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FISCAL IMPACT REPORT

ORIGINAL DATE 1-30-2006

SPONSOR Varela LAST UPDATED _____ HB 323

SHORT TITLE Computer Clubhouses SB _____

ANALYST Dearing

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$900.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB 351

SB 351 appropriates \$100,000 for computer clubhouses, in Bernalillo County.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)
Department of Finance and Administration (DFA)

SUMMARY

Synopsis of Bill

House Bill 323 appropriates \$900,000 to the Local Government Division (LGD) of the Department of Finance and Administration (DFA) for expenditures in FY 07 to provide staffing and operational expenses for Computer Clubhouses that give youth access to computer technology and mentors in Bernalillo, Dona Ana, Sandoval and Santa Fe counties.

In 1999 Intel, the National Museum of Science in Boston Massachusetts, and the Massachusetts Institute of Technology (MIT) funded and established approximately 100 Computer Clubhouses world wide. The intent of the clubhouses was to bridge the technology gap in low income minority areas and to provide services to children from age six to nineteen. These organizations partnered with community based organizations--Boys and Girls Clubs, etc., to deliver services providing computer skills and literacy skills and have established approximately six centers state-wide.

FISCAL IMPLICATIONS

The appropriation of \$900,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

SIGNIFICANT ISSUES

In 1999 Intel, the National Museum of Science in Boston Massachusetts, and the Massachusetts Institute of Technology (MIT) funded and established approximately 100 Computer Clubhouses world wide. The intent of the clubhouses was to bridge the technology gap in low income minority areas and to provide services to children from age six to nineteen. These organizations partnered with community based organizations--Boys and Girls Clubs, etc., to deliver services providing computer skills and literacy skills and have established approximately six centers state-wide.

In 2003, funding provided by Intel, MIT and the National Museum of Science was terminated. This was stipulated in the agreement with each community based organization. The agreement stated that after five years the Computer Clubhouses would have to fund staffing and operating costs on their own.

Since this time, 90% of the funding has come from legislative appropriations and 10% is obtained through private foundations. However, Intel and the other partners continue to provide technical support to the Computer Clubhouses.

The level of children serviced by each Computer Clubhouse varies; however, this analysis determined the level of children served per clubhouse varied from 350 to 5500 per year.

The promotion of Science, Technology, Engineering, and Mathematics (STEM) education programs within New Mexico has recently been high-lighted as an issue that is at the forefront of the New Mexico Federal Congressional Delegation's funding and legislative initiatives. This initiative is a critical effort to promote New Mexico's development of a technically proficient state population that is able to compete at both the national and global level in technological fields. An overall driving force in economic development is a technically educated population.

PERFORMANCE IMPLICATIONS

LGD/DFA will be impacted in a positive manner and this legislation will further enhance programmatic goals and the departments' strategic plans.

ADMINISTRATIVE IMPLICATIONS

The administration of appropriation of HB 323 would fall under LGD/DFA in FY 07. The LGD would coordinate with the local governments receiving funding to develop grant agreements with those entities as it did in FY 06. Furthermore, LGD currently has sufficient staff to administer the appropriation.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Staffing and operating costs for Computer Clubhouses are currently funded by legislative appropriations at 90% of their budget and 10% by private foundations. Eliminating the legislative funding would drastically reduce the programs services or would eliminate the program completely.

QUESTIONS

If enacted, how is funding to be distributed among the four applicable counties?

PD/nt