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## FISCAL IMPACT REPORT

SPONSOR: B. Sanchez DATE TYPED: 2/13/02 HB \_\_\_\_\_

SHORT TITLE: At-Risk Youth Employment Program SB 356

ANALYST: Collard

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$118.3			Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates Senate Bill 161  
Relates to Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

Responses Received From  
New Mexico Labor Department  
Department of Health

### SUMMARY

#### Synopsis of Bill

Senate Bill 356 appropriates \$118.3 from the general fund to the Labor Department for the purpose of contracting for an at-risk youth employment training program in Bernalillo, Torrance, Sandoval, and Valencia counties.

### FISCAL IMPLICATIONS

The appropriation of \$118.3 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY04 shall revert to the general fund.

## **ADMINISTRATIVE IMPLICATIONS**

The New Mexico Labor Department suggests that this bill will require the department to identify staff to provide administrative and oversight services on behalf of the project. Appropriate administrative funds and resources must be provided to deliver these services.

## **DUPLICATION, RELATIONSHIP**

Senate Bill 356 is duplicative of Senate Bill 161. Senate Bill 356 is also related to an appropriation in the general appropriations act. In the Operations program of the Labor Department, \$700.0 is appropriated from the general fund to fund at-risk youth programs in the state.

## **TECHNICAL ISSUES**

The Labor Department indicates there is no specific service or type of program identified other than training and employment programs and more definition is needed.

The Labor Department also notes that, as with any add-on project funded outside the realm of the department's federally funded mandates, amounts for administrative costs must be appropriated to the department. For similar general fund transactions, historically the department has been allowed to charge a six percent administrative fee against the appropriation.

The Department of Health indicates the bill does not define youth or at-risk youth with respect to age or educational status. Further, the bill does not state how efforts to administer the programs will be divided among the four counties. Bernalillo County, with a 1998 county unemployment rate of 4.4 percent may have different challenges than the other counties, with unemployment rates of 5.2 to 5.4 percent.

## **OTHER SUBSTANTIVE ISSUES**

The Labor Department suggests the alternative of awarding the funds to the department, specifically identifying the department as the provider and assuring the department the ability to program these funds within the department's currently existing field office structure in the designated counties. This would provide greater efficiency and would incur fewer administrative costs.

The same services are currently being funded and provided in these counties through the Central Area Workforce Development Board under the Workforce Investment Act for youth activities.

The Department of Health notes that their strategic plan supports Senate Bill 356 and notes the following performance measures should be associated with this bill:

- ? The number of youth trained for employment by age, race-ethnicity, gender, year in school (or educational status) and at-risk status, and
- ? The number of youth who get employment by hours per week and type of job.

**POSSIBLE QUESTIONS**

1. What are the administrative costs associated with this bill?
2. Is it possible that this bill will serve the youth in these counties more efficiently than the Central Area Workforce Development Board?
3. Could the funding for this program come from federal Workforce Investment Act funds rather than the general fund?

**KBC/prr**