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FISCAL IMPACT REPORT

SPONSOR Cisneros/ Rep. R. Martinez **ORIGINAL DATE** 1/23/18 **LAST UPDATED** _____ **HB** _____

SHORT TITLE Frontier Community Challenges Work Group **SJM** 2

ANALYST Martinez

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY18 | FY19 | FY20 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|-------------------------|-------------------------|-------------------------|-------------------|---------------------------|---------------|
| Total | See Fiscal Implications | See Fiscal Implications | See Fiscal Implications | | | |

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Department

SUMMARY

Synopsis of Bill

This SJM establishes that the Economic Development Department, in coordination with the southwest New Mexico based national center for frontier communities convene a working group to identify innovative ways to direct investment and reinvestment of state resources into frontier communities for the development of infrastructure, community and essential services.

The working group is comprised of development experts and interested parties from throughout the state including representatives from the NM Municipal League, Colonias, the NM Association of Counties, tribal governments and inter-tribal organizations; relevant state agencies, the Legislature, the Governor’s office, private foundations, community organizations, colleges and universities and members of the public. The working group is directed to hold several public stakeholder meetings around the state and prepare and present a report by November 2018 to the appropriate interim legislative committee.

FISCAL IMPLICATIONS

The working group will require multiple parties from around the state to attend several public meetings, requiring travel for the Economic Development Department, Governor’s office, NM Municipal League, local colleges and universities, and many other local entities. Travel expenses will increase for all parties involved, which can include transportation, hotel expenses and per

diem. This Senate Joint Memorial does not include an appropriation.

SIGNIFICANT ISSUES

The following significant issues were submitted by the Economic Development Department:

The working group could be very large if all of the groups listed in the legislation are represented. In addition, the designation of the various participants is vague and there is no indication as to who chooses the members of the working group. For example, there are about 106 incorporated municipalities in NM. Of those municipalities is unclear how many municipalities should be represented and how they are selected.

Also, if the group could be organized quickly and could meet for the first time in March 2018, it would only have about eight (8) months to prepare recommendations for the legislation.

TECHNICAL ISSUES

The Economic Development Department states that since the National Center for Frontier Communities is named as a co-convenor of the working group. Therefore, all decisions regarding the formation and operation of the group would have to be made jointly.

ALTERNATIVES

The Economic Development Department stated that following alternatives should be considered:

- Extend the time frame for this working group;
- Narrow the participants;
- Narrow the scope to one or two areas of focus in order to more adequately study a priority issue;
- Add other agencies as co-conveners or change the named convener to link to a narrower scope;
- Assign the Legislative Council Service as convener as it is more experienced at conducting large scope, complex issues for the Legislature;
- Delay the study report to November 2019 giving ample time to convene, study and make recommendations.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If this senate joint memorial is not enacted a report will not be made to the appropriate interim legislative committee on innovative ways to direct investment and reinvestment of state resources into frontier communities for the development of infrastructure, community and essential services. However, the Economic Development Department will continue to focus its efforts on contributing to rural and frontier communities through the MainStreet Program as well as Job Training Incentive Program, and Local Economic Development Act Funds.