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## FISCAL IMPACT REPORT

	<b>ORIGINAL DATE</b> 2-5-06		
<b>SPONSOR</b>	Campos	<b>LAST UPDATED</b>	<b>HB</b>
	NORTHERN NM SUMMER YOUTH		
<b>SHORT TITLE</b>	EMPLOYMENT PROGRAM	<b>SB</b>	401
		<b>ANALYST</b>	Lucero

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$800.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates HB456

Relates to Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Office of Workforce Training and Development (OWTD)

Children, Youth and Families Department (CYFD)

Youth Conservation Corps (YCC)

### SUMMARY

#### Synopsis of Bill

Senate Bill 401 appropriates \$800.0 from the general fund to Office of Workforce Training and Development (OWTD) for the purpose of funding a summer youth employment pilot program in Colfax, Mora, San Miguel and Taos counties. The pilot program shall serve as a model for a statewide summer youth employment program.

### FISCAL IMPLICATIONS

The appropriation of \$800.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

Senate Bill 401 does not specify employment eligibility requirements or how the funds will be distributed, except that the funds will go to the Office of Workforce Training and Development

(OWTD). It is unclear if administrative costs are included or if a federal match is possible through AmeriCorps or Juvenile Justice Department's funding for preventative programming.

### **SIGNIFICANT ISSUES**

OWTD, formerly known as the NMDOL Job Training Division, administered summer youth employment programs annually during the duration of the federally funded Job Training Partnership Act (17 years). The program was highly successful in providing work experience and training to youth ages 14-21 statewide, as well as providing needed income to these youngsters. The Workforce Investment Act supports year-round training for youth rather than a special summer program; and because of decreased funding specific summer youth programs have been discontinued. The youth have not been able to obtain summer employment and have lost badly needed income because many local employers cannot afford to pay wages for workers.

Underemployment among working age youth is a well documented, chronic problem in these rural northern counties. Increased employment opportunities may deter gang-involvement and recruitment, property crime, substance abuse among juveniles.

### **PERFORMANCE IMPLICATIONS**

The Office of Workforce Training and Development will need to develop performance measures and/or goals and objectives, track and report these measures in order to evaluate the success of the program.

### **ADMINISTRATIVE IMPLICATIONS**

OWTD would need additional staff to train, establish worksites, provide youth counseling, coordinate efforts with local educational institutions and employers, etc. The current OWTD operating budget does not have general fund; therefore, OWTD would need to utilize a portion of this appropriation of administrative expenditures. OWTD is funded 100% administratively by federal funds which may not be utilized to oversee a state funded program.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Duplicates HB456

### **TECHNICAL ISSUES**

OWTD's administrative expenses are funded 100% with federal funds. OWTD can not use federal funding to oversee a state funded program.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Employers in Northern New Mexico counties will not be able to hire local youth that need jobs. The youth of these communities will not have the opportunity to obtain work, develop healthy work ethics, earn an income, or contribute to the state and local economy. Idle youth will not have constructive activities during the summer months.

**AMENDMENTS**

An amendment could be made to Senate Bill 401 to specify how OWTD shall distribute the funds, i.e. what type of organizations can apply to receive the funds and identify employment eligibility requirements for the youth to participate in a summer employment pilot program.

Programs which receive federal funding matches should be given priority.

DL/mt