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FISCAL IMPACT REPORT

SPONSOR <u>López</u>	LAST UPDATED <u>3/4/2025</u>	ORIGINAL DATE <u>2/28/2025</u>
SHORT TITLE <u>Central NM School Re-Engagement Programs</u>	BILL NUMBER <u>Senate Bill 490/aSEC</u>	ANALYST <u>Hanika-Ortiz</u>

APPROPRIATION* (dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
	\$200.0	Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

May relate to an appropriation in the current General Appropriation Act.

Sources of Information

LFC Files

Agency Analysis Received From
Workforce Solutions Department (WSD)

Agency Analysis was Solicited but Not Received From
Public Education Department (PED)

SUMMARY

Synopsis of SEC Amendment to Senate Bill 490

The Senate Education Committee amendment to Senate Bill 490 clarifies that the phrase “central New Mexico” refers to the counties of Bernalillo, Sandoval, Torrance and Valencia.

Synopsis of Original Senate Bill 490

Senate Bill 490 (SB490) appropriates \$200 thousand from the general fund to the Workforce Solutions Department (WSD) to support school re-engagement programs in central New Mexico.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

The appropriation of \$200 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY26 shall revert to the

general fund. Although SB490 does not specify future appropriations, establishing a source of funding for a program could create an expectation the funding will continue in future fiscal; therefore, this cost is assumed to be recurring.

Through its Unemployment Insurance Program, WSD administers a number of workforce development services to meet the needs of business. The funding in the bill to programs that target youth and young adults, as opposed to older adults, would complement these services.

SIGNIFICANT ISSUES

The bill supports school re-engagement programs for certain youth that have not finished K-12. WSD could only select programs that use evidence-based approaches to guide former students' transition into the workforce or into careers with industry-recognized credentials or degrees. WSD said these programs can be particularly impactful in the central part of the state, which includes a disproportionate percentage of high school dropouts and non-completers.

ADMINISTRATIVE IMPLICATIONS

WSD may need to collaborate with school districts in the greater Albuquerque area, and, preferably through a competitive procurement, select programs that serve youth in that area.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill relates to a \$500 thousand appropriation in the House Appropriation Substitute for House Bills 2 and 3 to WSD for intensive outreach for out-of-school and at-risk youth.

TECHNICAL ISSUES

The term “youth” is not defined, which may lead to confusion about eligibility for students.

OTHER SUBSTANTIVE ISSUES

Most community colleges offer some form of high school re-engagement program that includes helping former students prepare for a nationally recognized high school diploma equivalent. This is often a necessary first step in gaining confidence to go on to explore career or degree options.

AHO/SL2/rl/hg