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FISCAL IMPACT REPORT

ORIGINAL DATE 02/04/09

SPONSOR Campos LAST UPDATED _____ HB _____

SHORT TITLE NMSU Agricultural Education Event Attendance SB 351

ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$150.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

SUMMARY

Synopsis of Bill

Senate Bill 351 appropriates \$150.0 from the general fund to the Board of Regents of New Mexico State University to pay for student travel expenses to national and regional agricultural secondary education events.

FISCAL IMPLICATIONS

The appropriation of \$150.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2010 shall revert to the general fund.

SIGNIFICANT ISSUES

The HED states that this request was not submitted by NMSU to the HED for review and is not included in the Department's funding recommendation for FY10.

The LFC Appropriation Recommendations, Volume II, pages 364-365 states:

The committee has concerns about the growth of research and public service projects within the higher education budget, as well as the alignment of these projects with state goals and strategic plans. The committee also continues to have significant concerns about accountability and performance outcomes for these projects.

The committee recommendation reduces funding included in the HED request by varying levels from FY09 funding amounts for research projects, public service projects and P-20 pipeline projects focusing on students.

With respect to special projects, higher education institutions advanced 114 proposals for new projects and expansions at a total general fund cost of \$54 million during the HED budget request process in fall 2008.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

The Executive Budget in Brief notes that over the years more than 300 RPSPs have been created, accounting for a large portion of institution budgets. The current RPSPs were reviewed while considering the relevance of the project to the core mission of the institution, the community benefit and the outcomes associated with each project. (Budget in Brief and Policy Highlights, P 9-10.)

The HED states:

Every year NMSU hosts a Future Farmers of America (FFA) Conference on the main campus for students from high schools all around the state. The mission of FFA in New Mexico is to prepare today's youth for careers in tomorrow's global agriculture industry. During the conference, students can participate in contests for judging and leadership development. Of the 1,000 students who attend the event annually, NMSU selects 200 students to compete at one of three national FFA competitions. Approval of SB351 would allow for NMSU College of Agriculture to pay for the transportation costs for the 200 students.

According to Les Purcell, State Supervisor of Agriculture Education at NMSU, this appropriation will help alleviate the funding burden now carried by local high school programs and individual students and their parents. The average annual expenses for national FFA competition per school are now in excess of \$6,000.

GH/svb