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FISCAL IMPACT REPORT

SPONSOR:	Sanchez, R.G.	DATE TYPED:	01/27/00	HB	246
SHORT TITLE:	In-Plant Training			SB	
				ANALYST:	Woodlee

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
				Recurring	General Fund
	\$ 6,000.0				

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 2 and SB 2

SOURCES OF INFORMATION

Economic Development Department (EDD)

LFC Files

SUMMARY

Synopsis of Bill

House Bill 246 appropriates funds to the development training fund for the Industrial Development Training program administered by the Economic Development Department.

Significant Issues

The Industrial Development Training program is one that assists new or expanding businesses by providing funding to train New Mexico residents for full-time employment. The Industrial Development Training Board awards matching funds to firms who qualify for the in-plant program. Recently the board altered its policies to provide greater incentive to firms locating in rural areas. Rural companies may receive up to 90% of training costs reimbursed. Urban firms may receive a 50% reimbursement.

The Industrial Development Training program is located in the Economic Development Division, one of the first-year implementation agency of the Accountability in Government Act. The agency, with State Budget Division and the Legislative Finance Committee, created measures for the program to be included in the Economic Development Division appropriations. The following are the measures and the supporting data for the Industrial Development Training program:

FY99 FY00 FY01

Measure Baseline Projection Target

New Businesses:

Number of positions trained in rural areas 404 440 500

Number of positions trained in urban areas 819 850 950

Number of rural companies assisted 30 35 40

Number of urban companies assisted 35 40 50

Existing Businesses:

Number of positions trained in rural areas 202 210 250

Number of positions trained in urban areas 222 700 800

Percent of appropriated funds expended

in rural areas 26% 30% 40%

Percent of appropriated funds expended

in urban areas 74% 70% 60%

Average wage of rural companies funded \$9.00/hr \$9.00/hr \$9.50/hr

Average wage of urban companies funded \$10.23/hr \$10.50/hr \$10.90/hr

FISCAL IMPLICATIONS

The bill appropriates \$6,000.0 from the general fund to the development training fund for expenditure in fiscal year 2000 and subsequent fiscal years. Any unexpended or unencumbered balance remaining shall not revert to the general fund. The bill contains an emergency clause.

MW/gm