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## FISCAL IMPACT REPORT

SPONSOR Stapleton DATE TYPED 02/20/05 HB 693

SHORT TITLE School District Additions to Other Districts SB \_\_\_\_\_

ANALYST Williams

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
			(\$500.0)	Recurring	General Fund in FY07*

(Parenthesis ( ) Indicate Expenditure Decreases)

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
		\$770.0	Recurring	Other State Funds *

(Parenthesis ( ) Indicate Revenue Decreases)

\* Potential impact depends on timing and outcome of potential election.

Duplicate of Senate Bill 308  
Relates to General Appropriation Act

### SOURCES OF INFORMATION

LFC Files  
Albuquerque Technical Vocational Institute  
Public Education Department (PED)  
Commission on Higher Education (CHE)

### SUMMARY

#### Synopsis of Bill

House Bill 693 authorizes procedures for adding portions of school districts to existing technical and vocational institute districts. The bill expands language to specify qualified voters in a school district or a portion of a school district might petition to be added to the vocational institute district; the petition must be signed by ten percent of the votes cast for governor in a given

school district or portion of a school district. If the vocational institute district includes less than a complete school district, an election within the institute district **and** in the portion of the school district not included in the institute district may determine the addition of the excluded portion of the school district to the established post-secondary institute district.

The bill provides procedures for this election. If the measure passes, then the institute district would be expanded to include all of the impacted school district.

The bill also includes technical cleanup language.

### Significant Issues

The bill applies only to Albuquerque Technical Vocational Institute (TVI) as the only public, post-secondary institute organized under 21-16-14 NMSA 1978. As well, TVI is the only two-year post-secondary institute which currently contains a portion of a school district. If all qualifying criteria are met, a potential election as authorized in this bill would decide whether the portion of the Rio Rancho Public Schools District not currently within the TVI district would be annexed to the TVI district.

PED notes “Intricate involvement in elections is not a typical duty of the PED or the Secretary of Education and it raises serious questions whether there is sufficient expertise or any expertise within the PED to manage such elections.”

### **FISCAL IMPLICATIONS**

The bill does not include an appropriation. Albuquerque TVI notes if annexation is approved, property tax revenues received by TVI would increase by an estimated \$770 thousand per year. Because the instruction and general component of the higher education funding formula considers mill levy revenues when calculating the general fund cost of workload, successful passage of a measure for annexation is estimated to reduce the general fund appropriation to TVI by approximately \$500 thousand per year. The timing of this fiscal impact would probably be FY07. This analysis assumes all other variables held constant.

### **ADMINISTRATIVE IMPLICATIONS**

The PED notes “the County Clerk’s office for Bernalillo County indicated that Chapter 1, Article 22 of the School Election Law (Sections 1-22-1 through 1-22-19) specifies that the cost of conducting such election to expand an educational institution’s boundary would be paid by the school district. Furthermore, the Clerk’s office indicated that the vocational technical institute would bear the majority of costs associated with such an election, and the area proposed to be included in the boundary would bear a lesser amount. The Clerk’s office estimated that a total cost of \$185,000 to \$200,000 would be imposed to conduct such an election.”

### **OTHER SUBSTANTIVE ISSUES**

Currently, Albuquerque TVI’s northern boundary bisects the City of Rio Rancho—the result of TVI’s boundaries being designated in 1963 by the State Legislature and approved by voters in 1964 to mirror those of the then-existing Albuquerque Public Schools District. In 1993, Rio

Rancho established its own school district, which changed the APS boundaries but not those of TVI. Rio Rancho property owners who live inside the TVI District pay TVI taxes while Rio Rancho property owners living outside the TVI District do not.

Albuquerque TVI notes its commitment to establish a permanent campus in the City of Rio Rancho if voters approve inclusion of the entire Rio Ranch Public Schools District in the TVI District.

AW/yr