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## FISCAL IMPACT REPORT

SPONSOR Papen DATE TYPED 01/26/05 HB \_\_\_\_\_

SHORT TITLE NMSU Viticulture Program SB 89

ANALYST Woods

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$75.0			Recurring	General

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to the appropriation for New Mexico State University in the General Appropriations Act. Duplicates HB92

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico State University (NMSU), College of Agriculture and Home Economics (CAHE)  
New Mexico Commission on Higher Education (CHE) (HB92 analysis)

### SUMMARY

#### Synopsis of Bill

Senate Bill 89 – Making an Appropriation for the Viticulture Program at New Mexico State University – appropriates \$75,000 from the general fund to the Board of Regents of New Mexico State University for FY06 to provide support for the viticulture (the cultivation, study and science of grape growing) program. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

#### Significant Issues

NMSU-CAHE suggests that although the wine making industry in New Mexico is developing into a significant economic activity and directly reliant upon proper plant selection and care and long-term maintenance of vineyards, there is not a specialist in NMSU's Cooperative Extension Service dedicated to this field. Employment of a viticulturist would seek to advance the university's statewide extension education and research role as it specifically relates to New Mexico's grape growers and wine producers, and serve as a resource for applied information and recommendations for business operations.

NMSU-CAHE indicates this initiative would be integrated with numerous institutions, including NMSU academic programs, the New Mexico Department of Agriculture, small business development centers, county governments, tribal governments, soil and water conservation districts, agricultural producers associations, agribusinesses, and state and federal agencies.

### **FISCAL IMPLICATIONS**

The CHE notes that this program was funded \$75,000 last year and has a recurring appropriation that is rolled into the Department of Agriculture's base budget in the FY06 appropriation act. SB89 is a request to augment program with an additional \$75,000 that will provide for a fully-funded viticulturist specialist position responsible for educational and operational outreach activities. It will also provide for a .5 clerical support staff position, as well as funding for supplies and operating expenses, including funding travel within the state.

This request was not in the list of priority projects submitted by the NMSU Board of Regents to the CHE for review. Accordingly, it was not included in the CHE's funding recommendations for FY06.

### **ADMINISTRATIVE IMPLICATIONS**

NMSU-CAHE will retain oversight of the viticulture program.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Relates to the appropriation for NMSU in the General Appropriations Act.  
Duplicates SB89.

### **ALTERNATIVES**

The CHE advises that higher education institutions receive indirect cost revenues from federal contracts and grants. Further, that this money is unrestricted in the sense that the governing board of the institution has the flexibility to choose which projects are supported with these funds. One of the purposes of retaining these funds is to provide seed money and matching funds for projects such as the one proposed in this bill.

**BFW/lg**