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FISCAL IMPACT REPORT

SPONSOR Hall ORIGINAL DATE 02/15/11
LAST UPDATED _____ HB 277
SHORT TITLE School Board Campaign Reporting Act SB _____
ANALYST Haug

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total	\$30.0	\$1.0	\$1.0	\$32.0	See Narrative	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)
Secretary of State (SOS)

SUMMARY

Synopsis of Bill

House Bill 277 would create a Campaign Reporting Act for school board election candidates. It defines a candidate as an individual who seeks or considers an office in a school board election covered by the Act and who filed a declaration of candidacy or received contributions or made expenditures in excess of two-hundred dollars (\$200).

It requires the submission of electronic campaign reports by these candidates four (4) times a year from December to March. The contents of these reports would be identical to what is required of reports under the Campaign Reporting Act. The fines would be equal as well with the exception that any funds collected as a result of late penalties would be deposited into the general fund for credit to the current school fund (N.M. Constitution, Art. 12, § 4). The effective date of this legislation would be July 1, 2011.

FISCAL IMPLICATIONS

House Bill 277 contains no appropriation. The SOS reports that an enhancement to the Campaign Finance Information System (CFIS) to comply with this measure would be necessary and would cost an estimated thirty thousand dollars (\$30,000) based on current estimates for system enhancements from the contractor, Real Time Sites. The Secretary of State's office does not currently have sufficient funds in its budget to implement this legislation. This bill would

also require an estimated one thousand dollars (\$1,000) in annual recurring expenditures. The SOS estimate is used in the table above. Non-recurring system enhancement costs are shown in the current fiscal year based on the effective date of the bill and the SOS statement below regarding having the system available for the election cycle in 2011.

SIGNIFICANT ISSUES

The SOS notes that the bill would add approximately 800 candidates to the reporting system in odd years for the 89 existing school districts. The required enhancements to the CFIS system necessary for this legislation may not be able to be completed by August 1, 2011 based on current discussions with the contractor, Real Time Sites.

The SOS states further that The Ethics Division of the Office of Secretary of State would be tasked with the oversight and education relevant to this legislation.

The PED states the act would not apply to governing bodies of charter schools since they are not elected officials and are not candidates for office. There are currently 84 charter schools in New Mexico each with a governing body of at least 5 members.

The PED observes that HB 277 would make the school board election process more transparent and accountable to the electorate.

TECHNICAL ISSUES

According to the PED:

The portion of the definition of “candidate” on page 2, lines 9 and 10 addressing contributions *of \$200 or more* is inconsistent with the bill’s reporting provision on page 3, lines 9 and 10 requiring reporting of contributions *of more than \$200*.

Section 3 of the bill is not clear whether the “campaign report” described in Subsection B which requires periodic updates is a supplement to or a new report required by Subsection A. Clearly it updates the initial report but it is unclear if the update is essentially a re-filing of the initial report or actually a different, updating report. Also not clear is if the update requires an electronic signature.

GH/bym