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## FISCAL IMPACT REPORT

SPONSOR: Salazar DATE TYPED: 02/14/03 HB 394

SHORT TITLE: Work Force Skills Development Fund SB \_\_\_\_\_

ANALYST: Williams

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	NFI				

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates SB 368

Relates to

HB 567/SB 455: Faculty Development Fund

HB 391/SB 366: LFC Technology Enhancement Fund

HB 392/SB 370: LFC Higher Education Program Development Enhancement Fund

HB 393/SB369: LFC Higher Education Performance Fund

HJM 27/SJM 25: LFC Higher Education Performance Fund

HB 160/SB 221: Work Force Skills Development Fund

SB 14: Community College High Skills Training

### SOURCES OF INFORMATION

LFC Files

Commission on Higher Education (CHE)

Department of Labor (DOL)

Economic Development Department

### SUMMARY

#### Synopsis of Bill

House Bill 394 creates a new, non-reverting fund, the Work Force Skills Development Fund. Money in the money is appropriated to the CHE to provide matching funds from the Work Force Skills Development Fund to the state's community colleges for the development, expansion and support of broad-based entry-level high-skills training programs.

The CHE would administer the fund and develop rules by which applications for funding would be considered. Applications would be subject to competitive selection by a panel of education, business and labor experts appointed by CHE. The community college would provide an equal or greater funding match from non-state sources.

Significant Issues

DOL notes the program could duplicate existing programs such as those available through Workforce Investment Act and the In-Plant training program.

This is a Legislative Finance Committee-sponsored bill.

**FISCAL IMPLICATIONS**

No fiscal impact. This bill does not include an appropriation.

**OTHER SUBSTANTIVE ISSUES**

CHE notes this bill reflect the Blue Ribbon Task Force on Higher Education-recommended Base Plus Incentives funding approach.

According to CHE, this funding would support an incentive program directly linking education, training and economic development for rural and urban areas along with regional and statewide needs. In addition, this program would complement the state's in-plant training program as well as the federal Workforce Investment Act's voucher system.

Under the provisions of the Accountability in Government Act, two-year institutions report performance associated with an outcome measure addressing percent of graduates who were placed in jobs in New Mexico based on unemployment insurance wage data. In addition to performance measures required by AGA, two-year institutions provide data relevant to five major areas of a community college mission, including responding to the ongoing training needs of the state's workforce.

**AW/njw**