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## FISCAL IMPACT REPORT

**SPONSOR** Nunez                      **DATE TYPED** 01/30/04                      **HB** 49/aHEC

**SHORT TITLE** Pink Bollworm Control Program                      **SB** \_\_\_\_\_

\_\_\_\_\_  
**ANALYST** Baca

### APPROPRIATION

<b>Appropriation Contained</b>		<b>Estimated Additional Impact</b>		<b>Recurring or Non-Rec</b>	<b>Fund Affected</b>
<b>FY04</b>	<b>FY05</b>	<b>FY04</b>	<b>FY05</b>		
	\$400.0			Recurring	General Fund

(Parenthesis ( ) Indicate Revenue Decreases)

Duplicates SB 11

Relates to Appropriation for New Mexico State University in the General Appropriation Act

### **SOURCES OF INFORMATION**

LFC Files

Higher Education Commission Funding Recommendations for FY05

Response Received From

New Mexico Department of Agriculture (NMDA)

No Response

Commission on Higher Education (CHE)

### **SUMMARY**

Synopsis of HEC Amendment

The House Education Committee amendment adds a program evaluation requirement that reads as follows:

“The institution receiving the appropriation in this bill shall submit a program evaluation to the Legislative Finance Committee and the Commission on Higher Education by August 2007 detailing the benefits to the State of New Mexico from having implemented this program over a three period.”

Synopsis of Original Bill

House Bill 49 appropriates \$400 thousand from the general fund to the Board of Regents of NMSU for pink bollworm eradication. Funding would flow through NMDA to pink bollworm control districts established under New Mexico's Pink Bollworm Control Act to assist in the development and implementation of programs necessary for pink bollworm eradication.

Significant Issues

The NMDA reports that "pink bollworms are trapped annually in all cotton production areas of New Mexico (approximately 70,000 acres), but currently infest cotton acreage at an economic threshold in Dona Ana, Luna, Sierra, Chaves, and Eddy counties, or approximately 26,000 acres of cotton. Timely eradication of this pest in these counties may prevent economic pink bollworm populations from developing in other areas of the state.

Producers in Dona Ana, Luna, and Sierra counties have voted to create a pink bollworm control district and are working in conjunction with the United States Department of Agriculture, Animal and Plant Health Inspection Service (USDA APHIS) and cotton producers in west Texas and northern Mexico in an area-wide pink bollworm eradication program. Eradication efforts in south central New Mexico have decreased pink bollworm populations by 84 percent in two years of eradication with the estimated three year eradication cost to cotton producers at over \$1,300,000. Pink bollworm eradication programs have been successful in Arkansas, Louisiana, Tennessee, Missouri, and California."

**FISCAL IMPLICATIONS**

The appropriation of \$400 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY05 shall revert to the general fund.

**ADMINISTRATIVE IMPLICATIONS**

NMSU reports the administrative impact of this bill would be minimal.

**DUPLICATION**

SB 11 duplicates HB 49.

**AMENDMENTS**

The following language is suggested for all new recurring higher education programs and expansion of current programs (assuming that funding will continue beyond FY05):

"The institution receiving the appropriation in this bill shall submit a program evaluation to the Legislative Finance Committee and the Commission on Higher Education by August 2007 detailing the benefits to the State of New Mexico from having implemented this program over a three period."

**OTHER SUBSTANTIVE ISSUES**

This request was initiated by cotton growers, was reviewed by the NMSU Board of Regents and subsequently approved as a “pass through” request. Since this appropriation is to flow through NMSU, it was not included in the Regent’s funding recommendations to the CHE. Consequently, the CHE did not receive nor recommend funding for this proposal.

**POSSIBLE QUESTIONS**

1. How are current efforts to eradicate pink bollworm funded?
2. Has NMDA developed a plan to distribute any funds appropriated pursuant to the provisions of this bill?

**RLG/lg:dm**