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FISCAL IMPACT REPORT

SPONSOR HBEC ORIGINAL DATE 2/13/15
LAST UPDATED _____ HB 23/HBECs
SHORT TITLE Nonprofit & Public Sector Collaboration Group SB _____
ANALYST Chabot

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
\$250.0		Nonrecurring	Legislative Cash Balances

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses on previous version received from

Attorney General's Office (AGO)

Department of Cultural Affairs (DCA)

Department of Finance and Administration (DFA)

Responses not received from

General Services Department

SUMMARY

Synopsis of Bill

House Bill 23 appropriates \$250 thousand to the Legislative Council Service from Legislative Cash Balances for the purpose of paying expenses related to the interim Legislative Nonprofit and Public Sector Collaboration Work Group. The appropriation is for the remainder of FY15 and FY16. The bill has an emergency clause.

FISCAL IMPLICATIONS

The appropriation of \$250 thousand contained in this bill is a nonrecurring expense to Legislative cash balances. Any unexpended or unencumbered balance remaining at the end of FY16 shall revert to Legislative cash balances.

SIGNIFICANT ISSUES

Many services are provided by contracts with nonprofit organizations particularly in the areas of health, human services, arts and culture, and the environment in both urban and rural areas. The Legislature finds a workgroup should be convened to study how the state and local governments can collaborate most effectively and efficiency with nonprofit organizations.

The bill creates an interim Legislative workgroup from the date of its appointment until December 1, 2016. The workgroup consists of 15 voting members as follows:

1. Four members from the House and four members from the Senate proportionately representing the political party make up of each house;
2. Three members with professional expertise relevant to the workgroup appointed by the New Mexico Legislative Council—one from the labor community and two members representing interests affected by business conducted with the state through nonprofit organizations;
3. The director or designated representative of the purchasing division of the General Services Department;
4. The Chief of the Contracts Review Bureau of the Financial Control Division of DFA;
5. A representative from the Attorney General's Office appointed by the Attorney General; and
6. One member appointed by the governor.

The workgroup will develop a workplan and budget and study to ways in which contracts, contracting processes, capacity to meet state programmatic needs and methods to build capacity and relationships between the state and nonprofit organizations can be improved to maximize the benefits to both the state and nonprofit organizations. A report of findings and recommendations will be submitted to the Legislative Health and Human Services Committee, the Economic and Rural Development Committee and any other appropriate interim Legislative committee by November 1, 2015. Staffing for the workgroup will be provided by the Legislative Council Service.

DCA states “divisions work quite successfully with nonprofits across New Mexico—New Mexico Arts, for example, through a long-standing grant program, funds about 180 nonprofit arts services organizations each year...” It “has not been apprised as to the need for a study regarding how the state works with non-profits.” DCA also comments about the importance of non-profits in rural areas as a major provider of arts education in schools.

DFA expresses “the bill as written would offer a lack of representation from the actual state agencies that use non-profits which could fail to inform a complete picture for the committee to understand and address.”

AGO expresses no criteria is identified for the three non-governmental professionals other than their expertise be relevant to the work of the group nor is there criteria for the two members representing interests affected by business conducted through non-profits organizations.