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## FISCAL IMPACT REPORT

**SPONSOR** Nunez                      **DATE TYPED** 02/05/04                      **HB** 45/aHENRC

**SHORT TITLE** Water Resources Research Institute                      **SB** \_\_\_\_\_

**ANALYST** Williams

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	200.0			Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
		See Narrative	Recurring	OSF/NMSU

(Parenthesis ( ) Indicate Revenue Decreases)

Relates to research and public service project funding in General Appropriation Act for Water Resources Research Institute at New Mexico State University and LFC budget recommendation funding of \$455.9 thousand in FY05.

### **SOURCES OF INFORMATION**

LFC Files  
 Commission on Higher Education  
 Office of State Engineer  
 Water Resources Research Institute

### **SUMMARY**

#### Synopsis of HENRC Amendment

The House Energy and Natural Resources Committee amendments provide technical clarifications to the bill.

Synopsis of Original Bill

House Bill 45 creates the Water Resources Research Institute and the Waste Management Education and Research Consortium at New Mexico State University. Further, the bill appropriates \$200 thousand from the general fund to the board of regents of New Mexico State University to increase research in water conservation, planning and management. The bill authorizes the Institute to collect fees.

Significant Issues

The Office of the State Engineer notes “instead of more research, we need programs to actually implement conservation measures that we know work.”

The bill specifies the institutions participating in the Institute: New Mexico State University, University of New Mexico, New Mexico Institute of Mining and Technology, New Mexico Highlands University, Eastern New Mexico University and Western New Mexico University.

The purpose would be: (1) to provide research and training; (2) transfer water information; (3) provide expertise and assistance and (4) cooperate with other local, state and federal government stakeholders.

The Governor’s budget recommendation includes a 15 percent reduction in non-statutory research and public service projects at public, post-secondary institutions. This Institute currently exists as a non-statutory entity, and therefore is subject to proposed fiscal reductions based on this methodology.

WRRRI notes funding would be utilized for research, not administration.

**FISCAL IMPLICATIONS**

The appropriation of \$200 thousand contained in this bill is a recurring expense to the general fund.

The bill includes an earmarked revenue source because authorized fees would be retained by New Mexico State University.

**ALTERNATIVES**

Indirect cost revenues could be used as an alternative funding source. Office of State Engineer suggests funding an expansion of the OSE conservation program to increase school curriculum and public education activities and technical assistance.

**ADMINISTRATIVE IMPLICATIONS**

Office of State Engineer notes the need for coordination between NMSU and OSE to avoid duplication of effort and ensure productive interface.

**OTHER SUBSTANTIVE ISSUES**

The appropriation in this bill is not included in the New Mexico State University Board of Re-

gents top nine funding priorities for FY05 as submitted to the Commission on Higher Education.

Office of State Engineer notes technical drafting issues, which are addressed in the HENRC amendment.

**POSSIBLE QUESTIONS**

1. How would the incremental appropriation contained in the bill be utilized?
2. What performance measures would be used to address performance outcomes of the institute?

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