

LFC Requester:

## AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

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(Analysis must be uploaded as a PDF)

### SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 3/11/2025

Check all that apply:

Bill Number: SJM2-341

Original ☒ Correction ☐

Amendment ☐ Substitute ☐

Agency Name

and Code

DFA-341

Number:

Sponsor: Sen. Campos

Short FRONTIER AREAS TASK

Person Writing Wesley Billingsley

Title: FORCE

Phone: 505-819-1972 Email [Wesley.Billingsley@dfa.nm.gov](mailto:Wesley.Billingsley@dfa.nm.gov)

### SECTION II: FISCAL IMPACT

#### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
NA	NA		

(Parenthesis ( ) indicate expenditure decreases)

#### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis ( ) indicate revenue decreases)

#### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NA	NA			

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act

## **SECTION III: NARRATIVE**

### **BILL SUMMARY**

#### **Synopsis:**

Senate Joint Memorial 2 (SJM2) requests the governor appoint a task force to study the needs of frontier areas in the state. Frontier areas are defined as unincorporated, sparsely populated regions isolated from larger population centers and services, including rural communities.

- The memorial highlights several issues faced by these areas:
  - Lack of municipal status leading to cumulative health risks, especially for low-income communities of color.
  - Absence of local officials and diminished legal power to address local needs.
  - Political exclusion and limited access to essential services such as healthcare, clean drinking water, wastewater disposal, communication resources, transportation, and public facilities.
  - Outdated infrastructure and reliance on volunteer labor are diminishing due to population loss and aging volunteers.
- SJM2 proposes the community-operated infrastructure network model as a potential solution to improve service delivery, increase efficiency, and reduce overhead costs through shared services. This model could help fill personnel gaps and provide greater autonomy over local programs and services.
- The task force, as requested by SJM2, would include members from various state departments and agencies, community representatives, and other necessary entities. The study would focus on:
  - Determining current government services and infrastructures in frontier areas.
  - Reviewing statutes and rules to assist in the provision of infrastructure and establishment of community-operated networks.
  - Assessing methodologies for financial investment and other resources to strengthen frontier areas.
  - Considering incentives for frontier areas to establish community-operated networks and funding to replace volunteers with trained centralized paid staff.
- The task force is expected to provide periodic reports to legislative interim committees and a final report with findings and recommendations to the governor and legislature by November 1, 2025.

## FISCAL IMPLICATIONS

While SJM2 aims to improve infrastructure service delivery and efficiency in frontier areas, it will require substantial financial resources to implement proposed changes and recommendations. The potential fiscal implications of SJM2 include:

- **Task Force Formation and Operation Costs:** Establishing and operating the task force will require funding for meetings, research, administrative support, and possibly travel and per diem reimbursements for task force members.
- **Research and Analysis Expenses:** Conducting comprehensive studies on the needs of frontier areas, including assessments of current services, infrastructure, and potential improvements, will incur costs related to data collection, analysis, and reporting.
- **Implementation of Recommendations:** If the task force recommends establishing community-operated infrastructure networks, there will be costs associated with setting them up, including administrative, financial management, capital improvement planning, permitting, and other shared services.
- **Funding for Infrastructure Improvements:** Upgrading outdated infrastructure in frontier areas will require significant investment. This includes costs for modernizing health care facilities, water and wastewater systems, communication resources, transportation, and public facilities.
- **Transition from Volunteer to Paid Staff:** Replacing volunteers with centralized paid staff will involve salary and training expenses. This transition aims to ensure that personnel have the necessary skills to operate modern infrastructure.
- **Incentives for Frontier Areas:** Providing incentives to frontier areas willing to establish community-operated infrastructure networks may involve financial grants, subsidies, or other forms of support.

## SIGNIFICANT ISSUES

N/A.

## PERFORMANCE IMPLICATIONS

Implementation of SJM2 may face several anticipated performance implications:

- **Funding and Resource Allocation:** Securing adequate funding for the task force, research, infrastructure improvements, and transition from volunteer to paid staff could be challenging. Budget constraints and competing priorities may limit available resources.
- **Community Engagement and Buy-In:** Gaining support from frontier area residents and local leaders for the proposed community-operated infrastructure network model may be challenging. Resistance to change, skepticism about the benefits, and concerns over autonomy could impact participation.

- **Volunteer Transition:** Replacing volunteers with paid staff involves not only financial costs but also potential resistance from long-standing volunteers who may feel undervalued or displaced.
- **Infrastructure Modernization:** Upgrading outdated infrastructure in frontier areas is a complex and costly process. Technical challenges, logistical issues, and the need for specialized expertise could delay progress.
- **Regulatory and Statutory Changes:** Reviewing and amending statutes and rules to support frontier areas may face legal and legislative obstacles. Ensuring that changes are comprehensive and beneficial requires careful consideration and consensus-building.
- **Sustainability and Long-Term Impact:** It is essential to ensure that the improvements and new models are sustainable in the long term. Continuous funding, maintenance, and adaptation to evolving needs are necessary to prevent future issues.

Addressing these performance implications will require strategic planning, effective communication, and ongoing support from all stakeholders involved in the implementation process.

## ADMINISTRATIVE IMPLICATIONS

SJM2 is likely to create substantial administrative implications, requiring dedicated resources, coordination, and ongoing support to ensure the successful implementation and achievement of the memorial's objectives. The anticipated administrative implications of SJM2 include:

- **Task Force Establishment:** The governor will need to appoint a task force, which involves selecting members from various state departments, agencies, and community representatives. This process requires administrative coordination and support.
- **Coordination Among Agencies:** The task force will need to work closely with multiple state departments, including finance and administration, environment, health, economic development, information technology, Indian affairs, transportation, and others. Effective inter-agency communication and collaboration will be essential.
- **Community Engagement:** Significant administrative outreach and communication efforts will be required to engage with frontier area communities to gather input, address concerns, and ensure buy-in for proposed changes.
- **Periodic Reporting:** The task force is required to provide periodic reports to legislative interim committees concerned with rural economic development and other rural concerns. This involves regular data collection, analysis, and documentation.
- **Review of Statutes and Rules:** The task force will need to review existing statutes and rules, identify necessary amendments, repeals, or new enactments, and propose changes to assist frontier areas. This involves legal and regulatory analysis and documentation.
- **Final Report Preparation:** By November 1, 2025, the task force must submit a final report

detailing its findings and recommendations to the governor and the legislature. Preparing this comprehensive report will require significant administrative effort.

- **Implementation of Recommendations:** If the task force recommends establishing community-operated infrastructure networks, administrative tasks related to setting them up will include planning, permitting, and managing shared services.
- **Resource Management:** Managing the transition from volunteer-based services to centralized paid staff will require administrative oversight, including hiring, training, and payroll management.

#### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

- SJM2, which is a companion to SB 193 (2021), could provide the Office of the Rural /Frontier Equity Ombud (Infrastructure Division, DFA) with high-level collaboration and an expanded platform for advocating for these challenged communities.

#### **TECHNICAL ISSUES**

N/A.

#### **OTHER SUBSTANTIVE ISSUES**

N/A.

#### **ALTERNATIVES**

N/A.

#### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

- Without continuing and expanding efforts to understand and address the relevant structural barriers, these frontier communities will continue to struggle with deteriorating infrastructure, diminished capacity, and a lack of resources to ameliorate either issue.

#### **AMENDMENT**

N/A.