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FISCAL IMPACT REPORT

SPONSOR: Romero DATE TYPED: 1/28/03 HB _____

SHORT TITLE: At-Risk Youth Training Program SB 161

ANALYST: Collard

APPROPRIATION

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

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

Responses Received From
New Mexico Labor Department

SUMMARY

Synopsis of Bill

Senate Bill 161 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.

RELATIONSHIP

Senate Bill 161 is related to 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 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.

OTHER SUBSTANTIVE ISSUES

The Labor Department suggests the alternative of awarding the funds to the department by specifically identifying the department as the provider and assuring the department the ability to program these funds within the 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.

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?

KBC/sb/njw