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FISCAL IMPACT REPORT

ORIGINAL DATE 1/18/08

SPONSOR Lundstrom LAST UPDATED _____ HB 42

SHORT TITLE Manuelito Chapter Transportation Services SB _____

ANALYST Propst

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$20.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Indian Affairs (IAD)

SUMMARY

Synopsis of Bill

HB 42, making an appropriation for transportation services for the Manuelito Chapter of the Navajo Nation, appropriates \$20 thousand from the general fund to the Department of Finance and Administration to provide transportation services between the Manuelito Chapter of the Navajo Nation and the city of Gallup.

FISCAL IMPLICATIONS

The appropriation of \$20 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY09 shall revert to the general fund.

SIGNIFICANT ISSUES

The Navajo Nation extends into the states of Utah, Arizona, and New Mexico and covers over 27,000 square miles¹. Manuelito has an estimated land base of 56,758 acres. The Manuelito

Chapter is located eighteen (18) miles west of the City of Gallup. According to the Manuelito Chapter website², the Indian population in Manuelito is 350.

According to the Navajo Nation's 2000-2001 Comprehensive Economic Development Strategy, "Over 56 percent of Navajos live below the poverty level, the highest poverty rate in the U.S., even among American Indians."³ The Navajo Nation's "unemployment rate is 44 percent, the median family income is \$11,885, and the per capita income is \$6,217."⁴

According to the Department of Indian Affairs, with little economic development at the Manuelito chapter, the City of Gallup is the hub for the Manuelito residents to earn an income. The high unemployment rate and low median income, coupled with rising gas prices in the area make travel for Manuelito residents expensive. HB 42 would help residents off-set the costs for such travel between the two communities and help boost the employment rate for Manuelito residents.

WEP/bb

¹ See, www.navajo.org/history.htm. Last retrieved on Jan. 17, 2008.

² See, <http://manuelito.ndes.org/>. Last retrieved on Jan. 17, 2008.

³ See, "Indian Country Extension," <http://www.indiancountryextension.org/extension.php>.

⁴ *Id.*