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FISCAL IMPACT REPORT

ORIGINAL DATE
LAST UPDATED 2/16/14 **HM** 83

SPONSOR Steinborn

SHORT TITLE Assess Best Water Conservation Practices **SB** _____

ANALYST Chavez

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY14	FY15	FY16	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		*TBD				

(Parenthesis () Indicate Expenditure Decreases)

*See fiscal Implications

Relates to appropriation in SB 179 and SB 223

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

House Memorial 83 requests the New Mexico Water Research Institute (WRRI) at New Mexico State University (NMSU) and the Utton Transboundary Resources Center (Center) at the University of New Mexico assess best conservation practices for New Mexico’s water resources.

FISCAL IMPLICATIONS

While the memorial does not contain an appropriation, the study outlined in the memorial is contingent on the enactment into law of the appropriations contained in SB 179 and SB 223. SB 179 would award \$2 million to the WWRI, and SB 223 allocates \$612 thousand to the Center. The memorial notes these bills as the sources of revenue through which to conduct the analysis.

LFC provided the following analysis for SB 179 and SB 223:

In FY14, the WRRI received a general fund appropriation of \$216 thousand to conduct research and award grants to faculty and student researchers. For FY15, NMSU requested an increase of \$350 thousand, for a total general fund appropriation of \$566 thousand, or an increase of 148 percent over the FY14 funding level.

For FY15, the LFC recommended a FY15 general fund appropriation of \$317.2 thousand, a \$101 thousand or 47 percent increase over FY14. The increase included sufficient funding for the 0.75 percent increase to the education retirement fund pursuant to Section 22-11-21 NMSA 1978. The increase also would fund additional faculty research seed grants and student water research grants.

The Executive recommended \$2.2 million for FY15, a more than 900 percent increase for the program. NMSU's initial request for an additional \$350 thousand included funding for 1 FTE, 200 thousand more for research grants, and \$70 thousand for a hydrologic data system.

For FY14, the Center received \$292.4 thousand in general fund revenues. For FY15, the Center requested an expansion of \$320 thousand to transition a number of part-time, temporary employees to permanent, full-time status and grow the water ombudsman program. Both the Executive and LFC recommended base funding at FY14 general fund levels and a modest increase to support a scheduled retirement contribution increase pursuant to Section 22-11-21 NMSA 1978. If either recommendation and SB 223 are enacted, the Center's general fund support would nearly triple to nearly \$904 thousand.

SIGNIFICANT ISSUES

The memorial notes the ongoing drought in New Mexico has demonstrated the need to understand the most efficient methods for using water in all sectors of water use, and that different approaches to water conservation may result in unforeseen consequences, both legal and practical. The memorial adds that the WRRI has expertise in the technical aspects of water conservation and the Center has expertise in the legal and policy aspects of water conservation.

The memorial requests the WRRI and the Center to conduct an in-depth analysis of water conservation best practices in all water use sectors of the state. The results of the analysis should be jointly documented and the results reported to the Legislature in the 2015 legislative session.

RELATIONSHIP

SB 179 and SB 223 contain appropriations that will help the WRRI and the Center to carry out the provisions of the memorial.

KC/jl