FISCAL IMPACT REPORT

		LAST UPDATED	
SPONSOR	Jaramillo/Nava/Brantley/Sanchez	**ORIGINAL DATE**	2/20/25
SHORT TITLE	Correctional Reentry Workforce Program	**BILL NUMBER**	Senate Bill 351
		ANALYST	Sanchez

APPROPRIATION*
(dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
	$13,500.0	Nonrecurring	General Fund

Parentheses ( ) indicate expenditure decreases.
*Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*
(dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
NMCD	No fiscal impact	Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal	Recurring	General Fund

Parentheses ( ) indicate expenditure decreases.
*Amounts reflect most recent analysis of this legislation.

Relates to Senate Bills 54 and 350.
Duplicates House Bill 419.

Sources of Information

LFC Files

Agency Analysis Received From
Administrative Office of the Courts (AOC)
Law Offices of the Public Defender (LOPD)
Office of the Attorney General (NMAG)
New Mexico Sentencing Commission (NMSC)
Adult Parole Board (APD)
Corrections Department (NMCD)
Department of Public Safety (DPS)

Agency Analysis was Solicited but Not Received From
Administrative Office of the District Attorneys (AODA)
Economic Development Department (EDD)

Because of the short timeframe between the introduction of this bill and its first hearing, LFC has yet to receive analysis from state, education, or judicial agencies. If that analysis is received, this analysis could be updated.

SUMMARY

Synopsis of Senate Bill 351

Senate Bill 351 (SB351) appropriates $13.5 million from the general fund to the Local Government Division of the Department of Finance and Administration for fiscal year 2026. The funds are designated for the North Central New Mexico Economic Development District to administer and expand a correctional reentry workforce development program. The program aims to assist individuals transitioning from incarceration by providing workforce training and employment opportunities.

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 is a one-time expenditure, and the bill does not include provisions for ongoing funding beyond fiscal year 2026. The New Mexico Corrections Department (NMCD) notes that additional staffing and administrative resources may be necessary if the agency is eligible to participate in the program. NMCD indicates that integrating the program within correctional facilities could require increased staffing for program coordination, data collection, and security oversight. Additionally, the agency notes that the scale of the appropriation exceeds 50 percent of its current reentry budget, which serves both incarcerated individuals and those on probation or parole, raising questions about long-term sustainability.

The New Mexico Sentencing Commission reports that an estimated 3,677 individuals will be released from the New Mexico Corrections Department over the next decade. Workforce development programs have been associated with lower recidivism rates, but the bill does not specify the extent to which the proposed funding will meet reentry needs statewide. Given the one-time nature of the appropriation, long-term program sustainability may depend on future legislative actions or alternative funding sources.

The appropriation of $13.5 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY26 shall revert to the general fund.

SIGNIFICANT ISSUES

Senate Bill 351 provides funding to support a correctional reentry workforce development program but does not specify eligibility criteria for funding distribution. While the bill designates the North Central New Mexico Economic Development District as the administering entity, it is unclear whether participation is limited to organizations and individuals within the district's geographic boundaries or if state agencies, such as NMCD, could also receive support. NMCD indicates that clarification on eligibility may be necessary to determine the extent of its involvement in program implementation. Additionally, NMCD notes that integrating the program within correctional facilities could require agreements for data sharing and collaboration, which may need to be addressed before implementation.

Reentry workforce development programs are generally intended to support individuals transitioning from incarceration by providing job training and employment services. Research has linked access to employment opportunities with lower recidivism rates, but the bill does not include specific performance measures or reporting requirements to evaluate the program's effectiveness. Without defined metrics, assessing the program's impact on employment outcomes, recidivism, or broader workforce participation trends may be challenging.

ADMINISTRATIVE IMPLICATIONS

SB351 tasks the North Central New Mexico Economic Development District with administering and expanding a correctional reentry workforce development program. While the bill provides a one-time appropriation, it does not outline specific administrative requirements related to program oversight, fund distribution, or reporting. Depending on the scope of implementation, the administering entity may need to establish new processes for selecting participants, tracking outcomes, and coordinating with relevant state agencies.

NMCD notes that if it is eligible to participate, additional administrative capacity may be necessary to support inmate recruitment, program facilitation, and data-sharing agreements. This could require coordination between NMCD's Reentry Division and the Adult Prison Division to integrate services within correctional facilities. Similarly, if the program requires collaboration with the Parole Board or other agencies involved in post-release supervision, agreements may be needed to facilitate information exchange and service referrals.

The bill does not establish a formal reporting mechanism, which may affect the ability of policymakers and stakeholders to assess program performance and financial oversight. If data collection is required for future program evaluation or funding decisions, the administering entity may need to develop tracking systems to measure participation rates, employment outcomes, and recidivism trends over time.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 419 and Senate Bills 54 and 350 also address aspects of reentry services, transitional housing, and workforce development for formerly incarcerated individuals. While these efforts may complement the objectives of Senate Bill 351, overlapping responsibilities or funding streams may require coordination across agencies and organizations administering similar programs.

SS/rl/SR