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FISCAL IMPACT REPORT

SPONSOR Griego DATE TYPED 02-09-05 HB _____

SHORT TITLE NMSU Exotic Pest Mitigation SB 521

ANALYST Woods

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$190.0			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 Department of Agriculture (NMDA)

Responses Not Received From

New Mexico Commission on Higher Education (CHE)

SUMMARY

Synopsis of Bill

Senate Bill 521 – Making an Appropriation to the Board of Regents of New Mexico State University for Mitigation of Exotic Pests – appropriates \$190,000 from the general fund to the Board of Regents of New Mexico State University for expenditure in FY06 for staffing and related expenses to enhance programs directed at the mitigation of exotic pests specific to New Mexico specialty crops in order to protect the economic viability of production and processing of the associated industries. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

Significant Issues:

NMDA indicates this appropriation is required so as to be able to maintain, enhance, and develop pest related programs directed at the protection of specialty crops in order to help facilitate their

sales and export.

New and unexpected pest issues have developed in New Mexico which, as NMDA notes, have led to restrictions from other states on the movement of agricultural products from New Mexico. Although NMDA has mandated responsibilities that encompass all state crops, it is the specialty crops that have recently required additional support from NMDA in the form of programs that protect production and facilitate sales and exports. New pest occurrences within the state, shipping restrictions from other states, and recent pest issues in other states and countries have resulted in increased inspections and surveys by NMDA in order for New Mexico producers to efficiently ship and receive products. At least five NMDA sponsored programs have been added within the past seven years for this purpose.

NMDA adds that the recent (2004) confirmation of the establishment of apple maggot in northern New Mexico counties has exhausted departmental resources beyond its ability to provide the level of support required by the industry. Further, New Mexico specialty crops (including nursery) are valued in excess of \$200 million annually, excluding processing costs. Growth in the state's population and expanding market opportunities in other states and countries has resulted in the growth of the specialty crops industry and added demands on NMDA.

While NMDA indicates that this project was approved by the Board of Regents of New Mexico State University, it is not included in the *CHE 2005-2006 Higher Education Funding Recommendation*.

PERFORMANCE IMPLICATIONS

Recurrent funding for NMDA will help maintain established and currently anticipated programs that support the specialty crop industry at *meaningful* levels, meaningful being defined as NMDA's ability to continue or initiate pest survey and eradication programs and to provide the support programs required for the sales and export of specific nut, fruit, and vegetable crops. Mandates to support the aforementioned duties are found under the New Mexico Pest Control Act and/or the Plant Protection Act.

FISCAL IMPLICATIONS

The appropriation of \$190,000 contained in this bill is a recurring expense to the general fund, and any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

Any additional costs to NMDA will be minimal and passage of the bill does not preclude voluntary industry fiscal support for established programs.

ADMINISTRATIVE IMPLICATIONS

NMDA will retain oversight of this project.

CONFLICT, DUPLICATION, COMPANIONSHIP OR RELATIONSHIP

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

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

NMDA notes a number of interrelated factors:

- Economic losses to the agricultural/nursery industry as well as associated processing industries.
- An inability to ship and receive products in a timely manner could obstruct New Mexico industry from being a viable player in interstate and international trade.
- Adverse effects on protecting industry from additional pest infestations.
- Inability for NMDA to adequately comply with statutory mandates and perform required services that aid in the protection, sale, and export of New Mexico specialty crops.

BFW/yr