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FISCAL IMPACT REPORT

ORIGINAL DATE 02/07/12

SPONSOR Gerald Ortiz y Pino LAST UPDATED _____ HB _____

SHORT TITLE Work Force Skills Development Program SB 265

ANALYST Boerner

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY12	FY13		
	\$235.4	Recurring	

(Parenthesis () Indicate Expenditure Decreases)

SB 266 is a companion bill that provides \$100,000 from the general fund to the Local Government Division of the Department of Finance and Administration to provide educational training for individuals attempting to attain their general educational development certificates.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Workforce Development (DWS)
Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

WORK FORCE SKILLS DEVELOPMENT PROGRAM appropriates \$235,400 from the general fund to the Local Government Division of the Department of Finance and Administration to contract with the mid-region council of governments for a work force skills development program.

FISCAL IMPLICATIONS

The appropriation of \$235,400 contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2013 shall revert to the general fund.

SIGNIFICANT ISSUES

The Mid-Region Council of Governments is the administrative staff and fiscal agent to the Central Workforce Development Board, which administers employment and training programs funded by the Workforce Investment Act (WIA). Additional general fund appropriated will expand existing services in the counties of Bernalillo, Tarrant, Sandoval and Valencia.

Expenditures of federal pass-through funds by New Mexico’s four local workforce development boards (Northern Board Central Board, Southwestern Board, and Eastern Board) under the Workforce Investment Act have increased in past years. The Central Board expended approximately 37 percent of total expenditures for fiscal years 2010 through 2012. The chart below contains federal WIA expenditures by the four boards for the past three fiscal years.

Expenditures of Federal WIA Funds by New Mexico Local Workforce Development Boards*

Fiscal Year	North	Central	East	SW	Grand Total
2010	1,811,813.02	2,661,138.45	1,499,155.76	2,272,193.02	8,244,300.25
2011	1,982,108.36	3,953,392.10	1,501,751.93	2,760,216.26	10,197,468.65
2012 (Opbud)	2,905,963.38	5,396,186.30	2,301,948.60	3,279,687.73	13,883,786.01
Grand Total	6,699,884.76	12,010,716.85	5,302,856.29	8,312,097.01	32,325,554.91

Source: DWS

*Expenditures for each year include fund balances and do not reflect actual federal WIA grants received in a given year.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The Mid-Region Council of Governments will continue to administer WIA funds which can be utilized for a workforce skills development training program.

CEB/amm