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FISCAL IMPACT REPORT

ORIGINAL DATE 03/02/09
LAST UPDATED _____ **HB** 834

SPONSOR Arnold-Jones

SHORT TITLE State Data Analysis Center Act **SB** _____

ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$500.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY09	FY10	FY11		
	Indeterminate*			

(Parenthesis () Indicate Revenue Decreases)

See Fiscal Implications.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$1.0*				

(Parenthesis () Indicate Expenditure Decreases)

*See Fiscal Implications potential concerns of impact for existing entities.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

Public Education Department (PED)

Department of Health (DOH)

SUMMARY

Synopsis of Bill

House Bill 834 appropriates \$500.0 thousand from the general fund to the State Data Analysis Center (SDAC), created in the bill, to establish and operate the SDAC which would be created from the current Earth Data Analysis Center (EDAC) and the Bureau of Business and Economic Research (BBER), both of which are currently part of the University of New Mexico.

The purpose of the SDAC would be to serve as a collaborative entity for data analysis expertise that centralizes the process for:

- a) coordinating, acquiring, managing, maintaining, and delivering data and information to state, local and federal agencies, institutions and instrumentalities and the private sector;
- b) providing online access to information and data clearinghouses and distributing data resources and mapping services for state, local and federal agencies, institutions, and instrumentalities and the private sector; and
- c) coordinating pilot and prototype geospatial mapping projects in conjunction with state, local and federal agencies, institutions and instrumentalities and the private sector.

The bill provides powers and duties of the State Data Analysis Center, creates an advisory committee the State Data Analysis Center and requires a Statewide Long-Range State Data Analysis Strategic Plan.

The manager of the SDAC would be appointed by the Governor subject to Senate approval.

FISCAL IMPLICATIONS

The appropriation of \$500.0 thousand 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.

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 HED notes that according to both EDAC and BBER, the fiscal impact could be significant given their individual relationships with various stakeholders and the associated contracts in which they are currently engaged. It is uncertain how a “merger” of this type could impact those relationships, and \$500,000 may not adequately supplement current core funding or contract generated funding.

An indeterminate amount of revenue would result from the collection of fees and charges for services authorized in the bill.

SIGNIFICANT ISSUES

According to the HED:

It is clear that there is often a need to compile data that are critical to making good policy decisions, and there is currently no mechanism to accomplish this, particularly electronically. However, EDAC and BBER do not share a fundamental and core mission; instead, the work of the two agencies is quite different. Independently both organizations have operated successfully for many years, and while they occasionally collaborate, often their work does not overlap.

According to directors of both organizations, this bill does not address a number of critical issues including serious governance concerns around access to and protection of data, location of services already in place such as the BBER Data Bank, and the right of researchers to come to their own conclusions not attached to a political agenda. Both organizations state that they could not support the bill as it currently stands.

The DOH notes:

There are various questions about the proposal to move these organizations from UNM. Among these questions are whether the State Data Analysis Center could use students as a resource, and whether the University of New Mexico could use the State Data Analysis Center as an educational resource and opportunity for its students.

HB834 does not indicate how much of its operating costs the State Data Analysis Center would recover from users and recipients of its data, and whether there would be additional costs pursuant to its establishment.

The PED comments that unless the current center has equipment and staff to handle this major effort there may be additional funding required. Creating and maintaining a “digital map library and inventory of maps and aerial photographs of the state” and a “comprehensive inventory and index of public domain data sets” may be equivalent to creating a statewide data warehouse. If so, the effort to create, collect, validate, and provide analysis on demand creates the need for infrastructure and support staffs.

GH/svb