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FISCAL IMPACT REPORT

ORIGINAL DATE 2/11/09

SPONSOR Morales LAST UPDATED _____ HB _____

SHORT TITLE Youth Summer Employment Activities SB 417

ANALYST Peery-Galon

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$2,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

Children, Youth and Families Department (CYFD)

No Responses Received From

Workforce Solutions Department

Association of Counties

SUMMARY

Synopsis of Bill

Senate Bill 417 appropriates \$2,000.0 from the general fund to the Workforce Solutions Department for the state's four workforce development boards to administer training and summer employment activities for youth ages 14 to 19.

FISCAL IMPLICATIONS

The appropriation of \$2,000.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2010 shall revert to the general fund.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

PED noted that the appropriation in the proposed legislation would be administered by the

Workforce Solutions Department. This would involve executing award agreements with the workforce development boards, which would include processing payment requests for funding, monitoring and overseeing the programs, and ensuring that rules and regulations are complied within the administration of the program.

SIGNIFICANT ISSUES

PED reported the U.S. Department of Labor (USDOL) reported on August 25, 2006, that the youth labor force of 16-24 year olds working or actively looking for work grows sharply between April and July of each year. During these months, large numbers of youth take or search for summer jobs and many graduates enter the labor market to look for or begin permanent employment. The report *Historically Low Summer and Year Round 2008 Teen Employment Rate: The Case for An Immediate National Public Policy Response to Create Jobs for the Nation's Youth* stated, "The weakening job market has continued to take a severe toll on employment opportunities of teens and young adults across the country. Earlier this spring, the Center for Labor Market Studies testified before the U.S. Congress that the summer job market for teens would be extremely weak and forecast a seasonally adjusted teen summer employment rate of only 34.2 percent, which would have marked a 60-year historical low teen employment rate" (September 15, 2008). From the Coalition on Human Rights Leadership Conference on Civil Rights (May 12, 2008), Congress was asked to consider federal funds for youth employment. The Conference penned a letter that stated "employment for teens is at its lowest level since post-World War II, with only 34.8 percent of all teens and only 19 percent of African American teens working last year."

CYFD stated training and summer employment activities are beneficial to juveniles in developing work skills and related ethics. The program could have positive implications for prevention and intervention with both child welfare and juvenile justice youth. CYFD receives approximately 23,000 referrals to juvenile justice per year, most of which are disposed of informally through referrals to community programs, including training and summer employment programs.

PERFORMANCE IMPLICATIONS

CYFD has performance measures related to the percentage of youth re-adjudicated or re-committed within two years of initial adjudication or release.

ADMINISTRATIVE IMPLICATIONS

PED noted the capacity of the Department of Workforce Solutions to administer the tasks associated with this bill could be affected.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Senate Bill 417 is similar to Senate Bill 435.

OTHER SUBSTANTIVE ISSUES

PED stated since the expiration of the Job Training Partnership Act in 1998, there have been no federal funds for summer youth employment in the state. The intent of proposed legislation is to

provide salaries for youth employment in private or non-profit jobs for 8-12-week periods. The target population is low-income youth and it is believed that amounts distributed to the four boards will be determined using census data on statistics such as population and unemployment figures, etc. (Connie Leyba, New Mexico Department of Workforce Solutions, February 2009).

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