

A MEMORIAL

REQUESTING THE LEGISLATIVE FINANCE COMMITTEE TO STUDY WAYS IN WHICH THE STATE CAN ASSIST NONPROFIT ORGANIZATIONS WITHIN THE CONSTRAINTS IMPOSED BY THE ANTI-DONATION CLAUSE OF THE CONSTITUTION OF NEW MEXICO.

WHEREAS, nonprofit organizations exist solely to provide programs and services that are of public benefit; and

WHEREAS, those programs and services are not generally provided by local, state, federal or tribal entities; and

WHEREAS, state, local and tribal governments are often beneficiaries of the work of nonprofit organizations, as the services and programs they provide meet or address constituent needs that the governments are unable or unwilling to meet; and

WHEREAS, nonprofit organizations are charitable organizations that, by law, may not make a profit and that must retain any surplus earnings for future provision of programs and services; and

WHEREAS, the ability to build capacity is an ongoing problem for most nonprofit entities that must rely on charitable donations, grants, government funds and direct donations to hire and retain staff, sustain facilities or create programs; and

WHEREAS, state, local and tribal governments frequently

find themselves in partnership relationships with nonprofit organizations to provide the necessary services and programs identified as serving the public good and improving the lives and well-being of New Mexicans; and

WHEREAS, those partnerships are dependent on an indirect appropriation of government funds to nonprofit organizations due to the constitutional provision that prohibits the direct contribution of state, local or tribal government funds to private entities; and

WHEREAS, nonprofit organizations cannot rely on these partnerships for more than the current year in which the funding is received and must compete to receive the funds with other organizations that may provide similar programs or services; and

WHEREAS, the unreliability of government funding can have the unintended consequence of limiting the commitment a nonprofit organization makes to the program or service that government would like to fund; and

WHEREAS, it is to the benefit of the state that nonprofit organizations that provide essential programs and services be supported in their ability to sustain and further grow these services and programs;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE STATE OF NEW MEXICO that the legislative finance committee be requested to study ways in

which, within the constraints imposed by Article 9, Section 14 of the constitution of New Mexico, the state might be able to financially assist nonprofit entities in their efforts to improve the lives and well-being of New Mexicans; and

BE IT FURTHER RESOLVED that the legislative finance committee report its findings and recommendations to the appropriate interim legislative committees and send an executive summary to each legislator by October 1, 2009; and

BE IT FURTHER RESOLVED that copies of this memorial be transmitted to the chair and vice chair of the legislative finance committee, the director of the legislative finance committee and the co-chairs of the New Mexico legislative council.