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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/12/09

SPONSOR Garcia, T. LAST UPDATED \_\_\_\_\_ HB 197

SHORT TITLE Regional Education Cooperative Programs SB \_\_\_\_\_

ANALYST Haug

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY09	FY10	FY11		
	Indeterminate		Recurring	Various Rec

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Finance and Administration (DFA)  
Public Education Department (PED)

### SUMMARY

#### Synopsis of Bill

House Bill 197 proposes to amend Section 22-2B-3 NMSA 1978 and Section 22-2B-5 NMSA 1978. to authorize the Regional Education Cooperatives (REC) to apply for and receive public and private grants and gifts and provide revenue generating educational related services to non-members with council approval, providing that those services do not detract from the cooperative's ability to fulfill its responsibilities to its members. The cooperatives shall cooperate with the PED by submitting effectiveness evaluation reports of services provided to members and nonmembers and the reports must be provided upon request to the LESC and the LFC. The bill also proposes technical adjustments with no substantive impact.

**FISCAL IMPLICATIONS**

The bill could have a positive impact on revenues for the RECs depending on how many of the RECs choose to provide revenue-generating services, how much they will charge for such services and which, if any, grants and gifts they receive.

The DFA notes that funding for the expansion of these cooperatives will be requested from the General Fund. Revenue-generating education-related services to nonmembers could provide substantive gain for the cooperatives if there is a market of nonmember customers, thus, relieving some of the burden from the General Fund.

**SIGNIFICANT ISSUES**

The PED states that approximately one-third of the RECs already provide revenue-generating services. At the meetings held per Senate Memorial 41 during the 2008 legislative interim, the question arose as to whether the RECs had authority to provide such services. HB 197 gives the RECs the statutory authority to provide such services if their Regional Education Coordinating Council approves and determines that providing such services does not interfere with their ability to fulfill its member responsibilities.

GH/mc