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FISCAL IMPACT REPORT

SPONSOR Arnold-Jones **DATE TYPED** 10/08/05 **HB** 15

SHORT TITLE PUBLIC SCHOOLS INFRASTRUCTURE REPAIR **SB** _____

ANALYST Weber

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$100,000.0			Non-Rec	General

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Schools Facilities Authority

SUMMARY

Synopsis of Bill

House Bill 15 appropriates \$100 million from the general fund to the Public Education Department for the purpose of public school infrastructure. An emergency clause is included. The funds may be expended in FY06 and FY07.

Significant Issues

The Public Schools Facilities Authority comments.

New Mexico has over \$2.4 billion in public school facilities needs. School projects are funded by the State under the new Standards-Base Process, in answer to a court ruling requiring equitable distribution. The legislature assigned the distribution of capital to the Public School Capital Outlay Council (PSCOC). The legislature also created the Public School Facilities Authority (PSFA) to act as PSFA is staff to the PSCOC. Through a system designed to equitably distribute capital funds based upon a ranking systems where the worst needs are addressed first, annually projects are awarded based upon available funds from the permanent reserve fund. The PSFA, as staff to the PSCOC, provide oversight and technical accountability to the spending of

House Bill 15 -- Page 2

funds and to the design and construction process. The deadline of 2007 would be a short time frame to get projects out to bid.

House Bill 15 is stating to distribute the funds through the PED which would not have the mechanism to administer and provide oversight of those funds. Further, this would not be in keeping with previous legislation designed to ensure equitable distribution of capital funds intended for school facilities through the Standards-Based Process

FISCAL IMPLICATIONS

The appropriation of \$100 million contained in this bill is a NON-RECURRING expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY07 shall revert to the general fund.

POSSIBLE QUESTIONS

What is the definition of "infrastructure repair"?

How would the PED prioritize the projects?

Why would the funds go to PED instead of PSCOC?

MW/sb