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FISCAL IMPACT REPORT

SPONSOR Maestas ORIGINAL DATE 02/16/13
 LAST UPDATED _____ HB 537

SHORT TITLE Bernalillo GED Educational Training SB _____

ANALYST Chavez

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|---------|------------------------------|------------------|
| FY13 | FY14 | | |
| | \$100.0 | Recurring | General Fund |

(Parenthesis () Indicate Expenditure Decreases)

Relates to Senate Bill 263, Senate Bill 183, House Bill 321, House Bill 537

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

Department of Finance and Administration (DFA)

SUMMARY

Synopsis of Bill

House Bill 537 appropriates \$100 thousand from the general fund to Local Government Division (LGD) of the Department of Finance and Administration (DFA) to fund educational training for persons in Bernalillo County pursuing a general educational development certificate (GED).

FISCAL IMPLICATIONS

The appropriation of \$100 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2014 shall revert to the general fund.

SIGNIFICANT ISSUES

The Higher Education Department (HED) comments that there is a need for adult education in Bernalillo County. According to data from the US Census Bureau, approximately 320,000 New

Mexicans age 18 and over do not have a high school diploma. Nearly 120,000 of these adults reside in Bernalillo County.

The HED also points out that an education-related appropriation to DFA of the type contained in HB 537 appears to be outside the purview of DFA's statutory purpose.

The DFA adds that the LGD does not have expertise in education.

The HED notes that the Public Education Department (PED) houses the NM GED Testing Office, which is responsible for the oversight and supervision of GED Testing Centers, issuance of the New Mexico High School Diploma and Official GED transcripts, and review of requests for GED testing accommodations.

The HED continues that the New Mexico Higher Education Department (NMHED) Adult Basic Education (ABE) Division serves individuals 16 years and older who function below the high school completion level. The ABE Division serves approximately 20,000 students annually at 26 local programs. The ABE Division supports adult education and GED instruction at five adult education providers in Bernalillo County: Albuquerque GED, Inc., Central New Mexico Community College Adult Basic Education, University of New Mexico at Los Alamos, and Catholic Charities. Moreover, the ABE Division maintains a rigorous accountability system for all local providers, including program review, financial controls, and a longitudinal student database.

ADMINISTRATIVE IMPLICATIONS

The DFA states that HB 537 provides for distribution of funds that would be administered by the LGD. LGD will enter into a grant agreement with Bernalillo County and ensure that all expenditures are in compliance with the state procurement code. Bernalillo County may issue a request for proposal to any organization that has interest in administering educational training for persons attempting to attain their general education development certificate. The PED has been properly equipped statutorily and financially by the legislature to administer testing, and the HED has been properly equipped statutorily and financially by the legislature to administer college preparation programs. HED and PED have the computer programs to administer the 5 modules which a GED test requires at a cost of \$120.00 per student. Because they have the equipment to oversee testing and preparation of the GED the appropriation found in HB 537 should be directed to one or both of the departments.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB183 replaces terms referring to GED® in New Mexico statutes with the term 'high school equivalency diploma'; and SB263 appropriates funds for GED® educational training to DFA to provide training in Bernalillo County. HB 321 appropriates \$4 million to fund adult basic education programs and high school equivalency diploma tests.

TECHNICAL ISSUES

The HED states that HB 537 does not specify the local entity the appropriation would support, beyond stating it is intended for GED attainment Bernalillo County.

ALTERNATIVES

The DFA recommends that this appropriation go through PED, GED Testing Program, and/or NMHED. The Higher Education Department's Adult Basic Education (ABE) Division currently supports GED instruction.

The HED suggests that an appropriation to the Higher Education Department's Adult Basic Education (ABE) Division could serve the same purpose as HB 537 with enhanced accountability and without duplicative administrative burden.

The HED also proposes that HB 537 could be amended to specify the educational entity that the appropriation is intended to support.

KC/blm