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FISCAL IMPACT REPORT

SPONSOR: Boykin DATE TYPED: 01/28/01 HB 140/aHAGC
 SHORT TITLE: Economic Sustainability of Chile Industry SB _____
 ANALYST: Gilbert

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	\$ 241.7			Recurring	GF

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Senate Bill 11

SOURCES OF INFORMATION

LFC Files
 Commission for Higher Education (CHE)
 New Mexico State University (NMSU)

SUMMARY

Synopsis of HGAC Amendment

The House Agriculture and Water Resources Committee amendment retains the original appropriation of \$241.7 but adds language stating that \$128,850 shall be allocated to the agricultural experiment station and \$128,850 shall be allocated to the cooperative extension service.

Synopsis of Original Bill

House Bill 140 appropriates \$241.7 from the General Fund to the Board of Regents of New Mexico State University to help increase the profitable yield of New Mexico chile producers and to support the ongoing economic viability of the New Mexico chile industry by employing additional expertise in agronomic science, agricultural engineering, and agriculture marketing.

Significant Issues

According to NMSU, fresh chile imports through the state's two ports of entry with Mexico have increased from 66 metric tons in 1989 to 42,957 metric tons in 1998. In order to regain some of the fresh chile market lost to Mexico, mechanical harvesting and chile new varieties must be developed; crop management practices must be adjusted and a comprehensive economic analysis of production inputs is needed.

NMSU provided a categorical priority list to the Commission for Higher Education (CHE) for their review. The NMSU Board of Regents ranked this request as fourth in their Constitutional programs category. The CHE did not recommend expansion funding for this program.

FISCAL IMPLICATIONS

The appropriation of \$241.7 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY02 shall revert to the general fund.

ADMINISTRATIVE IMPLICATIONS

The NMSU Agricultural Experiment Station and the Cooperative Extension Service currently maintain expertise in agronomic science, agricultural engineering, and agriculture marketing. This appropriation would enhance current capabilities.

AMENDMENTS

The CHE suggests the following language for all new recurring higher education programs and expansion of current programs (assuming that funding will continue beyond 2001-2002):

“The institution receiving the appropriation in this bill shall submit a program evaluation to the Legislative Finance Committee and the Commission on Higher Education by August 2, 2004 detailing the benefits to the State of New Mexico from having this program implemented for a three-year period.”

LG/ar:prr