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FISCAL IMPACT REPORT

ORIGINAL DATE 1/23/16

SPONSOR Hall LAST UPDATED _____ HB 117

SHORT TITLE NMSU Cooperative Extension Service SB _____

ANALYST Dulany

APPROPRIATION (dollars in thousands)

Appropriation			Recurring or Nonrecurring	Fund Affected
FY16	FY17	FY18		
	\$377.0	\$377.0	Recurring	General Fund

Parenthesis () indicate expenditure decreases

Duplicates Appropriation in the General Appropriation Act, Section 4, Subsection J.

SOURCES OF INFORMATION

LFC Files
 Research and Public Service Project Requests

Responses Received From

New Mexico State University (NMSU)
 Higher Education Department (HED)

SUMMARY

Synopsis of Bill

House Bill 117 appropriates \$377 thousand from the general fund to New Mexico State University in FY17 and subsequent fiscal years to support the Cooperative Extension Service (CES).

FISCAL IMPLICATIONS

The appropriation of \$377 thousand contained in HB 117 is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert.

For FY16, CES received \$13.6 million in general fund support, a flat appropriation compared with FY15. However, the FY15 general fund appropriation to CES included a 5.8 percent increase over FY14. The FY15 NMSU report of actuals indicates CES closed out the fiscal year

with \$2.5 million in fund balance. CES reports about \$1.5 million of the fund balance is “designated,” which may include financial obligations that span multiple fiscal years, leaving about \$1.0 million undesignated. CES indicates it will use its undesignated fund balance to help restore some of the 10 county agent positions that were eliminated due to budget reductions in FY12; however, this funding source is nonrecurring and will eventually require a recurring source. CES also reports the service has allocated fund balance for IT upgrades at county offices, an internship program, employee training, and marketing. The table below provides general fund support history for CES dating back to FY10.

General Fund Appropriations to Cooperative Extension Service (in thousands)			
Fiscal Year	General Fund Appropriation	Dollar Change from Prior Year	Percent Change from Prior Year
FY10	\$11,811.5	-	-
FY11	\$11,417.2	-\$394.3	-3.3%
FY12	\$11,016.8	-\$400.4	-3.5%
FY13	\$11,859.0	\$842.2	7.6%
FY14	\$12,869.5	\$1,010.5	8.5%
FY15	\$13,612.6	\$743.1	5.8%
FY16	\$13,612.6	\$0.0	0.0%

Source: LFC Files

NMSU states the requested expansion dollars would be used for:

- enhanced quality of programs in the areas of health and family wellness, community economic development, agriculture and natural resources, and 4-H youth development;
- enhanced ability to respond to emerging issues including extreme drought, catastrophic wildfires, and food safety;
- more one-on-one consultation across all programmatic areas;
- all county extension offices to have the resources necessary to maintain high quality broadband access, distribution of newsletters and printed materials, and phone services;
- travel funds for state specialists to fulfill county-based programming across the state; and
- long-term sustainability of the New Mexico Agricultural Leadership program.

SIGNIFICANT ISSUES

According to NMSU, CES is a non-formal, educational component of the university with the mission to provide the citizens of New Mexico with practical, research-based knowledge and programs that improve their quality of life. CES’ base programs include 4-H youth development, agriculture and natural resources, community economic development, human nutrition, and family and child development.

PERFORMANCE IMPLICATIONS

As part of HED’s research and public service project request process, institutions receiving state general fund support for programs funded outside of the instruction and general appropriation submit performance measures with targets and results each year. These measures are submitted in addition to the Accountability in Government Act measures colleges and universities submit to LFC and the Department of Finance and Administration each year. According to CES’ research and public service project application, the service met most of its targets for FY15, further illustrated in the attachment.

DUPLICATION

The appropriation contained in HB 117 duplicates an appropriation made in the Section 4, Subsection J of the General Appropriation Act.

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New Mexico State University Cooperative Extension Service Performance Measures

Performance Measure	Target for FY15	Result
Total FTEs- Agents/Educators	104	117 FTEs. Target exceeded.
Total FTEs-State Specialists	40	37 and increasing. Should meet target goal as several searches are ongoing.
Total FTEs-Staff and Program Assistants/Associates/Technicians	164	164 FTEs. Target met.
Dollars Leveraged with State Appropriations	12,500,000	\$12,246,752 leveraged. Flat funding from federal level.
Total Grant/Contract Proposals Submitted	10,000,000	\$15,576,782 for grants submitted. Target exceeded.
Number of Extension Publications	120	130 extension publications. Publications as whole exceed target. (see below)
Number of Journal Publications	30	30 journal publications. Target exceeded.
Number Media Distributions	140	140 distributions.
Number CES Programs	330	596 CES programs held. Target exceeded.
Number Clientele Contacts by Faculty	400,000	602,109 clientele contacts. Target met.
Number Commodity and Community Advisory Board Members	700	700 Members. Target met.
Number 4-H Youth	54,000	64,134 4-H Youth. Target met.
Number 4-H Volunteers	11,000	4,052 volunteers. New enrollment system removed duplications.
Number 4-H Clientele Contacts	330,000	288,000 4-H clientele contacts. Target not met due to operations shortfalls coupled with new reporting system.
Number Plant Sciences Contacts	65,000	66,000 plant science contacts. Target met.
Number Master Gardener Volunteers	900	1,245 Master Gardener volunteers. Target exceeded.
Number Animal Science and Natural Resource Clientele Contacts	45,000	72,000 clientele contacts. Target met.
Number Community Economic Development Clientele Contacts	20,000	7,200 clientele contacts. Target not met due to operations shortfalls coupled with new reporting system.
Number Family Consumer Science Clientele Contacts	200,000	266,911 clientele contacts. Target met.

Source: CES RPSP Application