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## FISCAL IMPACT REPORT

<b>SPONSOR</b> <u>Correa Hemphill</u>	<b>LAST UPDATED</b> _____
<u>NMSU Rural &amp; Tribal Development</u>	<b>ORIGINAL DATE</b> <u>2/13/23</u>
<b>SHORT TITLE</b> <u>Institute</u>	<b>BILL</b>
	<b>NUMBER</b> <u>Senate Bill 86</u>
	<b>ANALYST</b> <u>Jorgensen</u>

### APPROPRIATION\* (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY23	FY24		
	\$2,800.0	Nonrecurring	General Fund

Parentheses ( ) indicate expenditure decreases.  
 \*Amounts reflect most recent analysis of this legislation.

### Sources of Information

LFC Files

Responses Received From  
 Economic Development Department (EDD)  
 Indian Affairs Department (IAD)  
 New Mexico State University (NMSU)

## SUMMARY

### Synopsis of Senate Bill 86

Senate Bill 86 (SB86) creates the rural and tribal development institute at New Mexico State University. The institute would be tasked with identifying economic conditions needed for economic growth, identifying and assessing suitability of development strategies used by communities outside of New Mexico, developing strategies for rural and tribal development in New Mexico, providing education for students and community leaders in development, and providing information and analysis for rural and tribal communities. SB86 requires the institute to report to the governor and the appropriate legislative committee on activities and “an index of the vitality of rural and tribal communities” by November 30, 2024 and each year thereafter.

SB86 appropriates \$2.8 million from the general fund to NMSU to support the institute. The appropriation is authorized in fiscal years 2024 through 2027.

This bill does not contain an effective date and, as a result, would go into effect June 16, 2023, (90 days after the Legislature adjourns) if signed into law.

## **FISCAL IMPLICATIONS**

The appropriation of \$2.8 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY27 shall revert to the fund. Although this bill does not specify future appropriations, multiyear appropriations, particularly if used to fund services, create an expectation the program will continue in future fiscal years; therefore, this cost could become recurring after the funding period.

## **SIGNIFICANT ISSUES**

The appropriation in SB86 would provide an annual operating budget of \$700 thousand per year for four years. After FY27, the institute would either close or secure additional state funding.

NMSU reports that 20 rural counties experienced population loss between 2010 and 2018. Additionally, New Mexico's rural areas lagged behind urban areas in employment, earnings, poverty, education, and housing.

CJ/rl/ne