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FISCAL IMPACT REPORT

SPONSOR Harrison DATE TYPED 02/21/05 HB 935

SHORT TITLE Navajo Veterans' Services SB _____

ANALYST Chabot

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$101.2			Recurring	General Fund
	\$1,836.5			Non-recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB 751, SB 752, SB 755 and SB 758

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Indian Affairs (DIA)
 Veteran Services' Department (VSD)

SUMMARY

Synopsis of Bill

House Bill 935 appropriates \$1.938 million from the general fund to VSD for the following purposes:

1. \$86.5 thousand to perform approximately 125 land surveys and to gain approximately 171 archaeological clearances for one-acre lots available for new construction on Navajo Nation chapter lands;
2. \$1.75 million for 50 housing units for Navajo veterans unable to finance a home at each of the 50 Navajo Nation chapters in New Mexico;
3. \$101.2 thousand for a statistician and demographer position to develop a Navajo veterans database project.

Significant Issues

VSD would service as the agency to flow the appropriation to the Navajo nation.

DIA states the Department of Navajo Veterans Affairs (DNVA) there are 50 chapters needing to serve homeless Navajo veterans. Housing units on each chapter would cost \$35,000 each. DNVA says there is a need for over 650 Navajo veterans housing units.

FISCAL IMPLICATIONS

The appropriation of \$1.938 million contained in this bill is split into \$101.2 recurring and \$1.8365 non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2006 shall revert to the general fund.

The LFC FY06 appropriation recommendation is balanced between revenues and expenditures and any increase in recurring funding must be offset by reductions in other areas of the recommendation. The Legislature must consider all priorities and funding requirements to find revenue to support this legislation.

TECHNICAL ISSUES

The appropriation for the construction of housing units probably should be a multi-year appropriation. The LFC capital outlay analyst recommends the appropriation be through fiscal year 2008.

It is unclear where the position the statistician and demographer will be assigned: VSD or in the Navajo Nation. The location for the position should be specified in the bill.

Page 1, Line 25 insert after “on” “New Mexico”.

DIA assesses that the Senate Bills make the appropriations to DIA but it says appropriating the funds to VSD will better serve the intent of the bill.

However, in discussion with VSD, it does not have the staff capability or expertise to manage this project and it recommends the appropriation be made to DIA. DIA has a capital projects unit that oversees capital outlay projects on tribal lands and pueblos. LFC recommends the following:

1. Page 1, Line 18, strike “veterans’ services department” and insert in lieu “department of Indian affairs”.
2. Page 1, Line 25 insert after “on” “New Mexico”.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

Homeless Navajo veterans may not be relocated to permanent housing.

POSSIBLE QUESTIONS

1. Have all federal funding options been investigated?
2. Which agency is better suited to oversee the appropriation: DIA or VSD?