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FISCAL IMPACT REPORT

SPONSOR: Garcia DATE TYPED: 02/10/03 HB _____

SHORT TITLE: At-Risk Youth Retail Employment Program SB 375

ANALYST: Gilbert

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$150.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Response Received From

New Mexico Department of Labor (DOL)

SUMMARY

Synopsis of Bill

Senate Bill 375 appropriates \$150.0 to the New Mexico Department of Labor (DOL) to establish a retail training and employment program for at-risk youth in Dona Ana County.

FISCAL IMPLICATIONS

The appropriation of \$150.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2004 shall revert to the general fund.

ADMINISTRATIVE IMPLICATIONS

There is no specific service identified in SB 375, other than a retail and employment training program. DOL believes this is too broad and more specificity is needed.

There are no performance levels/standards or cost limitations identified. As with any add-on project funded outside the realm of the DOL's federally funded mandates, amounts for administra-

tive costs must be appropriated to DOL. Historically, when the legislature appropriates funds for at-risk youth programs, DOL has been allowed to charge a 6% administrative fee against the total appropriation.

OTHER SUBSTANTIVE ISSUES

Since DOL is federally funded and is prevented by federal law from expending federal funds on administrative expenses associated with the expenditure of state monies, audit costs must be funded from state funds.

Considering the size of the appropriation in this bill, DOL recommends that in the selection process for a service provider, that strong emphasis be placed on the provider's ability to provide an audit under the Single Audit Act.

RLG/yr