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FISCAL IMPACT REPORT

SPONSOR Fidel DATE TYPED 2/19/05 HB _____

SHORT TITLE New Mexico Rural Development Response Council SB 95/aSPAC

ANALYST Rosen

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$500.0		Indeterminate	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Responses Received From

Economic Development Department (EDD)

Department of Finance and Administration (DFA)

SUMMARY

Synopsis of SPAC Amendment

Senate Public Affairs Committee amendment to Senate Bill 95 makes the appropriation to EDD, rather than DFA's local government division, and makes any unexpended or unencumbered balance remaining at the end of FY06 revert to the general fund.

Synopsis of Original Bill

Senate Bill 95 appropriates \$500.0 from the general fund to the local government division of DFA for expenditure in FY06 to match federal funds and foundation grants, and to make grants to rural communities through the New Mexico Rural Development Response Council (NMRDRC) program under the national rural development partnership.

Significant Issues

EDD indicates it should coordinate rural development funding to ensure that all regions of that state are served equitably with state money and that services are not being duplicated.

DFA questions how federal and foundation matching funds that are associated with these state funds will be coordinated equitably by EDD.

PERFORMANCE IMPLICATIONS

EDD indicates this appropriation is necessary for NMRDRC to continue providing services in communities in New Mexico.

FISCAL IMPLICATIONS

The appropriation of \$500.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall not revert to the general fund.

OTHER SUBSTANTIVE ISSUES

According to DFA, NMRDRC is a 501c non-profit corporation that started in 1992 as an advocate for rural New Mexico. Through the formation of the National Rural Development Partnership, a coalition of federal agencies (Labor, Transportation, Agriculture, Veterans Administration, Health and Human Services) began to fund a series of statewide organizations known as State Rural Development Councils. NMRDRC is a by-product of this coalition; its mission is to build networks, bring together people and organizations to solve local issues, remove barriers, and create opportunities. NMRDRC serves communities, villages, cities, counties, tribal areas and other organized entities. NMRDRC has implemented a program called Rural Readiness to assist communities in creating an economic development project from concept through to implementation. NMRDRC receives matching funds from federal agencies and foundation grants. \$1 million was received from federal and foundations grant in FY03 and each of the communities involved received up to \$50,000 dollars.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

EDD indicates the rural development response council may no longer be able to fund operations.

JR/yr