

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 FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 2/13/09

SPONSOR Sapient LAST UPDATED _____ HB _____

SHORT TITLE Central NM Work Experience Program SB 354

ANALYST _____

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$300.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$15.0	\$15.0	\$30.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Workforce Solutions Department (WSD)

Children, Youth and Families Department (CYFD)

SUMMARY

Synopsis of Bill

Senate Bill 354 appropriates \$300.0 from the general fund to the Workforce Solutions Department for the Central Workforce Development Board to provide an 8-week summer work experience program for youth ages 16 to 21 in Bernalillo, Torrance, Sandoval and Valencia counties. The proposed legislation includes an emergency clause that the act take effect immediately.

FISCAL IMPLICATIONS

The appropriation of \$300.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2010 shall revert to the general fund.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

SIGNIFICANT ISSUES

WSD reported with the current economic situation, this appropriation would alleviate the burden many employers face of not having sufficient income to hire summer help. The proposed legislation would allow many youth to have first hand experience with holding and keeping a job, and learning how to become a productive member of the workforce. The proposed legislation would also provide assistance to the many youth who need summer jobs to help with family expenses.

CYFD noted the proposed legislation does not identify any eligibility category other than age for the program, or specifics on what the programming would include. At-risk youth could benefit from this program.

PERFORMANCE IMPLICATIONS

CYFD has performance measures concerning client recidivism which could be affected by successful employment.

ADMINISTRATIVE IMPLICATIONS

WSD reported it would incur administrative costs in administering this type of program. From experience with similar federal programs, these administrative costs amount to approximately five percent of the total program funding. These administrative costs fund the oversight and reporting to the designated board.

OTHER SUBSTANTIVE ISSUES

WSD reported the department will need to time to set up this summer program and select members for the program. It will not be possible to implement and enroll people in a currently non-existing program on an emergency basis, although the department could begin enrollment before fiscal year 2010.

RPG/mt