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FISCAL IMPACT REPORT

SPONSOR Romero ORIGINAL DATE 3/1/17
 LAST UPDATED 3/2/17 HM 64

SHORT TITLE Prosperity Kids Working Group SB _____

ANALYST Romero

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total				NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
 Office of the State Auditor (OSA)

SUMMARY

Synopsis of Memorial

House Memorial 64 requests the state auditor to convene a working group to investigate partnership opportunities and permanent funding sources, including the possibility of assessing a fee for financial products licensure that could be applied to teaching financial literacy and the expansion of the prosperity kids program statewide. The memorial also asks the auditor to invite experts from the financial services sector as well as members of the New Mexico Legislature to be part of this working group.

FISCAL IMPLICATIONS

The state auditor's operating budget will absorb associated costs.

SIGNIFICANT ISSUES

Children's Savings Accounts are a key tool to addressing intergenerational poverty in New Mexico. Extensive research has demonstrated that when children have savings accounts, they are more likely to enroll in and complete college, which has long been a challenge in New Mexico. Office of the State Auditor (OSA) staff possess the financial expertise and community connections related to the OSA's mission to enable the OSA to successfully implement the objectives of the Memorial.

TECHNICAL ISSUES

Consider adding a timeline including number of meetings to be held, when the recommendations should be presented, and which interim or house committees the recommendations should be presented to.

OTHER SUBSTATIVE ISSUES

The State Auditor's statutory responsibilities according to the Audit Act, Sections 12-6-1 through 12-6-14 NMSA 1978, is to annually examine and audit the financial affairs of every agency that receives or expends public money and produce a complete written report of each audit.

IR/jle/sb