to have significant concerns about accountability and performance outcomes for these projects.

The committee recommendation reduces funding included in the HED request by varying levels from FY09 funding amounts for research projects, public service projects and P-20 pipeline projects focusing on students.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

The Executive Budget in Brief notes that over the years more than 300 RPSPs have been created, accounting for a large portion of institution budgets. The current RPSPs were reviewed while considering the relevance of the project to the core mission of the institution, the community benefit and the outcomes associated with each project. (Budget in Brief and Policy Highlights, P 9-10.)

NMSU states that this program is implemented in collaboration with the School of Hotel, Restaurant and Tourism Management at NMSU, the state's only baccalaureate degree program in this discipline. The intent of the bill is to provide restaurant and lodging management curriculum as a pathway for students who may choose hospitality management as a career. There are 39 schools in New Mexico who have a recognized program for this discipline. NMSU has an evaluation program in place to measure outcomes for students in a federally funded "Pathways" initiative using these students who have been in a ProStart curriculum in the 39 schools. The evaluation is being conducted by an independent contractor and will be available for HED or other interested entities.

The PED notes that in conjunction with the New Mexico's High School Re-design initiative, the PED has promoted the establishment of Career Clusters. Career Clusters support increased course rigor and establish relevance in the state's high school curricula. Career Clusters provide an organizing tool for curriculum, lending relevancy to course selections that prepare students for postsecondary education and entry into the state's workforce. This bill supports high school re-design, *Making Schools Work*, and Governor Richardson's *Work in New Mexico* initiative by strengthening the Hospitality and Tourism Career Cluster.

TD states that the initiative is a career building program that gives high school students a taste for success in the restaurant and foodservice industry by blending both classroom learning and work experience. SB54 would enable NMSU to expand its program, providing a valuable service by preparing younger students for leadership roles and life-long careers in the second-largest private sector industry in New Mexico, which contributes more than \$5.4 billion to the state's economy annually.

GH/mt