

N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	N/A	N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act:

SECTION III: NARRATIVE

BILL SUMMARY

Senate Bill 356 (SB356), to be known as the Diversity Act, creates a Diversity Officer position within the New Mexico State Personnel Office (NMSPO), authorizes the creation of Diversity and Inclusion Liaisons within every state agency, and establishes a Workforce Diversity and Inclusion Council. Under SB356, every state agency would be required to develop a comprehensive diversity, equity, and inclusion (DEI) strategic plan.

SB356 includes a one-time appropriation of two hundred fifty thousand dollars (\$250,000) to NMSPO from the General Fund.

FISCAL IMPLICATIONS

SB356 appropriates two hundred fifty thousand dollars (\$250,000) to NMSPO from the General Fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2026 (FY26) shall revert to the General Fund.

No funding is provided for state agencies to comply with the additional reporting and administrative requirements of the Diversity Act. There is also no funding for the ongoing support of the Diversity Officer position within NMSPO or funding for the production of the required annual reports from each agency and NMSPO.

SIGNIFICANT ISSUES

The New Mexico Higher Education Department's (NMHED) analysis of this bill focuses on the higher education implications of the proposed legislation. Additional insight may be obtained from other agencies' analyses.

SB356 creates a Diversity Officer position within NMSPO. This position would lead DEI initiatives and research as well as foster collaboration between state agencies to assess barriers and needs for greater training initiatives. The Diversity Officer shall conduct regular evaluations on state agencies to assess diversity. The purpose of this bill and this new position is to decrease institutional racism and promote the development of a diverse workforce.

Each state agency would be required to develop a comprehensive DEI strategic plan in coordination with the Diversity Officer. Each state agency would also be directed to designate a Diversity and Inclusion Liaison. These liaisons would assist the Diversity Officer in various capacities related to DEI. This includes data collection, providing anti-racism trainings, and developing recommendations for the agency to consider. Additionally, the liaisons across state agencies would make up the Workforce Diversity and Inclusion Council.

SB356 appropriates two hundred fifty thousand dollars (\$250,000) to NMSPO from the General Fund. Any unexpended or unencumbered balance remaining at the end of FY26 shall revert to the General Fund. This funding would likely be for the new Diversity Officer position, however, there is no recurring funding to support that position after FY26.

The following terms are defined for use in SB356:

- Accessibility
- Council
- Director
- Diversity
- Equality
- Equity
- Gender identity
- Inclusion
- Inequities
- Institutional racism
- Office
- Protected class
- State agency
- State employees
- Underserved communities
- Workforce diversity

PERFORMANCE IMPLICATIONS

All state agencies would be required to develop an annual report on July 1 of each year, which would include data, statistics, and assessments of a state agency's workforce and staff related to diversity and inclusion. Additionally, all state agencies would be required to develop a comprehensive DEI strategic plan in coordination with the Diversity Officer and Diversity and Inclusion Liaison. The Diversity Officer would conduct an evaluation, develop policies, conduct analysis of state government employment data, and develop anti-racism training by December 31, annually.

ADMINISTRATIVE IMPLICATIONS

State agencies would develop annual reports on the activities pursuant to SB356 due July 1. It is unknown if the designated Diversity and Inclusion Liaisons would be new hires at each state agency. If no new hires are made, these reports would add additional responsibilities to current staff at each state agency. These additional functions and duties would likely increase the New Mexico Higher Education Department's (NMHED) administrative costs, but further review is needed to determine the full financial impact.

The Diversity Officer would be required to compile state agency data into an annual report due October 1 submitted to the following:

- The Governor
- The appropriate Interim Legislative Committee dealing with courts, corrections, and justice issues
- The Legislative Finance Committee
- The Legislature

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB356 is identical to 2024 SB221 and 2023 SB226.

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

SB356 does not apply to any public higher education institutions (HEI) in New Mexico. New Mexico HEIs are required to do much of what is outlined in SB356 according to federal regulations and Title IX of the Education Amendments of 1972.

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If SB356 were not passed, then two hundred fifty thousand dollars (\$250,000) would not be appropriated from the General Fund to the New Mexico State Personnel Office (NMSPO) for the initiatives outlined in SB356.

AMENDMENTS

N/A