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FISCAL IMPACT REPORT

ORIGINAL DATE 2/12/19

SPONSOR Baldonado, Ruiloba LAST UPDATED _____ HB 473

SHORT TITLE School Security Equipment Fund SB _____

ANALYST Hawker

APPROPRIATION (dollars in thousands)

Appropriation					Recurring or Nonrecurring	Fund Affected
FY19	FY20	FY21	FY22	FY23		
	\$5,000.0				Recurring	General Fund

Parenthesis () indicate expenditure decreases

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	Indeterminate but Moderate	Indeterminate but Minimal				

Parenthesis () indicate expenditure decreases

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Public Safety (DPS)
 Homeland Security and Emergency Management Department (DHSEM)
 New Mexico Attorney General (NMAG)
 Public Education Department (PED)
 Public School Facilities Authority (PSFA)
 Regional Education Cooperatives (RECs)

SUMMARY

Synopsis of Bill

House Bill 473 creates the school security equipment fund. The purpose of the fund is to be used to assist school districts in the purchase of security vehicles and other security equipment that is

not eligible for funding pursuant to Section 22-24-4.7 NMSA 1978. PED is to establish procedures for school districts to apply for grants from the fund.

School districts will have two years to expend grants from the fund. Grants not expended at the end of two years will revert to the school security equipment fund.

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 FY 20 shall not revert to the general fund.

There will be an immediate moderate fiscal impact to PED in the current fiscal year as rules are promulgated and application procedures are created, this can be done with existing resources. Additionally PED will need to develop processes on how to certify applications and communicate the approvals to DFA for voucher payments. The Operating Budget Management System will need to be updated. After initial start-up the impact on PED will be minimal.

HB 473 creates a new fund and 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.

SIGNIFICANT ISSUES

Section 22-24-4.7 NMSA 1978, the school security system project grant initiative was enacted in 2018. This initiative, overseen by the Public School Capital Outlay Council, provides matching funds to improve the security of school buildings, property and occupants. HB 473 will provide funding for security equipment and security vehicles which are not eligible for funding in the school security system project grant initiative.

Applications for funding from the school security equipment fund do not require an assessment of the school security system.

ADMINISTRATIVE IMPLICATIONS

PED will need to promulgate rules and procedures for the application and awarding process and public hearings. This can be done with existing staff.

PED will need to work with PSFA to ensure grants made from the school security equipment fund are for equipment not eligible for funding in Section 22-24-4.7 NMSA 1978.

OTHER SUBSTANTIVE ISSUES

When determining the type of security vehicles and security equipment a school district or school needs, the School Threat & Hazard Vulnerability Analysis should be completed to identify the type and severity of the risk. This process is a part of the *Planning for Safe Schools in New Mexico* guidelines. Afterwards, schools and school districts can identify potential gaps and prioritize the type of security vehicles and other security equipment they may need. Then they can identify the local funding that is available for the purchase and determine if additional

funding is needed from the school security equipment fund.

NMAG suggests defining “security vehicles” and “other security equipment” to provide clarity as to what may be expended from the school security equipment fund.

Section 1, Subsection D provides that PED shall award funds after a public hearing. It is unclear what the purpose of the public hearing is.

VKH/sb