

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

ORIGINAL DATE 02/02/12

SPONSOR Ortiz y Pino LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE GED Educational Training SB 266

ANALYST Boerner

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY12	FY13		
	100.0	Nonrecurring	General fund

(Parenthesis ( ) Indicate Expenditure Decreases)

SB 265 is a companion bill that makes a \$235,400 appropriation to the LGD of the DFA to contract with the Mid-Region Council of Governments for a workforce skills development program.

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

The Department of Finance and Administration (DFA)  
 The Department of Workforce Solutions (DWS)  
 Economic Development Department (EDD)  
 Higher Education Department (HED)

### SUMMARY

#### Synopsis of Bill

GED EDUCATIONAL TRAINING appropriates \$100,000 from the general fund to the Local Government Division (LGD) of the Department of Finance and Administration (DFA) to provide educational training for individuals attempting to attain their general educational development (GED) certificate.

### FISCAL IMPLICATIONS

The appropriation of \$100,000 contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2013 shall revert to the general fund.

## **SIGNIFICANT ISSUES**

The consensus among responding agencies is that the bill may provide for duplication of services. For example,

The NM Higher Education Department (HED) Adult Basic Education Division (ABE) currently supports adult education and GED instruction at three adult education providers in Bernalillo County: Albuquerque GED, Inc.; Central NM Community College Adult Basic Education; and Catholic Charities. The ABE Division maintains a rigorous accountability system for all local providers, including program review, financial controls and longitudinal student database. Also the ABE Division serves adults 16 years and older who function below the high school completion level. In FY11, the ABE Division served 21,466 students at 26 local program; 2,407 students received their GED.

The DWS also notes that other entities and organizations provide support and training for individuals trying to gain their GED. From DWS' perspective, the primary concern, if any, would be duplication of service. The area of deficiency seems to be not in training individuals to get their GED but in providing an adequate number of test sites and testing opportunities for those ready to test.

The HED notes that the Public Education Department houses State GED Testing Office. The New Mexico GED Testing Program is responsible for the oversight and supervision of GED Testing Centers, issuance of New Mexico High School Diplomas and Official GED transcripts, and review of requests for GED testing accommodations.

Finally, the DFA notes that the bill specifies appropriated funds be utilized in a class A county with a population greater than six hundred thousand people. According to the U.S. Census Bureau, the only county meeting the population criteria in this legislation is Bernalillo County with a population base of 664,639.

## **PERFORMANCE IMPLICATIONS**

The DFA reports that the LGD does not have performance measures specific to GED training. If funded, DFA would need to develop such measures.

## **ADMINISTRATIVE IMPLICATIONS**

The DFA and HED state that an education appropriation to DFA of the type contained in this bill appears to be outside the purview of DFA's statutory oversight. The purpose of the Department of Finance and Administration Act [9-6-1 to 9-6-3, 9-6-4, 9-6-5, 9-9-6 NMSA 1978] is to make state government more efficient and responsive through consolidating, and eliminating the overlapping of certain state government functions; to establish a single, unified department to administer laws relating to finance of state government; and to perform other duties as provided by law. All of the existing divisions within DFA are fiduciary in nature while DFA serves as the custodian of the State's funds.

**ALTERNATIVES**

The DFA suggests changing the appropriation from the LGD to the Higher Education Department's Adult Basic Education (ABE) Division since ABE currently supports GED instruction. According to the Higher Education Department's Adult Basic Education (ABE) Division staff, an appropriation to their department could serve the same purpose as this bill with enhanced accountability and without duplicative administrative burden.

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

If the DFA does not receive the appropriation for GED instruction, New Mexicans will continue to be served by existing GED programs.

CEB/lj:amm