

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

Current and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov).

FISCAL IMPACT REPORT

SPONSOR Hemphill/Diamond **ORIGINAL DATE** 02/03/21
LAST UPDATED 03/05/21 **HB** _____
SHORT TITLE Rural Equity Ombudsman **SB** 193/aSIRC/aSFC
ANALYST Nichols

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY21	FY22		
	\$95.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY21	FY22	FY23	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$4.1	\$4.1	\$8.2	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act of 2021

SOURCES OF INFORMATION

LFC Files
 National Conference of State Legislatures (NCSL)

Responses Received From
 Department of Finance and Administration (DFA)

No Response Received
 Office of the Governor
 New Mexico Counties
 New Mexico Municipal League

SUMMARY

Synopsis of SFC Amendment

The Senate Finance Committee amendment adds an appropriation of \$95 thousand to the bill. The appropriation would be a recurring expense to the general fund for the Local Government

Division of DFA to fund the role of rural equity ombudsman. DFA estimates a total cost of \$99.1 thousand for the role.

The amendment also removes language, removing a provision directing the rural equity ombudsman to receive complaints from communities about laws and rules that are intentionally or unintentionally biased against rural and frontier communities.

Synopsis of SIRC Amendment

The Senate Indian, Rural, and Cultural Affairs Committee amendment to Senate Bill 193 changes bill language to clarify that the rural equity ombudsman would be “employed,” rather than “appointed,” and also removes language stating that the ombudsman should be nonpartisan.

Synopsis of Original Bill

Senate Bill 193 directs the Department of Finance and Administration (DFA) to employ at least one “rural equity ombudsman” within its Local Government Division (LGD) to work on issues of concern to rural and frontier communities with the governor’s office, the Legislature, state agencies, counties and municipalities, federal agencies, and nonprofit organizations.

The rural equity ombudsman would be a nonpartisan employee who would provide technical assistance, planning assistance, advocacy support, complaint resolution, and bill analysis and testimony. The ombudsman would also make annual reports to the governor and the Legislature on the ombudsman’s activities, complaints received and resolved, barriers to providing services to rural and frontier communities, and recommendations for eliminating barriers.

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

SB193 does not contain an appropriation. The cost of an additional employee within LGD would be approximately \$90 thousand, based on the average FTE cost for the division in FY21. It is not clear whether there would be other costs within LGD related to the creation of the position, but it is likely that existing resources (e.g. IT services and supplies, printing budgets) would suffice.

SIGNIFICANT ISSUES

The bill does not define frontier and rural communities or specify which communities the ombudsman would work with. The Census Bureau classifies counties and census tracts by rural status. Such a classification may be beneficial to define the scope of the ombudsman’s portfolio.

PERFORMANCE IMPLICATIONS

It is not clear how the ombudsman would measure performance. It would be important to establish performance measures and targets to understand how the ombudsman improved outcomes for rural and frontier communities – for example, through increased access to federal grant revenues or improvements in health, educational, or economic outcomes.

OTHER SUBSTANTIVE ISSUES

According to the National Conference of State Legislatures, at least 19 states have statewide ombudsman offices or other types of public information offices created to investigate and mediate complaints. It is not clear how many states have ombudsmen focused on rural equity issues. The Texas Commission on Environmental Quality (TCEQ) employs a rural ombudsman who serves as the primary liaison between TCEQ and rural communities and educates rural communities about TCEQ programs.

AN/sb/al