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FISCAL IMPACT REPORT

ORIGINAL DATE 2/1/2006

SPONSOR Youngberg LAST UPDATED _____ HB 663

SHORT TITLE Fine Arts in Public Schools Program SB _____

ANALYST McOlash

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$2,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

Department of Finance and Administration/State Budget Division (SBD)

SUMMARY

Synopsis of Bill

House Bill 663 appropriates \$2,000,000 from the General Fund to the PED for expenditure in FY 2007 to support fine arts programs in the public schools...

FISCAL IMPLICATIONS

The appropriation of \$2,000,000 contained in this bill is a recurring expense to the General Fund even though the FY 2007 appropriation reverts. It is unlikely that \$2,000,000 would or could be a single-year appropriation in support of fine arts programs, only to disappear in FY 2008. .

Any unexpended or unencumbered balance remaining at the end of FY 2007 shall revert to the General Fund.

SIGNIFICANT ISSUES

House Bill 663 appropriates funds “to support fine arts programs” with no direction to PED in how the funds might be distributed. Absent directions to do so, it is assumed that the distribution would not be through the Public School Funding Formula (PSFF). The PED analysis recommends a Request for Proposal (RFP) process with contract oversight, monitoring of approvals and implementation requiring 200 hours of staff time per year as follows: Education Administrator-A at \$25.495 per hour plus benefits (30%) for 140 hours and Office & Administrative Support-A at \$13.605 per hour plus benefits (30%) for 60 hours at total a cost of \$5.7.

In FY 2004, the state amended the PSFF to include funding for elementary fine arts education as a separate category to be incrementally phased-in over a three-year period. The funding is based upon the number of students in PED approved elementary school fine arts programs. The state appropriated \$4.0 million in FY 2004, \$4.0 million in FY 2005, and \$6.0 million in FY 2006. Once appropriated, these funds remain in the base funding for future years. The Legislative Finance Committee and the Executive have recommended \$4.8 million additional for FY 2007, distributed through the PSFF.

Neither the LFC nor the Executive recommended this additional, non-formula appropriation.

DUPLICATION/COMPANION

The bill fails to specify if this appropriation is for the same activities included in the PSFF (Duplication) or for additional activities (Companion).

TECHNICAL ISSUES

Amend the bill as to specific purpose, so that PED could set up the desired program to be funded outside the PSFF.

OTHER SUBSTANTIVE ISSUES

Educational programs based upon learning through the arts and cultures promote:

- Creative, engaged, skilled and confident students for New Mexico
 - Family and community involvement
 - Cultural and traditional celebrations, appreciation and connections
 - Celebration and development of artistic skills and knowledge
 - Support to New Mexico’s new elementary arts education programs
 - Improved school performance, cultural preservation and rejuvenation and job training
- (The President’s Committee on the Arts and the Humanities, U.S. Department of Education, 2006).

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Funding for fine arts programs will continue through the funding formula as approved by the Legislature in FY 2004.