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FISCAL IMPACT REPORT

ORIGINAL DATE 2/16/2019

SPONSOR Pinto LAST UPDATED _____ HB _____

SHORT TITLE Diné College Livestock Research Center SB 470

ANALYST Rabin

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY19	FY20		
\$500.0	\$0.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB471

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

Indian Affairs Department (IAD)

SUMMARY

Synopsis of Bill

Senate Bill 470 appropriates \$500 thousand from the general fund to HED to plan and design the Navajo Nation livestock research and extension center on the Crownpoint campus of Diné College.

FISCAL IMPLICATIONS

The appropriation of \$500 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY23 shall revert to the general fund.

According to HED, Diné College anticipates the size of the facility to be around 6000 square feet which will incorporate several offices, teaching space, small area for lab work, and small conference space. While the college did not provide an estimate for the total cost of the project, the department estimates it will cost between \$1.5 million and \$1.8 million to construct (assuming a cost per square foot of \$250 to \$300). The department reports that the college has

not secured construction funding, but expects to receive match funding from several sources including the Navajo Nation, the State of New Mexico, and federal matches from agencies such as the U.S. Department of Agriculture. The department notes that if this funding is not secured, it may be necessary to fund the project through general obligation bonds (GOB) or severance tax bonds to ensure the investment in planning and design is not wasted.

HED reports the college is working on strategic goals to receive funding, including possible state funding, to cover operation and maintenance costs for the facility, programs, and staffing.

SIGNIFICANT ISSUES

HED reports that during the capital project summer hearing process the department reviewed and prioritized projects that addressed major fire, health and safety issues, eliminated and/or addressed ADA compliance, and provided for asset protection and preservation at institutions of higher education state-wide. Diné College did not submit requests to HED during this process, stating: “The college is presently conducting an overall assessment of its academic programs based on the development of a new academic masterplan which will validate and determine the facility needs throughout all its campus' and centers, including the New Mexico sites.” The department has not received information on the status or results of this masterplan.

The department notes that SB470, if enacted, could set a precedent of funding projects directly through the Legislature that have not been submitted to HED for equitable review and vetting.

An executive summary provided to HED by the college outlines the following opportunities for the college and Navajo Nation:

- Develop programs for rangeland improvement and conservation planning;
- Develop marketing programs for increased return on Navajo livestock production;
- Improve rangeland conditions through best practices in rangeland management and grazing strategies;
- Improve the quality of livestock through breeding programs; and
- Collaboration between shared faculty of Diné College and Navajo Technical Institute to fulfill similar course offerings at both institutions such as animal science, livestock reproduction, meat science, etc. Both institutions are in the process of developing 4-year agricultural degree programs.

ADMINISTRATIVE IMPLICATIONS

HED notes the agency has statutory authority over approval of programs, budgets, all building construction, major remodeling projects purchases of real property, and capital funding recommendations for all public post-secondary institutions in the state. This project did not come through HED’s capital project request process.

RELATIONSHIP

This bill relates to Senate Bill 471, which also appropriates funding to Diné College for a capital project.

OTHER SUBSTANTIVE ISSUES

HED notes Diné College was included in the 2018 GOB issuance for \$5 million to plan, design and construct phase one of a math and science building (17,325 square feet) at the Shiprock campus. At the time this funding was recommended, Diné College had an eligible instruction and general (I&G) square footage of 200,371 square feet. The addition of phase one of the math and science building increased their footprint to 217,696 of eligible I&G square feet, which will provide 1,152 square feet of space per full time student. The proposed facility being requested in this bill (SB470) and the proposed facility being requested in SB471, would add an additional 29,325 square feet to the college footprint.

IAD notes the National Congress of American Indians reported that in New Mexico, 45.5 percent of Native Americans over the age of 16 were not in the labor force, about 12 percent of Native Americans were unemployed (activity seeking work in the previous four weeks at the time of responding to the survey), and Native American's median household income was around \$38,031.¹ In addition, many Native American communities are located in geographically isolated areas where access to healthy food is a challenge. The agency also notes the Diné Policy Institute stated that some Native American families have traveled as far as 155 miles to access fresh food, and, as a result, nutrition-related disease rates are still high among Native Americans.² The department adds that, according to the Diné College 2017 annual report, 92 percent of graduates remain in the region, contributing to 1,047 regional jobs and adding over \$17.9 million dollars to the regional economy.³

According to IAD, the Navajo Nation Livestock Research and Extension Center would help to address the socio-economic conditions for New Mexico's Indian nations, tribes, and pueblos with educational programs to improve rangeland management, markets, and business developments opportunities.

ER/al

¹ http://www.ncai.org/policy-research-center/research-data/prc-publications/Southwest_Profile.pdf

² <https://www.dinecollege.edu/wp-content/uploads/2018/04/dpi-food-sovereignty-report.pdf>

³ <http://hooghan.dinecollege.edu/president/docs/2017-AnnualReport.pdf>