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## FISCAL IMPACT REPORT

**SPONSOR** Roch **ORIGINAL DATE** 02/05/14  
**LAST UPDATED** 02/14/14 **HB** 161/aHfI#1

**SHORT TITLE** School Chief Procurement Officer Definition **SB** \_\_\_\_\_

**ANALYST** Hanika Ortiz

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	FY15		
	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Public Education Department (PED)

General Services Department (GSD)

### SUMMARY

#### Synopsis of HfI Amendment #1

The House Floor Amendment #1 makes the provisions of the bill extend to locally-chartered schools in addition to state-chartered charter schools and school districts.

#### Synopsis of Bill

House Bill 161 amends the Procurement Code, Section 13-1-38.1 NMSA 1978, and adds a definition to clarify that the “chief procurement officer” (CPO) of a school district is the superintendent, chief finance officer or chief business officer, and for a state-chartered charter school is the school leader, chief finance officer or chief business officer.

### FISCAL IMPLICATIONS

The PED notes that training for managers to conduct oversight of procurement activities can be accomplished within existing resources. In addition, the Procurement Code provides that on or before January 1, 2015, the state purchasing agent (GSD) shall establish a certification program for all CPO’s that includes initial certification and recertification programs every two years.

**SIGNIFICANT ISSUES**

The bill limits the type of staff that can serve as a CPO which will result in executive level oversight of school district and state-chartered charter school procurement processes.

Laws 2013, Chapter 70 (SB 443) added a new section to the Procurement Code that defined a SPO within a state agency or local public body as responsible for the control of the procurement of items of tangible personal property, services or construction. After January 1, 2015, only CPO's may make determinations, including those regarding exemptions; issue purchase orders and authorize small purchases; and approve procurement pursuant to the Procurement Code.

**TECHNICAL ISSUES**

PED notes that the bill applies to state-chartered charter schools and does not extend to locally-chartered schools. In the case of Albuquerque with a number of locally-chartered schools, the responsibility for procurement oversight would fall to the CPO at the Albuquerque Public School district which may be hard to achieve within existing resources.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

The State may not have the best practices in place to hold executive level management accountable for the procurement of goods and services in their districts and schools.

AHO/jl:ds