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## FISCAL IMPACT REPORT

SPONSOR: SFC DATE TYPED: 03/21/03 HB \_\_\_\_\_

SHORT TITLE: Operating Reserve for Soil and Water Conservation SB 385/SFCS

ANALYST: Williams/Smith

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$972.0		See Narrative	Recurring	General Fund Operating Reserve

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to HB 2, et. al.

### **SOURCES OF INFORMATION**

LFC Files  
 New Mexico Department of Agriculture (NMDA)  
 Commission on Higher Education

### **SUMMARY**

#### Synopsis of Bill

The Senate Finance Committee Substitute for Senate Bill 385 authorizes the Secretary of Finance and Administration to draw up to \$972.0 from the general fund operating reserve as a contingent appropriation to match federal funds in FY 2004 for water conservation and natural resource restoration technical assistance related to an agreement between the United States Department of Agriculture Natural Resources Conservation Service and the Soil and Water Conservation Commission. The general fund operating reserve funding would be released to the Board of Regents at New Mexico State University for soil and water conservation districts.

#### Significant Issues

The federal Farm Security and Rural Investment Act of 2002, the 2002 Farm Bill, authorizes significant increases in federal programs for soil and water conservation, protection of farmlands and wetlands, air and water quality improvement and wildlife habitat improvements. New Mexico funding for private landowners is projected at \$20 million for these conservation programs.

Under the new approach, local soil and water conservation districts will assume additional administrative and technical assistance duties to implement the programs.

Funding appropriated would provide state match for 36 district field offices to hire additional employees to assist in administration of the new programs. Federal funding would be obtained from the United States Department of Agriculture, Natural Resources Conservation Service. According to the New Mexico Department of Agriculture, these employees would maintain lists of technical service providers, track funding provided to farmers and ranchers, evaluate programs and prepare recommendations as well as develop grazing rotations and design wetlands.

CHE has noted this funding request was not included in the NMSU budget request; the NMSU Board of Regents approved the project in December 2002.

There is a high probability that the federal funding match would be available to meet the contingency.

### **FISCAL IMPLICATIONS**

The appropriation of \$972.0 contained in this bill is a recurring expense to the general fund operating reserve. Any unexpended or unencumbered balance remaining at the end of FY04 shall revert to the general fund operating reserve.

### **ADMINISTRATIVE IMPLICATIONS**

NMDA expects a significant increase in its workload.

AW/njw