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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/5/06

SPONSOR Salazar LAST UPDATED \_\_\_\_\_ HB 402

SHORT TITLE Community College High Skills Training SB \_\_\_\_\_

ANALYST Earp

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$600.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates Senate Bill 416  
Relates to Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
Higher Education Department (HED)

### SUMMARY

#### Synopsis of Bill

House Bill 402 appropriates \$600,000 from the general fund to the Higher Education Department to be distributed to eligible community colleges for noncredit high-skills training pursuant to the provisions of the Workforce Training Act.

### FISCAL IMPLICATIONS

The appropriation of \$600,000 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. These funds would augment a recurring appropriation of \$600,000 made to HED for this purpose in the General Appropriation Act.

### SIGNIFICANT ISSUES

This proposal was not included among the special program funding requests included in the HED fiscal year 2007 funding recommendations to the Legislature.

## **ADMINISTRATIVE IMPLICATIONS**

The current appropriation for high-skills training is administered by HED and flows to the New Mexico Association of Community Colleges (NMACC). NMACC determines and oversees the distribution of funds to the community colleges. It is anticipated that this administrative arrangement would continue if the expansion funding provided through this legislation is approved.

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

House Bill 402 and Senate Bill 416 are duplicate measures.

## **OTHER SUBSTANTIVE ISSUES**

HED reports that the state appropriation provides matching funds to the community colleges for the development, expansion and support of high-skills training programs. The colleges work with small and large employers to design and provide customized training, adapted to their actual business needs and the technical training needs of their employees. Employees receive this special training to obtain or advance in employment. Colleges track entities served, number of individuals trained and contact hours. NMACC determines the appropriate funding to the community colleges based on the number of credit hours generated.

This customized training supplements the State's workforce development efforts and offers opportunities for state residents to obtain the skills necessary to provide a well-trained workforce for New Mexico employers. The funding also enables community colleges to better respond to the needs of their communities and participate in attracting, retaining, and recruiting employers that can provide employment for trained workers.

## **POSSIBLE QUESTIONS**

If this bill is enacted, will the available state funding (approximately \$1.2 million in total) be sufficient to fully-fund the high-skills training programs at all eligible colleges? If not, what is the estimated total funding need for this program?

DKE/yr