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FISCAL IMPACT REPORT

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ORIGINAL DATE 01/21/2014

SPONSOR Madalena LAST UPDATED _____ HB 62

SHORT TITLE NMSU Indian Resource Development Program SB _____

ANALYST Hartzler-Toon

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	FY15		
	\$172.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY14	FY15	FY16	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$172.0	\$172.0	\$344.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Appropriation in the General Appropriation Act: Section J, Higher Education, New Mexico State University, Research and Public Service Projects, Indian Resource Development Program

Relates to Appropriation in the General Appropriation Act: Section J, Higher Education, New Mexico State University, Research and Public Service Projects, Minority Student Services

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico State University (NMSU)

SUMMARY

Synopsis of Bill

House Bill 62 appropriates \$172 thousand from the general fund to NMSU to (1) fund the Indian Resource Development Program and (2) support recruitment and retention of American Indian students.

FISCAL IMPLICATIONS

The appropriation of \$172 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY15 shall revert to the general fund.

For FY14, the Indian Resource Development Program (Program) received a \$222.2 thousand general fund appropriation. NMSU submitted a FY15 budget request for this project to the Higher Education Department (HED) as part of the department's process for considering research and public service projects. NMSU requested a program expansion of \$172 thousand, for a total FY15 general fund request of \$394.2 thousand, a 77 percent increase over FY14 levels.

The HED, Department of Finance and Administration (DFA), and Legislative Finance Committee (LFC) reviewed the FY15 program request and expansion as part of the budget process. The HED did not request additional general fund support for this project, and neither the LFC nor Executive recommended additional FY15 funding for this project.

Should HB 62 be included in Section 4 of the General Appropriation Act, the funding would be considered a recurring expense to the general fund.

SIGNIFICANT ISSUES

Established in 1977, the Program's purpose is to provide work experiences for American Indian students to better prepare them for work in the agriculture sciences, engineering sciences and management positions with irrigation projects and energy resources development. The Program staff work with other New Mexico institutions and their students to meet the purpose of the Act. Generally, American Indian students who are New Mexican residents and pursuing agricultural, engineering, and associated management sciences are eligible to receive scholarships, work opportunities, and other services the Program may provide.

PERFORMANCE IMPLICATIONS

As part of the Higher Education Department's budget review process, the Program completes performance reports. A number of services, scholarships, and work experiences have been reduced over time to stay within the budget. If HB 62 is enacted, resulting in a 77 percent increase in state support, performance measures should be refined to measure program expansion and the use of funds.

DUPLICATION

HB 62 duplicates the General Appropriation Act, Section J Higher Education, New Mexico State University, Research and Public Service Projects, Indian Resources Development Program.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The program will continue to be funded at base level funding.

THT/ds