

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 (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR Varela **DATE TYPED** 2/14/04 **HB** 187/aHBIC/aSFC

SHORT TITLE Telecom Access Act Administration Transfer **SB** _____

ANALYST Geisler

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	(533.4)			Recurring	General Fund
	533.4			Recurring	Telephone Access Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

General Services Department (GSD)

Commission for the Deaf-and-Hard of Hearing Persons (CDHH)

SUMMARY

Synopsis of SFC Amendment

The Senate Finance Committee amendment makes the following changes in the bill.

1. On page 11, between lines 4 and 5, insert the following section:

"Section 8. TEMPORARY PROVISION--FISCAL YEAR 2005 EXPENDITURES.--
Notwithstanding the provisions of Section 63-9F-12 NMSA 1978, money in the telecommunications access fund may be appropriated by the legislature to the commission for deaf and hard-of-hearing persons for the commission's operating expenses during fiscal year 2005."

2. Renumber the succeeding sections accordingly.

3. On page 11, line 19, after the dash strike the remainder of the line, strike line 20 and insert in lieu thereof the following:

"A. Upon the prior approval by the secretary of finance and administration of a plan prepared by the commission for deaf and hard-of-hearing persons for carrying out the provisions of the Telecommunications Access Act, the effective date of the provisions of Sections 1 through 7, 9 and 10 of this act is July 1, 2005.

B. If, before July 1, 2005, the plan provided for in Subsection A of this section is not approved, the effective date of the provisions of Sections 1 through 7, 9 and 10 of this act is July 1, 2006."

The change allows the legislature to appropriate operating expenses for the agency in Fiscal Year 2005, although full transfer of the fund from the General Services Department will not transpire until July 1, 2005 after approval by the secretary of finance and administration of a plan prepared by the commission for deaf and hard-of-hearing persons for carrying out the provisions of the Telecommunications Access Act. In the event approval is not obtained by that date, then the effective date for provisions of Sections 1 through 7, 9 and 10 of this act is July 1, 2005.

Synopsis of HBIC Amendment

The House Business and Industry amendment to HB 187 adds language that audits conducted of telecommunications companies participating in the telecommunications relay to account for surcharge collection and billing will be at the expense of the commission.

Synopsis of Original Bill

House Bill 187 transfers administration of the Telecommunications Access Act from the General Services Department (GSD) to the Commission for Deaf and Hard-of-Hearing Persons (CDHH) and allows program expenses to be paid from the Telecommunications Access Fund. The transition would take place through FY2005.

Significant Issues

GSD was named in the 1993 law to assist in implementing the Telecommunications Access Act through technical expertise for the specialized phone service, and support for financial aspects of administering the fund. The Commission implemented the program outreach and training aspects of providing this valuable service. The Commission will now administer the fund and GSD will provide support through the transition year. GSD and CDHH are in favor of this legislation.

FISCAL IMPLICATIONS

CDHH will receive money for its operations from the Telecommunications Access Fund rather than from the general fund. This will reduce the requirement for recurring general fund support by \$533.4.

In addition, in section 63-9F-12, the bill provides that the state budget division has the authority to approve the expenditure of not more than ten percent of the amount deposited in the telecommunications access fund during any fiscal year for expenses incurred by the commission in administering the act. This would provide the executive with the ability to approve approximately \$290 thousand in budget increases (fund revenue was \$2.9 million in FY03). This represents 37% of the agency's current operating budget. This would be in addition to the anticipated agency ability to increase their budget by 4 percent of the other state funds through budget adjustment request authority contained in the general appropriation act.

ADMINISTRATIVE IMPLICATIONS

Fund administration has been provided through several individuals in the GSD administrative services division as a part of their duties in administering many funds at GSD. No single position will be significantly impacted by the reduction in workload. CDHH provides that they have the staff to handle administration of the fund.

POSSIBLE QUESTIONS

Does HB 187 provide the proper balance between the legislature's power of appropriation and providing financial flexibility to the agency?

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

CDHH will continue to be supported from the general fund and the opportunity to broaden its services and consolidate the fund administration with the rest of the CHH's programs will be missed for another year.

GGG/yr:njw:yr