

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

ORIGINAL DATE 2-6-2006

SPONSOR Balderas LAST UPDATED \_\_\_\_\_ HB 863

SHORT TITLE Mora County Workforce Training SB \_\_\_\_\_

ANALYST Dearing

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$100.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Office of Workforce Training & Development (OWTD)

New Mexico Economic Development Department (NMEDD)

### SUMMARY

#### Synopsis of Bill

House Bill 863 appropriates One Hundred-Thousand Dollars from the general fund to New Mexico Economic Development Department for the purpose of workforce development training programs to Mora County residents for jobs within the manufacturing industry.

### FISCAL IMPLICATIONS

The appropriation of One Hundred-Thousand Dollars 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

This legislation would support economic development efforts of this region. For example, La Jicarita Enterprise Community is in the process of developing a Natural Resources Business Incubator, with a primary focus of small diameter wood products. This business incubator is open to placing other manufacturing businesses on-site.

This legislation appears to do provide the same service as the Job Training Incentive Program (JTIP) that is administered through the New Mexico Economic Development Department (NMEDD).

The Workforce Training Act was passed during the 2003 Regular Session. The Workforce Training Act provides funding for customized workforce training at community colleges. *Non-credit customized training is not included in the educational funding formula.* During the first two years of implementation, FY 04 and FY05 \$600,000 a year was appropriated for this use. Last fiscal year, FY 06, the program did not receive an appropriation.

This statewide program is successful in providing customized training to businesses. This is important in many ways. It develops the workforce, it assists the Economic Development Department in recruiting businesses to the state, and it provides a partnership between local businesses and the educational institutions.

### **PERFORMANCE IMPLICATIONS**

Please see administrative implications.

### **ADMINISTRATIVE IMPLICATIONS**

According to New Mexico Economic Development Department, there is no additional cost to the agency if passage of this legislation.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

There is related legislation, SB 416 and HB 402, to fund eligible community colleges for non-credit, high skills training.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

If this legislation is not enacted, the residents of Mora County will lose an opportunity to start and grow their general workforce in the manufacturing sector. Economic development from this initiative will not occur.

PD/yr