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FISCAL IMPACT REPORT

ORIGINAL DATE 1/28/19
 LAST UPDATED 3/14/19

SPONSOR Bandy/Sanchez HB 315/aHAFC/aSCONC

SHORT TITLE NM Agricultural Workforce Development Pgm Act SB _____

ANALYST Fischer

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$30.0	\$30.0	\$60.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

U.S. Department of Agriculture

Responses Received From

New Mexico Department of Agriculture (NMDA)

New Mexico Livestock Board (NMLB)

SUMMARY

Synopsis of SCONC Amendment

The Senate Conservation Committee amendment to House Bill 315 strikes the findings and purpose section, adds a definition for immediate family member, strikes the definition of a young and beginning farmer or rancher, and clarifies that NMDA shall establish policies for the agricultural workforce development program such that immediate family members of the owner of an agricultural business would not qualify as interns.

Synopsis of HAFC Amendment

The House Appropriations and Finance Committee amendment to House Bill 315 strikes the appropriation and adds a provision to pay agricultural business interns an hourly wage rate that is no less than the minimum wage rate. The amendment also requires NMDA to report annually to the appropriate interim legislative committee on the effectiveness of the program.

Synopsis of Original Bill

House Bill 315 appropriates \$250 thousand from the general fund to the Board of Regents of

New Mexico State University to the New Mexico Department of Agriculture to provide agricultural business internships and administer a new agricultural workforce development program.

FISCAL IMPLICATIONS

NMDA stated that implementation of HB 315 would require 0.5 FTE to administer, monitor, evaluate, and report outcomes as the result of the program. Analysts estimate this cost to be \$30 thousand annually.

SIGNIFICANT ISSUES

NMDA states that New Mexico's agriculture industry currently lacks a sufficiently trained and ready labor pool. In 2012, the average age of farmers and ranchers in the state was 60.5 and only 3 percent of farmers and ranchers are under the age of 35. Agriculture value-added and food-related businesses have also reported serious needs for well-trained employees.

HB315 enables NMDA to create an agricultural workforce development program to assist agricultural businesses with up to half costs of hiring interns and expand training opportunities for aspiring farmers and ranchers. Under the provisions of the HB315, an agricultural business must provide an intern with at least 130 hours of work experience over no more than one year.

Facing similar issues, the state of Colorado passed a similar bill (SB18-042) in August 2018 appropriating \$50.6 thousand and 0.3 full-time equivalent staff at the Colorado Department of Agriculture to reimburse eligible agricultural businesses up to 50 percent of the costs to employ an intern, including wages, fixed expenses, and other costs.

As HB315 has NMDA reimburse a selected, qualified agricultural business for up to half of the cost for an intern, the bill may violate the Anti-Donation Clause of the New Mexico Constitution. Article IX, Section 14 of the New Mexico Constitution, the Anti-Donation Clause, provides that: "Neither the state nor any county, school district or municipality, except as otherwise provided in this constitution, shall directly or indirectly lend or pledge its credit or make any donation to or in aid of any person, association or public or private corporation ..."

MF/al/sb