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FISCAL IMPACT REPORT

SPONSOR Morales ORIGINAL DATE 02/18/13
 LAST UPDATED 02/20/13 HB _____

SHORT TITLE Library Acquisitions Fund SB 541/aSIAC

ANALYST Cerny

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|-----------|------------------------------|------------------|
| FY13 | FY14 | | |
| | \$5,000.0 | Recurring | General Fund |

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

| Estimated Revenue | | | Recurring or Nonrecurring | Fund Affected |
|-------------------|------------|-----------|---------------------------------|---------------------------------|
| FY13 | FY14 | FY15 | | |
| | \$ 5,000.0 | \$5,000.0 | Recurring | Library Acquisitions Fund |

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Cultural Affairs (DCA)

Higher Education Department (HED)

SUMMARY

Synopsis of SIAC Amendment

The Senate Indian and Cultural Affairs Committee amendment to Senate Bill 541 clarifies that the proposed Library Acquisitions Fund is intended to fund acquisitions for public libraries, *publicly-funded* college and university libraries, tribal libraries, the state library and public school libraries.

Synopsis of Original Bill

Senate Bill 541 (SB 541) creates the Library Acquisitions Fund (LAF) in the State Treasury.

SB 541 appropriates \$5 million from the General Fund to support the acquisitions and operations of public libraries, college and university libraries, tribal libraries, the state library and public school libraries. The LAF will consist of appropriations, income from investment of the fund, gifts, grants, donations and bequests.

The LAF will be a non-reverting fund to be administered by the Library Division of the Department of Cultural Affairs (DCA) based upon the recommendations of a Library Acquisitions Task Force.

For the purposes of SB 541, library resources include: library processing services, inter-library resource-sharing services, library materials, including print, non-print and electronic materials, equipment, bookmobiles, computer hardware and software, furniture required to display and house library materials and electronic library subscriptions.

SB 541 also creates a "Library Acquisitions Task Force" to develop guidelines, make recommendations and establish allocation formulas in connection with the library acquisitions fund. It stipulates that the library acquisitions task force will include the State Librarian and one representative from each of the following libraries, to be appointed by the governor: (1) a public school library; (2) an institution of higher education library; (3) a public library; and (4) a tribal library.

FISCAL IMPLICATIONS

The appropriation of \$5 million contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of fiscal shall not revert to the General Fund.

Money in the fund is subject to appropriation by the Legislature to carry out the provisions of this section.

SIGNIFICANT ISSUES

Libraries in the state currently acquire resources for acquisitions through a biennial General Obligation Bond (GO Bonds) cycle; GO Bonds are solicited on behalf of public school libraries, institution of higher education libraries, public libraries and tribal libraries. The proposed bonds are approved by the Legislature and then submitted to voters in the general elections.

Voters approved ballot measures for library acquisitions in 2006, for \$9 million; in 2008 for \$11 million and in 2012 for \$9.83 million (this measure also allowed for capital expenditures for construction, for tribal libraries only) Reference: <http://www.nmstatelibrary.org/services-for-nm-libraries/funding-libraries/go-bonds> .

SB 541 would provide a reliable, recurring source of acquisition funds for libraries in the state distinct from GO bonds which are intended to supplement local effort in providing local public library service. The public library bond program funds public library resources and equipment for public libraries statewide, including the rural library services of the state library. Bonds approved after March 2008 are governed by NMAC 4.5. which stipulates the criteria and procedure for distribution of the funds to public and tribal libraries. In addition, GO bond monies are distributed by the Public Education Department and the HED, for public school and academic libraries.

SB 541 is not clear as to the role the LAF would play in the funding of acquisitions for “college and university libraries.” Was the intent to make funding available only to state-funded colleges and universities or all colleges and universities in the state? (See Amendments, below.)

PERFORMANCE IMPLICATIONS

The distribution of these funds would support the educational, informational, and economic roles that libraries play in communities throughout the state by providing New Mexican access to current informational and other library resources.

ADMINISTRATIVE IMPLICATIONS

Should SB 541 be enacted, the LAF will be administered by the DCA and vouchers for disbursing the funds will be signed by the director of the library division and paid by the Department of Finance and Administration.

AMENDMENTS

The DCA suggests the following amendment:

In Section 2, Line 4. Insert the word “state-funded” after libraries, and before college, to read:

“...operations of public libraries, “state-funded” college and university libraries, tribal libraries...”

This would ensure the fund pays for acquisitions for state-funded institutions of higher education and not for private colleges and universities or federally-funded colleges and universities, assuming that was the intent of the legislation.

CAC/blm:svb