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FISCAL IMPACT REPORT

BILL NUMBER: House Bill 255

SHORT TITLE: Public Safety Workforce Building Program

SPONSOR: Little/Dixon/Silva/Brown

LAST UPDATE: ______ **ORIGINAL DATE:** 02/03/2026 **ANALYST:** Sanchez

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*
(dollars in thousands)

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
DFA	No fiscal impact	$409.0	$364.0	$773.0	Recurring	Other state funds
Total	No fiscal impact	$409.0	$364.0	$773.0	Recurring	Other state funds

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

Sources of Information

LFC Files

Agency or Agencies Providing Analysis
Administrative Office of the District Attorneys
Department of Finance and Administration
Corrections Department

Agency or Agencies That Were Asked for Analysis but did not Respond
Department of Public Safety
Office of the Attorney General
Law Offices of the Public Defender

Because of the short timeframe between the introduction of this bill and its first hearing, LFC has yet to receive analysis from state, education, or judicial agencies. This analysis could be updated if that analysis is received.

SUMMARY

Synopsis of House Bill 255

House Bill 255 (HB255) enacts a new section of statute to create the Public Safety Workforce Building Program, to be administered by the Department of Finance and Administration (DFA). The bill establishes the Public Safety Workforce Capacity Building Fund as a nonreverting fund in the state treasury, which will support competitive grants for recruitment, retention, training, and professional development initiatives for public safety personnel, including law enforcement officers, firefighters, corrections and detention officers, and licensed attorneys employed in district attorney and public defender offices. The legislation provides that the fund may receive appropriations, distributions, gifts, grants, donations, and investment income.

The bill outlines allowable and prohibited uses of grant funds, eligibility criteria, and a population-based allocation formula for distributing funds among counties. It requires grantees to report expenditures and project status every 90 days and return any unexpended funds within 30 days of project completion. The bill also authorizes DFA to retain up to 3 percent of the fund's annual balance for administrative costs. It requires the department to promulgate rules governing the application and award processes and to report annually to the Legislative Finance Committee on fund activity and initiative outcomes.

HB255 repeals Sections 9-6-17 through 9-6-19 NMSA 1978, which created three sector-specific workforce capacity-building funds. The bill transfers the remaining balances from those repealed funds, along with related appropriations enacted in 2022 through 2024, into the newly created consolidated fund.

The effective date of this bill is July 1, 2026.

FISCAL IMPLICATIONS

HB255 creates the Public Safety Workforce Capacity Building Fund as a nonreverting fund in the state treasury and DFA to administer grant distributions under a newly established Public Safety Workforce Building Program. The bill does not include an appropriation but consolidates unexpended balances from three previously enacted sector-specific funds—the Law Enforcement Workforce Capacity Building Fund, the Public Attorney Workforce Capacity Building Fund, and the Detention and Corrections Workforce Capacity Building Fund—into the newly created consolidated fund. In addition, any prior appropriations made to those repealed funds in 2022, 2023, or 2024 are redirected to the new fund. DFA anticipates initial transfers totaling approximately $40 million.

Under the bill, administrative costs associated with program implementation and fund management are capped at 3 percent of the fund's annual balance. DFA estimates the first-year administrative workload will require roughly 6,000 staff hours, with projected costs of approximately $409 thousand. These costs are expected to be covered within the allowable administrative cap.

The bill authorizes, but does not require, the use of appropriated or other funds for eligible grant purposes, and does not create new funding obligations for public safety agencies. However, by expanding eligibility to include firefighting entities and the Corrections Department, the bill increases the pool of applicants that may compete for available funds, which could affect allocation outcomes across sectors. The long-term fiscal impact of the bill will depend on future legislative appropriations to the fund, how those funds are distributed among eligible entities, and DFA's administrative capacity to manage the program under the established cap.

The bill does not establish recurring revenue sources or mandatory funding levels for the consolidated fund, and therefore does not obligate continued legislative investment beyond the reallocated balances.

SIGNIFICANT ISSUES

HB255 consolidates the administration of public safety workforce grant programs under DFA, replacing the sector-specific approach previously authorized in statute. By creating a unified framework, the bill standardizes application and award procedures across law enforcement, corrections, firefighting, and legal services. This structure may alter how decisions are made regarding the relative need or priority among disciplines, as the three previously independent selection processes—governed by separate committees—are replaced by a single set of rules and administrative discretion housed within DFA.

The bill sets statutory parameters for grant distribution by county population, allocating fixed percentages of funds across three population tiers. While this ensures geographic distribution, the statutory formula may limit flexibility to target funding based on other indicators of need, such as vacancy rates, turnover, or regional service gaps. The bill also defines eligible grant uses and prohibits expenditures on recurring personnel costs or base salary support, which may affect how agencies design proposals to align with program requirements.

Additionally, the bill directs DFA to report annually on program implementation, including grant outcomes and workload study results. These requirements formalize performance tracking but may depend on the quality and consistency of reporting by recipient agencies. Rulemaking authority is granted to DFA to establish detailed criteria and evaluation procedures, and the scope and structure of these rules may influence how accessible the program is to smaller or rural jurisdictions with limited administrative capacity.

ADMINISTRATIVE IMPLICATIONS

HB255 may carry administrative implications for both DFA and eligible grant recipient agencies. For DFA, the bill assigns responsibility for rule promulgation, competitive grant evaluation, fund management, and periodic reporting to the Legislature. While the bill allows for administrative cost recovery from the fund, implementation may require the department to establish new internal processes for scoring applications, verifying eligibility, monitoring compliance, and ensuring the timely collection of expenditure reports. These tasks may require staffing adjustments or expanded interagency coordination, particularly during the program's initial implementation.

Eligible agencies, including law enforcement, corrections, firefighting, and District Attorneys or the Law Offices of the Public Defender, may experience increases in administrative workload related to grant application development, reporting, and compliance with new program rules once promulgated. For some agencies, notably smaller local entities, aligning proposed initiatives with statutory requirements such as population-based funding tiers or use restrictions may require new planning or fiscal tracking procedures. Grantee agencies will also be responsible for submitting quarterly reports and ensuring the timely return of unexpended balances, which could require dedicated administrative support or adjustments to financial management systems.

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