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FISCAL IMPACT REPORT

ORIGINAL DATE 1/29/2019
LAST UPDATED _____ **HB** 228

SPONSOR H Garcia

SHORT TITLE Solo-Worker Program **SB** _____

ANALYST Martinez

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY19	FY20		
	\$1,300.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$75.0	\$75.0	\$150.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
 Economic Development Department

SUMMARY

Synopsis of Bill

HB228 makes and appropriation to the Economic Development Department (EDD) in the amount of \$1.3 million for the Solo Worker program in fiscal year 2020.

FISCAL IMPLICATIONS

The appropriation of \$1.3 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY20 shall revert to the general fund.

The following was provided by the Economic Development Department:

EDD received an appropriation for the Solo Worker Program in FY19 in the amount of \$100 thousand. The program has been implemented and is administered as part of the Local Economic Assistance and Development Support (LEADS) grant program, which falls under the Economic Development Division, Community, and Business & Rural Development Team. Such a significant increase from the existing \$100 thousand to \$1.3 million will require at least one additional FTE in the Economic Development Division to manage and administer a program of that size. Estimated cost of one FTE to manage this program is approximately \$75 thousand including benefits, which would be an annual recurring cost.

SIGNIFICANT ISSUES

The following was provided by the Economic Development Department:

There were only three applications for Solo Worker funding in FY19. The total awards combined amount was \$66.5 thousand Grants were awarded in June 2018 for projects to be implemented in FY19. To date, two out of the three approved projects have yet to submit scopes of work and signed grant agreements. One project approved in the amount of \$21 thousand has drawn down \$7.6 thousand to date. Half way through the fiscal year, it is doubtful the balance of the grants awarded will be expended in FY19. Because this funding was earmarked for the Solo Worker program, unused funds revert to the general fund.

PERFORMANCE IMPLICATIONS

The following was provided by the Economic Development Department:

New Mexico programs have not yet realized a graduation or placement rate to conclude whether the programs are successful either in terms of people trained, hired or compensated at or above living wage.

NM communities will need to make significant and multi-year commitments to staffing, workspace, training and facilities to bridge state funding.

ADMINISTRATIVE IMPLICATIONS

The Economic Development Department does not have adequate staff to manage this program or additional money in the personnel budget to add staff to oversee this program.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Established Solo Worker programs that have adopted the SoloWorks Center model may not be able to continue operating if they are reliant on state funding only.

ANA/gb