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FISCAL IMPACT REPORT

SPONSOR Salazar DATE TYPED 2/26/05 HB 399
 SHORT TITLE Community College Work Force Training SB _____
 ANALYST Williams

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$300.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act for Commission on Higher Education

SOURCES OF INFORMATION

LFC Files
 New Mexico Association of Community Colleges
 Economic Development Department
 Office of Workforce Training

No Response Received From
 Commission on Higher Education (CHE)

SUMMARY

Synopsis of Bill

House Bill 399 appropriates \$300 thousand from the general fund to the commission on higher education for non-credit work force training courses and programs offered by public community colleges in the area of high skills and high wage occupations.

Significant Issues

High skills training programs are funded in FY05 in the general fund operating budget at \$600 thousand. Budget recommendations of both the legislative and executive branches propose flat funding in FY06.

Non-credit classes at community colleges do not receive formula funding through the instructional and general component of the higher education funding formula. The Economic Development Department notes community colleges offer these classes on a cost recovery basis, and such classes may be prohibitively expensive.

PERFORMANCE IMPLICATIONS

The attached page from the NMACC provides data for various sub-measures of entities served in FY04 when initial general fund monies of \$300 thousand were appropriated to enhance the existing program. Additional outcomes-based measures are not available for the program. The Office of Workforce Development notes “for participants under the Workforce Investment Act, some reporting of retention and success completion rates should be required.”

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 FY06 shall revert to the general fund.

TECHNICAL ISSUES

The Office of Workforce Development proposes an amendment is needed to better identify the “work force training courses” as well as the need for definitions for “high skills” and “high occupations”.

OTHER SUBSTANTIVE ISSUES

The Office of Workforce Development notes “there will be coordination with state or local workforce development boards mandated by HB 98.”

ALTERNATIVES

In 2003, the legislature established the work force skills development fund, administered by the commission on higher education, to “provide for the development, expansion and support of broad-based entry level high skills training programs at community colleges” (House Bill 394 or Chapter 368) The fund was established pursuant to the recommendations of the blue ribbon task force on higher education formula funding. To date, monies have not been appropriated to the fund. The legislature may wish to consider the work force skills development fund as a mechanism to plan and prioritize needs such as those as identified in this bill.

See attachment of Summary of Non-Credit Contract Workforce Activities at Community Colleges.

ANA/rs

ATTACHMENT

Community Partnerships = Workforce and Economic Development

***Summary of Non-Credit Contract Workforce Activities at Community Colleges**

- Total Number of Non-credit Offerings (as per definition complying to the Workforce Training Act): 1,352
- Total Headcount Participants in:
 - 2002-03 = 8,075
 - 2003-04 = 14,851
 - Percent increase: 84%
- Total Student Contact Hours Generated: 180,443
- Number of Entities Served this Fiscal Year: 538
- Number of New Entities Served this Fiscal Year: 434
- Service Area of Entity served: 99% of offerings are provided to community college service area entities or clients
- Types of Entities Served:
 1. Workforce (Open Enrollments)
 2. Other Services (not Government)
 3. Educational Services
 4. Health Care/Social
 5. State and Local Government
 6. Transportation/Warehousing
 7. Oil and Gas
 8. Accommodations and Food Service
 9. Professional, Scientific, Tech Services
 10. Tribal Government
- Entity Size:
 - a. under 25 - 16.3%
 - b. 25-50 - 13.4%
 - c. 51-100 - 24.9%
 - d. 100-250 - 14.8%
 - e. Over 250 - 30.6%
- Fields of Study:
 1. Information Technology
 2. Business Management and Administration
 3. Health Science
 4. Transportation
 5. Construction
 6. Law, Public Safety and Security
 7. Education
 8. Technical, Professional, Scientific
 9. Job Readiness

*AFTER YEAR 1 (2003-04) FUNDING FROM THE STATE OF \$300,000