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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/2/22

SPONSOR Gonzales/Diamond LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Hospitality Workforce Programs SB 191

ANALYST Dick-Peddie

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY22	FY23		
\$0	\$7,500.0	Recurring	General Fund
\$0	\$10,000.0	Recurring	General Fund
<b>TOTAL</b>	<b>\$17,500.0</b>	<b>Recurring</b>	<b>General Fund</b>

(Parenthesis ( ) Indicate Expenditure Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY22	FY23	FY24	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	\$0	\$100.0	\$100.0	\$200.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Tourism Department (NMTD)

Workforce Solutions Department (WSD)

Economic Development Department (EDD)

### SUMMARY

#### Synopsis of Bill

Senate Bill 191 appropriates \$10 million from the appropriation contingency fund to the Tourism Department for a cooperative event attraction program and \$7.5 million from the appropriation contingency fund to the Workforce Solutions Department for the hospitality training and retention reimbursement program to promote tourism and provide for hospitality workforce programs.

There is no effective date of this bill. It is assumed that the effective date is 90 days following adjournment of the Legislature.

### **FISCAL IMPLICATIONS**

Both the Tourism Department (NMTD) and Workforce Solutions Department (WSD) noted in agency analysis that workforce in hospitality industry has been slower to recover than other sectors. The Tourism department reports that in April 2020 “nearly 43 percent of New Mexico’s leisure and hospitality workforce were without jobs. This has recovered significantly since that time, with 23,000 jobs gained in 2021. However, many tourism businesses are still finding it difficult to fully staff, as workforce levels (as of December 2021) are still over 6 percent below where they were in December of 2019.”

The departments collaborated in the summer of 2021 to implement a training program that directly impacted over 80 employees and resulted in the placement of about 550 employees. The program is funded through deferral resources, but WSD does not expect those federal resources to be available in FY23.

WSD estimates that the department would require an additional \$50 thousand in recurring funding for temporary staff member and an additional \$50 thousand for sustainment of the web-based system necessary to process employer applications and reimbursements.

ADP/al/acv