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## FISCAL IMPACT REPORT

SPONSOR: Campos DATE TYPED: 02/17/03 HB \_\_\_\_\_

SHORT TITLE: Higher Ed Program Development Enhancement SB 370

ANALYST: Williams

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	NFI				

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates HB 392

Relates to

HB 567/SB 455: Faculty Development Fund

HB 391/SB 366: LFC Technology Enhancement Fund

HB 393/SB 369: LFC Higher Education Performance Fund

HB 394/SB 368: LFC Work Force Skills Development Fund

HJM 27/SJM 25: LFC Higher Education Performance Fund

HB 160/SB 221: Work Force Skills Development Fund

SB 14: Community College High Skills Training Fund

SB 418: Workforce Training Act

### SOURCES OF INFORMATION

LFC Files

Commission on Higher Education (CHE)

Economic Development Department

Department of Labor (DOL)

### SUMMARY

#### Synopsis of Bill

Senate Bill 370 creates a new, non-reverting fund, the Higher Education Program Development Enhancement Fund. Money in the fund is appropriated to CHE to provide funds to public, post-secondary institutions to address critical state issues, including work force and professional training needs, enhancing instructional program and developing mission-specific instructional pro-

grams. CHE is authorized to develop a system for a competitive funding selection process and would annually identify four critical issues for funding. Award criteria may include: (1) collaboration; (2) commitment of matching funds and (3) evaluation components.

The Commission would report to the Legislature and the Governor annually on the status of the fund and associated projects. The effective date of the bill is July 1, 2003.

#### Significant Issues

DOL notes the program could duplicate existing programs such as those available through Workforce Investment Act and the In-Plant training program.

This is a Legislative Finance Committee-sponsored bill.

#### **FISCAL IMPLICATIONS**

No Fiscal Impact. This bill does not include an appropriation.

According to the LFC budget document, the program development enhancement fund is intended to facilitate the development or enhancement of academic and student support programs defined as priorities for the future development of New Mexico. Programs must focus on outcomes and may include initiatives to address teacher shortages, programs that meet a specific statewide workforce need or programs that improve student retention. The commission would administer the fund and allocate funds to institutions on a competitive proposal basis. Proposals would be reviewed by an advisory committee made up of representatives from the commission, legislative and executive branches. The advisory committee would forward award recommendations to the commission. Programs must have anticipated outcomes and reporting dates. The funds would be recurring until such time as they are phased out and covered by workload adjustments. The LFC recommends \$1.5 million for the program development/enhancement fund contingent upon passage of a bill that establishes the fund.

In addition, the committee recommends a \$1 million appropriation of federal Temporary Assistance for Needy Families (TANF) funds to the program development enhancement fund. These funds are to enhance post-secondary education opportunities for persons with incomes below 200 percent of the poverty level. It is anticipated participants may be male or female, with or without children. Support for participants will be in the form of tuition for full-time students (12 or more credit hours) enrolled in programs that result in professional nursing or teaching certification. Also, the commission may fund institutions for direct costs related to the program in proportion to the number of eligible participants in the program. Appropriate administrative costs are also allowed. The appropriation is contingent upon the commission developing a program consistent with TANF funding guidelines after review by both the Human Services Department and LFC.

#### **OTHER SUBSTANTIVE ISSUES**

CHE notes this bill reflects the Blue Ribbon Task Force on Higher Education-recommended Base Plus Incentives funding approach.

**AW/prr**