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FISCAL IMPACT REPORT

ORIGINAL DATE 2-25-2007

SPONSOR Arnold-Jones LAST UPDATED 3-08-2007 HB 655/aHAFC

SHORT TITLE Rural Library Development Act SB _____

ANALYST Dearing

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
\$2,000.0		Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total	\$2,000.0	\$2,000.0	\$2,000.0	\$6,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Cultural Affairs Department (CAD)

Public Education Department (PED)

SUMMARY

Synopsis of HAFC Amendment

The House Appropriations and Finance Committee amends House Bill 655 such that;

1. On page 1, lines 12 and 13, strike “; MAKING AN APPROPRIATION”.
2. On page 1, line 23, after “village”, insert “, tribes, Indian nations, pueblos”.
3. On page 3, line 13, strike “appropriated to the division” and insert in lieu thereof “subject to

appropriation by the legislature”.

4. On pages 3 and 4, strike Section 5 in its entirety.

The House Appropriations and Finance Committee amendments make minor changes to the proposed legislation, removing the appropriation of \$2 million and a reference in the short title to that appropriation. The amendment restores the legislative prerogative to appropriate funds to this program. The amendment expands the definition of rural library to include those located in Native American tribe, pueblo and nation locations.

Synopsis of Original Bill

House Bill 655 appropriates \$2 million from the general fund to Cultural Affairs department for expenditure in FY07 and subsequent years to carry out the provisions of the Rural Library Development Act. House Bill 655 enacts the Rural Library Development Act, and creates the non-reverting Rural Library Development fund.

FISCAL IMPLICATIONS

The appropriation of \$2 million contained in House Bill 655 is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY07 and subsequent years shall not revert to the General Fund.

This bill creates a new fund and provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds, as earmarking reduces the ability of the legislature to establish spending priorities.

SIGNIFICANT ISSUES

Under enactment of this act, the State Library division of the Department of Cultural Affairs, would establish a rural library development fund to provide grants-in-aid to existing rural libraries for collections and services, provide resources to plan and establish new rural libraries, and improve access to library materials and technology for rural citizens. Provisions of House Bill 655 would assist the connection of rural libraries to communications networks such as wire New Mexico and the national LambdaRail, provide professional development to library staff, and provide support for rural libraries to participate in the New Mexico group catalog and the New Mexico library portal, a statewide resource-sharing network.

This initiative could allow counties and municipalities to apply for grants-in-aid for the foregoing purposes and to supplement salaries not to exceed 40 percent of compensation for a period not to exceed three years. The bill requires the State Library to establish rules for the application and grant distribution process, with priority given to rural libraries.

This bill offers support for New Mexico’s rural libraries to participate in statewide resource-sharing and information delivery, especially with its provisions for support for connectivity to the “national LambdaRail” and participation by these libraries in the New Mexico “group catalog resource-sharing network.”

ADMINISTRATIVE IMPLICATIONS

The State Library states that it presently does not have the staff resources needed to administer this proposed fund; the department requests that a five percent allowance for administrative costs provision of the bill be allowed.

COMPANIONSHIP

House Bill 655 relates to SB 116, HB 99, and HB 382

PD/mt:csd