

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the Legislature. LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

FISCAL IMPACT REPORT

LAST UPDATED _____

SPONSOR Roybal Caballero/Chavez/Trujillo/Herndon **ORIGINAL DATE** 3/6/23

BILL

SHORT TITLE Study NM Basic Income **NUMBER** House Memorial 7

ANALYST Esquibel

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*

(dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
WSD study cost estimate		\$100.0		\$100.0	Nonrecurring	General Fund
HSD study cost estimate		\$169.4		\$169.4	Nonrecurring	General Fund
Total		\$269.4		\$269.4	Nonrecurring	General Fund

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Responses Received From

Human Services Department (HSD)
 Workforce Solutions Department (WSD)

SUMMARY

Synopsis of House Memorial 7

House Memorial 7 requests the Human Services Department (HSD) and the Workforce Solutions Department (WSD) convene a task force to study the impact and make recommendations for the implementation of a basic income for low-income New Mexicans.

HSD and WSD would convene a task force made up of representatives of community organizations working on behalf of low-income communities, including those agencies and organizations already working with those populations, and a representative from the Office of the Governor who is identified as working on issues affecting low-income New Mexicans.

The task force would report its findings to the Legislative Finance Committee, Legislative Health and Human Services Committee, and other appropriate legislative interim committees by November 1, 2023.

FISCAL IMPLICATIONS

House Memorial 7 does not include an appropriation.

The Workforce Solutions Department reports the costs of conducting a study to determine the impact and to make appropriate recommendations for implementing a basic income is estimated to be \$100 thousand which would cover analysis of economic impacts and administrative costs.

The Human Services Department's Income Support Division (ISD) estimates the cost to conduct the study would be \$169.4 thousand including staff time of 5 FTE working part-time on the study.

Additionally, staff time from the HSD Office of the Secretary and the Office of the Governor would be required for the task force.

SIGNIFICANT ISSUES

The Legislative Finance Committee in October 2021 released a program evaluation, *Stacking of Income Supports*, which studied guaranteed income in New Mexico. The report may be found at https://www.nmlegis.gov/Entity/LFC/Documents/Program_Evaluation_Reports/Policy%20Spotlight%20-%20Stacking%20of%20Income%20Supports%202021.pdf

RAE/rl/ne