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FISCAL IMPACT REPORT

SPONSOR Varela DATE TYPED 2/19/05 HB 891

SHORT TITLE Create Office of Homeland Security SB _____

ANALYST Peery

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	NFI				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance Administration (DFA)
 Attorney General's Office (AGO)
 New Mexico Environment Department (NMED)
 New Mexico Corrections Department (NMCD)

No Response

Department of Public Safety (DPS)
 Governor's Office

SUMMARY

Synopsis of Bill

House Bill 891 replaces the existing position of governor's Homeland Security Advisor with the newly created position of Director of Homeland Security, creates an Office of Homeland Security, and delineates the duties of the Office of Homeland Security. The new Director of Homeland Security will be appointed by the governor and will head the Office of Homeland Security which will act as the central coordination point for homeland security efforts throughout New Mexico. Those efforts include the following: secure and handle all state homeland security federal funding; act as liaison between federal, state and local agencies in homeland security areas; provide security information to the public and private businesses; identify and establish security criteria for state facilities; assist private entities in identifying and protecting critical infrastructures; provide training, coordination and exercises in terrorism response; and coordinate actual

response in the event of a terrorist incident. The proposed legislation will provide authority for the Director of Homeland Security to manage the state's homeland security efforts and hire employees to carry out those duties. In addition, two existing laws which refer to the governor's Homeland Security Advisor Section 9-15-48 NMSA 1978 and Section 9-15-49 NMSA 1978 are amended to reflect the new Director of Homeland Security title.

PERFORMANCE IMPLICATIONS

NMCD states the bill may help them to coordinate with other law enforcement agencies in the event of a terrorist incident.

DFA reports the performance of the Office of Homeland Security would be made more transparent by this bill. DFA states this would lead to performance measures that would be easier to measure and quantify.

FISCAL IMPLICATIONS

DFA states the proposed legislation would require additional resources to be given to homeland security if the agency were to become a stand alone. DFA reports homeland security is currently spread between Department of Public Safety and the Governor's Office. DFA states lease payments could run from \$20 thousand to \$50 thousand a year.

ADMINISTRATIVE IMPLICATIONS

NMCD reports they have already established relations with local law enforcement agencies and emergency service providers, the administrative impact of this bill would be absorbed by the current arrangement.

DFA states the proposed legislation would require the Department of Public Safety to transfer 4 FTE and the federal portion of their funding to the Office of Homeland Security. The Governor's Office would be required to give up supervisory functions of homeland security, but they would keep the administrative functions.

OTHER SUBSTANTIVE ISSUES

NMCD states the proposed legislation does not include a provision for coordinating with private utility providers, such as water associations.

NMED reports Governor Bill Richardson issued executive order 2003-001 on January 13, 2003 that established the New Mexico Director of Homeland Security. Mr. R. L. Stockard was appointed the Homeland Security Director. Governor Bill Richardson issued executive order 2003-007 on March 18, 2003 that established the Office of Homeland Security Advisor. Mr. R. L. Stockard was appointed the Homeland Security Advisor. This order superseded executive order 2003-001 and created the New Mexico Homeland Security Advisory Committee. Governor Bill Richardson issued executive order 2003-050 on December 5, 2003 that established the Homeland Security Advisor, General Annette Sobel, as the Deputy Secretary of the Department of Public Safety. The Office of Emergency Management would report through General Sobel to the Secretary of Public Safety and then to the governor.

During fiscal year 2004 (FY04), the Department of Public Safety was awarded a federal homeland security grant through the federal Office of Domestic Preparedness totaling \$24.9 million. State share of the homeland security funding for FY04 totaled \$4.8 million. President Bush's budget request for federal fiscal year 2006 eliminates the State Homeland Security Grant Program of \$12 million.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

DFA states homeland security will stay housed within the Governor's Office with federal funds being administered by the Department of Public Safety.

RLP/sb