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**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

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and

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{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Click all that apply:

Original Amendment
Correction Substitute

Date 2024-01-30

Bill No: SB245

Sponsor: Tallman, Bill
Short PUBLIC WORKS INTERIM
Title: COMMITTEE

Agency Name
and Code NMHED
Number: _____

Person Writing Brown, Joe
Phone: 5056293051 Email Joe.Brown@hed.nm.g

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
N/A	\$210.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		

N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	N/A	N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act:

SECTION III: NARRATIVE

BILL SUMMARY

SB245 creates a Joint Interim Public Works Committee for the purpose of annually hearing and reviewing state-funded capital outlay projects, including the status of already funded capital projects, and making an appropriation.

Section one establishes a new section of Chapter 2 NMSA 1978 that creates the Joint Interim Legislative Public Works Committee, establishes membership, and outlines staffing. This committee consists of politically proportional representation with five members of the House appointed by the Speaker and with five members of the Senate appointed by the Senate Committees' Committee. The President Pro Tempore may appoint the five Senate members with the consent of the majority of the Senate Committees' Committee during the interim. Three members of the Senate shall be appointed from the majority party and two from the minority party.

Every two years, the committee appoints five public members who have expertise in the fields of architecture, engineering, commercial construction, or public finance to serve as members of the Public Works Committee, provided that no more than three are from the same political party. The committee is staffed by the Legislative Council Service and the Legislative Finance Committee. The committee may request assistance from state agencies, public postsecondary educational institutions, political subdivisions of the state, and other experts. The committee will

submit a final report at the end of each interim that includes findings and recommendations on proposed capital projects to the Legislature.

Section two establishes additional powers and duties, including capital project review and reporting. The committee will consult and coordinate with state agencies charged with capital planning for the state, hold hearings during the interim to receive testimony on proposed and existing capital projects, evaluate proposed capital projects using a set of criteria developed and published by the committee for ranking and prioritizing projects, monitor capital project balances and track timely drawdowns and reversions, and develop a list of prior authorized capital projects.

Section three provides an appropriation of two hundred ten thousand dollars (\$210,000) from the General Fund to the Legislative Council Service for expenditure in FY25 to pay costs associated with two additional full-time research staff positions in the Capital Outlay Office and to pay other expenses associated with the Public Works Committee. Any unexpended or unencumbered balance remaining at the end of FY25 reverts to the General Fund.

FISCAL IMPLICATIONS

SB245 provides an appropriation of two hundred ten thousand dollars (\$210,000) from the General Fund to the Legislative Council Service for expenditure in FY25 to pay costs associated with two additional full-time research staff positions in the Capital Outlay Office and to pay other expenses associated with the Public Works Committee. Any unexpended or unencumbered balance remaining at the end of FY25 shall revert to the General Fund.

SB245 authorizes the committee to request assistance from state agencies, public postsecondary educational institutions, political subdivisions of the state, and other experts. It is unknown if current staffing levels and expertise are sufficient to meet the necessary assistance requirements or if additional operating funds will be necessary to cover any potential increase in costs.

SIGNIFICANT ISSUES

SB245 establishes additional powers and duties, including capital project review and reporting. The Joint Interim Public Works Committee will consult and coordinate with state agencies charged with capital planning for the state, hold hearings during the interim to receive testimony on proposed and existing capital projects, evaluate proposed capital projects using a set of criteria developed and published by the committee for ranking and prioritizing projects, monitor capital project balances and track timely drawdowns and reversions, and develop a list of prior authorized capital projects.

The New Mexico Higher Education Department (NMHED) has statutory authority, as listed in Section 21-1-21 NMSA 1978, Section 21-1-26A NMSA 1978, Sections 21-2A-1 et seq. NMSA 1978, Section 9-25-13 NMSA 1978, and Section 9-25-8 NMSA 1978 as it relates to the approval of programs, budgets, all building construction, major remodeling projects, and purchases of real property as well as capital funding recommendations for all public postsecondary institutions in New Mexico.

NMHED, along with the New Mexico Department of Finance and Administration (NMDFA), requires all public postsecondary higher education institutions (HEIs) in New Mexico to submit their capital project funding requests along with the update to the statewide Infrastructure Capital Improvement Plan by June 1 of each year. All HEIs present their top three to four priority projects at the NMHED capital outlay hearings which are held in late July and early August of each year. NMHED prioritizes the projects and submits a funding recommendation to NMDFA by October 15 of each year.

The creation of a Public Works Committee, as defined within SB245, does not allow for representation from NMHED in the development of the criteria. The criteria already developed in NMAC 5.3.9.8 is specific to HEIs as it relates to educational settings, enrollment growth, instructional space, libraries, administration, and research.

PERFORMANCE IMPLICATIONS

N/A

ADMINISTRATIVE IMPLICATIONS

SB245 authorizes the Joint Interim Public Works Committee to request assistance from state agencies, public postsecondary educational institutions, political subdivisions of the state, and other experts. It is unknown if current staffing levels and expertise are sufficient to meet the necessary assistance requirements or if additional operating funds will be necessary to cover any potential increase in costs.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If SB245 is not enacted, then a Joint Interim Public Works Committee will not be created, and there will not be an appropriation of two hundred ten thousand dollars (\$210,000) from the General Fund to the Legislative Council Service for expenditure in FY25.

AMENDMENTS

N/A