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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/26/12

SPONSOR Griego, P. LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Adult Literacy Programs SB 137

ANALYST Daly

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY12	FY13		
	\$672.2	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Cultural Affairs (DCA)

Higher Education Department (HED)

### SUMMARY

#### Synopsis of Bill

Senate Bill 137 appropriates \$672,200 from the General fund to DCA for the purpose of funding adult literacy programs statewide.

### FISCAL IMPLICATIONS

The appropriation of \$672,200 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY 13 shall revert to the general fund.

In FY 12, the DCA received an appropriation of \$325,000 in the General Appropriations Act for the same purpose.

### SIGNIFICANT ISSUES

DCA advises that its FY 13 budget in HB 2 includes \$325.0 in contractual services for literacy tutoring (the same amount that was budgeted for those services during FY 12). DCA points out

that that amount reflects a reduction from previous years: in FY 11, DCA's budget included \$672,200 for these services. If the appropriation contained in this bill is added to the amount contained in HB 2, the total appropriation for adult literacy programs would be \$997,200.

The DCA explains the need for additional funding as follows:

Literacy services have been provided in past years by contracting with the New Mexico Coalition for Literacy (NMCL). NMCL estimates based on historic data from previous years indicate that each of the three possible budget scenarios would have a different effect on the number of New Mexicans served:

- If funding for adult literacy remains level at \$325,000, it is projected that the number of individuals to receive services\* would be 2,250.
- If funding for adult literacy is increased to \$672,200 (the FY10-11 level), it is projected that the number of individuals to receive services\* would be 4,500.
- If funding for adult literacy is increased to \$997,200, it is projected that the number of individuals to receive services\* would be 6,500.

\*Services are defined as number of: adult literacy students served by local, funded programs; tutors certified by NMCL at pre-service and in-service training; tutor and board trainers trained by NMCL; board of directors and program managers trained at in-services provided by NMCL; and outreach to potential tutors and students by NMCL. In addition, over 6,000 library holdings would be available to the adult literacy field through the NMCL's special lending library.

The HED reports that the New Mexico Coalition for Literacy also operates the New Mexico Literacy Resource Center, as designated by the U.S. Department of Education, and a Literacy and Technical Assistance Program that provides development opportunities to community-based literacy projects.

### **ADMINISTRATIVE IMPLICATIONS**

The DCA advises that contracting for literacy services is an established program within DCA's State Library.

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