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FISCAL IMPACT REPORT

SPONSOR Steinborn ORIGINAL DATE 1/28/09
LAST UPDATED _____ HB 133
SHORT TITLE NMSU Sustainable Agriculture Program SB _____
ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$100.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico State University (NMSU)
Higher Education Department (HED)

SUMMARY

Synopsis of Bill

House Bill 133 appropriates \$100.0 from the general fund to the Board of Regents of New Mexico State University to provide teaching, research and extension services in a sustainable agriculture program by the Small Farm Institute for students and small scale farmers and ranchers.

FISCAL IMPLICATIONS

The appropriation of \$100.0 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 states that NMSU's Agricultural Science Center located in Alcalde, New Mexico is dedicated to research on sustainable agricultural issue to benefit small family farms and ranches of north central New Mexico. The primary mission of this initiative is to provide a mechanism for faculty to conduct research and deliver education and extension programs on sustainable agriculture systems for crop, vegetable, fruit, nut, flower, herb, and livestock production.

GH/mc