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FISCAL IMPACT REPORT

SPONSOR Picraux ORIGINAL DATE 2-3-2007
LAST UPDATED _____ HB 382
SHORT TITLE Expand Public Library Collections SB _____
ANALYST Dearing

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$1,250.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 99, SB116

SOURCES OF INFORMATION

LFC Files

Responses Received From

Cultural Affairs Department (CAD)

SUMMARY

Synopsis of Bill

House Bill 382 appropriates \$1.25 million from the general fund to department of Cultural Affairs for grants-in-aid to the public libraries program in order to expand collections of books, electronic databases and other library materials.

FISCAL IMPLICATIONS

The appropriation of \$1.25 million contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY08 shall revert to the General Fund.

SIGNIFICANT ISSUES

House Bill 382 increases funding for the State Aid to Public Libraries program. The program issues annual grants through the State Library. Funding provides additional funds to public and

tribal libraries for a variety of purposes including: acquisition of library materials, staff training, library equipment, technology, and operational expenses associated with the delivery of services

Funding for the State Aid to Public Libraries Program has decreased over the last two years from \$350,000 to \$273,000. During the previous ten years this funding was stable at \$350,000. The reduction, coupled with a flat budget, has not allowed for inflation's impact for more than ten years. Purchasing power for New Mexico public and tribal libraries has been reduced.

The State Library states the budget for State Aid to Public Libraries was reduced when significant increases in insurance and workers compensation costs were absorbed within the State Library's budget. Proportionate reductions occurred in the State Library's book budget and the State Aid Program.

The FY08 LFC recommendation for this program fully funded the agency's base general fund request of \$3.85 million, however, the Cultural Affairs department's Library program FY08 budget request showed a substantial \$246 thousand net reduction over FY07 budgeted federal funds.

The Library program's sole recurring expansion item sought-after at the time of their September 1st budget submission was \$217 thousand for a bookmobile for their rural services program. This item was considered more appropriately funded through capital sources. It is not clear why general fund base appropriations were not requested in September to repair prior reductions in the State Grants-in-Aid program to historic levels.

House Bill 382 would restore purchasing power lost over the last ten years through inflationary factors and other budgetary priorities and necessities.

PERFORMANCE IMPLICATIONS

Public Libraries that receive funds must comply with the provisions of NM Administrative Code 4.5.2. Appropriations from enactment assists low income and underserved populations in rural areas.

ADMINISTRATIVE IMPLICATIONS

This request complies with the intention of the NM Administrative Code 4.5.2. The State Library does not anticipate additional administrative services with this appropriation.

RELATIONSHIP

House Bill 382 relates to House Bill 99. House Bill 99 appropriates \$1.33 million to tribal libraries for salary and operational support. Senate Bill 116 appropriates \$300 for the grants-in-aid program for library services in Rio Arriba County.

PD/nt