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# FISCAL IMPACT REPORT

		ORIGINAL DATE	02/20/09		
SPONSOR	Nava	LAST UPDATED	03/06/09	HB	
SHORT TITI	LE Las Cruces Juvenil	e Assessment Facility		SB	368
			ANAL	YST	Hoffmann

#### **APPROPRIATION** (dollars in thousands)

Appropr	iation	Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$276.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

#### SOURCES OF INFORMATION LFC Files

**Responses Received From** Department of Finance and Administration (DFA) Attorney General's Office (AGO) Juvenile Parole Board (JPB)

No Response Children, Youth and Families Department (CYFD)

#### **SUMMARY**

Synopsis of Bill

Senate Bill 368 appropriates \$276 thousand from the General Fund to the Local Government Division of the DFA beginning in FY2010 and in all subsequent years for the city of Las Cruces for the purpose of supporting the continued operation of a juvenile assessment and reporting center (JARC).

#### FISCAL IMPLICATIONS

The appropriation of \$276 thousand contained in this bill is a RECURRING expense to the GENERAL FUND. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the GENERAL FUND.

Senate Bill 368 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.

According to the February 2009 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$575 million less than the FY09 appropriations before the 2009 solvency reductions. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

## SIGNIFICANT ISSUES

The AGO1 reports that federal funding is being cut, and Senate Bill 368 would help make up the deficit to keep the Las Cruces JARC operational. Failure to fund the Las Cruces JARC will cause backlogs in the juvenile system in District 3.

## TECHNICAL ISSUES

The DFA Local Government Division notes that this type of appropriation normally would fall under the General Appropriation Act or "House Bill 2 Junior" as an operational appropriation and would be a non-recurring appropriation and typically revert to the general fund.

### CH/mt:svb

<sup>1</sup> AGO disclaimer: This analysis is neither a formal Attorney General's Opinion nor an Attorney General's Advisory Opinion letter. This is a staff analysis in response to the agency's, committee's or legislator's request.