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FISCAL IMPACT REPORT

ORIGINAL DATE 02/12/11

SPONSOR Roch LAST UPDATED _____ HJM 18

SHORT TITLE LESC Emergency Fund Distribution Work Group SB _____

ANALYST Haug

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		NFI	NFI			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

SUMMARY

Synopsis of Bill

House Joint Memorial 18 requests that the Legislative Education Study Committee (LESC) create a work group to study the process of funding and distributing emergency supplemental funds to school districts. The LESG would appoint a work group to study the emergency supplemental process.

FISCAL IMPLICATIONS

The PED reports that House Joint Memorial 18 has no fiscal implications regarding their participation.

SIGNIFICANT ISSUES

The membership of the work group would include:

- At least two members from the house and two members from the senate who serve on the Legislative Education Study Committee.
- One superintendent from a school district that has received supplemental funds in six or more of the last 10 years.
- One superintendent from a school district that has received supplemental funds between three and six times in the last 10 years.

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- One superintendent from a school district that has not received supplemental funds in the last 10 years.
- One school business manager from a district with an enrollment of fewer than 200 students.
- One school business manager from a district with an enrollment between 200 students and 30,000 students.
- One school district business manager from a district with an enrollment greater than 30,000.
- One representative from the Public Education Department's School Budget and Finance Analysis Bureau.

The PED states:

The PED currently has a process in place to evaluate these applications. Each budget analyst within the School Budget & Finance Analysis Bureau does a mid-year financial analysis to determine the financial position of these districts. Depending on the outcome of the analyses, each budget analyst ensures the process for awarding the emergency supplemental funding is transparent.

The PED will be working internally to improve transparency, efficiency, effectiveness and accountability in the funding and distribution of emergency supplemental funds. Ultimately, the PED should implement and be held accountable for ensuring its distribution of emergency supplemental funds meets high standards.

OTHER SUBSTANTIVE ISSUES

The PED provides a brief history on emergency supplemental funding distributed by the PED:

Every year, approximately 24 districts apply for emergency supplemental. Most are small rural districts. Some districts have applied for and received emergency supplemental funds each year for the past 10 years.

In FY 2011, the following school districts submitted applications with their operating budgets, which were approved by their Local Boards:

- Chama- \$695,000
- Cimarron - \$120,000
- Corona - \$650,000
- Des Moines - \$450,000
- Elida - \$235,000
- Fort Sumner - \$250,000
- Gadsden - \$1,500,000
- Gallup - \$800,000
- Grady - \$415,000
- Hatch - \$250,000
- Hondo - \$155,000
- House - \$500,000
- Lake Arthur - \$860,000
- Logan - \$150,000

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- Maxwell - \$460,000
- Mesa Vista - \$210,000
- Mosquero - \$550,000
- Mountainair - \$200,000
- Penasco - \$150,000
- Quemado - \$150,000
- Questa - \$130,000
- Reserve - \$235,000
- Roy - \$700,000
- Silver City - \$110,000
- Springer - \$275,000
- Taos - \$350,000
- Vaughn - \$430,000
- Wagon Mound - \$680,000

GH/mew