

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

## FISCAL IMPACT REPORT

**BILL NUMBER:** House Bill 280

**SHORT TITLE:** Youth Internship Pilot Project

**SPONSOR:** Parajon/Gurrola/Gonzales

**LAST ORIGINAL**  
**UPDATE:** \_\_\_\_\_ **DATE:** 2/9/2026 **ANALYST:** Malone

### APPROPRIATION\* (dollars in thousands)

FY26	FY27	Recurring or Nonrecurring	Fund Affected
	\$250.0	Nonrecurring	General fund

\*Amounts reflect most recent analysis of this legislation.

### Sources of Information

LFC Files

Agency or Agencies Providing Analysis  
Workforce Solutions Department (WSD)  
Higher Education Department (HED)  
Public Education Department (PED)

## SUMMARY

### Synopsis of House Bill 280

House Bill 280 (HB280) appropriates \$250 thousand from the general fund to the Workforce Solutions Department (WSD) for the purpose of creating a three-year paid internship pilot program, the youth internship project. The pilot is intended to demonstrate that paid internships for youth will improve workforce development in the state.

Under the bill, WSD must award project grants, monitor the use of grant funds, develop metrics and a system to evaluate the effectiveness of grant awards, and report to legislative committees annually regarding awards made and pilot program outcomes.

HB280 provides for one-year grants made to programs that facilitate paid internships for youth with either public or private entities. Grants may be used to supplement pay for internships, support services for interns, and for administrative expenses. Internship programs—defined to mean programs administered by nonprofit organizations, school districts, charter schools, or New Mexico nations, tribes, and pueblos—must agree to collect specific data for grant evaluation and coordinate with the Public Education Department regarding graduation credits for the internship.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, which is May 20, 2026.

## **FISCAL IMPLICATIONS**

The appropriation of \$250 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY29 shall revert to the general fund. Although this bill does not specify future appropriations, multiyear appropriations, particularly if used to fund services and those services perform well, create an expectation the program will continue in future fiscal years; therefore, this cost could become recurring after the funding period.

WSD notes that the language of HB280 appears to permit funding to be used for the agency's administration of the project as well as direct grants. The agency estimates it would require a .33 FTE per year for administrative responsibilities at a cost of roughly \$100 thousand over the three year pilot, leaving \$150 thousand—\$50 thousand per year—for grants. WSD estimates that this funding would support about 10 youth internships per year, assuming 20 hours per week per intern for 16 weeks at approximately \$15 per hour plus support services and administrative costs for the internship organization.

## **SIGNIFICANT ISSUES**

A 2024 LFC evaluation found that WSD supported 1,421 youth with about \$7.7 million for on-the-job training, apprenticeships, adult education, and career services. The agency provides youth services using funding for pre-apprenticeship, outreach targeting at-risk youth, and federal Workforce Innovation and Opportunity Act youth programs. However, the effectiveness of the youth programs currently overseen by WSD has not been rigorously evaluated.

There is substantive evidence that internships improve students' employability, academic outcomes, and career crystallization but there is more mixed evidence on employability over the long-term, with little research on wages. Research has also demonstrated statistically significant increases in both participant career self-efficacy and career decision self-efficacy, suggesting internships may be a viable method for supporting adolescent career development.

## **PERFORMANCE IMPLICATIONS**

WSD notes that, as required by HB280, the agency will be responsible for measuring outcomes and observes that it will be beneficial to analyze how paid internships align with existing WSD youth work-based learning programs.

## **TECHNICAL ISSUES**

Although the pilot program is designed to include internships for youth aged 14 to 22, HB280 does not include higher education institutions in the definition of "internship program." This omission may be a technical issue if the pilot intends higher education institutions serving older youth to be eligible grant recipients, or it may reflect a policy choice to focus the pilot project on pre-college and K-12-affiliated programs.

## OTHER SUBSTANTIVE ISSUES

The Higher Education Department (HED) notes that HB280 does not address whether internships supported by the project can count toward postsecondary credit, credentials, or work-based learning requirements at higher education institutions, which could be an opportunity to strengthen alignment between workforce development and higher education completion goals. HED may wish to monitor the pilot project implementation and outcomes to assess whether similar grant programs targeting postsecondary students could support higher education workforce pipelines.

CEM/cf