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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/23/09

SPONSOR Rodella LAST UPDATED \_\_\_\_\_ HB 844

SHORT TITLE NMSU Range Improvement Task Force SB \_\_\_\_\_

ANALYST Haug

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$75.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

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

### SUMMARY

#### Synopsis of Bill

House Bill 844 appropriates \$75.0 thousand from the general fund to the Board of Regents of New Mexico State University to support research by the range improvement task force.

### FISCAL IMPLICATIONS

The appropriation of \$75.0 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of 2010 shall revert to the general fund.

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.

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**

NMSU states:

The New Mexico range livestock industry has gross revenues of greater than \$1 billion. The industry affects more than 70 million acres within the state. Forage supply has been shrinking state-wide over the last century. Reduction of timber harvesting during the last decade, exclusion of frequently occurring low-intensity fires, increasing densities of small diameter trees, piñon-juniper encroachment, and a decreasing area of mountain meadows due to tree encroachment have all contributed to reducing forage available for ungulates and other ecological functions. Additionally, a rapidly expanding elk population has intensified the competition for forage with a static, or decreasing, livestock population. These phenomena, coupled with extended drought, have created an imbalance between already stressed forage conditions and the demands being placed upon them. The manner in which these imbalances are addressed will make the difference between success and failure. Lack of proper funding will impede, and possibly prevent, the cooperative and adaptive resource management strategies needed to successfully address these challenges of maintaining valuable natural resources while preserving the economic viability and culture of rural communities.

NMSU suggests that new resources will allow the RITF to enhance its role as a provider of unbiased, state-of-the-art, scientific information, evaluation, and assessment. For NMSU to continue providing leadership, new strengths must be included in our natural resource Extension and research programs. To ensure uniform and planned implementation of management policies, these scientists, along with the existing RITF team, must provide input and assessment on policies affecting both public and private land users in the West. Educational programs will be conducted to allow permittees to be certified in rangeland monitoring. This expanded RITF focus will assist in good stewardship and the long-term health of the West's natural resources, while recognizing the multi-cultural heritage of the region and the importance of management for long-term sustainability.

NMSU adds that this legislation will support NMSU's rangeland vegetation monitoring programs and will facilitate increased growth in external research funding generated by faculty with dedicated appointments to rangeland system function. Moreover, this initiative will compound fiscal benefits by increasing professional expertise, providing state matching funds, making grant requests more successful, and leading to more resolutions of costly rangeland natural resource problems.

The HED reports that an institutional representative emphasized that RITF is currently limited in terms of personnel, staff, and operating budget. The increasing cost of doing business has not been coupled with an increase in the operating budget. Consequently, demand currently exceeds supply, and additional funding is requested to conduct the work of the task force.

GH/svb