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FISCAL IMPACT REPORT

ORIGINAL DATE 02/08/13

SPONSOR Salazar, N. LAST UPDATED _____ HB 340

SHORT TITLE Northern NM Boys & Girls Club Programming SB _____

ANALYST Boerner

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	\$75.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		Minimal	Minimal	Minimal	Recurring	DFA-LGD Operating Funds

(Parenthesis () Indicate Expenditure Decreases)

Relates to HM 8, Boys and Girls Club Day
Relates to SM 31, Boys and Girls Clubs Day

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

SUMMARY

Synopsis of Bill

This bill appropriates \$75 thousand from the general fund to the Local Government Division of the Department of Finance and Administration (DFA) to provide boys and girls club programs for northern New Mexico youth.

FISCAL IMPLICATIONS

The appropriation of \$75 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 2014 shall revert to the general fund.

SIGNIFICANT ISSUES

As written, this bill appears to propose an appropriation to the DFA specifically intended for the nonprofit organization Boys & Girls Clubs for programming. The DFA reminds us that this would be in direct violation of the New Mexico Constitution, Art. IX, 14, Anti-Donation Clause (It is unlawful for the State of New Mexico to directly aid a private enterprise such as the Boys and Girls Club).

If this legislation is passed, the Local Government Division of the DFA is required by law to procure services in accordance with the New Mexico State Procurement Code, which would require a request for proposals. The purpose of the procurement code is to allow for open and fair competition which this bill does not provide for.

TECHNICAL ISSUES

This bill violates the state's Anti-Donation Clause of the New Mexico Constitution.

AMENDMENT

To allow the Boys and Girls Club to receive funding from a legislative appropriation, this bill would need to be rewritten to exclude them as the sole beneficiary. An appropriation for "Local Youth Programs" would allow for open and fair competition and allow the Boys and Girls Club to respond to the solicitation that may result in a lawful appropriation to the said organization.

CEB/svb