

LFC Requester:**Rachel Mercer-Garcia****AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov
(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

Date Prepared 2/19/25 *Check all that apply:*
Bill Number: SB0436 Original Correction
 Amendment Substitute

Sponsor: Shannon D. Pinto **Agency Name and Code** Dept. of Workforce Solutions-631
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SECTION II: FISCAL IMPACT**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
100,000.0	0	NR	General Fund

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
0	0	0		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	0	0	0	0		

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: The bill proposes to appropriate \$100 million dollars to WSD “for increased operational costs attributable to increasing numbers of clients served by the department.”

FISCAL IMPLICATIONS

The appropriation would increase by about 5-fold the amount of general fund contributions to WSD.

SIGNIFICANT ISSUES

WSD has often presented to the legislature on its concerns related to flat federal funding, combined with mandatory salary increases, which have had an over \$2.7 million impact in just fiscal years 24 and 25. DWS cut over 50 unfunded positions resulting from this dynamic.

WSD has also presented on solvency concerns related to the Unemployment Insurance Trust Fund. Furthermore, the Department is anticipating a recession related to federal layoffs, tariffs and other factors. This would lead to increased utilization of unemployment insurance and employment services. Finally, WSD may be subject to federal budget cuts or delays in funding, the amount and timing of which are impossible to predict.

All of that said, WSD was not consulted on this bill and does not understand the basis for this amount of funding or the proposed uses. These funds were not in the executive budget recommendation. WSD has concerns about one-time infusions of funding as opposed to structural corrections to the Unemployment Insurance Trust Fund or other aspects of Department Funding. WSD would welcome a robust conversation on these topics.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS