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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/17/2007  
 LAST UPDATED 2/20/2007    HB \_\_\_\_\_

SPONSOR    SEC \_\_\_\_\_

SHORT TITLE    Educational Technology Deficiency Correction    SB 78/SECS

ANALYST    Aguilar

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
\$59,000.0		Recurring	Computer Systems Enhancement Fund
\$2,650.0		Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates HB 62.  
 Relates to HB 584 and SB 561  
 Relates to appropriations in the General Appropriation Act

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY07	FY08	FY09		
\$27,000.0			Recurring	Educational Technology Deficiency Correction Fund

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
 Office of Educational Accountability (OEA)  
 Department of Public Education (DFA)

## **SUMMARY**

### Synopsis of Bill

The Senate Education Committee Substitute for Senate Bill 78 makes appropriations from the Computer systems Enhancement Fund to correct educational technology deficiencies and to replace obsolete computers and network devices in public schools.

The Senate Education Committee Substitute for Senate Bill 78 makes appropriations from the General Fund to support a sustainable statewide support system for distance learning.

## **FISCAL IMPLICATIONS**

The Senate Education Committee Substitute for Senate Bill 78 appropriates \$27 million from the computer systems enhancement fund to the educational technology deficiency correction fund for the purpose of correcting serious deficiencies in educational technology infrastructure. Funds remaining at the end of a fiscal year do not revert.

The Senate Education Committee Substitute for Senate Bill 78 appropriates \$24 million from the computer systems enhancement fund to the Public Education Department for the purpose of making distributions to school districts to replace functionally obsolete computers and network devices. Funds remaining at the end of fiscal year 2008 shall revert to the computer systems enhancement fund.

The Senate Education Committee Substitute for Senate Bill 78 appropriates \$8.5 million from the computer systems enhancement fund to the Public Education Department for the purpose of funding infrastructure for a sustainable statewide support system for distance learning. Funds remaining at the end of fiscal year 2008 shall revert to the computer systems enhancement fund.

The Senate Education Committee Substitute for Senate Bill 78 appropriates \$1.45 million from the general fund to the Higher Education Department for program administration, information technology services and maintenance costs. Funds remaining at the end of fiscal year 2008 shall revert to the general fund.

The Senate Education Committee Substitute for Senate Bill 78 appropriates \$630 thousand from the general fund to the Public Education Department for initial program costs for the statewide cyber academy, \$120 thousand for distribution to REC's three, eight and nine for a distance learning network, \$50 thousand for the Rio Rancho Cyber Academy and \$400 thousand for distribution to school districts to support distance learning. Funds remaining at the end of fiscal year 2008 shall revert to the general fund.

This bill provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions, as earmarking reduces the ability of the legislature to establish spending priorities. Funds remaining at the end of fiscal year 2008 shall revert to the general fund.

**SIGNIFICANT ISSUES**

The Computer Systems Enhancement Fund only receives sufficient appropriations to fund approved projects. At present, the General Appropriations Act include \$7.4 million for the IDEAL system which is included as subsection 3 on page 2, line 14 of the committee substitute.

Most recent estimates of ongoing costs of the activities included in the bill are available in testimony provided by PED and CTE to the LESC last year in support of similar bills: \$94.3 million to correct deficiencies in educational infrastructure in public schools statewide and \$24.2 million to replace obsolete computers and network devices statewide over a five-year period based on a ratio of three students to one computer. This estimate, according to the LESC, “was based on a survey conducted by CTE and sent to school districts who self-reported their costs in meeting the minimum educational technology standards.”

**TECHNICAL SSUES**

DFA notes that either SEC C/S SB-209 or HEC C/S HB-201 would need to be enacted in order to establish the statewide cyber academy and education technology program for which SEC C/S 78 provides funds.

PA/csd