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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/1/09

SPONSOR B. Sanchez LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Hispanic Affairs Act SB 200

ANALYST \_\_\_\_\_

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$300.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Cultural Affairs (DCA)  
 Department of Health (DOH)  
 Public Education Department (PED)  
 State Land Office (SLO)

#### No Responses Received From

Department of Finance Administration  
 Governor's Office

### SUMMARY

#### Synopsis of Bill

Senate Bill 200 creates the Hispanic Affairs Act which creates the Office of Hispanic Affairs and the Office of Hispanic Affairs Fund. The office is to be attached to the Cultural Affairs Department. The proposed legislation also creates the Land Grant Bureau to establish a land grant support program, and the Land Grant Council consisting of five members appointed by the Governor from the boards of directors of land grants. The proposed legislation appropriates \$300.0 from the general fund to the Office of Hispanic Affairs Fund to pay the cost of establishing the office and the bureau, hiring staff and carrying out the provisions of the Hispanic Affairs Act.

## FISCAL IMPLICATIONS

The appropriation of \$300.0 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.

This bill creates a new fund and provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds, as earmarking reduces the ability of the legislature to establish spending priorities.

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.

PED stated coordination with the new agency may be required of the department staff and school districts. Therefore, PED could experience an undetermined staffing expense.

## SIGNIFICANT ISSUES

PED noted if the office is created, it may service the following functions:

- Serve as a catalyst to address issues important to Hispanics.
- Coordinate and invigorate activities that may improve the academic achievement of Hispanic students in the public schools.
- Support and create opportunities for Hispanic students to attend programs of higher education.
- Share information about accomplishments and contributions of state and national leaders, which will serve as role models for new Hispanic generations.
- Involve and empower parents and community members in becoming active leaders in solving their own problems.

PED reported that 56 percent of the student population attending public school districts is Hispanic or Latino. Twenty percent of Hispanic or Latino students speak a language other than English. Of the 61,009 student population participating in Bilingual Multicultural Education Program, 77 percent is made up of Hispanic or Latino students.

PED reported that based on the school year 2008 New Mexico Based Assessment, Hispanic or Latino students in:

- reading – 8<sup>th</sup> graders made the greatest gains in the four-year period, progressing by 12.5 percent;
- math – 8<sup>th</sup> and 5<sup>th</sup> graders progressed significantly at 12.3 percent and 13.8 percent respectively;
- science – 5<sup>th</sup> and 7<sup>th</sup> graders gained 7.9 and 7.6 in proficiency.

DOH stated that Hispanics comprise 44 percent of New Mexico's total population. The proposed legislation would secure recognition of Hispanics accomplishments and contributions to New Mexico and the United States; cooperate with and assist public and private entities

dealing with issues important to Hispanics; address issues important to Hispanics at both the state and federal level; act as an advocate for Hispanic residents of New Mexico; and provide administrative support to the land grant bureau.

The Department of Cultural Affairs and its National Hispanic Cultural Center address Hispanic issues as they relate to history and culture. The department's scope is limited to cultural: art, history, science, humanities, libraries, museums and monuments. DCA stated the proposed legislation would require the department to have far wider responsibilities pertaining to land grants, water resources, education, health care and other economic and social issues. DCA stated the new agency might fit better with a department that has a broader human services scope, such as the Human Services Department. The Office of African American Affairs is administratively attached to the Human Services Department.

### **PERFORMANCE IMPLICATIONS**

DCA states it is unclear how the successful performance of the department would fit with the successful performance of the new agency's mission and performance measures.

### **ADMINISTRATIVE IMPLICATIONS**

PED stated its staff and school districts may need to coordinate with the new agency.

DCA states it is unclear what administrative and fiscal responsibilities might fall to the department and its administrative services, human resources and information technology staff members.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Senate Bill 200 relates to and conflicts with Senate Bill 21.

### **OTHER SUBSTANTIVE ISSUES**

DOH reported that the *Racial and Ethnic Health Disparities Report Card* published in August 2008 showed the following:

- Hispanics have the highest rate of teen births 53.7 per 1,000 which is 57 percent higher than the national rate;
- The highest rate for Chlamydia at 3,845.6 per 100,000 populations;
- The highest rates for drug induced deaths at 25.1 per 100,000 population.

Also, Hispanics have high rates for late or no prenatal care and alcohol-related deaths.

RPG/mt