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FISCAL IMPACT REPORT

ORIGINAL DATE 1/28/09

SPONSOR Tripp LAST UPDATED _____ HB 128

SHORT TITLE NMSU Veterinary Education & Rural Program SB _____

ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$250.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico State University (NMSU)
Higher Education Department (HED)
Board of Veterinary Medicine (BOVM)

SUMMARY

Synopsis of Bill

House Bill 128 appropriates \$250.0 from the general fund to the Board of Regents of New Mexico State University to support veterinary education through the New Mexico Rural Veterinary Practice Relief Program.

FISCAL IMPLICATIONS

The appropriation of \$250.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2010 shall revert to the general fund.

SIGNIFICANT ISSUES

The HED states that this request was not submitted by NMSU to the HED for review and is not included in the Department's funding recommendation for FY10.

The LFC Appropriation Recommendations, Volume II, pages 364-365 states:

The committee has concerns about the growth of research and public service projects within the higher education budget, as well as the alignment of these projects with state goals and strategic plans. The committee also continues to have significant concerns about accountability and performance outcomes for these projects.

The committee recommendation reduces funding included in the HED request by varying levels from FY09 funding amounts for research projects, public service projects and P-20 pipeline projects focusing on students.

With respect to special projects, higher education institutions advanced 114 proposals for new projects and expansions at a total general fund cost of \$54 million during the HED budget request process in fall 2008.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

The Executive Budget in Brief notes that over the years more than 300 RPSPs have been created, accounting for a large portion of institution budgets. The current RPSPs were reviewed while considering the relevance of the project to the core mission of the institution, the community benefit and the outcomes associated with each project. (Budget in Brief and Policy Highlights, P 9-10.)

NMSU notes that the appropriation would fund the continuation of an initiative that was instituted in 2008 using privately donated money. New Mexico has an immediate need for rural veterinary practitioners, especially those trained in Foreign Animal Disease recognition and biosecurity/ bioterrorism issues. In the three counties that border Mexico, there are four veterinarians that work on livestock in these counties with an average of 35,433 head of livestock per food safety veterinary practitioner. The American Veterinary Medical Association has estimate the current shortage of food animal veterinarians to be about 500 with a projected shortage of 1500 by the year 2020.

NMSU notes further that New Mexico State University and Kansas State University College of Veterinary Medicine have collaborated to address this shortage in New Mexico by working together to educate New Mexico students with an emphasis on rural mixed animal practice, beef cattle educational enhancement, enhanced training in foreign animal disease recognition and biosecurity/ bioterrorism issues. This educational opportunity is specifically designed for New Mexico students to address a New Mexico problem. Private donations have launched the program, and New Mexico has the first three students attending Kansas State University and are scheduled to graduate in 2012. Appropriated money is needed to continue this collaborative effort.

GH/mc