

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 FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (www.nmlegis.gov). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 2/4/21

SPONSOR Maestas LAST UPDATED _____ HJM 2

SHORT TITLE Legislative Economic Policy Council SB _____

ANALYST Graeser

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY21	FY22	FY23	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	<\$10.0			<\$10.0	Nonrecurring	Legislative Operations

Parenthesis () indicate expenditure decreases

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of House Joint Memorial 2

House Joint Memorial 2 requests the Legislative Council to create a temporary interim Legislative Economic Policy Council. This council would be composed of 15 members: the chair of the House Commerce and Economic Development Committee (HCEDC) the chair of the Senate Tax, Business and Transportation Committee (STBT); four public members with academic economic research backgrounds; five public members from business organizations; and four public members who are entrepreneurs or business owners. This committee would meet at least four times before November 2021. Members of the committee would not be paid a salary but would be entitled to per diem and mileage. This committee would be expected to deliver a report in November 2021 with analysis and recommendations for at least two policy recommendations to grow the economy and the state and aid the Legislature in making policy decisions.

FISCAL IMPLICATIONS

Direct fiscal impacts are minimal, representing only per diem and mileage payments to 15 members who would meet at least four times before November 2019.

Indirect fiscal impacts could be substantial if the committee, together with business leaders, academics and state government employees could find “the silver bullet” to assist New Mexico in recovering from the Covid-19-induced recession and the long-term overdependence on extractive industries.

SIGNIFICANT ISSUES

While there may be no “silver bullet” that could serve to overcome the pandemic-related economic doldrums and long-term lack of success in leading New Mexico out of its bottom 10 position in interstate economic competition, it is always a desirable goal. Convening legislative, business, and academic economic researchers is one means of searching for the silver bullet.

It should be noted the economic analysis and policy recommendations required in HJM2 by the council may duplicate the work of the Legislative Finance Committee.

ADMINISTRATIVE IMPLICATIONS

The Legislative Council Service would provide a staff member to help the council, including with the preparation of briefing documents and a final report of analysis and recommendations.

OTHER SUBSTANTIVE ISSUES

To achieve the tasks in setting up this committee, doing research on best practices and policy proposals, having the committee meet at least four times before November 2021 and coming to consensus on recommendations will require strong leadership. Perhaps the two legislative members should be designated as co-chairs of this committee rather than leading the organizational issue unspecified.

LG/al/sb