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## FISCAL IMPACT REPORT

**ORIGINAL DATE** 2/5/2015  
**SPONSOR** Rodriguez **LAST UPDATED** \_\_\_\_\_ **HB** \_\_\_\_\_

**SHORT TITLE** Santa Fe Community College Auto Program **SB** 409

**ANALYST** Hartzler

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	\$300.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY15	FY16	FY17		
	\$27.0	\$45.7	Recurring	Institutional Tuition/Fees

(Parenthesis ( ) Indicate Revenue Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		\$300.0	\$300.0	\$600.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act , Section 4J Higher Education, Santa Fe Community College

#### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Higher Education Department (HED)

Santa Fe Community College (SFCC)

## SUMMARY

### Synopsis of Bill

Senate Bill 409 appropriates \$300 thousand from the general fund to SFCC to fund an automotive program.

## FISCAL IMPLICATIONS

The appropriation of \$300 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 2016 shall revert to the general fund. However, if this appropriation for the automotive program is included in Section 4 of the General Appropriation Act, the funding will not revert to the general fund pursuant to legislative language governing that section.

Because SFCC did not submit a FY16 budget request for this program, the HED did not request general fund support and neither the LFC nor the executive recommended funding for this program. SFCC seeks funding to hire faculty and purchase necessary equipment and supplies.

According to SFCC, the following revenues are estimated from starting this program:

<b>Enrollment and Tuition/Fee Revenue for Automotive Program</b>			
	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>
No. Dual Credit Students	35	60	84
Total Fees (in thousands)	\$ 7.0	\$ 12.0	\$ 16.8
No. Regular Students	50	85	120
Total Tuition/Fees (in thousands)	\$ 20.0	\$ 33.7	\$ 48.0
Source: SFCC (Feb. 2015)			

The tuition and fee revenues are in addition to any state general fund support the college would receive pursuant to the instruction and general (I&G) funding formula that funds instructional costs.

## SIGNIFICANT ISSUES

The automotive program at Northern New Mexico College (NNMC) was terminated in 2014, SFCC seeks to restart and expand the program. According to SFCC,

Graduates [in automotive technologies] are highly employable and prepared to embark on entrepreneurial endeavors. While obtaining workforce related skills, students also increase aptitude in foundational skills in reading, mathematics, science, and mechanical aptitude which is a priority of the State of New Mexico. According to New Mexico Department of Workforce Solutions a recent graduate can earn a wage of \$17.48 per hour and an experienced automotive technician can earn \$21.64 per hour. Every dollar invested in students in any higher education program at SFCC will increase a student's wage by an average of \$4.30. Furthermore, increasing the number of graduates with the skillset in automotive technology will allow the state to attract national industries to the state.

Once the program is fully implemented, SFCC projects that annually 100 students will be able to earn a certificate in automotive technologies and 20 students will be able to earn an Associate of Applied Science. The college also plans to partner with the local high school to create an early college program in which high school students will be able to earn a certificate and a high school diploma simultaneously through the dual credit program. The aim of this program is twofold: first, to equip students who traditionally do not attend postsecondary education after graduating from high school with the skillset necessary to be successful in the workforce; second, linking high school instruction with the students' interest increases retention and graduation rates for the early college program.

### **PERFORMANCE IMPLICATIONS**

If SB 409 is enacted, SFCC should submit performance measures and targets. Examples of such measures could include and track enrollment and student completion data, employability of graduates following program completion, licensure rates, and the number of partnerships with local and regional automotive dealers.

### **RELATIONSHIP**

In addition to private, proprietary schools that offer automotive technology programs, the state supports a number of these: Eastern New Mexico University - Roswell, New Mexico Junior College, San Juan College, Luna Community College, Central New Mexico Community College, New Mexico State University (NMSU) – Grants, NMSU -- Dona Ana, NMSU – Carlsbad.

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

Students seeking these skills will attend other public and private, proprietary schools.

TH/je/aml