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FISCAL IMPACT REPORT

SPONSOR Ponce DATE TYPED 02/07/04 HB 529

SHORT TITLE School Employee Insurance Contributions SB _____

ANALYST Dunbar

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
			See Narrative		

Relates to HB451 and SB305.

Conflicts with SB334, SB373, HB283 and HB451.

SOURCES OF INFORMATION

LFC Files

Responses Received From
NM Public Education Department (NMPED)

SUMMARY

Synopsis of Bill

This bill amends Section 22-29-10, NMSA 1978, to allow public and charter schools to pay up to 80% of the health insurance cost for their employees if they have the money within their budgets.

Significant Issues

This bill does not appropriate additional money for the potential increased expenditure by public schools or charter schools. The bill does not require the increased expenditure.

Local boards and staff may have to make decisions as to either provide a salary increase or fund a greater portion of insurance costs. However, an across the board percentage increase that may be authorized in the General Appropriations Act may conflict with the bill if the act specifically provides for salary increase.

FISCAL IMPLICATIONS

According to the NM Public Education Department without additional appropriations, it would be difficult for public or charter schools to pay the increased insurance contributions.

TECHNICAL ISSUES

Since this is not recurring revenue, a local board and staff decision to pay for increased insurance contributions in one year with extra funds, may create a problem in the subsequent year if extra funds can not be located.

Also funding increase insurance contributions at a local level with extra revenue may cause the legislature to questions the original intent of the budget.

BD/dm