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FISCAL IMPACT REPORT

ORIGINAL DATE 02/10/14

SPONSOR Stapleton LAST UPDATED _____ HB 167

SHORT TITLE Bernalillo College Prep Test Program SB _____

ANALYST Cerny

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	FY15		
	\$ 60.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY14	FY15	FY16	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		Indeterminate	Indeterminate	Indeterminate	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

Martin Luther King Commission (MLKC)

SUMMARY

Synopsis of Bill

House Bill 167 appropriates \$60 thousand from the general fund to the local government division of DFA for the purpose of an ACT and SAT preparation program and program evaluation in Bernalillo County.

FISCAL IMPLICATIONS

The appropriation of \$60 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY 15 shall revert to the general fund.

DFA analysis states the agency “would need to increase its operating budget and FTE to carry out the proposed activities,” but did not provide relevant information so additional operating impact could be determined.

SIGNIFICANT ISSUES

HAFC substitute for HB 2 does not include any funding specifically to prepare students for the ACT and SAT tests. These standardized tests are meant to measure a student’s achievement in high school and readiness for college. They are one factor among many in college admissions decisions by higher education institutions. PED does receive some funding to pay only for the test fees themselves.

MLKC analysis states that Bernalillo County has a program already running in five of its thirteen public high schools. It states: “This bill will allow for the program to be implemented throughout all its high schools and charter schools. This bill does not duplicate services already available. This bill allows for services available to be expanded.”

Currently these programs are conducted by e-Read, a non-profit located in Albuquerque, with funding from Bernalillo County. These services are provided free of charge to participating, underserved students. E-Read currently serves one hundred-eighty students in this program and has more than eighty students on waiting lists for the classes. The costs for such classes with business providers such as Kaplan range from \$299 for a three-session online class to \$1099 for their most in-depth test prep class. Such fees are beyond the reach of many students in New Mexico and Bernalillo County.

HB 108 would need further clarification on how the Bernalillo County will meet measures related to ensuring that students successfully obtain college readiness in preparing for ACT and SAT testing.

PERFORMANCE IMPLICATIONS

DFA analysis states “DFA does not have the capacity or expertise and would have to hire and/or train staff in college preparation skill requirements. DFA would also have to create regulations for oversight responsibilities; produce updates and report to other regulatory agencies; report on education measures of successful pass scores related to college readiness. DFA staff would also need to be out of the office on a regular basis to conduct technical assistance to Bernalillo County in college readiness.”

Given this, it would seem appropriate for the agency to use these funds for a professional services contract.

ADMINISTRATIVE IMPLICATIONS

The State Procurement Code process would administered for contracts over \$50 thousand through a formal RFP process, should these funds be allocated for a professional services contract.

CAC/jl