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FISCAL IMPACT REPORT

SPONSOR: Nava DATE TYPED: 3/7/03 HB _____

SHORT TITLE: High School Career Centers SB 416/aSFC

ANALYST: Collard

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$1,550.0		See Narrative	Recurring	Reed Act Distribution

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Responses Received From

New Mexico Labor Department (NMDOL)
 New Mexico State Department of Education
 United States Department of Labor (USDOL)

SUMMARY

Synopsis of SFC Amendment

The Senate Finance Committee amendment to Senate Bill 416 strikes the initial appropriation of \$450,000 from the general fund and adds an appropriation of \$1,550,000 from the Reed Act distribution funds made available to New Mexico on March 13, 2002 pursuant to Section 209 of the federal Temporary Extended Unemployment Compensation Act of 2002 to be used in FY04 through FY07.

TECHNICAL ISSUES

USDOL, via NMDOL, indicates there is a federal conformity issue with the amendment as it stands. While the Reed Act distribution appropriation can be used for the high school career centers, it can only be used for *administrative expenses* associated with employment services. This distribution cannot be used for other costs, contractual services, or capital outlay purchases. Because of this conformity issue, NMDOL recommends the following amendment.

After "...to support high school career centers in New Mexico" insert, "subject to the requirements of Section 903(c)(2) of the Social Security Act, as amended by Section 209 of the Tempo-

rary Extended Unemployment Compensation Act of 2002.”

OTHER SUBSTANTIVE ISSUES

Included in House Bill 2 is \$20,836.7 of the approximately \$38,000.0 Reed Act distribution appropriated to New Mexico in 2002. All of this cost is associated with unemployment compensation, unemployment compensation administration, and unemployment compensation computer system upgrades.

House Bill 261 and Senate Bill 558 deal with expanding unemployment compensation benefits and reducing unemployment compensation taxes to employers in compliance with the federal Social Security Act and the Temporary Extended Unemployment Compensation Act of 2002.

Synopsis of Original Bill

Senate Bill 416 appropriates \$450 thousand from the general fund to the Labor Department for the purpose of supporting high school career centers in New Mexico.

FISCAL IMPLICATIONS

The appropriation of \$450.0 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 Labor Department (NMDOL) and the State Department of Education (SDE) both see minor administrative implications, however, SDE indicates additional FTE could be required to administer the program at individual sites.

OTHER SUBSTANTIVE ISSUES

SDE notes New Mexico's first One-Stop Youth Career Center began at Santa Fe High School. During the 2000-2001 year, the One-Stop Youth Career Center was fully operational with several outreach activities to other high schools in the area including St. Michael's, Santa Fe Prep, Desert Academy, Monte de Sol Charter School and SER/SFPS Career Academy. Out-of-school outreach is also conducted to support youth not attending high school. Services have been expanded to eight other school districts (Santa Teresa High School, Gadsden High School, Capital High School-Santa Fe, Roswell High School, Goddard High School- Roswell, Moriarty High School, Ruidoso High School and Rio Rancho High School). A summary of statistics for 2001-2002 indicates that 14,458 youth in schools have taken advantage of the opportunity for the following services: 176 work permits were issued for 14-and-15-year-old students; 403 new job orders; 762 job developments; 392 employed; and 790 youth provider referrals.

The NMDOL acts as main program leader, as the functions of the One-Stop Youth Career Center largely connect with NMDOL employment and training services. NMDOL staff operates the center with supervision from the local NMDOL area director. High school principals are the lead on-site administrative contacts. Their leadership and direction have been instrumental in making the One-Stop Youth Career Centers a fully functioning part of each high school. The

administrator coordinator from the school system serves as partnership liaison and daily operating consultant.

A full complement of career guidance and career development is provided through on-site services and workshops.

NMDOL indicates this program will complement programs being provided under the Wagner-Peyser Act labor exchange programs.

KBC/njw