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FISCAL IMPACT REPORT

SPONSOR Nava **ORIGINAL DATE** 02/05/09
LAST UPDATED _____ **HB** _____

SHORT TITLE Statewide Rural Revitalization Programs **SB** 294

ANALYST Aguilar

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$400.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

Office of Education Accountability (OEA)

Energy, Minerals and Natural Resources Department (EMNRD)

SUMMARY

Synopsis of Bill

Senate Bill 294 appropriates \$400 thousand from the general fund to the Public Education Department for the purpose of implementing rural revitalization programs statewide.

FISCAL IMPLICATIONS

The appropriation of \$400 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2010 shall revert to the general fund.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

SIGNIFICANT ISSUES

The proposed funding in SB-294 would allow for the continuation of the NMRRI and its expansion from ten to 12 additional rural school districts and their communities and the sustainability of programs underway in the current 24-district/community cohort.

It remains unclear whether the type of activities included as part of this program are appropriate for the public education department to undertake or whether this program should be funded through the Economic Development Department and when economic development opportunities are put in place, then and only then would the schools implement programs to prepare students for jobs offered at that time. Currently it appears the department is using a hit or miss approach to developing potential opportunities many of which do not have a connection to the community.

PA/mc