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FISCAL IMPACT REPORT

SPONSOR Madalena ORIGINAL DATE 03/03/15 HM 106
LAST UPDATED

SHORT TITLE Tribal Infrastructure Fund for Libraries SB _____

ANALYST Boerner

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI	NFI			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Indian Affairs Department (IAD)

SUMMARY

House Memorial 106 requests the Indian Affairs Department to work with Native American leaders and the Tribal Infrastructure Board to dedicate one year of Tribal Infrastructure Project Fund money to assess and address the most critical needs for construction and renovation of tribal library facilities.

FISCAL IMPLICATIONS

Tribal lands across the state struggle with inadequate infrastructure and the poor social, health, and economic conditions that can result. Reprioritizing limited Tribal Infrastructure funds away from the current process which prioritizes projects based on health and safety and other criteria of need could result in some high-need projects being excluded or delayed as a result of this bill.

SIGNIFICANT ISSUES

IAD notes that the Tribal Infrastructure Act was created as a result of the finding that:

- (1) tribes lack basic infrastructure resulting in poor social, health and economic conditions of tribal communities;
- (2) adequate infrastructure such as water and wastewater systems, major water systems, electrical power lines, communications, roads, health and emergency response facilities and infrastructure needed for economic development are essential to improved health, safety and welfare of all

New Mexicans, including residents of tribal communities;
(3) local tribal efforts and resources have been insufficient to develop and maintain a consistent and adequate level of infrastructure in tribal communities;
(4) addressing the urgent need of replacing, improving and developing tribal infrastructure through the use of an alternative financing mechanism is a long-term cost savings benefit to both the state and the tribes; and
(5) adequate infrastructure development on tribal land will allow tribal members to achieve the basic conditions necessary to improve the quality of their lives. (§§9-21-17 to 9-21-24 NMSA 1978)

Additionally, funding construction and/or renovation of libraries would not be considered a “qualified project” under the Tribal Infrastructure Act. Indeed, a “qualified project” under (§9-21-21(C) NMSA 1978) includes:

- (1) Planning, designing, constructing, improving, expanding or equipping water and wastewater facilities, major water systems, electrical power lines, communications infrastructure, roads, health infrastructure, emergency response facilities and infrastructure needed to encourage economic development;
- (2) Developing engineering feasibility reports for infrastructure projects;
- (3) Inspecting construction of qualified projects;
- (4) Providing special engineering services;
- (5) Completing environmental assessments or archaeological clearances and other surveys for infrastructure projects;
- (6) Acquiring land, easements or rights of way; and
- (7) Paying legal costs and fiscal agent fees associated with development of qualified projects.”

The funding of construction and renovation of libraries in Native American communities is not related to the basic infrastructure identified in the Tribal Infrastructure Act and therefore runs counter to the purpose of the Tribal Infrastructure Fund.

PERFORMANCE IMPLICATIONS

Changes to the prioritization of funding for a particular cycle must occur as a result of Tribal Infrastructure Board action. This change to the prioritization of funding can occur only by amending the Tribal Infrastructure Fund Guidelines and Procedures.

ADMINISTRATIVE IMPLICATIONS

IAD does not create or recommend funding priorities to the Tribal Infrastructure Board. The Secretary of Indian Affairs holds one (1) seat on the nine (9) member Board.

ALTERNATIVES

Entities might consider pursuing grant opportunities or a special appropriation under through the state’s legislative process.

CEB/je/bb