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FISCAL IMPACT REPORT

ORIGINAL DATE 1/25/21

SPONSOR Woods LAST UPDATED _____ HB _____

SHORT TITLE Agriculture Workforce Development Program SB 101

ANALYST Valenzuela

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY21	FY22		
	\$100.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Department of Agriculture

SUMMARY

Synopsis of Bill

Senate Bill 101 appropriates \$100 thousand from the general fund to New Mexico Department of Agriculture (through the Board of Regents of New Mexico State University) to carry out the provisions of the New Mexico Agricultural Workforce Development Program Act.

FISCAL IMPLICATIONS

The appropriation of \$100 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY22 shall not revert to the general fund.

The NMHED submits its higher education funding recommendation to the Department of Finance and Administration (DFA) and the Legislative Finance Committee (LFC) on November 1 as is required by statute. NMDA did not submit this request to the NMHED for possible incorporation into the NMHED higher education funding recommendation. The NMHED has a formal process for reviewing earmarked budget requests for higher education institutions when developing the NMHED funding recommendation.

SIGNIFICANT ISSUES

Laws 2019, Chapter 236 (HB 315) created New Mexico Agricultural Workforce Development Program Act, which 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. An agricultural business must provide an intern with at least 130 hours of work experience over no more than one year.

It is not clear if the NMDA implemented the program after enactment in 2019. NMDA did not address the program status in its bill analysis.

NMDA, if it reimburses privately-owned agricultural business with state funding, could be in violation of the anti-donation clause. 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 ...”

PERFORMANCE IMPLICATIONS

Laws 2019, Chapter 236 requires NMDA to submit an annual report to the legislature annually. The LFC does not have a record of receiving these annual reports.

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