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FISCAL IMPACT REPORT

ORIGINAL DATE 02/09/10

SPONSOR Sanchez, M. LAST UPDATED _____ HB _____

SHORT TITLE Hispanic Affairs Dept. Act SB 263

ANALYST Varela

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY10	FY11		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB203, Relates to HB19, SB132, HB150

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY10	FY11	FY12	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		Indeterminate	Indeterminate	Indeterminate	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

Public Education Department (PED)

SUMMARY

Synopsis of Bill

Senate Bill 263 establishes the Hispanic Affairs Department Act which creates the Hispanic Affairs Department, a new cabinet level department in the executive, to achieve a coordinated and effective system dedicated to improving education achievement gaps and health care access and reducing poverty rates among Hispanics in New Mexico. The bill sets out the duties and responsibilities of the department including: to investigate, study, consider and act upon issues relating to Hispanic affairs in New Mexico including health, economy, education and legislative actions. The bill allows the secretary to promulgate rules necessary to carry out the duties of the

department. The bill also creates a ten member Hispanic Affairs Commission and defines the membership and duties of the commission.

FISCAL IMPLICATIONS

The creation of the Hispanic Affairs Department would require an appropriation from the general fund needed for operational and initial implementation costs for the department. In addition, the department would require future funding for operations, which cannot be determined based on this bill. Given declining revenue forecast, all appropriations outside of the general appropriation act will be viewed in this declining revenue context

DFA reports the following:

SB263 does not contain an appropriation, although a new agency would require funding in order to operate. In light of the current state fiscal situation in which General Fund revenues are decreasing and current agency budgets are being reduced and in some instances services curtailed, the creation of an additional agency will increase the deficit the state is facing.

The legislation does not specify the staffing level for the department, although it does create a secretary and two divisions, the Administrative Services Division and the Program Services Division, for which a director would be appointed to manage each. The bill allows the secretary to employ those persons necessary for the department to function. As a comparison, the Office of African American Affairs which has five approved FTE is funded at approximately \$800.0 for FY2010. Until the department would begin operation, it is difficult to assess what appropriation level would be sufficient to fund the department and commission operations.

SIGNIFICANT ISSUES

According to DFA, the proposed Hispanic Affairs Department is intended to help achieve a coordinated approach to improving education and health care access and to reduce poverty rates among Hispanics in New Mexico. The bill requires the department to investigate, study, consider, and act upon the entire subject of Hispanic affairs within New Mexico, including problems of health, economy and education and the effects of local, state and federal legislative, executive and judicial actions. The legislation seems to establish the department as an entity to help guide executive policy for state programs that affect Hispanics in New Mexico. The department would investigate and study subjects and collaborate with other state agencies to provide for an exchange of ideas regarding issues effecting the Hispanic population. The new department would appear to function as an advocate for how state policies and programs deal with Hispanic issues, although decisions regarding the implementation of specific programs would still be under the control of the agency statutorily responsible for those program areas.

The bill includes a provision for promulgating rules that require a public hearing held in diverse geographic areas of the state. This would address issues raised in a similar bill proposed during the 2009 legislative session which was amended on the Senate floor to provide for the hearings to be held statewide.

ADMINISTRATIVE IMPLICATIONS

DFA notes that the bill does not currently provide an appropriation to fund the new department. Based on the size of the Office of African American Affairs, an agency designed to represent a specific ethnic population, it is estimated that the department size would be approximately five to six FTE. It has been the experience with other small state agencies that department administrative staff would be minimal and would serve multiple functions within the department. This may present a problem for the new department to have an adequate level of expertise over policy and programmatic issues as well as administrative functions including human resource management, financial and budgetary oversight.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB203, HB150, HB19, SB132

PTV/mew