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FISCAL IMPACT REPORT

SPONSOR: Pinto DATE TYPED: 10/31/03 HB _____

SHORT TITLE: Economic Development in Navajo Communities SB 20

ANALYST: Weber

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	\$500.0			\$500.0	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SUMMARY

Synopsis of Bill

Senate Bill 20 appropriates \$500,000 from the General Fund to the Office of Indian Affairs for the purpose of economic development activities in the communities of Baca, Crownpoint, Manuelita and Nageezi.

FISCAL IMPLICATIONS

The appropriation of \$500. contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2008 shall revert to the General Fund.

Continuing Appropriations

This bill creates a new fund and provides for continuing appropriations. The LFC objects to including continuing appropriation language in the statutory provisions for newly created funds. Earmarking reduces the ability of the legislature to establish spending priorities.

OTHER SUBSTANTIVE ISSUES

These communities are located in the general area of McKinley, San Juan and Cibola counties that respectively have relative high unemployment rates of 8.6 percent, 7.9 percent and 6.4 percent for August 2003 as reported by the New Mexico Department of Labor. These percentages rank as the 6th, 9th and 15th highest among the 30 reporting areas maintained by the Department of Labor.

Senate Bill 20 -- Page 2

Senate Bill 20 should outline the specific economic programs for each of the communities. The outline should clarify the projects and the necessary funds required for each project.

POSSIBLE QUESTIONS

What organizations will actually be awarded the funds and for what specific projects?

MW/yr