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FISCAL IMPACT REPORT

ORIGINAL DATE 2/23/09

SPONSOR Gonzales LAST UPDATED _____ HB 804

SHORT TITLE Preserve Northern Rio Grande-Area Heritage SB _____

ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$150.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB 596

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

Northern New Mexico College (NNMC)

Department of Cultural Affairs (DCA)

Energy, Minerals and Natural Resources Department (EMNRD)

SUMMARY

Synopsis of Bill

House Bill 804 appropriates \$150.0 thousand from the general fund to the Board of Regents of Northern New Mexico State School (Northern New Mexico College) to develop a plan to preserve the national heritage of the northern Rio Grande area.

FISCAL IMPLICATIONS

The appropriation of \$150.0 thousand 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.

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

According to the February 2009 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$575 million less than the FY09 appropriations before the 2009 solvency reductions. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

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.

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.)

SIGNIFICANT ISSUES

The NNMC states that this is a flow-through that has no fiscal impact on NNMC.

The DCA states:

The Northern Rio Grande Heritage Areas Act was officially designated by Congress and signed into law in late 2006. It is a requirement of the federal action that the area have a management plan within three (3) years of the designation, in order to be eligible for federal funding.

Federal designation as a heritage area required public involvement, outreach and governmental support for the application. The next activity is to develop a heritage area management plan that sets forth the strategies, projects, programs, actions, and partnerships that will be necessary for an area to achieve its goals. The federal legislation outlines five elements to be addressed in the management plan:

- 1) recommendations for conservation, funding, management and development;
- 2) identification of funding sources;
- 3) inventory of cultural, historical, archaeological, natural, and recreation resources in the heritage area;
- 4) recommendations for educational and interpretive programs on the resources of the heritage area; and
- 5) analysis of ways in which local, governmental, and tribal programs may best be coordinated.

North Central New Mexico communities have been working on a management plan and this appropriation can support and promote programs for historic preservation of cultural resources and conservation of areas of natural beauty in order to stimulate economic development through tourism within the plan. Heritage areas are envisioned as discrete geographic areas or regions with a distinctive sense of place embodied in their historic buildings, neighborhoods, traditions, and natural features. They may be rural or urban places, where private ownership is anticipated to predominate, but where development can be creatively guided through the management plan to attract tourism.

Once the management plan is accepted by the National Park Service, entities within the area are eligible for certain benefits such as special project grants for development, public interpretation, and programming

The HED notes that the congressional mandate of the National Heritage of the Northern Rio Grande Area (NHNRGA) is to develop a 10-year management plan for the purpose of commemorating, honoring, and preserving the landscape and the Hispanic and Native cultures of Northern New Mexico. The management plan would hire professionals, experts, and other staff to develop the plan and manage all subsequent implementation of the plan. A business plan will be developed to meet federal standards and requirements. The appropriation will also be utilized to seek matching federal funding. NNMC is the fiscal agent of NHNRGA.

DUPLICATION

Senate Bill 596 duplicates House Bill 804

GH/mt