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FISCAL IMPACT REPORT

ORIGINAL DATE 2/26/19

SPONSOR SEC _____ LAST UPDATED _____ HB _____

SHORT TITLE Vocational Training Pilot at ENMU-Roswell SB 344/SECS

ANALYST Valenzuela

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY19	FY20		
	\$500.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files: FY20 LFC Appropriation Recommendation, Volume 1, pages 32 – 37.

Responses Received From

Eastern New Mexico University (ENMU)
 New Mexico Higher Education Department (HED)
 New Mexico Independent Community Colleges (NMICC)

SUMMARY

Synopsis of Bill

The Senate Education Committee Substitute to Senate Bill 344 appropriates \$500 thousand from the general fund to Eastern New Mexico University, Roswell Campus, for the purpose of funding a vocational training pilot project for prospective students who successfully complete the New Mexico Youth Challenge Academy program, have earned a high school equivalency credential, and meet the ENMU requirements for the program. Unexpended balances at the end of FY21 shall revert to the general fund.

FISCAL IMPLICATIONS

If the funding appropriated by SB344 is directed at programming, the bill is not clear in describing how the funding would be used to “establish a vocational training pilot program” for the targeted population. ENMU-Roswell already provides comprehensive technical education and workforce training degree programs. In New Mexico, HED evaluates workload and financial implications for new instructional programs through its budgeting process every year. ENMU – Roswell did not submit this request to the HED for evaluation and possible incorporation into the FY20 funding recommendation for colleges and universities.

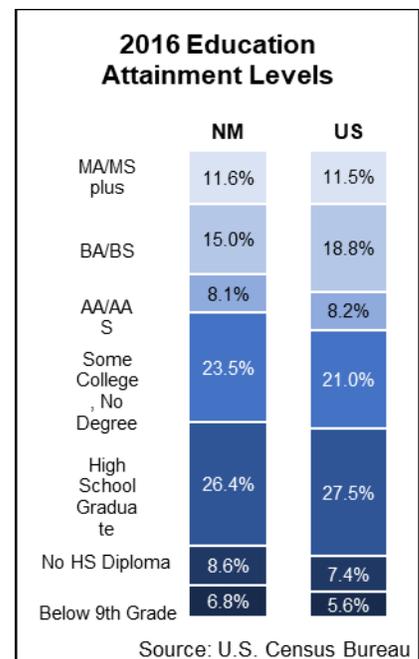
If the funding is directed at students, tuition and fees at ENMU Roswell is \$1,128/year. The appropriation in the bill would support almost 220 students through a two-year program. However, the appropriation contained in SB344 would be in addition to the Legislative Lottery Scholarship or the College Affordability Fund to which the students would have access. Both program support students seeking postsecondary education within New Mexico colleges or university.

The appropriation of \$500 thousand contained in this bill is a recurring expense to the general fund. While SB344 states unexpended funds at the end of FY21 shall revert to the general fund, colleges and universities do not revert unexpended balances to the state general fund at yearend.

SIGNIFICANT ISSUES (excerpted from the FY20 LFC Appropriation Recommendation, Volume 1. Legislating for Results: Policy and Performance Analysis)

The benefits of a higher education credential, from technical certification to a postgraduate degree, are well established. People with higher levels of education earn more and earnings increase with each level of attainment. The opposite is also true: Those without educational credentials face substantial challenges to upward mobility. Recognizing higher wages benefit not just the individual but the state as a whole, New Mexico has made higher education a funding priority, spending more on higher education per capita than most states and focusing that funding on degree attainment through a formula that rewards courses completed and credentials awarded. However, disorganized governance, structures that favor traditional students over adults returning to school, and potential weaknesses in the funding formula impede progress.

Attainment. Launched in 2015 when less than half of New Mexican adults had a postsecondary certificate or degree, the goal of the Higher Education Department’s “Route-to-66” initiative is to have 66 percent of New Mexicans ages 25 to 64 with a higher education credential by 2030. New Mexico educational attainment improved from 2009 to 2016 but still trails its peers. Twenty-six percent of adults in New Mexico have earned a bachelor’s degree or higher compared with 31.5 percent in the region and 30.3 percent in the nation. New Mexico also has a higher proportion of adults without a high school diploma: 15.4 percent compared with 14.4 percent regionally and 13 percent nationally. Attainment has lagged particularly among men ages 25 to 34, with the number of young men with a high school diploma but no college degree growing 10 percent from 2009 to 2016.



	2009	2016	% Change
Adults with no high school degree	17.9%	15.4%	-14.1%
Adults with high school, no college degree	49.9%	49.9%	0.0%
Adults with college degree	32.2%	34.7%	7.9%

OTHER SUBSTANTIVE ISSUES

According to ENMU-Roswell, the program is designed to assist up to 100 students pursue workforce skills in specific industry important to the regional economy. The branch community college provided a list of workforce categories and the intended certificates listed below. Demonstrating demand, the table includes projection by workforce certificate.

Certificate	Local Job Projections
Industrial Engineering Technician Certificate of Employability OR Level 1 Safety Technician Certificate of Employability	303
Commercial Driver's License	277
Nursing Assisting Certificate of Employability	79
HVAC Certificate of Training OR Refrigeration Certificate of Training	32
Automotive Technician Level I Certificate of Employability OR Automotive Technician Certificate of Employability	32
Pharmacy Technician Certificate of Employability	27
Emergency Medical Technician	26
Medical Assisting Certificate of Training OR Medical Coding Certificate of Training OR Medical Scribe Certificate of Employability	16
Aviation Mechanic Technician Certificate of Training	16
Source: ENMU-Roswell	

The New Mexico Youth Challenge Academy is a nonprofit entity of the National Guard. The Youth Challenge academy assists students obtain a high school equivalency through a 17-month program. The SEC substitute for SB344 would provide these students with pathway to obtaining a postsecondary education or workforce credential.

MFV/sb/al