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## FISCAL IMPACT REPORT

02/10/14  
02/18/14

**SPONSOR** Roybal Caballero      **ORIGINAL DATE** 02/10/14  
**LAST UPDATED** 02/18/14      **HB** 311/aHAFC

**SHORT TITLE** Nonprofit Organizations Work Group      **SB** \_\_\_\_\_

**ANALYST** Boerner

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	FY15		
	\$150.0	Nonrecurring	Legislative Cash Balances

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Finance and Administration (DFA)

### SUMMARY

#### Synopsis of HAFC Amendments

The House Appropriation and Finance Committee (HAFC) amendment makes a clarification on page 2, line 16 that the inclusion of four members from the House of Representatives and four members of the Senate appointed by the New Mexico Legislative Council is: *“to give the two political parties having the most members in each house the same total proportionate representation on the work group as prevails in that house.”*

HAFC amendments insert language to allow department heads *or their designees* to serve as members of the workgroup.

HAFC amendments clarify that the workgroup shall designate the chair and vice chair of the workgroup (as opposed to the New Mexico Legislative Council).

Finally, HAFC amendments change the appropriation from the general fund to legislative cash balances.

Synopsis of Original Bill

House Bill 311 creates an interim legislative work group, the "nonprofit organizations work group," to function until December 1, 2014. The work group's purpose is to study and report ways in which contracts, contracting processes, capacity to meet state programmatic needs and methods to build capacity and relationships between the state and nonprofit organizations can be improved. The report, including findings and recommendations, would be due to various legislative committees by November 1, 2014.

The work group would be comprised of the following 15 voting members: eight members appointed by the Legislative Council (four each from the House of Representatives and the Senate); three members with relevant professional expertise, appointed by the Legislative Council; the Director of the Purchasing Division of the General Services Department; the Director of the Management and Contracts Review Division of the DFA; a representative of the Attorney General's Office, appointed by the Attorney General; and one member appointed by the Governor. The Legislative Council would designate the chair and vice-chair, and provide staff to the work group.

**FISCAL IMPLICATIONS**

The appropriation of \$150 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2015 shall revert to the general fund.

**SIGNIFICANT ISSUES**

DFA notes it is implementing a reorganization of its Division of Management and Contracts Review, whereby the contracts review function is being transferred to the Financial Control Division. Therefore, it may be more appropriate for the Secretary of Finance and Administration, or his designate, to provide DFA representation on the work group.

**TECHNICAL ISSUES**

HB 311, Section 1 finds "that a work group should be convened to study how the state and local governments can work most effectively and efficiently with nonprofit organizations." The report of the work group required by Section 2(F), however, does not include local governments within its scope. Instead, the report focus is on "state programmatic needs and methods to build capacity and relationships between the state and nonprofit organizations". Either Section 1 should be amended to remove local governments from the scope of the work group's studies. Or Section 2(F) should be amended to add local governments to the scope of the work group's report.

CB/jl