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## FISCAL IMPACT REPORT

SPONSOR Rubio ORIGINAL DATE 2/03/2020  
LAST UPDATED 2/15/2020 HB 304/aHENRC/aHF1#1  
SHORT TITLE Transfer Outdoor Equity Grant Program SB \_\_\_\_\_  
ANALYST Martinez

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY20	FY21	FY22	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	See Fiscal Implications					

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Youth Conservation Corps (YCC)

Economic Development Department (EDD)

### SUMMARY

#### Synopsis of #1 HF1 Amendment

The House Floor #1 amendment removes language requiring money in the fund to be subject to appropriation by the Legislature and reinstates language appropriating money in the fund to the department, thereby creating a "continuing appropriation." See Fiscal Implications below.

#### Synopsis of HENRC Amendment

The House Energy, Environment and Natural Resources Committee amendment strikes the \$50 thousand appropriation in the bill to the Economic Development Department.

#### Synopsis of Original Bill

House Bill 304 appropriates \$50 thousand from the general fund to Economic Development Department to hire a program manager for the Outdoor Equity Grant (OEG) Fund. House Bill 304 transfers administration of the Outdoor Equity Grant (OEG) Fund and program from the Youth Conservation Corps Commission (YCCC) to the New Mexico Outdoor Recreation Division (ORD) of the Economic Development Department (EDD).

### FISCAL IMPLICATIONS

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.

HB304 as amended will not have a fiscal impact on the Economic Development Department.

EDD prefers a continuing appropriation.

Youth Conservation Corps. Provided the following:

In 2019, the Legislature appropriated \$100 thousand to the EDD for the OEG program. Those funds were transferred to the Energy, Minerals and Natural Resources Department (EMNRD) which administers the OEG Fund. If HB304 passes, the remaining funds will be transferred back to EDD.

Currently, there is \$102 thousand in the OEG Fund (\$100 thousand appropriation plus \$2 thousand donations). YCC anticipates that some additional donations will occur and a portion of them will be disbursed to OEG grant awardees before June 30, 2020. The entirety of the OEG fund is for grant awardees.

The YCCC will not have to hire an OEG program manager in FY21, and operating costs will be unaffected as a result of not administering the OEG program.

## **SIGNIFICANT ISSUES**

The Economic Development Department provided the following:

If this bill is enacted, there is the potential to increase program efficiency. ORD's mission is to promote education and use of outdoor recreation assets in New Mexico. It is also charged with promoting stewardship and preservation of the state's unique cultural and natural resources. Both of these goals dovetail with the mission of the OEF, which centers around education, stewardship, and access.

This bill's transfer of the OEF to ORD from YCC would enable ORD to make the OEF a capstone program of the office, which is well-positioned to oversee this grant program. It would at the same time free up resources at YCC and enable that group to focus on its core mission: administering funds to oversee corps work projects and activities. There is only a tangential connection between YCC's core work and the OEF: both involve youth, but otherwise, they have very different missions, funding sources, stories, and structures.

This bill would limit unnecessary overlap between the work of ORD and YCC, and ensure the most streamlined implementation of the OEF possible. Marketing, fund raising, and general outreach of ORD dovetails with the work needed to successfully execute the OEF.

Youth Conservation Corps. Provided the following:

The OEG was created on July 1, 2019. It creates a fund to be disbursed annually to grant awardees who have developed a plan to provide equitable recreational and educational programs for low-income youth. Funds are to be distributed equally between tribal, rural and urban youth.

The OEG is an outdoor recreation program, and its goals more closely align with the mission and goals of the ORD than the YCCC. The YCCC has developed an RFP and other aspects of the OEG program which will ensure a smooth transition with no interruptions in service.

### **PERFORMANCE IMPLICATIONS**

Youth Conservation Corps. Provided the following:

The YCCC will issue grant awards before June 30, 2020. The performance-based budget measures previously submitted to DFA that are related to the OEG will be below the targets as a result of a transfer to the EDD at the start of FY21.

### **ADMINISTRATIVE IMPLICATIONS**

The Economic Development Department provided the following:

This bill would increase the administrative duties of ORD, while decreasing those of YCC. Given ORD's mission to promote stewardship and education within the outdoor world, it seems that the office is the more natural home of the OEF grant program.

If enacted, this bill would transfer all funds, records, and files currently held by YCC to EDD. All contractual obligations would also be transferred from YCC to EDD and would be binding on ORD. Finally, all current rules put into place by YCC would remain in effect until otherwise repealed or amended.

The OEF will go to RFP in February 2020, with all applications due in April 2020. If enacted, this bill would go into effect in FY21 and ORD would take on full ownership of the newly signed contracts.

### **TECHNICAL ISSUES**

House Bill 304 references "department" to mean EDD but as currently established under 9-5B-10, when department is referenced it means Energy Minerals and Natural Resources Department.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Youth Conservation Corps. Provided the following:

Currently the YCCC has two FTEs - an Executive Director and an administrator. The YCCC will need to hire an FTE program manager for the OEG, operating costs will increase, and the Executive Director will have to devote a significant amount of time and resources into developing the OEG program and attracting sustainable donations to the fund. Fewer resources will be available to administer and expand the \$4 million YCCC program.