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## FISCAL IMPACT REPORT

SPONSOR:  Lopez  DATE TYPED:  02/11/03  HB    
 SHORT TITLE:  Work Force Skills Development Fund  SB  221   
 ANALYST:  Williams

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$300.0			Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	\$300.0		Recurring	Work Force Skills Development

(Parenthesis ( ) Indicate Revenue Decreases)

Duplicates SB 221

Relates to SB 14 using alternative funding mechanism  
 HB 394/SB 368: LFC-endorsed legislation

### SOURCES OF INFORMATION

LFC Files  
 Commission on Higher Education (CHE)  
 Economic Development Department

### SUMMARY

#### Synopsis of Bill

Senate Bill 221 appropriates \$300.0 from the general fund to the work force skills development fund for the purpose of broad-based, entry-level high skills training programs at the state's community colleges. Community colleges would provide an equal funding match from non-state sources. Funding awards would be allocated by a panel of education, business and labor experts to be appointed by the CHE and would be based on criteria developed by the CHE.

Significant Issues

CHE notes the NMACC presented a statewide request to support the community college high skill training start-up fund in 2002, and this proposal was one of two research and public service expansion items submitted by the NMACC. While recognizing the value of the proposal, the CHE did not recommend this project due to funding limitations.

**FISCAL IMPLICATIONS**

The appropriation of \$300.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of each fiscal year shall not revert to any other fund.

**OTHER SUBSTANTIVE ISSUES**

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 work force.

CHE notes the mechanism authorized in this bill is consistent with the Blue Ribbon Task Force on Higher Education-recommended Base Plus Incentives funding approach.

**POSSIBLE QUESTIONS**

1. To what extent are matching funds available?

**AW/sb**