

Key Hearing Issues



NEW MEXICO
LEGISLATIVE
FINANCE
COMMITTEE

August 23, 2023

Rural Natural Resources Economic Development

Sarah Cottrell Propst, Secretary, Energy, Minerals, and Natural Resources Department; Lancing Adams, Acting Secretary, Tourism Department; Dr. Brittany Fallon, Land of Enchantment Legacy Fund Conservation Coalition; Debbie Hughes, Land of Enchantment Legacy Fund Agriculture Coalition.

Prepared By: Julisa Rodriguez and Scott Sanchez, LFC Analysts

Developing Rural Outdoor and Natural Resources Tourism

- The Outdoor Recreation Division was established in 2019 and has responsibility for increasing outdoor recreation economic development, tourism, and ecotourism; recruiting out-of-state-based outdoor recreation businesses in New Mexico; promoting stewardship and preservation of the state's unique environment and cultural assets; and promoting education and the use of outdoor recreation assets.
- On August 4, 2023, the Economic Development and the Tourism departments entered into a memorandum of understanding to transfer responsibility for all functions, personnel records, property, established programs, grants, appropriations, and overall supervision of the division for FY24 to the Tourism Department. However, the Outdoor Recreation Division is statutorily a part of the Economic Development Department.
- The division is responsible for administering the outdoor equity grant program, which helps underrepresented youth get outside; and the outdoor recreation Trails + grant program, which supports projects enhancing outdoor recreation opportunities, such as trails, river parks, and wildlife viewing areas. To date:
 - The outdoor equity fund has awarded \$1.96 million to 129 recipients.
 - In 2022, Hermit's Peak Watershed Alliance received \$20 thousand to help protect and restore the Gallinas River Park; the village of Pecos received \$20 thousand to partner with the New Mexico Wildlife Federation's Nature Niño program to develop local programming for economically marginalized youth; and Impact Outdoors received \$20 thousand to provide outdoor education experiences in Guadalupe County.
 - The Outdoor Recreation Trails+ grant program has awarded \$7.1 million to 79 projects.
 - In 2023, the city of Las Vegas received \$99,999 to add a trail encompassing the Rodriguez Park Baseball and Softball Field, Collins

Lake Outdoor Learning Center in Mora County received \$82 thousand to enhance outdoor recreation opportunities, and Glorieta Adventure Camps received \$99 thousand to restore the Historic Route 66 path and Old Santa Fe Trail that runs through its property in Santa Fe County.

- In November 2022, the U.S. Department of Commerce's Bureau of Economic Analysis (BEA) released a report on the economic impact of the outdoor recreation industry. The report highlighted the following:
 - In 2021, outdoor recreation represented 2.1 percent, or \$2.3 billion, of New Mexico's gross domestic product, and grew at a 2.5 percent higher rate for the industry than the national average.
 - In 2021, New Mexico ranked fifth in outdoor recreation employment growth, and the sector employed 28,475 New Mexicans.
- The division also conducted the NM Uplift initiative to complete a statewide asset review to create statewide and county-by-county recommendations for growing outdoor recreation activities. The review took place between March 2022 and July 2023. The plan makes the following recommendations:
 - Develop more land-based recreation opportunities, trail development, and promotion of existing education programs in Storrie Lake State Park in San Miguel County;
 - Improve the road for Walker Flat east of the Carson National Forest in Mora County; and
 - Restore Rito Creek and the Pecos River to reduce nitrogen levels from cattle to improve water quality.

