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## FISCAL IMPACT REPORT

SPONSOR Lopez DATE TYPED 02/04/05 HB \_\_\_\_\_

SHORT TITLE School District Additions to Other Districts SB 308

ANALYST Williams

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
			(\$500.0)	Recurring	General Fund in FY07*

(Parenthesis ( ) Indicate Expenditure Decreases)

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
		\$770.0	Recurring	Other State Funds *

(Parenthesis ( ) Indicate Revenue Decreases)

\* Potential impact depends on timing and outcome of potential election.

Relates to General Appropriation Act

### SOURCES OF INFORMATION

LFC Files  
Albuquerque Technical Vocational Institute

No Response Received From Commission on Higher Education

### SUMMARY

#### Synopsis of Bill

Senate Bill 308 authorizes procedures for adding portions of school districts to existing technical and vocational institute districts. The bill expands language to specify qualified voters in a school district or a portion of a school district might petition to be added to the vocational institute district; the petition must be signed by ten percent of the votes cast for governor in a given school district or portion of a school district. If the vocational institute district includes less than

a complete school district, an election within the institute district **and** in the portion of the school district not included in the institute district may determine the addition of the excluded portion of the school district to the established post-secondary institute district.

The bill provides procedures for this election. If the measure passes, then the institute district would be expanded to include all of the impacted school district.

The bill also includes technical cleanup language.

### Significant Issues

The bill applies only to Albuquerque Technical Vocational Institute (TVI) as the only public, post-secondary institute organized under 21-16-14 NMSA 1978. As well, TVI is the only two-year post-secondary institute which currently contains a portion of a school district. If all qualifying criteria are met, a potential election as authorized in this bill would decide whether the portion of the Rio Rancho Public Schools District not currently within the TVI district would be annexed to the TVI district.

### **FISCAL IMPLICATIONS**

The bill does not include an appropriation. Albuquerque TVI notes if annexation is approved, property tax revenues received by TVI would increase by an estimated \$770 thousand per year. Because the instruction and general component of the higher education funding formula considers mill levy revenues when calculating the general fund cost of workload, successful passage of a measure for annexation is estimated to reduce the TVI state appropriation by approximately \$500 thousand per year. This impact of this fiscal impact would be FY07. This analysis assumes all other variables held constant.

### **OTHER SUBSTANTIVE ISSUES**

Currently, Albuquerque TVI's northern boundary bisects the City of Rio Rancho—the result of TVI's boundaries being designated in 1963 by the State Legislature and approved by voters in 1964 to mirror those of the then-existing Albuquerque Public Schools District. In 1993, Rio Rancho established its own school district, which changed the APS boundaries but not those of TVI. Rio Rancho property owners who live inside the TVI District pay TVI taxes while Rio Rancho property owners living outside the TVI District do not.

Albuquerque TVI notes its commitment to establish a permanent campus in the City of Rio Rancho if voters approve inclusion of the entire Rio Ranch Public Schools District in the TVI District.

**AW/lg**