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FISCAL IMPACT REPORT

ORIGINAL DATE 1/27/2022

SPONSOR Serrato/Dixon LAST UPDATED _____ HB 109

SHORT TITLE Unemployed Worker Boot Camp Training SB _____

ANALYST Fischer

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY22	FY23		
	\$500.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB91

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

Central New Mexico Community College (CNM)

SUMMARY

Synopsis of Bill

House Bill 109 appropriates \$500 thousand from the general fund to the Higher Education Department for Central New Mexico Community College (CNM) to develop and operate intensive, short-term boot camp training programs for unemployed or underemployed workers. There is no effective date of this bill. It is assumed that the effective date is 90 days following adjournment of the Legislature.

FISCAL IMPLICATIONS

The appropriation of \$500 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2025 shall revert to the general fund. Although House Bill 109 does not specify future appropriations, establishing a new program could create an expectation that the program will continue in future fiscal years, therefore this cost is scored as recurring.

SIGNIFICANT ISSUES

CNM did not submit this request to the LFC or the Higher Education Department for possible incorporation into either's higher education budget recommendations. The higher education department and the LFC have a formal process for reviewing earmarked budget requests for higher education institutions when developing funding recommendations.

According to the Higher Education Department, House Bill 109 supports CNM Ingenuity, Inc. a non-profit corporation created by CNM under the New Mexico Research Park Act. The corporation offers 10- to 12-week boot camp-style educational and training programs in various workforce areas. This appropriation will fund existing boot camps, immersive training programs, and support the development of new trainings. CNM reports that the appropriations in House Bill 109 will potentially serve 60 to 70 additional students.

CNM currently offers boot camps in various coding and information and technology fields. The college generally charges \$10 thousand tuition for these programs. They are generally non-credit bearing and, therefore, not counted as part of the state's higher education performance-based funding formula.

PERFORMANCE IMPLICATIONS

HB109 does not outline specific performance measures. If funded, CNM should develop performance measures in coordination with LFC and the Higher Education Department.

CNM reports that similar programming at CNM Ingenuity like Deep Dive Bootcamp has resulted in over 700 learners for jobs in technical fields such as software development, web development, digital media production, data science, Internet of Things technician, among many others. Outcomes of the Deep Dive bootcamps include that 54 percent of graduates are employed in full time, paid technology positions, and an additional 32 percent work in other positions such as part-time or freelance work, and/or are continuing their education. Within about one year after graduating, the average Deep Diver graduates' income increases by 47 percent, with an average salary of \$50 thousand.

DUPLICATION, COMPANIONSHIP

House Bill 109 Duplicates Senate Bill 91.

MF/acv