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FISCAL IMPACT REPORT

SPONSOR <u>Campos</u>	LAST UPDATED _____ ORIGINAL DATE <u>3/4/25</u>
SHORT TITLE <u>KANW Radio Station</u>	BILL NUMBER <u>Senate Bill 493</u>
	ANALYST <u>Liu</u>

APPROPRIATION* (dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
	\$500.0	Recurring	Government Results and Opportunity Program Fund

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

Relates to House Bill 181

Sources of Information

LFC Files
 Albuquerque Public Schools (APS)

Agency Analysis was Solicited but Not Received From
 Albuquerque Public Schools (APS)
 Public Education Department (PED)

SUMMARY

Synopsis of Senate Bill 493

Senate Bill 493 (SB493) appropriates \$500 thousand from the government results and opportunity (GRO) program fund to the Public Education Department (PED) for the KANW educational radio station to purchase equipment and add resources for reporters to cover rural New Mexico news. This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

The appropriation of \$500 thousand contained in this bill is a recurring expense to the GRO program fund. Any unexpended or unencumbered balance remaining at the end of FY26 shall revert to the GRO program fund. Although the bill does not specify future appropriations, establishing a new grant program could create an expectation the program will continue in future fiscal years; therefore, this cost is assumed to be recurring. Additionally, the bill does not specify what type of equipment or resources for reporters will be purchased. Equipment that is not a capital expense is considered an operating expense and, thus, recurring.

The HAFC Substitute for House Bills 2&3 does not include an appropriation for this purpose; however, the budget includes appropriations to three higher education institutions that operate their own radio stations:

Educational Television Appropriations

Institution	Station	General Fund	Other State Funds	Federal Funds	Total Funds
UNM	KNME	\$1,325.0	\$6,053.0	\$2,765.0	\$10,143.0
NMSU	KRWG	\$1,478.1	\$1,500.0		\$2,978.1
ENMU	KENW	\$1,285.6	\$500.0	\$850.0	\$2,635.6

Note: totals shown are in thousands, SFCC operates KSFR radio but does not receive state aid

SIGNIFICANT ISSUES

KANW (89.1 FM) is a noncommercial public radio station owned and operated by Albuquerque Public Schools. The station airs music, news, and local public radio programming, including the following shows:

- National Public Radio (NPR) *1A, All Things Considered, Bullseye, Code Switch and Life Kit, Fresh Air, Here & Now, Hidden Brain, It’s Been a Minute, Jazz Night in America, Morning Edition, On Point, Planet Money & How I Built This, TED Radio Hour, Throughline, Wait Wait...Don’t Tell Me!, and Weekend Edition,*
- British Broadcasting Corporation (BBC) World Service,
- KANW *Classical Music for a Sunday Morning, Concerning New Mexico, Top 15 at 5:00, Native Music Hours, New Mexico Music, Saturday Night Country Classics, and Today’s Hits,*
- Your Classical Composers Datebook,
- Freakonomics Radio,
- KCRW Left, Right & Center,
- Live Wire,
- Marketplace *Morning Report* and *Tech,*
- On the Media,
- Public Radio International’s *The World,*
- PRX *Milk Street Radio, Reveal, Snap Judgment, and The Moth Radio Hour,*
- Report from Santa Fe,
- Selected Shorts,
- Sound Opinions,
- The Pulse,
- The New York Times *The Daily,*
- The Splendid Table,
- Think,
- This American Life,
- Travel with Rick Steves,
- Wisconsin Public Radio *To the Best of Our Knowledge,*
- WNYC Studios *Radiolab, Science Friday, and The New Yorker Radio Hour, and*
- *Vox Today, Explained.*

KANW began operations in 1949 at the old Albuquerque High building when APS was granted a license by the Federal Communications Commission (FCC) to operate an FM station to serve the

needs of APS and its students. In 1969, the station increased its transmission power and moved its transmitter to the top of Sandia Crest to serve a wider audience. In 1973, KANW added New Mexico music programming. In 1983, another power increase was approved by FCC, and today it operates at the maximum legal power. KANW became affiliated with Public Radio International in 1995 and a full member of the NPR network in 1999. KANW also operates two other stations: KNLK-FM in Santa Rosa and KIDS-FM in Grants.

PERFORMANCE IMPLICATIONS

A 2022 University of Pennsylvania study on government investment in public media found democratic countries with independent and well-funded public broadcasting systems had healthier democracies, as measured by *The Economist's* Democracy Index (which ranks countries on their electoral process, functioning of government, political participation, political culture, and civil liberties). Researchers of the study note that government funding of public media can potentially lead to state control over the dissemination of information; however, many democracies around the world have created strong safeguards to maintain media independence while supporting their public media system. They further note the benefits of public media systems include a well-informed political culture, high levels of support for democratic processes, and increased levels of civic engagement.

Governments around the world create publicly funded media systems to fill information needs that typically would not be covered by commercial media, including:

- Delivering news to remote, small, or rural regions that would not be profitable,
- Covering topics like public affairs programming and international news that are not typically attractive to advertisers or subscribers, and
- Covering communities that are not usually picked up by mainstream news organizations.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill relates to House Bill 181, which requires an accountability and evaluation plan for all GRO appropriations.

TECHNICAL ISSUES

The appropriation in this bill is from the GRO program fund rather than the GRO expendable trust fund. The GRO program fund is currently fully obligated to existing programs under the 2024 General Appropriation Act (GAA) and any remaining balances in the program fund will revert to the GRO expendable trust fund at the end of FY25. As such, the appropriation in this bill cannot be made from the GRO program fund, which will have no unobligated balances at the end of FY25. While appropriations could technically be made from the GRO expendable trust fund, it is unclear at this time what reversion will eventually be as FY25 has not concluded yet.