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FISCAL IMPACT REPORT

ORIGINAL DATE
SPONSOR Papen/Tripp **LAST UPDATED** 2/18/15 **HB** _____

SHORT TITLE Work Force Needs Analysis **SB** 162

ANALYST Chavez

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	\$125.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates House Bill 311

SOURCES OF INFORMATION

LFC Files

Responses Received From

Workforce Solutions Department (WSD)

Higher Education Department (HED) – for duplicate bill

SUMMARY

Synopsis of Bill

Senate Bill 162 appropriates \$125 thousand to the Higher Education Department (HED) to develop and implement a workforce gap forecasting model that will identify future workforce needs. The proposed forecasting model should identify:

- The statewide number and types of jobs that are most likely to be available in the future;
- The skills, knowledge and experience that those jobs will require;
- The education and training currently being delivered to New Mexico residents; and
- The corresponding deficiencies in meeting future work force demands.

FISCAL IMPLICATIONS

The appropriation of \$125 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY16 shall revert to the general fund.

SIGNIFICANT ISSUES

WSD states the efforts contained in this bill largely overlap with the efforts already undertaken by the Economic Research and Analysis Bureau of the Workforce Solutions Department.

WSD notes that the department's Economic Research and Analysis Bureau publishes a bi-annual *Projection Report* that identifies the number and types of jobs statewide that are most likely to be available in the future. Projections are presented for over 100 industries and close to 800 detailed occupations at the state and regional levels. This report also identifies the skills, knowledge and experience that those jobs will require. DWS adds the *2010 – 2020 Projections Report* is available on the WSD website and the *2012 – 2022 Projection Report* will be made available to the public in the near future.

WSD also notes the Economic Research and Analysis Bureau also publishes the annual *State of the Workforce* report, which examines the education and training currently being delivered to residents and discusses how there may be corresponding deficiencies in meeting future work force demands. WSD states the *2014 State of the Workforce* is available on the NMWSD website and the *2015 State of the Workforce* will be made available soon.

WSD does not state whether data from the report is assembled from a forecasting model as described in the bill; however, HED notes the department has been working with DWS to develop a prototype model similar to the workforce gap model described in the bill. HED states, "Projections of annual job openings were taken from WSD projections and matched with data on actual certificates and awards produced as collected by the HED from all public institutions in New Mexico. HED worked with the National Center on Higher Education Management Systems (NCHEMS) to develop a prototype model."

HED adds, however, that work remains to be done, noting that WSD projections need to be updated and reviewed for accuracy. Additionally, the mapping of certificate and degree programs to specific jobs needs further refinement.

PERFORMANCE IMPLICATIONS

HED notes the higher education funding formula already rewards institutions for the production of certificates and degrees and provides an additional incentive for awards in science, technology, engineering, math, and health (STEMH). The results of a workforce gap model might identify additional fields, and/or awards at specific award levels that are needed by New Mexico. The formula could be modified to provide additional incentives to help narrow the gaps.

ADMINISTRATIVE IMPLICATIONS

HED notes the department would need to continue working with WSD and other interested entities, such as the State Workforce Development Board and the Employability Partnership Group to ensure appropriate data and assumptions are used in the model. HED adds it may also need to contract with consultants or outside groups, such as NCHEMS, to finish the development of a robust model that can be housed and maintained at HED after the funding provided by the bill is exhausted.

DUPLICATION

House Bill 311 is a duplicate.

KC/je