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FISCAL IMPACT REPORT

ORIGINAL DATE 01/27/09

SPONSOR Papen LAST UPDATED _____ HB _____

SHORT TITLE Health Extension Rural Offices SB 67

ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$1,800.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

Department of Health (DOH)

Higher Education Department (HED)

Health Policy Commission (HPC)

University of New Mexico (UNM)

SUMMARY

Synopsis of Bill

Senate Bill 67 appropriates \$1,800.0 from the general fund to the Board of Regents of the University of New Mexico to develop, in partnership with the NMSU Cooperative Extension Service, health extension rural offices to strengthen community capacity to more effectively address local health concerns and priorities.

FISCAL IMPLICATIONS

The appropriation of \$1,800.0 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.

SIGNIFICANT ISSUES

The HED states that this request was submitted by UNM to the HED for review. The Department would have a neutral recommendation for this project for FY10, if the State's fiscal picture improves.

The LFC Appropriation Recommendations, Volume II, pages 364-365 states:

The committee has concerns about the growth of research and public service projects within the higher education budget, as well as the alignment of these projects with state goals and strategic plans. The committee also continues to have significant concerns about accountability and performance outcomes for these projects.

The committee recommendation reduces funding included in the HED request by varying levels from FY09 funding amounts for research projects, public service projects and P-20 pipeline projects focusing on students.

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.

The Executive Budget in Brief notes that over the years more than 300 RPSPs have been created, accounting for a large portion of institution budgets. The current RPSPs were reviewed while considering the relevance of the project to the core mission of the institution, the community benefit and the outcomes associated with each project. (Budget in Brief and Policy Highlights, P 9-10.)

The DFA states that the General Fund FY10 resources are limited and the \$1,800.0 appropriation would strain the General Fund.

UNM states that the Health Extension Rural Office Program (HERO) is a partnership between UNM HSC and New Mexico communities. The goal is to achieve the greatest improvement in health status of any state in the Union. HERO will: (a) connect university resources and programs with community needs, (b) promote self responsibility for individual health, (c) respond to health personnel recruitment and retention needs of rural and underserved communities, (d) advocate for and assist rural and underserved communities in identifying and conveying their recommendations for health policies, and (e) create/implement community economic and health-related development program.

The HPC notes that NMSU (via their Cooperative Extension Program) and the DOH (via County Health Councils) will participate as active partners. HERO grew out of community input and recommendations as to how the HSC can best help communities achieve greater capacity to address their own needs and improve their measures of health.

The DOH states that under the Maternal and Child Health Plan Act, [24-1B-1 to 24-1B-7NMSA 1978] the DOH Office of Health Promotion and Community Health Improvement (OHPCHI) funds county and tribal-based community health planning councils that address local health concerns and priorities. SB 67 may unintentionally create a duplication of efforts by providing funding for a program that has much in common with this existing DOH program. Since 1991, DOH has funded communities to assess health and service needs, especially for vulnerable populations. Community-based health planning councils were created to acknowledge the need for partnerships and joint accountability between the State and communities in identifying and addressing state and local health problems. Appropriation to the HERO project in FY10 for similar activities may be viewed as being unnecessarily duplicative at the local level.