

LFC Requester:	Sunny Liu
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**AGENCY BILL ANALYSIS
2021 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{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}

Check all that apply:
Original **Amendment**
Correction **Substitute**

Date 1/26/2021
Bill No: SB131

Sponsor: Mimi Stewart
Short DISCRETIONARY
Title: PROGRAM UNITS

Agency Name and Code PED-924
Number: _____
Person Writing John Sena
Phone: 505-570-7816 **Email** John.Sena@state.nm.us

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY21	FY22		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY21	FY22	FY23		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY21	FY22	FY23	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: Senate Bill 43
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

Senate Bill 131 (SB131) proposes changes to the Public School Capital Improvements Act (PSCIA), commonly referred to as SB-9. SB131 proposes to use final program units from the prior year and exclude discretionary program units for calculating the SB-9 state match allocations.

Effective date of this bill is July 1, 2021.

FISCAL IMPLICATIONS

Calculating the SB-9 state match allocations requires the use of program units. SB131 is proposing to exclude the program units generated from fine arts, elementary physical education, bilingual multicultural education, extended learning and K-5 plus when calculating the SB-9 state match allocations. Currently, SB-9 calculations do not include program units for K-5 plus or extended learning. However, the exclusion of fine arts, elementary physical education, and bilingual multicultural education program units will result in a reduction of an approximately 20,000 units statewide. Excluding these program units in the calculation will result in a reduction of approximately \$1.7 million dollars from the final SB-9 state match calculations.

SIGNIFICANT ISSUES

Current statute requires PED to use the average program units from the second and third reporting dates from the prior fiscal year. The issue with using these numbers is that these program units may be generated from projected membership. Using the final program units (from the final funded run) from the previous year will ensure that the program units are based on actual membership counts and exclude any projected membership.

ADMINISTRATIVE IMPLICATIONS

Additional PED staff hours will be required in order to create the final funded run program units without the discretionary programs as indicated in the bill.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to Senate Bill 43. Both bills affect funding from the Supplemental Severance Tax Program.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

PED, with approval from the Public School Capital Outlay Council will have to continue to calculate the SB-9 state match allocations using the preliminary funded run which may include

program units from projected membership versus actual membership and may be perceived as an inaccurate method to make final allocations for this program.