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FISCAL IMPACT REPORT

SPONSOR Varela **ORIGINAL DATE** 2/05/2007
LAST UPDATED 3/14/2007 **HB** 760

SHORT TITLE Increase Membership of LFC **SB** _____

ANALYST Abbey

Duplicates Appropriation in the General Appropriation Act
Relates to Appropriation in the General Appropriation Act

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$35.0	\$35.0	\$70.0	Recurring	LFC Opbud

(Parenthesis () Indicate Expenditure Decreases) (GF)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

House Bill 760 amends NMSA 2-5-1 to expand the membership of the Legislative Finance Committee from 16 to 20 members. The amendment adds two senators and two representatives; with the current partisan make-up of both the house and the senate and the requirement for “proportionate representation”, it is likely that one member would come from each party in both the house and senate. The committee was expanded from 8 to 16 approximately 20 years ago.

This bill contains an emergency clause.

FISCAL IMPLICATIONS

House Bill 760 does not include an appropriation. With a 25% increase in membership and based on FY06 actual member travel costs, LFC travel costs could increase approximately \$35 thousand per year or 1 percent of FY08 appropriations to the LFC.

SIGNIFICANT ISSUES

Compared to most other legislative committees, LFC has a significant staff of 39 and a significant budget. Many legislators, especially those on HAFC, HTRC and SFC, seek appointment to LFC because of the opportunity to influence fiscal legislation, the opportunity for education about fiscal policy and management issues and the availability of staff support. House

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Bill 760 allows additional members to serve on LFC and may also increase diversity of membership.

PERFORMANCE IMPLICATIONS

By expanding membership, House Bill 760 would provide for greater input to budget development during the interim and in turn, broader knowledge about committee recommendations.

Twenty members is a relatively large committee and members typically have many questions and comments regarding testimony. A larger committee may require the chair and vice-chair to increase management of presentation and question times. It also affords the opportunity to make greater use of subcommittees to conduct budget and oversight hearings.

ADMINISTRATIVE IMPLICATIONS

Not significant

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 238 expands the size of the interim revenue committee.

ALTERNATIVES

As the FY08 appropriation to LFC has been enacted as Chapter 1, consider an appropriation from legislative cash balances for LFC member travel and per diem contingent on passage of House Bill 760.

DA/csd