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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/01/06

SPONSOR Varela LAST UPDATED \_\_\_\_\_ HB 327

SHORT TITLE Hospitality Training Certification Program SB \_\_\_\_\_

ANALYST Earnest

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$150.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Senate Bills 55 and 276 and House Bill 168.

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
Tourism Department (TD)

### SUMMARY

#### Synopsis of Bill

House Bill 327 appropriates \$150 thousand from the general fund to the Tourism Department to create and implement a pilot program for statewide hospitality and customer training certification.

### FISCAL IMPLICATIONS

The appropriation of \$150 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

### SIGNIFICANT ISSUES

According to the Tourism Department, there is no statewide hospitality training program. The pilot program will address a significant state-wide need for improved customer service and broader understanding of the importance of the tourism industry to the state's economy. The Tourism Department strongly supports this legislation.

**PERFORMANCE IMPLICATIONS**

One of TD’s primary performance measures is tourism market share. A successfully trained hospitality workforce might significantly impact market share by boosting return business, extended stays and personal referrals. Long-term effectiveness measures also include increased hotel occupancy rates, and decreased employee turnover with improved attitude and performance toward visitors.

**ADMINISTRATIVE IMPLICATIONS**

The Tourism Department would contract with an industry organization to implement this pilot program.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

HB 327 relates to SB 55, SB 276, and HB 168, which offer hospitality training in public schools or higher education.

**OTHER SUBSTANTIVE ISSUES**

According to the Tourism Department, many other states have programs similar to the proposed pilot program, which is modeled after Oregon’s highly successful “Q” program. The “Q” program is administered by the Oregon Tourism Commission, Oregon’s equivalent to NMTD.

**POSSIBLE QUESTIONS**

Who would pay for the training? Does this appropriation provide funding for employee training?

Where would the training take place?

BE/yr