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## FISCAL IMPACT REPORT

SPONSOR Madalena DATE TYPED 02-23-05 HB 813/aHAGC

SHORT TITLE NMSU Native Fungi Resource Bank & Program SB \_\_\_\_\_

ANALYST Woods

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$250.0			Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to the appropriation for New Mexico State University in the General Appropriations Act

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico State University (NMSU), College of Agriculture and Home Economics (CAHE)

#### No Response Received From

Commission on Higher Education (CHE)

### SUMMARY

#### Synopsis of HAGC Amendment

House Agriculture and Water Resources Committee amendment to HB813 amends the legislation as follows:

- *on page 1, line 23, after the period insert the language:*

“The program is to support economic development and forest restoration using fungi on waste wood biomass. The biomass may include salt cedar, small diameter thinnings and pinon salvaged from forests and orchard thinnings that may include pecan and apple. The resulting material will be marketable products such as edible mushrooms, animal feed, mushroom compost and other products that can sustain small businesses and recycle waste biomass. The board of regents of New Mexico state university shall report the results of the program expenditures to the

appropriate committee of the legislature by the end of fiscal year 2006.”

House Agriculture and Water Resources Committee amendment to HB813 adds no additional appropriation to this legislation.

### Synopsis of Original Bill

House Bill 813 – Making an Appropriation for the Creation of a New Mexico Native Fungi Resource Bank and Program within the Department of Agronomy and Horticulture at New Mexico State University – appropriates \$250,000 from the general fund to the Board of Regents of New Mexico State University for expenditure in FY06 to create a New Mexico native fungi resource bank and program within the Department of Agronomy and Horticulture, including a state microbiologist and support staff, research at the Mora research station and an advisory task force. Any unexpended or unencumbered balance remaining at the end of FY06 shall not revert to the general fund.

### Significant Issues

NMSU-CAHE indicates that this legislation reflects a new initiative that will allow the NMSU Department of Agronomy and Horticulture to create a state microbiologist program that can utilize beneficial microorganisms to native ecosystem health and encourage rural economic development around the production of edible native mushrooms. The state microbiologist will serve as a repository for cultures of native microorganisms and provide programs that will assist rural communities and small entrepreneurs in developing an industry around edible mushrooms. This program will also assist in ecosystem restoration efforts through recycling of woody tree biomass.

NMSU-CAHE adds that the program will encourage both economic development and ecosystem restoration in rural areas. Currently, there is no public entity in the state capable of providing the necessary information to foster this program. Rural communities in forested areas of the state – including Native American and predominantly Hispanic communities – lack the resources to develop these micro-industries; however NMSU-CAHE suggests that it does indeed possess the infrastructure to foster this new industry.

This proposal has not been reviewed by the NMSU Board of Regents, nor endorsed by CHE. Accordingly, it is not included the CHE *2005-2006 Higher Education Funding Recommendation*.

### **FISCAL IMPLICATIONS**

The appropriation of \$250,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Relates to the appropriation for New Mexico State University in the General Appropriations Act

**OTHER SUBSTANTIVE ISSUES**

NMSU-CAHE notes that the NMSU Department of Agronomy and Horticulture will employ a state microbiologist and support staff to collect and maintain a beneficial microorganism culture bank and develop an outreach program to train community members in mushroom identification, collection and marketing, and that an advisory group consisting of SCI-ZERI, Picuris pueblo, other community members and experts will help prioritize focus areas.

Beneficial microorganism cultures will be maintained at the NMSU main campus, and training materials will be available on the state microbiologist web page and in educational materials available through CES County Extension offices and AES Agriculture Science Centers throughout the state.

There are no comparable programs either in the state of New Mexico or in the southwest. Only the Pacific Northwest has a federal program bearing any similarity to this undertaking, and NMSU-CAHE further suggests that it will achieve the technical capacity to serve as a model for rural economic development using unique non-timber forest products. Priority issues will be the collection and maintenance of a microorganism culture bank, and the practical application of these cultures to increase edible native mushroom production in forested regions of the state.

**BFW/lg:yr**