

Opinion No. 65-239

December 15, 1965

BY: OPINION OF BOSTON E. WITT, Attorney General Oliver E. Payne, Deputy Attorney General

TO: Mr. Harry Wugalter, Chief, Public School Finance Division, Department of Finance and Administration, State Capitol Building, Santa Fe, New Mexico

QUESTION

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1. Is Section 11-2-3.2, N.M.S.A., 1953 Compilation (P.S.) applicable to public school districts?
2. If so, should public school districts charge such expenditures, as approved by the Department of Finance and Administration and the State Board of Finance, to the current fiscal year's budget or to the fiscal year in which the obligation was incurred?

CONCLUSIONS

1. Yes.
2. Current fiscal year.

OPINION

{*391} ANALYSIS

Section 11-2-3.2, N.M.S.A., 1953 Compilation (P.S. provides as follows:

"General fund appropriations made for a specific fiscal year may not be used for paying obligations of any prior fiscal year except upon approval of the department of finance and administration and the state board of finance, provided, however, that as a condition to such approval, the department of finance shall certify that there existed in the affected agency's budget at the end of the fiscal year sufficient funds to pay the obligation had the bill been presented prior to the end of that fiscal year." (Emphasis added).

School district funds are funds appropriated by the General Appropriation Act. Laws 1965, Chapter 313, Section 10. The mere fact that the total appropriation is made in a lump sum to the school equalization fund for distribution to the school districts in accordance with a formula does not change the status of these funds as "general fund appropriations." Accordingly the answer to your first question is in the affirmative.

Section 11-2-3.2, supra, does not specifically state whether such expenditures are to be charged to the current fiscal year's budget or to the budget for the fiscal year in which the obligations were incurred. However, all state agencies which voucher through the Department of Finance and Administration charge the expenditures to the current fiscal year's budget -- and this is true whether the particular agency's funds revert or not.

We see no reason why school districts should be required, under the same statute, to use a different procedure. It would seem to us that charging the expenditures to the current fiscal year budget facilitates the reconciliation of cash balances with budgeted expenditures.