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FISCAL IMPACT REPORT

SPONSOR: Madalena DATE TYPED: 02/24/01 HB 896
 SHORT TITLE: Office of Indian Affairs Budget Shortfall SB _____
 ANALYST: Woodlee

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
\$ 400.0				Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Office of Indian Affairs
LFC Files

SUMMARY

Synopsis of Bill

House Bill 896 appropriates \$400.0 from the general fund for fiscal years 2001 and 2002 to the New Mexico Office of Indian Affairs to fund shortfalls in the agency's budget.

Significant Issues

According to the agency, the proposed funds would be used to address costs related to capital projects. The agency will fund a contractor, additional travel expenses and capital outlay. The agency has not indicated the exact amounts for each of these items, or for what the capital outlay expenditures would be. Also, the agency indicates that the proposed funding in the current House Bill 2 will leave the agency \$72.0 short for FY02.

FISCAL IMPLICATIONS

The appropriation of \$400.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2002 shall revert to the general fund.

POSSIBLE QUESTIONS

1. If the agency is going to experience a shortfall, then why did they not formally request a supplemental appropriation to be included in Section 7 of the General Appropriations Act of 2001?
2. What specific expenditures will the agency make with these appropriations?
3. Why is there an emergency need for a contractor and capital outlay?

MW/njw