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## FISCAL IMPACT REPORT

SPONSOR: Maes DATE TYPED: 03/04/01 HB \_\_\_\_\_  
 SHORT TITLE: Salty Ground Water Purification SB 598  
 ANALYST: Gilbert

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	\$ 200.0			Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files  
 CHE Files - Special Funding Requests Submitted by NMIMT  
 Office of the State Engineer (OSE)

### SUMMARY

#### Synopsis of Bill

House Bill 598 appropriates \$200.0 to the New Mexico Institute of Mining and Technology (NMIMT) to develop a cost-effective water purification method for salty ground water.

### FISCAL IMPLICATIONS

The appropriation of \$200.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY02 shall revert to the general fund.

### OTHER SUBSTANTIVE ISSUES

According to the OSE, only Nevada has poorer quality groundwater than New Mexico. Some areas of the state will need to use salty groundwater to meet future needs. The proposed research will help develop a cost effective purification technology that will benefit the State of New Mexico in the future.

*The following is provided for information only. It is not intended as a commentary on the merits of the program/project:*

This program was not included in NMIMT's budget request to the NMIMT Board of Regents, and thus was not submitted by NMIMT to the Commission on Higher Education (CHE) for review. The CHE did not recommend funding this program expansion.

According to the CHE, higher education institutions receive indirect cost revenues from federal contracts and grants. A great deal of this money is used as seed money to develop new research and public service projects at institutions. 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.

The state 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 this bill.

LG/njw:ar