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FISCAL IMPACT REPORT

SPONSOR: Park DATE TYPED: 02/24/03 HB 770

SHORT TITLE: Quality Rewards SB _____

ANALYST: Padilla

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$100.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HB 621, HB 624, HB 907 and SB 9

SOURCES OF INFORMATION

LFC Files

Responses Received From
 Economic Development Department
 State Department of Education
 Department of Health

SUMMARY

Synopsis of Bill

House Bill 770 appropriates \$100.0 from the general fund to the Economic Development Department for the purpose of contracting with a non-profit organization that promotes and rewards quality in business, education, government and health care. The appropriation is contingent upon the organization receiving matching funds from private donors.

Significant Issues

Quality New Mexico is the intended beneficiary of this appropriation. According to its website, Quality New Mexico is a non-profit organization “that engages in activities which seek to educate New Mexicans about quality; encourage and rewards quality in business, education, government, and healthcare; and promotes an economic climate to foster and enhance the prosperity of the citizens of New Mexico.”

Because the appropriation made by this bill would directly benefit Quality New Mexico, a private non-profit organization, the bill may violate the anti-donation clause of the New Mexico constitution.

The bill does not state the benefits the appropriation would bring to the Economic Development Department as a result of this contract.

SDE and DOH believe Quality New Mexico can enhance their agencies' programs and assist them in meeting performance goals.

FISCAL IMPLICATIONS

The appropriation of \$100.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2004 shall revert to the general fund.

ADMINISTRATIVE IMPLICATIONS

The Economic Development Department notes that there may be administrative implications to the department because of the need to issue a request for proposals, enter into a contract and perform an audit. EDD notes that the bill does not provide funds to EDD for administrative costs.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill duplicates four bills introduced this session: HB 621, HB 624, HB 907 and SB 9.

OTHER SUBSTANTIVE ISSUES

According to Quality New Mexico, the organization began in 1993 as a result of efforts by Senator Pete Domenici, Senator Jeff Bingaman, former Governor Bruce King and Sandia National Laboratories. Quality New Mexico is the official administrator of the New Mexico Quality Awards, initiated by Executive Order 95-16, which are patterned after the Malcolm Baldrige national quality awards.

A number of state government agencies, including DOH and the State Highway and Transportation Department, are members of Quality New Mexico and participate in the awards program. DOH notes that it has already received three Quality awards.

POSSIBLE QUESTION

Does the appropriation contained in this bill violate the anti-donation clause of the New Mexico constitution?

LP/prr/njw