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## FISCAL IMPACT REPORT

SPONSOR Tripp DATE TYPED 2/21/05 HB 939/aHEC

SHORT TITLE Reserve and Quemado School District Activities SB \_\_\_\_\_

ANALYST Chabot

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$400.0			Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

### SUMMARY

#### Synopsis of HEC Amendment

The House Education Committee amendment to House Bill 939 deletes “professional development” from the bill and the appropriations will be for extracurricular activities at the Reserve and Quemado Independent School Districts.

#### Synopsis of Bill

House Bill 939 appropriates \$400 thousand from the general fund to PED for the purpose of distributing \$200 thousand each to the Reserve and Quemado Independent School Districts for professional development and extracurricular activities.

#### Significant Issues

PED states “funding school districts programs outside the State Equalization Guarantee has a disequalizing effect and conflicts with the spirit of equalized resources for New Mexico public schools.

The Executive, LESL and LFC have all recommended a study of the public school funding formula during the interim to determine if it should be amended to reflect all school district requirements for funding.

### **PERFORMANCE IMPLICATIONS**

The bill is not related to PED or public school support performance measures.

### **FISCAL IMPLICATIONS**

The appropriation of \$400 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2006 shall revert to the general fund.

The LFC FY06 appropriation recommendation is balanced between revenues and expenditures and any increase in recurring funding must be offset by reductions in other areas of the recommendation. The Legislature must consider all priorities and funding requirements to find revenue to support this legislation.

PED considers the appropriation as non-recurring.

The bill does not state how much will be spent on professional development and how much on extracurricular activities. Presumably, the school districts will have the discretion to determine the funding allocation.

### **ALTERNATIVES**

Defer the bill to the 47<sup>th</sup> Legislature, Second Session depending results of studying the public school funding formula.

### **POSSIBLE QUESTIONS**

1. What programs are to be funded from this appropriation?
2. What will be the main focus of the professional development?
3. What type of extracurricular activities will be funded?

**GAC/yr:lg**