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## FISCAL IMPACT REPORT

SPONSOR Miera DATE TYPED 3-4-05 HB 1083

SHORT TITLE Capital Outlay Use of Local and Federal Revenue SB \_\_\_\_\_

ANALYST Segura

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Public Education Department (PED)

### SUMMARY

#### Synopsis of Bill

House Bill 1083 amends Section 22-8-25 NMSA 1978 to remove the requirement that a portion of local and federal revenue be used for capital outlay.

#### Significant Issues

According to PED, the statutory requirement for districts to designate 20% of these funds for capital outlay purposes is assisting the state in its efforts to ensure that all schools meet the minimum levels of adequacy.

Currently, schools have great needs and limited resources. A reduction in available funding for capital outlay projects will increase the time frame for all school buildings to meet established minimum adequacy standards.

**FISCAL IMPLICATIONS**

House Bill 1083 does not contain an appropriation. PED indicates that over the last four years, statewide, approximately \$1,984.0 has been budgeted for capital outlay from the .5 mill operational levy, \$12,644.0 from Impact Aid funds and \$119.0 from the Forest Reserve. This accounts for approximately \$14.7 million statewide that schools use for capital purposes.

**ALTERNATIVES**

PED indicates that school districts can continue to use SB-9 funds, HB-33 funds, Educational Technology Funds, Local General Obligation Bonds and direct appropriations to pay for capital outlay needs. However districts may already have other plans for these funds.

**POSSIBLE QUESTIONS**

**How will the enactment of House Bill 1083 impact the maintenance requirements in school districts?**

**Will the enactment of House Bill 1083 make school districts more reliant on the Public School Capital Outlay Council for capital outlay?**

**RS/yr**