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FISCAL IMPACT REPORT

ORIGINAL DATE
LAST UPDATED _____ HB _____

SPONSOR Campos

SHORT TITLE Career Technical Student Organizations SB 338

ANALYST Hartzler

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	\$400.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADITONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$400.0	\$400.0	\$800.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act, Section 4J, Higher Education, Eastern New Mexico University

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

Public Education Department (PED)

SUMMARY

Synopsis of Bill

Senate Bill 338 appropriates \$400 thousand from the general fund to Eastern New Mexico University (ENMU) to support six career technical student organizations (CTSOs) to accelerate career technical education programs statewide.

FISCAL IMPLICATIONS

The appropriation of \$400 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY16 shall revert to the general fund. However, should the appropriation be included in Section 4 of the General

Appropriation Act as a line-item to ENMU, the funds would not revert to the general fund.

HED reports that ENMU did not submit a request for funding for this program during the FY16 budget process. Because of this, there was no general fund appropriation requested or recommended for this program *through the higher education budget* in FY16.

For FY15, PED reports that CTSOs received \$198.5 thousand to support six statewide programs providing college preparation, career readiness and dropout prevention efforts. The appropriation in SB 338 would replace federal funds allocated by PED for this purpose. Since the state's federal Perkins IV award was cut in recent years, PED redirected funding from CTSOs to other initiatives to better satisfy Perkins IV performance measures.

Further, while a \$250 general fund appropriation for these programs was included in the 2014 General Appropriation Act (SB 313), the governor vetoed the appropriation to ENMU for CTSOs.

SIGNIFICANT ISSUES

Both HED and PED report that the CTSOs support students in career and technical education programs, helping them to prepare for postsecondary education and entry in the workforce. CTSOs help students develop leadership and technical skills.

While the U.S. Department of Education recognizes many specific CTSOs, the state and the appropriation in SB 338 would support the following organizations present in New Mexico:

- Business Professionals of America
- Distributive Education Clubs of America (DECA)
- Family, Career and Community Leaders of America
- Skills USA
- Technology Student Association, and
- Health Occupations Students of America.

Student participation in these programs has grown significantly over the last few years. Between academic years 2013-14 to 2014-15, participation grew 15 percent, involving more than 5,500 students.

PERFORMANCE IMPLICATIONS

As a recipient of federal funds, PED reports performance measures associated with this program. It is unclear whether performance measures could be amended to better reflect CTSOs performance.

RELATIONSHIP

ENMU receives general fund appropriations in the General Appropriation Act, though the university does not receive funding for CTSOs. PED receives state general fund appropriations, and allocates such funding and federal funding for CTSOs.