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FISCAL IMPACT REPORT

	ORIGINAL DATE 1-31-06		
SPONSOR <u> Silva </u>	LAST UPDATED _____	HB <u> 423 </u>	
	BERNALILLO G.E.D. & WORKFORCE		
SHORT TITLE <u> PROGRAMS </u>		SB _____	
		ANALYST <u> Hadwiger </u>	

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$75.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB350, SB392, and SB408.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Office of Workforce Training and Development (OWTD)

Department of Finance and Administration (DFA)

Department of Labor (DOL)

SUMMARY

Synopsis of Bill

House Bill 423 appropriates \$75 thousand from the general fund to the Local Government Division (LGD) of the Department of Finance and Administration (DFA) in FY07 for Bernalillo County to provide general equivalency diploma programs and workforce training for young adults.

FISCAL IMPLICATIONS

The appropriation of \$75 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY07 would revert to the general fund.

SIGNIFICANT ISSUES

DFA noted that the one critical factor that makes a difference in a person's paycheck is education. The State of New Mexico's Quality of Life report identifies workforce development through education and training as one of the action strategies vital to the future of the state. Education in all forms is a key to both individual and community success. According to the New Mexico Coalition for Literacy, 20 percent of New Mexicans age 16 and older have literacy skills at the lowest level. And according to a survey by the Milken Institute, 46 percent of the state's population is rated at a literacy level that makes nearly two-thirds of jobs unavailable to them. The School Drop Out Rate for grades 9 to 12 in Bernalillo County is 10.9% as compared with a state wide Drop Out Rate of 7.6 percent. And, according the Public Education Department, for school year 2004-2005, only 84.08 percent of Bernalillo County High School students graduated.

DOL indicated the Workforce Investment Act administered through the Office of Workforce Training and Development provides for similar activities for youth and young adults. OWTD suggested that, if funds in this bill were passed through OWTD, they would be directed to the local boards to provide the service at the One Stop Centers. Performance and measurement standards would apply to output.

ADMINISTRATIVE IMPLICATIONS

Little impact is anticipated for DFA to administer these funds.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to SB350, SB392, and SB408.

ALTERNATIVES

Both DOL and OWTD anticipated the program might be more effective if integrated into existing OWTD programs.

DH/nt