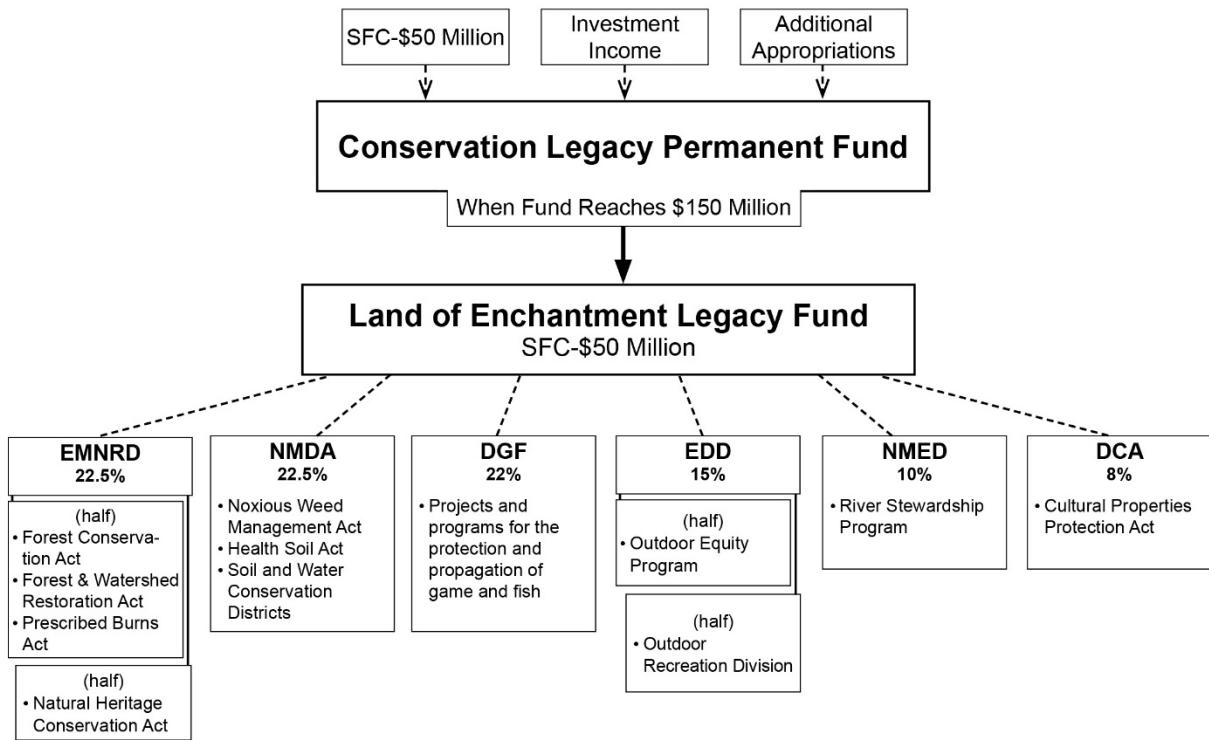
Local Forest and Watershed Needs and Economic Impact

- The Forestry Division retains lead responsibility for wildland fire management on all nonfederal, nontribal, and nonmunicipal lands, maintaining fire suppression capacities and emphasizing public and firefighters' safety. The division promotes healthy, sustainable forests and watersheds in New Mexico.
- In 2008, the Forestry Division established the Forest and Watershed Health Office (FWHO) and created the Forest and Watershed Health Coordinating Group, an advisory body of partners engaged in restoration. The Forest and Watershed Health Plan created that year was intended to break down barriers to restoration and the coordinating group's objective was to collaboratively plan, fund, and implement the best restoration strategies in the right places. These concepts are now integrated into the [2020 New Mexico Forest Action Plan](#).

-
- Using the state forest action plan as a guide, the Forestry Division aims to address climate change effects on forest and watershed health by accelerating the pace and scale of restoration projects. These projects remove overgrown brush and trees that fuel uncharacteristic, high-severity wildfires, improve conditions to expand the use of prescribed fire on private lands, and implement natural climate solutions to reduce carbon emissions.
 - The state *Forest Action Plan* calls for the restoration of forests and watersheds through managed treatments and reforestation, as well as the development of strategies for fire management, private land stewardship, conservation, and recreation programs.
 - The development of the restoration economy is the driving force behind forest management activities and addresses the need to invest in workforce development for all of these strategies. The plan aims to rebuild and retool the forest and wood processing industries to capture the by-products of restoration and manage forests for resilience in changing climate conditions.

Land of Enchantment Legacy Fund

- Laws 2023, Chapter 26, created the conservation legacy permanent fund (CLPF) managed by the State Investment Officer with the same risk and return profile as the land grant permanent funds. The bill specifies that earnings from the investment of the fund shall be credited to the fund. Income in excess of \$5 million is distributed to the land of enchantment legacy fund on July 1 of each year. These distributions will only take place if the balance of the CLPF exceeds \$150 million.
- This legislation also created the land of enchantment legacy fund (LELF), which will be managed by the Department of Finance and Administration (DFA). On July 1, 2024, and each year thereafter, DFA is instructed to distribute the greater of \$12.5 million or 25 percent of the total balance of the fund as indicated in the graphic below.



Update on Rural Agricultural Development and Funding Opportunities

- In 1998, the Legislature enacted the Noxious Weeds Management Act. This act directs the Department of Agriculture to develop a list of noxious weeds, identify methods of control, and educate the public about noxious weeds. The Cooperative of Weed Management Areas (CWMA) provides technical assistance, equipment, and education opportunities to identify and manage noxious weeds.
- The Department of Agriculture created its Healthy Soil Program after enactment of the Healthy Soil Act in 2019. The purpose of the program is to promote and support farming and ranching systems and other forms of land management that increase soil organic matter, aggregate stability, microbiology, and water retention to improve the health, yield, and profitability of soils in the state. The Department of Agriculture awards grants to implement soil health principles. Eligible entities include local government entities with proven land management capacity to support healthy soil, such as acequias, pueblos, soil and water conservation districts, and NMSU's Cooperative Extension Services and individuals, business, and nonprofits directly engaged in farming, ranching, or land management.
- Soil and Water Conservation Districts (SWCDs) are independent subdivisions of state government authorized to perform functions to conserve and develop natural resources of the state, provide for flood control, preserve wildlife, and protect the tax base. Funding and grants for water quality and conservation projects are approved by the Soil and Water Conservation Commission (SWCC).