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FISCAL IMPACT REPORT

SPONSOR Trujillo, J. **ORIGINAL DATE** 01/31/2020
LAST UPDATED 02/04/2020 **HB** 218
SHORT TITLE At-Risk Youth Training & Case Mgmt. Programs **SB** _____
ANALYST Bachechi

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY20	FY21		
	\$250.0	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
Total		\$70.0		\$70.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

HB 218 and SB 178 are duplicate bills.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Workforce Solutions Department (WSD)

Children, Youth, and Families Department (CYFD)

SUMMARY

House Bill 218 appropriates \$250 thousand from the general fund to the Workforce Solutions Department (WSD) for expenditure in fiscal year 2021 to support training and case management programs for at-risk youth with life skills training, work experience, academic development and assistance in preparing for the high school equivalency test.

FISCAL IMPLICATIONS

The bill appropriates \$250 thousand from the state general fund to WSD for expenditure in FY21, with remaining balance reverting.

WDS would need to hire at least one FTE to manage program administration and oversight.

The average cost for a FTE at WSD in FY20 was \$67.8 thousand per year.

SIGNIFICANT ISSUES

The Workforce Solutions Department (DWS) 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 life skills program aligns with the WSD's youth initiatives.

In 2014, the federal government enacted the Workforce Innovation Opportunity Act (WIOA), which outlined a broader youth vision supporting an integrated service delivery system and a framework defining resources and support for in-school and out-of-school youth. The goal is to fund high-quality services for all youth and young adults beginning with career exploration and guidance, continued support for educational attainment, opportunities for skills training for in-demand industries and occupations, such as pre-apprenticeships or internships, and culminating with a good job along a career pathway, enrollment in post-secondary education, or registered apprenticeship.

As the designated State Administrative Entity (SAE) for WIOA, WSD receives approximately \$6.1 million annually for in-school and out-of-school youth activities. WIOA requires WSD to distribute these funds through 4 local workforce development boards. The local workforce development boards are tasked with the management and oversight of the director delivery of services by youth service providers. Service providers are required to expend 75 percent of federal funds on out-of-school youth, and 20 percent of these funds must be expended on paid work experiences. The remaining 25 percent may be directed to support in-school youth activities, including basic career exploration, job readiness and paid work-experiences.

In addition, WSD and the Public Education Department share one FTE tasked with coordinating and expanding work-based learning opportunities for in-school youth. Efforts include outreach with the business community to develop and expand internship, job shadowing, and paid work experiences. This partnership, in its first year (FY20), is targeting public schools that receive Carl D. Perkins funds for Career Technical Education.

WSD's Employment Services Division also has 2 FTE engaged in programs to advance career readiness for youth. Currently these programs are operating in 8 high schools throughout the state, including 4 in Las Cruces, 2 in Las Vegas and 2 in Roswell. These programs do not include case management.

ADMINISTRATIVE IMPLICATIONS

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 programs.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

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HB 218 and SB 178 are duplicate bills.

TECHNICAL ISSUES

WSD noted that HB218 does not include eligibility requirements for the proposed programs. WSD would require additional information and definitions to administer the program.

WSD also noted that assistance with academic development and test preparation are activities that typically resides with Public Education and Higher Education.

CB/sb