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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/26/2008

SPONSOR Lovejoy LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE NMSU Tribal Extension Center Support SB 363

ANALYST McOlash

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$50.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Related to HB 25.

Relates to Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Indian Affairs Department (IAD)  
 New Mexico State University (NMSU)  
 Higher Education Department (HED)

### SUMMARY

#### Synopsis of Bill

Senate Bill 363 appropriates \$50,000 is appropriated from the General Fund to the Board of Regents of New Mexico State University for expenditure in FY 09 for the Cooperative Extension Service for base funding support of tribal cooperative extension centers that will provide intercultural youth programs and activities, health and wellness education and natural resource and agricultural education that are currently not available in the targeted New Mexico tribal communities.

### FISCAL IMPLICATIONS

The appropriation of \$50,000 contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY 09 shall revert to the General Fund.

## SIGNIFICANT ISSUES

The Higher Education Department indicates a New Mexico Tribal Cooperative Extension Program at NMSU was created to respond to the needs of New Mexico tribes. The program's mission is to coordinate existing Cooperative Extension Services and to develop new programs and research efforts that are designed by tribal advisory committees to better serve the 22 Indian tribes and pueblos in New Mexico.

The New Mexico Higher Education Department provided the following information:

The NMSU Tribal Extension Centers will be comprised of the following program areas:

1. Agriculture and natural resource management;
2. 4-H youth education;
3. Community resource, economic, and leadership development; and
4. Strengthening families through education in health, nutrition, and family resource management.

This request was not submitted by NMSU to the NMHED for review. However, a request in the amount of \$747,000 was submitted by NMSU to the New Mexico Higher Education Department for review, which is an increase of \$500,000 to FY08 recurring funding. The Department's executive funding recommendation for FY09 is a continuance of FY08 recurring funding in the amount of \$247,000 from HB2 and SB611.

## CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB 363 relates to HB 25 Tribal Cooperative Extension Centers and SB 363 differs from HB 25 in that:

- HB 25 was endorsed by the Interim Indian Affairs Committee. SB 363 is not.
- HB 25 was for an appropriation of \$500,000, SB 363 is for an appropriation of \$50,000.
- HB 25 was for the development of three (3) additional NMSU tribal cooperative extension centers. SB 363 is for base funding support of NMSU tribal cooperative extension centers.

## CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 25 appropriates \$500,000 for the creation of three Tribal Extension Centers is a companion bill to SB363.

The Cooperative Extension Service is funded through the General Appropriation Act. The FY 08 Act provided \$12,257,800 for CES.

## OTHER SUBSTANTIVE ISSUES

The Cooperative Extension Service, also known as the Extension Service of the USDA, is a non-formal educational program implemented in the United States designed to help people use research-based knowledge to improve their lives. The service is provided by the state's designated land-grant universities. In most states the educational offerings are in the areas of

agriculture and food, home and family, the environment, community economic development, and youth and 4-H. The Cooperative State Research, Education, and Extension Service of the USDA administers funding for Smith Lever Act services in cooperation with state and county governments and land-grant universities.

The NMSU website indicates the:

. . . Cooperative Extension Service serves a unique role throughout the state. NMSU is the state's land grant university, and as mandated by its charter, is the "leading object" for agriculture, business, engineering, health sciences, and home economics, as well as educational programs in the liberal arts and natural sciences.

NMSU's uniqueness arises from its vision of teaching and learning, research, and cooperative extension functions -- interdependent, mutually supportive, and central to carrying out its land grant mission.

NMSU's University-wide Cooperative Extension Service provides New Mexico's citizenry and communities with effective leadership and collaboration to foster economic, educational, and community development. Decisions on what educational programs are conducted in communities across the state are largely determined by local advisory committees and stakeholder groups. These educational programs are delivered by county-, area-, and state-level NMSU Extension faculty from throughout the university who specialize in an area of concern to New Mexicans. Often these Extension faculty represent the single state-wide or regional source for research-based information on a particular topic.

## **PERFORMANCE IMPLICATIONS**

HED notes NMSU will partner with the 22 New Mexico tribal nations to plan for the establishment of three Tribal Extension Centers. The Tribal Extension Centers will be strategically placed so that all tribal communities will have increased access to educational services. The overall goal of the Tribal Cooperative Extension initiative is to serve all 22 tribes and pueblos in New Mexico. These tribes include the Navajo Nation, the Jicarilla Nation, the Mescalero nation, and the 19 Pueblo Nations of Taos, Picuris, San Juan, Santa Clara, San Ildefonso, Nambe, Pojoaque, Tesuque, Cochiti, Santo Domingo, San Felipe, Santa Ana, Sandia, Zia, Jemez, Isleta, Laguna, Acoma, and Zuni.

## **ALTERNATIVES**

The NMHED analysis states:

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 substantial portion 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, or earned overhead, is used to support items such as the salaries of the accountants responsible for monitoring the contracts and grants, or for paying utilities and other expenses required to maintain the space where the contract and grant activities are housed.

The higher education funding formula allows institutions to retain 100% 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 SB363.

BM/bb