

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 2/14/07

SPONSOR Varela LAST UPDATED _____ HB 813

SHORT TITLE Santa Fe Youth Development Programs SB _____

ANALYST Lucero

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$200.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB419, HB536, HB25, and SB2967
 Relates to Appropriation in the General Appropriation Act

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Children, Youth and Families Department (CYFD)
 Office of Workforce Training and Development (OWTD)
 Youth Conservation Corps (YCC)

SUMMARY

Synopsis of Bill

House Bill 813 appropriates two hundred thousand (\$200,000) from the general fund to Office of Workforce Training and Development for expenditure in fiscal years 2007 and 2008 to contract with a community-based organization to support the continuation and expansion of out-of-school youth employment, service learning and general educational development certificate completion in Santa Fe County.

FISCAL IMPLICATIONS

The appropriation of two hundred thousand (\$200,000) contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2008 shall revert to the general fund. The bill declares an emergency for public peace, health and safety.

SIGNIFICANT ISSUES

The United States Department of Labor (USDOL) in July 2006 reported that 2.8 million youth were unemployed. The youth unemployment rate (11.25%) was about the same in July 2005. These numbers support the need for additional youth employment opportunities.

Future labor market trends provide strong indications that, in order to prepare the out-of-school youth of Santa Fe County with career oriented employment, service learning, and general educational development certificates of completion, additional programming is needed such as that proposed by the bill. OWTD supports the proposed bill to provide opportunities to the out-of-school youth of Santa Fe County.

OWTD currently administers the federal WIA Youth Program in four Local Workforce Development Areas across New Mexico, as well as the General Fund At-Risk Youth Program, which provides various career-building and related opportunities to youth statewide. The proposed program would complement these existing programs.

PERFORMANCE IMPLICATIONS

This legislation would likely increase employment opportunities for out-of-school youth in Santa Fe County and increase the number of youth gaining employment.

ADMINISTRATIVE IMPLICATIONS

It is anticipated that OWTD could retain up to five percent of the appropriation for administrative costs to support the activities associated with administering the program, including fiscal administration and compliance monitoring. This is not been specified in the bill.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

The bill is related to HB 419 and SB 295, both of which propose \$1.5 million for a Northern New Mexico Summer Youth Employment Program in various counties as part of a Summer Youth Employment Initiative.

TECHNICAL ISSUES

The appropriation in this bill would fund only a Santa Fe county youth development program. There is a need for a statewide program.

OTHER SUBSTANTIVE ISSUES

- The program will serve youth who are deficient in basic literacy skills, school dropouts, pregnant and parenting, offenders or individuals who require additional assistance to complete an educational program or to secure and maintain employment.
- Based on individual participant assessment, such services are provided through classroom training, employability and/or life skills training, information technology training and work experience opportunities.
- The program will be accomplished through collaboration with local community leaders, and business members.
- This appropriation would provide the county with funds needed to expand the program and continue providing workforce training for adults and high school dropouts.
- This program prepares youth for postsecondary educational opportunities and for employment.

The out-of-school youth employment component offers students the ability to gain the needed workplace skills for employment.

ALTERNATIVES

None identified at this time.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Out-of-School youth in Santa Fe County will continue to fall behind the national averages of employment and will continue to be limited to existing summer jobs or minimum wage jobs.

DL/nt