

LFC Requester: _____

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov
(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

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

Date Prepared: 2//2025 *Check all that apply:*
Bill Number: SB209 Original Correction
 Amendment Substitute

Sponsor: Campos **Agency Name and Code:** Department of Cultural Affairs--505
Short Title: Rural Libraries Endowment Fund **Person Writing:** Eli Guinee
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
N/A	29,500	Nonrecurring	GF

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
N/A	N/A	N/A	N/A	N/A

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	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

Synopsis: SB209 will appropriate \$29.5 million from the general fund to the Rural Libraries Endowment Fund. This is a one-time non-reverting appropriation in FY26

FISCAL IMPLICATIONS

The Rural Libraries Endowment has a current principal of \$30.5 million. This appropriation will increase the fund to \$60 million. The enabling legislation for the Rural Libraries Endowment Fund specifies that up to 5% of each year's gross disbursements, subject to the investment returns, will accrue to the Department of Cultural Affairs for grants to Rural Libraries and the delivery of specialized services to rural libraries. With the current amount, the maximum annual disbursement to the Department of Cultural Affairs to be used for the purpose of the fund would be approximately \$1.5 million, or \$25,000 per eligible library. With the addition of \$29.5 million, the maximum disbursement would be approximately \$3 million per year when income and gains meet or exceed 5% of the market value of the fund, resulting in approximately \$49,000 to each eligible library. All projected distributions are subject to fluctuations in the investment returns of the permanent fund.

Unexpended or unencumbered funds from this amount shall not revert to the general fund.

SIGNIFICANT ISSUES

None identified.

PERFORMANCE IMPLICATIONS

None identified.

ADMINISTRATIVE IMPLICATIONS

None identified.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

The Department of Cultural Affairs made a FY26 budget request for a nonrecurring special appropriation to the fund. The LFC recommendation for the fund is \$0; the Executive recommendation is \$10 million.

TECHNICAL ISSUES

None identified.

OTHER SUBSTANTIVE ISSUES

The fund was created to distribute grants to libraries in communities with populations 3,000 or fewer, or non-profit libraries in unincorporated areas of New Mexico, is managed by the State Investment Council (SIC), and then distributed to the Department of Cultural Affairs (DCA) to award grants to individual libraries. Currently, 58 public and tribal libraries are eligible to receive disbursements from the fund. The fund also provides grant funds to communities wishing to establish a library.

DCA allocates 5% of program funds to rural services, and 95% to libraries as grants based on an amount determined by the State Library criteria for establishing grants, and the rest equally divided between eligible libraries. The FY25 distribution of \$891,103 has been made to 58 libraries, \$15,364 per library.

ALTERNATIVES

None identified.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

New Mexico's rural libraries will have fewer resources to support rural communities, and fewer funds will be available to support the establishment of new libraries.

AMENDMENTS

None identified.