

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 and previously issued FIRs are available on the NM Legislative Website ([www.nmlegis.gov](http://www.nmlegis.gov)).

## FISCAL IMPACT REPORT

ORIGINAL DATE 1/28/2020

SPONSOR Trujillo, C./Sariñana LAST UPDATED \_\_\_\_\_ HB 71

SHORT TITLE Teen Technology Center Programs SB \_\_\_\_\_

ANALYST Bachechi

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY20	FY21		
	\$2,000.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY20	FY21	FY22	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		\$250.0		\$250.0	Nonrecurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Workforce Solutions Department (WSD)

### SUMMARY

House Bill 71 appropriates \$2 million from the general fund to the Workforce Solutions Department (WSD) to establish and administer teen technology centers programs. The centers will be based on a community center model that immerses teens in science, technology, engineering and mathematics while also meeting social and recreational needs. The initial programs will be located in Alamogordo, Roswell, Raton, Taos and Albuquerque.

### FISCAL IMPLICATIONS

The appropriation of \$2 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of each fiscal year shall not revert to the general fund.

WSD noted that the bill does not provide enough detail to determine the precise fiscal impact to department's operating budget. The estimated operating budget impact is based on the following assumptions about required agency level contribution and effort:

1. WSD will be administrative and oversight only.
2. A contracts will be awarded for the establishment and operation of the center programs.
3. The technology centers will not reside in existing state facilities.
4. All acquisition of specific technology hardware, software and supporting IT services will be contracted locally.

## **SIGNIFICANT ISSUES**

The Workforce Solutions Department (WSD) is the primary agency responsible for administering the Workforce Innovation and Opportunity Act (WIOA) and for improving the state's workforce systems to help New Mexican's with significant barriers to employment, including youth both in and out of school. The proposed teen technology centers align with the WSD's youth initiatives.

The WIOA youth program delivers a comprehensive array of services that focus on assisting transitional youth ages 14-24, particularly youth who are disadvantaged and have one or more barriers to employment. The goal of the program is to prepare these youth for postsecondary education and employment opportunities, attain educational and/or training credentials, and secure employment that has a positive career outlook. Local workforce development boards are tasked with overseeing the delivery of these services by youth service providers. The providers are required to spend 75 percent of the federal funds on out-of-school youth and 20 percent of the funds on paid work experiences.

WSD is designated as the State Administrative Entity (SAE) and is the lead agency to coordination and implement WIOA. A key activity includes coordination with WIOA core programs and partners, including Carl D. Perkins. Carl D. Perkins funds are available to support K-12 and post-secondary career technical education (CTE) statewide. WSD works in coordination with local school districts, post-secondary institutions, registered apprenticeships, and businesses to assure youth workforce development activities are aligned with in-demand occupations and industry needs.

Currently, WSD has one FTE dedicated to statewide youth engagement and tasked with ensuring compliance with state and federal statutes, regulations and policy requirements for youth programs. This position also provides technical assistance and training to the local workforce development boards and their WIOA funded youth service providers. Additional staff will be needed to support the oversight and the monitoring of the proposed centers to assure effective programming and operations, as well as alignment with current youth workforce activities statewide.

WSD noted that the funding provided may not be adequate to equip and operate the centers. The appropriate choice of technologies will require research and a focused understanding of the targeted learning opportunities in STEM and should align with career pathways and sector strategies identified by each community.