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FISCAL IMPACT REPORT

ORIGINAL DATE 02/06/13

SPONSOR Madalena LAST UPDATED 02/27/13 HB 218

SHORT TITLE NMSU Indian Resources Development Program SB _____

ANALYST Roberts

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	\$172.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Appropriation in the General Appropriation Act: NMSU, Indian Resources Development Program

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)
New Mexico State University (NMSU)

SUMMARY

Synopsis of Bill

House Bill 218 (HB 218) appropriates \$172 thousand dollars from the general fund to the Board of Regents of the New Mexico State University (NMSU) for the purpose of funding the Indian Resources Development (IRD) program.

FISCAL IMPLICATIONS

For FY14, the NMSU submitted a request for \$218.0 thousand, the FY13 general fund level. House Bill 2 (HB 2) includes a general fund appropriation of \$220.6 thousand, an increase of \$2.5 thousand for increased retirement contributions. If HB 2, as passed by the House, and HB 218 are enacted, the NMSU would receive a total of \$393.2 thousand for the IRD, or a 45 percent increase.

The appropriation of \$172 thousand dollars contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2014 shall revert to the general fund.

SIGNIFICANT ISSUES

The IRD program began in 1977 when the NMSU was awarded a W. K. Kellogg Foundation grant to encourage Navajo students to pursue degrees in agriculture and business. Before the grant expired, the New Mexico state legislature approved an enacting statute (21-10-1 to 21-10-3 NMSA) that 1) continued the objectives of the grant by maintaining best practices; 2) expanded the scope of participants (to include all tribes) and disciplines (to include engineering, sciences, natural resources, economic development); and 3) provided an annual budget. Flexible and innovative, the IRD is a unique program that utilizes both internal and external objectives to achieve its goals. The IRD has both institutional objectives within the NMSU system and community outreach objectives.

The state appropriation for the IRD was once \$400.0 thousand in FY08. Current funding for FY13 for the IRD program is at 54 percent of the funding average over the last five fiscal cycles. Joe L. Graham, Director, presented information to the Indian Affairs Committee on November 27, 2012 and he pointed out that, due to reduced funding, the IRD had lost the highly successful DreamMakers Summer program, along with its longitudinal study.

The NMSU reports that the IRD program is now in its 35th year at the University and that the program continues to reach out to tribal people and tribal-serving entities.

The IRD program at the NMSU has a statutory purpose (Chapter 21-10-1 to Chapter 21-10-3 NMSA 1978) to provide funds in order that agricultural and engineering education and work experience opportunities may be provided to Indian students to help prepare them for agricultural sciences, engineering sciences and management positions in irrigation projects and energy resources development to the end that the economic growth and public welfare of New Mexico will be promoted.

PERFORMANCE IMPLICATIONS

The IRD reports annual performance measures to the HED. The program has not met annual targets due to reduced funding.

ADMINISTRATIVE IMPLICATIONS

The Board of Regents of the NMSU would be responsible for administering the funds to the IRD program.

MR/svb