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## FISCAL IMPACT REPORT

**SPONSOR** Varela                      **DATE TYPED** 2/17/04                      **HB** 540/aSRC

**SHORT TITLE** Amend State Workforce Board Representation                      **SB** \_\_\_\_\_

\_\_\_\_\_  
**ANALYST** Collard

### APPROPRIATION

<b>Appropriation Contained</b>		<b>Estimated Additional Impact</b>		<b>Recurring or Non-Rec</b>	<b>Fund Affected</b>
<b>FY04</b>	<b>FY05</b>	<b>FY04</b>	<b>FY05</b>		
			See Narrative		

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates SB 257

### **SOURCES OF INFORMATION**

LFC Files

Response Received From  
Economic Development Department  
Human Services Department  
Labor Department

Responses Not Received From  
Commission on Higher Education

### **SUMMARY**

#### Synopsis of SRC Amendment

The Senate Rules Committee Amendment to House Bill 540 removes the governor-appointed designees and adds secretary-appointed designees.

#### Significant Issues

It should be noted federal regulations require the state workforce development board members to be appointed by the governor.

Synopsis of Original Bill

The bill changes the representation on the state workforce development board. The bill proposes to allow governor-appointed designees in lieu the Secretary of the Economic Development Department, the Secretary of the Human Services Department, the Secretary of Public Instruction, and the Secretary of the Labor Department.

**FISCAL IMPLICATIONS**

There are no significant fiscal implications associated with this bill.

**OTHER SUBSTANTIVE ISSUES**

The primary action taken by the bill is to revise the statute related to the state workforce board. The bill adds language for each required secretary that allows the governor to appoint an approved designee instead of the secretary. This bill appears to address issues surrounding the attendance of other members of the identified departments instead of the Secretary.

It should be noted, private sector board members have complained at state board meetings about the lack of secretarial attendance. The state workforce board has assumed that these positions represented the identified departments and allowed others to fully participate at their meetings. This bill does not clearly address this concern and also fails to identify if the designee would come from the designated department. Without language clarifying the designated individual is the member and not the department, the bill could still result in different departmental representatives participating at state board meetings.

**KBC/lg:njw:dm**