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FISCAL IMPACT REPORT

ORIGINAL DATE 01/26/09
SPONSOR Gutierrez **LAST UPDATED** _____ **HB** 95
SHORT TITLE Public Library Services Grants-in-Aid **SB** _____
ANALYST Varela

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$681.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB13.

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From
Department of Cultural Affairs

SUMMARY

Synopsis of Bill

House Bill 95 appropriates six hundred eighty-one thousand two dollars (\$681,002) from the general fund to the library division of the Department of Cultural Affairs (DCA) for expenditure in fiscal year 2010 to make grants-in-aid for public library services.

FISCAL IMPLICATIONS

The appropriation of six hundred eight-one thousand two dollars (\$681,002) contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of 2010 shall revert to the general fund.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

According to DCA, the bill will increase the State Library's General Fund appropriation in FY2010 by \$681,002. No additional operating budget impact is estimated because this is an existing program. The increased appropriation to the program will result in larger grants-in-aid to each public library, but no additional staff time or agency resources will be required to make the grants.

SIGNIFICANT ISSUES

DCA states that the appropriation increases the amount of grants-in-aid to public libraries. The grants-in-aid program allocates state money to public libraries for the purposes of funding operational expenditures such as materials, staff training, and the equipment necessary for the provision of library services. This program is administered by the State Library under 4.5.2. NMAC.

The grants-in-aid program received \$273,000 in FY2009, which was allocated to 85 public libraries in the state and resulted in an average grant of \$3,211. At the current funding level, the per capita amount of New Mexico state aid (based on 2007 census estimates) is \$0.14. This compares to an average per capita amount of \$1.83 in 21 similarly sized states, i.e., with a population of under 3 million. This bill would add to the current funding bringing the new total to \$954,002 which results in a per capita amount of \$0.49. This is significantly less than the per capita average for other states. The average library award would increase to approximately \$8,011.

PERFORMANCE IMPLICATIONS

A key performance measure for the State Library is the percent of grant funds distributed to communities outside Santa Fe, Albuquerque, and Las Cruces. This bill would allow public libraries to increase funding for new library materials, staff training, and library equipment. This will strengthen libraries as they support the educational, informational, and computing needs of their communities and contribute to the economic growth of these communities.

However, the department exceeded its performance target in FY08 with existing funds for percent of grant funds distributed to communities outside Santa Fe, Albuquerque, and Las Cruces.

ADMINISTRATIVE IMPLICATIONS

DCA states that additional staff time and agency resources will not be required because this is an existing program. The increased appropriation to the program will result in larger grants-in-aid to each library, but no additional staff time or agency resources will be required to make the allocations.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill duplicates SB13. This bill relates to the LFC recommended level of funding for grants-in-aid.

TECHNICAL ISSUES

If the bill is adopted, the department may consider increasing the performance target level in the General Appropriations Act for grant funds from recurring appropriations distributed to communities outside Santa Fe, Albuquerque, and Las Cruces.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The public libraries will not be able to increase funding for new library materials, staff training, and library equipment.

PV/svb