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FISCAL IMPACT REPORT

SPONSOR Nunez **DATE TYPED** 2/16/04 **HB** HJM 100

SHORT TITLE Data on NM Academic Graduates in Workforce **SB** _____

ANALYST Collard

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
			See Narrative		

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HJM 82

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Department (EDD)

Public Education Department (PED)

Commission on Higher Education (CHE)

New Mexico Labor Department (NMDOL)

New Mexico State University (NMSU)

SUMMARY

Synopsis of Bill

House Joint Memorial 100 asks that the Labor Department meet with representatives of the Commission on Higher Education, higher education institutions, workforce programs and the Public Education Department (PED) to address data collection needs, processes of data collection and dissemination, coordination of requests, timelines and other pending issues and barriers to data collection. The goal is greater utilization of the department's unemployment insurance wage tracking system in order to make data readily available regarding the employment of academic graduates and program completers so as to better gauge the success of educational institutions. The department is requested to submit a report to the Legislative Finance Committee and other appropriate interim legislative committees by November 1, 2004.

Significant Issues

PED is developing a unique student ID system that will be implemented during the 2004-2005 school year. Each student in the public education system will be assigned a unique number that will remain with the student through high school graduation.

FISCAL IMPLICATIONS

Although there is no appropriation associated with this joint memorial, PED indicates additional hardware, software and staff will be needed to operate this new process. NMDOL indicates two additional economists will be needed, at a cost of \$143.8 thousand per year, for tracking and reporting.

ADMINISTRATIVE IMPLICATIONS

PED staff can and will meet with other entities to support this request. Creating a single system now, rather than attempting to modify several systems later, should save considerable time and money. The information system of each entity will need to be compatible with all others and the rights and privacy of students will need to be addressed.

If House Joint Memorial 100 is resolved by the legislature and requires duties and tasks from CHE such as data collection, process and dissemination of data and implementation of the unemployment insurance wage tracking system, CHE would require additional staff.

NMDOL notes the process of including all graduates and program completers cannot be adequately tracked until all student populations are assigned social security numbers which is the main tool for tracking in the Unemployment Insurance (UI) wage data base. Additionally, agreements need to be in place with neighboring states for tracking job placements for graduates and program completers who cross state lines for employment

DUPLICATION

House Joint Memorial 100 duplicates House Joint Memorial 82.

OTHER SUBSTANTIVE ISSUES

EDD notes this collaborative tracking system will ultimately provide critical information to schools, colleges and workforce programs enabling them to assess their effectiveness in raising the quality of life of their graduates and program participants. It will provide the Economic Development Department with substantive information on this state's workforce and skills base in behalf of recruiting new industry to the state; and it will provide the department with a new tool to assess its effectiveness in creating new jobs that will keep these graduates appropriately employed in New Mexico.

CHE notes many federal programs insist and the legislative finance committee encourages, all agencies participating in workforce development to collect: percent of participants entering into subsidized employment; percent of participants retained in employment six months after acquiring employment, and percent of increase in earnings from unsubsidized employment.

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Additionally, CHE indicates a partnership with neighboring states needs to be attained to track the students who leave the state to work after completing their education. Tracking students without social security numbers is also an issue.

Many student populations are not assigned social security numbers, which is the main tool to track our students through the unemployment insurance wage database.

Finally, CHE states there are many other academic graduates and individuals who have completed New Mexico programs that need to be measured through the unemployment insurance wage tracking system in order to truly assess the impact of New Mexico's educational programs on workforce development.

NMSU notes to date, educational institution efforts to produce data on workforce participation are often decentralized, generally extended prior to the student's separation from educational institutions, reflect incomplete reporting of workforce participation and often fail to capture rates of underemployment.

NMDOL indicates data is available through the unemployment wage tracking system under an existing agreement with the Commission on Higher Education. The UI system provides wage tracking data to higher education on a cost reimbursement basis as requested. There is no fixed schedule for providing the data.

Additionally, NMDOL notes the Workforce Investment Act does not have any existing agreements to provide this type of data for program completers. It may be possible to accumulate the data through the one-stop centers, however, procedures and policies would need to be developed. It is unknown if the department has an agreement with higher education to provide data on program completers. The UI system does not currently track program completers.

KBC/lg