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FISCAL IMPACT REPORT

SPONSOR <u>Serrato</u>	LAST UPDATED <u>2/15/24</u>
	ORIGINAL DATE <u>2/3/24</u>
SHORT TITLE	BILL <u>House Bill</u>
<u>TANF Funds Workforce Pilot Program</u>	NUMBER <u>303/aHAFC/aHFI#1/ aHFI#2</u>
	ANALYST <u>Jorgensen</u>

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
HED	Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal	Indeterminate	Recurring	General Fund

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From
 Higher Education Department (HED)

SUMMARY

Synopsis of HFL#1 and HFI#2 Amendments to House Bill 303

The House Floor Amendment #1 removes language directing the Higher Education Department study workforce training stipends to include review of federal temporary assistance for needy families (TANF) requirements. The amendment also directs the study to evaluate monetary stipends of no more than \$1,000 per month for up to 12 months.

House Floor Amendment #2 requires HED, in consultation with the Health Care Authority, to produce an annual report to the Legislative Finance Committee on the outcomes of the pilot program.

Synopsis of HAFC Amendment to House Bill 303

The House Appropriations and Finance Committee amendment to House Bill 303 makes the following changes to the original bill:

- Strikes the \$1 million appropriated from the temporary assistance for needy families block grant to support the study;
- Changes the duration of the newly created workforce training economic support pilot project from five years to three years;
- Changes the date HED is required to adopt rules governing the program and provide program recommendations to the Legislative Education Study Committee from October

1, 2024, to April 1, 2025; and

- Adds a provision requiring HED to report annually to the Legislative Education Study Committee on the impact and outcomes of the pilot program.

Synopsis of Original House Bill 303

House Bill 303 (HB303) creates a workforce training economic support pilot program which would use federal temporary assistance for needy families block grant (TANF) to provide monetary stipends during the period in which adults are enrolled in and attending workforce training programs as listed in the bill.

HB303 requires the Higher Education Department (HED) to develop and implement the eligibility criteria for program participation and consider current income, education, and employment status. The bill states participation shall not be based on immigration status. The stipends provided under the pilot program should cover the costs associated with basic living needs, including housing, food, transportation, and the costs associated with enrolling in and attending a workforce training program.

HB303 appropriates \$1 million from the TANF block grant to HED to develop and administer the New Mexico workforce training economic support pilot program from FY25 through FY29.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, or May 15, 2024, if enacted.

FISCAL IMPLICATIONS

HED will have to absorb the cost of conducting the study in the existing budget as there is no appropriation contained in HB303. However, extending the time allotted for HED to create and promulgate rules governing the program will make it more likely that the department can develop the rules given the current budget. For this reason, the estimated additional operating budget impact is indeterminate, but minimal.

SIGNIFICANT ISSUES

HB303 requires HED to develop a monetary stipend program in collaboration with other agencies providing workforce training and support programs. This collaboration will allow HED to inventory the existing programs within and outside of higher education institutions and develop a uniform criteria for a workforce training stipend program and to analyze the results.

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