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FISCAL IMPACT REPORT

SPONSOR Altamirano DATE TYPED 02-25-05 HB _____

SHORT TITLE NMSU Extension Service Veterinarian SB 885

ANALYST Woods

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$200.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to the appropriation for New Mexico State University in the General Appropriations Act. Duplicates HB187

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)

SUMMARY

Synopsis of Bill

Senate Bill 885 – Making an Appropriation to New Mexico State University for the Cooperative Extension Service to Employ a Veterinarian for Animal Research and Education Services – appropriates \$200,000 from the general fund to the Board of Regents of New Mexico State University for expenditure in FY06 to employ a veterinarian for animal health research and education services through the Cooperative Extension Service. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

Significant Issues

NMSU-CAHE indicates this bill addresses a critical need in the NMSU academic structure: at present, the university does not have a veterinarian on faculty. While CAHE is generally ex-

pected to offer information and support to the state's livestock industries, central to this responsibility is the ability to provide specific assistance in a number of essential areas, including:

- developing preventive herd health programs;
- dealing with infectious disease outbreaks;
- development of bio-security programs; and
- addressing state and national animal disease regulations.

To this end, CAHE suggests that these, as well as other significant programs and issues, could be best addressed by a veterinarian who, in addition to providing industry advice and assistance, could also contribute to CAHE's research, teaching and extended education curricula.

CHE notes that this request was not in the list of priority projects submitted by New Mexico State University to the CHE for review. Accordingly, this request was not included in the commission's funding recommendation for FY06.

FISCAL IMPLICATIONS

The appropriation of \$200,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

ADMINISTRATIVE IMPLICATIONS

New Mexico State University will retain oversight of this appropriation.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

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

Duplicates HB187 in that HB187 also seeks to appropriate \$200,000 from the general fund to the Board of Regents of New Mexico State University for expenditure in FY06 to employ a veterinarian for animal health research and education services through the Cooperative Extension Service.

OTHER SUBSTANTIVE ISSUES

CAHE suggests that an extension veterinarian would be a valuable asset to state and county extension faculty as they assist the New Mexico state veterinarian's office and U.S. Department of Agriculture's, Animal and Plant Health Inspection Service in coping with infectious disease outbreaks. CAHE notes that in past years, extension faculty have assisted with numerous disease incidents including:

- vesicular stomatitis and West Nile virus in horses;
- tuberculosis, brucellosis, and Johne's disease in beef and dairy cattle;
- scrapie in sheep and goats;
- chronic wasting disease in deer and elk;
- exotic Newcastle disease and avian influenza in poultry.

Faculty have also provided information to the livestock industry and the general public regarding concerns of bio-terrorism and bio-security, including concerns of bovine spongiform encephalopathy (mad cow disease), foot-and-mouth disease and anthrax.

CAHE notes that livestock production accounts for \$1.38 billion annually in farm and ranch income, with beef and dairy animals and milk production accounting for approximately 97 percent of the total dollars. As New Mexico continues to be one of the fastest growing dairy states in the nation, CAHE believes that an extension veterinarian is central to the economy and welfare of the state's livestock industry.

CHE observes that higher education institutions receive indirect cost revenues from federal contracts and grants. 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. A great deal of this money is used as seed money to develop new research and public services projects at institutions. A portion of the indirect cost revenue, and earned overhead, is used to support items such as the salaries of the accountants responsible for monitoring the contract and grants, or for paying utilities and other expenses required to maintain the space where the contract and grant activities are housed. Further, that the higher education funding formula allows institutions to retain 100 percent of this indirect cost revenue. 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.

CHE further suggests – assuming that funding will continue beyond FY06 – that consideration might be given to requiring New Mexico State University to submit a plan for program evaluation, including specific program goals and criteria for assessing program effectiveness to the Legislative Finance Committee and the Commission on Higher Education by October 1, 2005. Further that the university should also submit a program evaluation to the Legislative Finance Committee and the Commission on Higher Education by June 30, 2008 detailing the benefits to the State of New Mexico from having this program implemented for a three-year period.

BFW/yr