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FISCAL IMPACT REPORT

ORIGINAL DATE 1/30/06

SPONSOR Martinez LAST UPDATED HB

SHORT TITLE NMSU Organic Farmer Services SB 26

ANALYST Earp

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$293.5	Recurring	General Fund
	\$206.5	Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates House Bill 287

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department(HED)
New Mexico State University(NMSU)
Organic Commodity Commission(OCC)

SUMMARY

Synopsis of Bill

Senate Bill 26 appropriates \$500,000 from the general fund to the Board of Regents of New Mexico State University (NMSU) to provide teaching, research and extension services to small organic farmers by the Small Farm Institute.

FISCAL IMPLICATIONS

Information provided by NMSU indicates that \$206,500 of the appropriation of \$500,000 contained in this bill is a non-recurring request to support the development of infrastructure (small greenhouse, cold storage and equipment) for a small farm demonstration, teaching and research site on the NMSU campus. The remaining \$293,500 would be a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

SIGNIFICANT ISSUES

This proposal was not included among the special program funding requests submitted by the NMSU to the Higher Education Department (HED) for review in September 2005 and, consequently, this proposal has not been included in the HED fiscal year 2007 funding recommendations to the Legislature. However, the Small Farm Initiative was later added to the NMSU-board supported legislative package for 2006-07.

ADMINISTRATIVE IMPLICATIONS

NMSU would administer the proposed program. No significant administrative impact is anticipated.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 287 and Senate Bill 26 are duplicate measures.

OTHER SUBSTANTIVE ISSUES

NMSU reports that the Small Farm Institute will carry out teaching, research and extension activities that focus on the needs of small farmers. Particular emphasis will be placed on increased profitability through improved business management practices, the development of new markets for small growers, and field research in sustainable agriculture practice and technologies. The Institute will be located in Las Cruces, but its mission is statewide.

DKE/mt