

SFiscal 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).

FISCAL IMPACT REPORT

SPONSOR Campos **ORIGINAL DATE** 02/17/21 **LAST UPDATED** _____ **HB** _____
SHORT TITLE Job Readiness Programs Funding **SB** 158
ANALYST Bachechi

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY21	FY22		
	\$575.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriations in the General Appropriation Act of 2021

SOURCES OF INFORMATION

LFC Files

Responses Received From

Workforce Solutions Department (WSD)
Economic Development Department (EDD)
Children, Youth and Families (CYFD)
Higher Education Department (HED)

SUMMARY

Synopsis of Bill

Senate Bill 158 (SB158) appropriates \$575 thousand from the general fund the Workforce Solutions Department (WSD) for expenditure in fiscal year 2022 to support job readiness programs for youth and adults. Any unexpended or unencumbered balance remaining at the end of fiscal year 2022 shall revert to the general fund.

There is no effective date of this bill. It is assumed the effective date is 90 days following adjournment of the Legislature.

FISCAL IMPLICATIONS

The appropriation of \$575 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2022 shall revert to the general fund.

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 and adults.

WSD current receives approximately \$6.1 million in funds from the U.S. Department of Labor specifically earmarked for WIOA youth activities administered at the local level through the four local workforce development boards. Eligible youth participants receive subsidies for career exploration and readiness, mentorship, job placement and follow up services. Additionally, approximately \$15 million is also available for adult training programs. These funds are also administered at the local level by the four local workforce development boards and are also used to subsidize training programs identified through individual training accounts, on-the-job training plans, and customized training programs in partnership with local businesses.

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

WSD currently employs two FTE dedicated to youth and young adult workforce development, including a statewide youth engagement coordinator, who are tasked with ensuring compliance with state and federal statute, regulation and policy requirements for the implementation of services and program specifically designed for youth, plus a work-based learning coordinator responsible for expanding access and quality of work-based learning opportunities for youth participating in career technical education programs funded by public education. Both of these positions provide technical assistance and training to the local workforce development boards and their WIOA funded youth program staff on best and promising practices in youth engagement, strategies for strengthening coordination with youth agencies and organizations, including secondary and post-secondary schools and programs in an effort to promote statewide awareness of the unique workforce needs of youth; as well as to provide general awareness and utilization of tools and resources available through WSD designed specifically for youth workforce development.

PERFORMANCE IMPLICATIONS

All efforts to improve strategic, integrated and comprehensive approaches that improve opportunities for job seekers to achieve economic success will positively impact the performance outcomes of the programs administered by the WSD. The proposed bill aligns with specific performance requirements and goals outlined in WIOA, and supports statewide efforts to coordinate and align workforce development activities across state agencies. Additionally, the Workforce Solutions Department maintains the necessary case management system needed to track participants and their performance.

TECHNICAL ISSUES

SB158 does not provide clear eligibility requirements for participation in the programs and does not specify the types of programs to be supported.

CLB/al