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FISCAL IMPACT REPORT

ORIGINAL DATE 3/8/2017
LAST UPDATED _____

SPONSOR Lundstrom **HB** 539

SHORT TITLE Human Trafficking Victims Service Fund **SB** _____

ANALYST Rogers

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY17	FY18	FY19		
NFI	Indeterminate	Indeterminate	Recurring	Human Trafficking Victims Services Fund

(Parenthesis () Indicate Revenue Decreases)

Relates to HB 172.

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

The House Appropriations and Finance Committee (HAFC) substitute for House Bill 539 creates the Human Trafficking Victims Services Fund in the state treasury. The fund is subject to appropriation by the legislature and may be expended by the Crime Victims Reparation Commission (CVRC) to provide benefits and services to victims of human trafficking (pursuant to 30-52-2 NMSA 1978). Money remaining in the fund at the end of each fiscal year shall not revert.

FISCAL IMPLICATIONS

The creation of a fund is considered an appropriation even though no funds are directly appropriated in the bill. In this case, the fund would hold funds that would normally revert to the general fund at the end of the fiscal year. The bill does not specify where appropriations to the new fund will be made from (e.g. the general fund or from grants, gifts, etc.). The LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds, as earmarking reduces the ability of the legislature to establish spending priorities.

Any appropriations to the fund may be used by CVRC to provide services to victims of human trafficking. Because the bill only creates a new fund and does not contain an appropriation, the bill does not create a fiscal impact.

In response to House Bill 172 of this session, CVRC explained if it was allocated additional funding, the commission's goal would be to solicit the funds to non-profit service providers to facilitate immediate use of \$3 thousand per incident. In addition, the department would continue to encourage victims of human trafficking, sexual assault and domestic violence to report to law enforcement, making them eligible for standard compensation of up to \$20 thousand per incident.

SIGNIFICANT ISSUES

CVRC analysis on House Bill 172 of this session states the commission received an appropriation of \$125 thousand specifically for human trafficking victims in the FY16 general appropriations act. The act stated the funds were earmarked for 'support, advocacy and services for victims of human trafficking.' However, language specifying human trafficking victims was vetoed. CVRC "agreed to assist victims of human trafficking along with domestic violence and sexual assault victims, as was proposed in the subsequent legislative session for FY17. In FY17 the funds were nonreverting in order to expended this appropriation in FY16 and FY17. Overall, CVRC has expended approximately \$145 thousand to date and assisted 75 victims of human trafficking, sexual assault, and domestic violence.

CVRC also explained the commission treated the allocation as emergency funding and was able to assist these specific victims with immediate needs as result victimization. The commission continues to encourage all victims of human trafficking, sexual assault, and domestic violence to report to law enforcement to become eligible for standard compensation up to \$20 thousand per incident.

During this current fiscal year, CVRC explained they contracted with four non-profit organizations to administer the funds in order expedite anticipated expenses to victims of human trafficking, sexual assault, and domestic violence. CVRC's usual method of payment is reimbursement to victims for expenses they have incurred as a result of the victimization. In working with service providers, the commission learned that accessing these funds immediately was necessary for relocation, rental assistance, transportation, medical, dental and counseling.

PERFORMANCE IMPLICATIONS

Currently, the majority of victims accessing the funding are from non-profit victim service providers and are cooperating and reporting to law enforcement. By reporting to law enforcement, the victims may also be eligible for standard compensation from the commission. The commission has had few victims who have not reported to law enforcement to access these funds.

ADMINISTRATIVE IMPLICATIONS

CVRC is required to solicit non-profit agencies willing to administer this funding through a Request for Proposal process. Once an agency is selected to administer these funds, extensive training is required and all financial reimbursement requests must be approved by CVRC to ensure consistency and accountability.

OTHER SUBSTANTIVE ISSUES

Victims of human trafficking are hidden populations that are underserved and do not normally reach out for services.

TECHNICAL ISSUES

The language on page 1, lines 18-20 is confusing. It states the “money in the fund is subject to appropriation by the legislature. It then states...” maybe expended by the Crime Victims Reparation Commission. Suggest the section be written to clarify the intent.

TR/jle/al