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FISCAL IMPACT REPORT

SPONSOR Clahchischilliage **ORIGINAL DATE** 03/05/15
LAST UPDATED _____ **HB** 576

SHORT TITLE Native American Asset Development **SB** _____

ANALYST Boerner

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	\$900.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI	NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
 Indian Affairs Department (IAD)

SUMMARY

Synopsis of Bill

House Bill 576 appropriates \$900 thousand dollars from the general fund to the Indian Affairs Department to support the establishment of asset development opportunities for the state's Native American population.

FISCAL IMPLICATIONS

The appropriation of \$900 thousand dollars contained in this bill is a recurring expense to the general fund. Any unexpended balance remaining at the end of fiscal year 2016 shall revert to the general fund.

SIGNIFICANT ISSUES

The US Department of the Treasury’s Community Development Financial Institution Fund was created to promote economic revitalization and community development through investment in and assistance to community development financial institutions (CDFIs). The CDFI Fund was established by the Riegle Community Development and Regulatory Improvement Act of 1994, as a bipartisan initiative.

The CDFI Fund achieves its purpose by promoting access to capital and local economic growth in part through its Native Initiatives, by taking action to provide financial assistance, technical assistance, and training to Native CDFIs and other Native entities proposing to become or create Native CDFIs.

IAD notes that several Native American CDFIs exist in New Mexico. The CDFI Fund's Native Initiatives are designed to overcome identified barriers to financial services in Native Communities. These initiatives seek to increase the access to credit, capital and financial services in Native Communities through the creation and expansion of CDFIs primarily serving Native Communities.

ADMINISTRATIVE IMPLICATIONS

IAD notes the bill makes no specification regarding the specific intent of the appropriation; however, appropriations that come through the department require administrative oversight. IAD would be required to process pay requests, conduct site visits and inspections and other tasks associated with ensuring proper use of funds.

CEB/bb/aml