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## FISCAL IMPACT REPORT

ORIGINAL DATE 1-28-2008

SPONSOR Arnold-Jones LAST UPDATED \_\_\_\_\_ HB 499

SHORT TITLE Rural Public Libraries SB \_\_\_\_\_

ANALYST Dearing

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$3,750.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY08	FY09	FY10		
	\$3,750.0	\$0.1	Recurring	Rural Library Development Fund

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

LFC Files

### SUMMARY

#### Synopsis of Bill

House Bill 499 appropriates \$3.75 million from the general fund to the Rural Library Development fund in FY09 and subsequent fiscal years for distribution in equal amounts to each of the existing rural libraries as a grant-in-aid.

### FISCAL IMPLICATIONS

The appropriation of \$3.75 million contained in this House Bill 499 is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY09 shall not revert to the general fund.

House Bill 499 provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds, as earmarking reduces the ability of the legislature to establish spending priorities.

### **SIGNIFICANT ISSUES**

Laws 2007, ch. 83, § 4. created the Rural library development fund; Section 18-15-4. NMSA 1978

The "rural library development fund" is created as a non-reverting fund in the state treasury. The fund consists of appropriations; other revenue credited to the fund; gifts, grants and donations to the fund; and income from investment of the fund. The fund shall be administered by the division, and money in the fund is subject to appropriation by the legislature to carry out the provisions of the Rural Library Development Act [18-15-1 NMSA 1978]. No more than five percent of the fund each year may be used for administration. Disbursements from the fund shall be by warrant of the secretary of finance and administration pursuant to vouchers signed by the state librarian or the state librarian's authorized representative.

The State Library division of the Department of Cultural Affairs, may provide grants-in-aid to existing rural libraries for collections and services, to provide resources to plan and establish new rural libraries, and improve access to library materials and technology for rural citizens through funding from the rural library development fund.

### **PERFORMANCE IMPLICATIONS**

If enacted, the LFC recommends that the Cultural Affairs department submit a plan for enhanced/adjusted program evaluation measurement targets to incorporate increased outcome commensurate with larger appropriation levels.

The increased appropriation for grants-in-aid for rural libraries will allow statewide rural libraries to increase funding for new library materials, staff training and library equipment. This will strengthen rural libraries as they support the educational, informational and computing needs of their communities and contribute to the economic growth of these communities. Current measurements tracking outreach participation numbers for the division could be impacted through this increased appropriation.

PD/mt