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FISCAL IMPACT REPORT

ORIGINAL DATE 01/31/13
 SPONSOR Roch LAST UPDATED 02/26/13 HB 255
 SHORT TITLE State University Educational Television SB _____
 ANALYST Hartzler-Toon

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	\$300.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Appropriation in the General Appropriation Act:
 University of New Mexico Public Television
 New Mexico State University Public Television
 Eastern New Mexico University Public Television

Duplicates SB243, State University Educational Television

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)
 University of New Mexico KNME (UNM)
 Eastern New Mexico University KENW (ENMU)
 New Mexico State University KRWG (NMSU)

SUMMARY

Synopsis of Bill

House Bill 255 appropriates \$300.0 thousand in total from the general fund -- \$100.0 thousand each to UNM, ENMU, and NMSU -- to sustain current operations of their educational television stations.

FISCAL IMPLICATIONS

The appropriation of \$300.0 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY14 shall revert to the general fund.

The chart below shows general fund support over time, and how an increase in general fund appropriations would impact each station.

INSTITUTION	FY12 Operating Budget	FY13 Operating Budget	FY14 H AFC Final	HB 255	FY14 H AFC Final + HB 255	H AFC and HB 255 +/- FY13 OpBud
Univ. of N.M.	\$995.1	\$1,030.8	\$1,064.3	\$100.0	\$1,164.3	\$133.5
N.M. State Univ.	\$949.3	\$960.5	\$975.2	\$100.0	\$1,075.2	\$114.7
Eastern N.M. Univ.	\$968.6	\$982.2	\$998.5	\$100.0	\$1,098.5	\$116.3
GF Public Television Total	\$2,913.0	\$2,973.5	\$3,038.0	\$300.0	\$3,338.0	\$364.5

House Bill 2 increases the general fund base for public television by an additional \$64.5 thousand total for the 1.5 percent retirement swap and 0.75 percent scheduled retirement contribution increase. (The 0.75 percent amount is conditioned on other legislation being enacted.) If HB 2, as passed by the House, and HB 255 are enacted, public television would experience the first significant increase in funding since FY08.

SIGNIFICANT ISSUES

All three stations report that additional funding would be used to

- (1) Generate additional matching federal funds. UNM reports that for \$100.0 thousand, the station would result in an additional \$20.0 thousand from the Corporation for Public Broadcasting. The total \$300.0 thousand would generate an additional \$60.0 thousand total.
- (2) Repair and replace aging infrastructure. Though each station is challenged to repair and replace outdated and end-of-life technology, NMSU notes that funds would be used to maintain remote translators and maintaining and repairing the bandwidth exchanges supplied by Sprint Nextel.
- (3) Increase relevant, local programming and extend programming to all parts of the state. All stations have had to reduce local programming due to budget cuts, and increasingly rely on programming from outside of New Mexico.
- (4) Increase student man hours and maintain permanent staff. Reduced funding has meant fewer student hours to teach, train, and employ future media professionals. Most stations have reduced permanent staff or relied on vacancy savings to have balanced budgets.

PERFORMANCE IMPLICATIONS

All three stations report that, with reduced state support over the last five years, local programming has declined because of fewer permanent staff and reduced student employment hours. An increase in support would help stations improve infrastructure and staffing and generate additional funds through federal programs and membership revenues.

ADMINISTRATIVE IMPLICATIONS

There are no administrative implications associated with this appropriation. Additional funds would be distributed through the Higher Education Department to each institution and station as is current practice.

DUPLICATION

House Bill 255 duplicates

- SB243, a bill appropriating \$300.0 thousand to UNM, ENMU, and NMSU public television stations, and
- SB215, a bill appropriating \$100.0 thousand to ENMU public television.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Aging infrastructure will be stressed to the point of failure, resulting in the lack of programming delivered to more remote parts of the state.

THT/svb:blm