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FISCAL IMPACT REPORT

ORIGINAL DATE 1/26/2007
 LAST UPDATED 1/29/2007 HB 499

SPONSOR Park

SHORT TITLE Public School Capital Outlay SB _____

ANALYST Aguilar

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
\$500,000.0		Non-recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to continuing appropriations contained in Section 7-27-12 through 7-27-12.3 NMSA 1978.

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY07	FY08	FY09		
\$500,000.0			Non-recurring	Capital Outlay Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
 Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

House Bill 499 appropriates \$500 million from the general fund to the Public School Capital Outlay fund to carry out the purposes of the fund.

FISCAL IMPLICATIONS

The appropriation of \$500 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of any fiscal year shall not revert to the general fund.

This bill provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in statutory provisions, as earmarking reduces the ability of the legislature to establish spending priorities.

SIGNIFICANT ISSUES

In addition to funding the construction and renovation of public school buildings, balances in the Public School Capital Outlay fund are also used to pay the SB-9 state match, operating expenses of the Public School Facilities Authority (PSFA), lease payments to charter schools, and the cost of technology systems that support PSFA construction and maintenance programs. The fund is also used to pay for the standards based roof program, the district cost of developing facilities master plans, the cost of portable buildings for schools, paying for emergency building needs, reimbursing the Construction Industries Division for inspection costs, and covering the district share of projects under waiver provisions.

It is important to note that all of the expenditures listed above reduce the amount of funding available for school construction needs.

The Public School Facilities Authority notes the New Mexico Condition Index estimate to meet all school construction and repair needs statewide as adopted is greater than \$3 billion.

PA/sb:csd