

LFC Requester:	
----------------	--

**AGENCY BILL ANALYSIS
2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov
(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}

Check all that apply:
Original ☒ **Amendment** ☐
Correction ☐ **Substitute** ☐

Date Prepared 1/24/2025

Bill Number: SENATE BILL 49

Sponsor: Stewart
Short Title: COMMUNITY BENEFIT
FUND TRANSFERS

Agency Name and Code DFA-341
Number: _____
Person Writing George Hypolite
Phone: _____ **Email** _____

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
0	340,000	Nonrecurring	Community Benefit Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

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

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: Senate Bill 48
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

- Senate Bill 49 outlines appropriations and transfers from the Community Benefit Fund, contingent on the fund's enactment (SB 48) and provision of sufficient funding. The bill includes the following key provisions:
 - **Economic Development Department:** \$40 million appropriated for fiscal years 2026-2028 to diversify and promote the state's economy, focusing on non-fossil fuel industries such as aerospace, biosciences, creative industries, cybersecurity, film and television, outdoor recreation, sustainable agriculture, intelligent manufacturing, global trade, and green industries.
 - **Community Energy Efficiency Development Block Grant Fund:** \$20 million transferred to support energy efficiency projects.
 - **Grid Modernization Grant Fund:** \$100 million transferred to modernize the electric grid.
 - **Transportation Project Fund:** \$50 million transferred for projects reducing combustion engine vehicle use, including bicycle and pedestrian infrastructure and safety.
 - **State Supplemental Land and Water Conservation Fund:** \$5 million appropriated for the Outdoor Recreation Act for fiscal years 2026-2028.
 - **Energy, Minerals, and Natural Resources Department:** \$40 million appropriated for competitive grants to develop or enhance energy efficiency and renewable energy technologies, including energy storage systems and interconnection equipment.
 - **Workforce Solutions Department:** \$25 million appropriated for training individuals in non-extractive industries and transitioning extractive industry workers to new skill sets.
 - **Public School Facilities Authority:** \$60 million transferred to cover electric

vehicle charging infrastructure for school districts and the cost difference between diesel and electric school buses.

- The bill's provisions will only take effect if SB 48 is enacted and adequately funded during the first session of the fifty-seventh legislature. Any unexpended or unencumbered balances at the end of fiscal year 2028 will revert to the Community Benefit Fund.

FISCAL IMPLICATIONS

- Senate Bill 49 outlines significant fiscal implications, with a total of \$340 million in appropriations and transfers from the Community Benefit Fund. Based on SB 48 these transfers will come from the General Fund.
- Based on information provided in SB 48, it is anticipated that SB 49 will result in administrative costs for the Executive departments and entities receiving appropriations. The administrative costs are likely to include:
 - **Fund Management:** Costs associated with the Department of Finance and Administration managing the Community Benefit Fund, including staff salaries, office expenses, and financial management systems.
 - **Project Evaluation and Monitoring:** Expenses related to evaluating project proposals, monitoring funded projects, and ensuring compliance with the requirements, including staff time and resources for site visits and data analysis.
 - **Community Engagement:** Costs for organizing and conducting community meetings, outreach programs, and developing community benefits agreements.
 - **Data Tool Development:** Expenses for developing or identifying an existing data tool to identify overburdened communities, including software development, data acquisition, and staff training.
 - **Reporting:** Costs associated with preparing and submitting annual reports to the appropriate interim legislative committees, including staff time and administrative support.
- SB 49's fiscal impact is contingent on the enactment of SB 48 and funding availability. Any unexpended or unencumbered balances remaining at the end FY 28 will revert back to the Community Benefit Fund, potentially mitigating long-term fiscal impacts to the Community Benefit Fund.
- For details about specific administrative costs and estimates please refer to FIR(s) for SB 48.

SIGNIFICANT ISSUES

PERFORMANCE IMPLICATIONS

- Last year, Governor Michelle Lujan Grisham issued Executive Order 2024-152, requiring

state agencies to collaborate on developing the climate-ready infrastructure workforce and setting a goal of training 2,000 workers in climate-ready professions by the end of 2026. The EO includes clean energy and other climate-ready jobs, and DWS has identified climate resilience and energy transition as priority sectors in the 2024-2027 WIOA State Plan.

- This funding will support the efforts underway and allow rapid expansion of those efforts. DWS would work closely with the local workforce development boards and education and training providers in these efforts. This funding will enable DWS to rapidly expand the availability of training for the non-extractive industries. The need for such training exists statewide and is especially acute in the rural areas of the state.
- This funding will advance that effort, and it is helpful because other funding sources for apprenticeship is available only to registered apprenticeship programs that have been in existence for one year. No regular source of funding exists to help set up new apprenticeships or pre-apprenticeship programs. In this way, the funding in this bill will increase accessibility to the substantial investments the legislature has already made in apprenticeship.

ADMINISTRATIVE IMPLICATIONS

- SB 49 does not have any direct administrative implications. To understand indirect administrative implications please refer to FIR9s) for SB 48.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

- Senate Bill 49 (SB 49) is contingent upon the passage of Senate Bill 48 which makes an appropriation of \$340 million from the general fund to the Community Benefit Fund.

TECHNICAL ISSUES

- SB 49's provisions are contingent on the enactment of SB 48 during the first session of the fifty-seventh legislature and the provision of sufficient funding for the fund. If the community benefit fund is not enacted or adequately funded, the appropriations and transfers outlined in the bill cannot take effect.

OTHER SUBSTANTIVE ISSUES

- DoIT and the Cybersecurity Office have partnered with DWS to develop educational, training and retention programs to improve New Mexico's information technology and cybersecurity work force. These sectors are significantly underserved, resulting in the inability for public and private entities to recruit and retain personnel with the skills required to support and expand IT and cybersecurity operations, including start-ups and oversight functions. The lack of qualified talent in these sectors impairs New Mexico's ability to attract and retain businesses that depend on robust IT talent, which perpetuates dependence on extractive industries to fund state programs.

- This bill would provide DWS critical funding to support IT and cybersecurity job training initiatives critical to New Mexico's future.

ALTERNATIVES

N/A.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

- New Mexico will continue to lag in recruiting and retaining IT and cybersecurity businesses, which are strong drivers of economic growth.
- The state will not have a reserve of funds to implement its clean energy and climate resilience goals.

AMENDMENTS

N/A.