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FISCAL IMPACT REPORT

SPONSOR Taylor DATE TYPED 2/20/2005 HB _____

SHORT TITLE Public Works Apprentice and Training Fund SB 663

ANALYST Dunbar

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	See Narrative				PWAT

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Labor (DOL)

NM Public Education Department (NMPED)

SUMMARY

Synopsis of Bill

Senate Bill 663 amends Section 13-4D-5 NMSA 1978 (Laws 1992 Chapter 73, Section 5) by allowing the Labor and Industrial Training Division of the Department of Labor to increase its budget for the Public Works Apprenticeship and Training programs (PWAT) to include amounts in the fund balance that were not appropriated. The bill exempts this fund from language in the General Appropriations Act that otherwise would limit such budget adjustments.

Significant Issues

The Labor and Industrial Training Division of the Department of Labor states that its office has been unable to adjust its budget in order to make use of unused Apprenticeship and Training funds that were not included in its original budget estimate to the Department of Finance and Administration due to an existing 5% limitation for budget increases. The bill exempts the Division from this limitation and permits that office to make further adjustments to its budget in order to make use of unused funds that remain in the fund balance to maximize support to Apprenticeship and Training programs.

2004 Session Law, Vol. 2, Chapter 14, Section 11(D), limits the request for budget increase to 5% for appropriations of Other State Funds. The proposed legislation allows the Labor & Industrial Division's Apprentice and Training programs to disburse funds from FY 2004 in excess of 5% to apprentice programs.

FISCAL IMPLICATIONS

Money appropriated in the General Appropriation Act of 2004 from the PWAT fund that was not disbursed and expended because of budget adjustment limitations, can now be disbursed in fiscal years 2005 and 2006.

In FY06 the LFC recommended a budget of \$500.0 for PWAT.

POSSIBLE QUESTIONS

Why are the estimate projections exceeding the budget?
Is the amount budgeted for FY06 going to be exceeded?
Should legislation address only FY04 and FY05?

WD/njw