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## FISCAL IMPACT REPORT

SPONSOR Tallman ORIGINAL DATE 1/24/18  
LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_  
SHORT TITLE Individual Development Account Provisions SB 81  
ANALYST Klundt

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY18	FY19		
	\$500.0	Recurring	General

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Workforce Solutions Department (WSD)

### SUMMARY

#### Synopsis of Bill

Senate Bill 81 (SB 81) appropriates \$500 thousand from the general fund to the Workforce Solutions Department (WSD) to carry out the provisions of the Individual Development Accounts Act (IDAA).

### FISCAL IMPLICATIONS

The appropriation of \$500 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2019 shall revert to the general fund.

### SIGNIFICANT ISSUES

Individual Development Accounts Act (IDAA) originates out of a federally-funded program that requires a non-federal match. The state appropriation supports the program by contributing funds that constitute this non-federal match. The goal of the IDAA program is to help eligible individuals and families move towards self-sufficiency through the establishment of savings plans that are matched by private and public funds. Saved funds can then be used for certain allowed purposes, including:

- Attending post-secondary or vocational education;
- Buying a first home;
- Major home repairs;
- Starting or expanding a business; and
- Buying vehicle for work.

WSD has served as the administrator of the state appropriation \$500 thousand to the entities that receive the federal funds for program administration in the past.

#### **ADMINISTRATIVE IMPLICATIONS**

The following administrative functions were performed by WSD as required under previous legislation: develop an annual report; convene and provide administrative support to an IDA council; conduct monitoring reviews of programs and administrative processes including ensuring single audits are completed; complete request for proposals for allocation of funds; prepare statistical and program reports as requested. As proposed, WSD reported the agency will not perform these functions; the entities selected to administer the program will assume the administrative responsibilities. WSD will process and report the total payments to the entities, retain records of all disbursements of federal and non-federal match funds.

KK/al/jle