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FISCAL IMPACT REPORT

SPONSOR Feldman DATE TYPED 02/02/2004 HB _____

SHORT TITLE Bosque Management and River Improvement SB 19

ANALYST Aguilar

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	\$75.0		See Narrative	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Energy, Minerals and Natural Resources Department (EMNRD)
 New Mexico Environment Department (NMED)
 Office of the State Engineer (OSE)
 Department of Game and Fish (DGF)

SUMMARY

Synopsis of Bill

Senate Bill 19 would provide \$75 thousands to EMNRD for expenditure in FY05 to provide coordination services by the State Forester for bosque management and river improvement projects among state, local, tribal and federal resource management agencies.

Any unexpended or unencumbered balance remaining at the end of fiscal year 2005 shall revert to the general fund.

Significant Issues

Coordination of all state, local, and federal resource management agencies in bosque management projects could help those entities in understanding and implementing bosque management techniques that are cost effective and sustainable with regard to reducing fire threat and provid-

ing wildlife habitat. It could also serve as a means of documenting and evaluating the effectiveness of using state funds for bosque management purposes. Recent bosque fires, including those in the Albuquerque bosque during the summer of 2003, have clearly shown the threat such fires present to the communities adjacent to the bosque. Bosque thinning has been suggested as a means of lessening the fire threat. In addition, multiple salt cedar removal and river improvement projects have been and are being proposed on the Pecos River and Rio Grande to address water supply and endangered species issues, respectively. No coordinated effort, however, has been begun by the state to technically support, document, or evaluate the effectiveness of the efforts, including those that have received state funding.

EMNRD notes that by explicitly defining the scope of coordination necessary between numerous organizations the bill describes the complexity of managing the natural vegetation that exists along the state's rivers. State Forestry Division (SFD) operated a "Middle Rio Grande Bosque Consortium" for a number of years ending that service in 2000 due to the lack of specific funding and increasing challenges in managing drought-related forest fires. This bill appears to have a similar design with the significant differences of being a statewide responsibility and providing an appropriation. In the original bosque consortium design, SFD sought to find a neutral convener that would naturally bring the strongest diversity of interests to the table. SFD found that the Middle Rio Grande Council of Governments could bring the greatest participation of counties and cities in that area. From that foundation, state and federal agencies support provided the technical advice, semi-annual plenary meetings and project design work. SFD believes some of the successes in current Rio Grande bosque management can be attributed to collaborative approaches that built trust and traditions of idea sharing.

With this bill, SFD would seek a similar entity that could serve as a neutral convener and facilitator. Possible entities would include the various councils of government, resource conservation and development councils, conservancy districts among others to determine which would most effectively implement the process.

The Interstate Stream Commission remarks that the State Forester may not be the best location for this coordinating activity. The state should consider how best to insure coordination of watershed restoration and management projects all over the state, of which bosque and river improvement projects are but one component. There are many issues that should be addressed in watershed management, including but not limited to increased water supplies, protection of habitat for species at risk, fire prevention and protection of archaeological resources. Many of these will be addressed in the Forest Health Initiative currently underway. Monitoring for these projects is also critical and currently underemphasized. A comprehensive approach to watershed restoration projects and of all of the components that are involved should be addressed.

FISCAL IMPLICATIONS

SFD indicates that it would likely flow through the funds to entities contracted to provide facilitative services. It is not clear the \$75,000 is sufficient to develop a single consortium process that could accommodate each of the state's bosque ecosystems. For example, issues related to the Pecos River are significantly different than the Rio Grande and Gila River systems. Therefore, the division would consider developing regionally appropriate groups. Further, the division would request support to hire an forester with the experience necessary to deal with the diverse issues related to bosque management. SFD division estimates this cost at \$55 thousand per year. The bosque management issue is a large one that is unlikely to be resolved in one year. It is un-

clear how effective the State Forester could be given the relatively short period of time allowed for in SB19.

OTHER SUBSTANTIVE ISSUES

The ISC is paying for the development of a habitat restoration plan for the Middle Rio Grande Bosque as part of its leadership effort in the Middle Rio Grande ESA Collaborative Program. In addition, the ISC is providing cost sharing and technical support for several river improvement projects in the middle Rio Grande.

The Interstate Stream Commission notes the STATE WATER PLAN calls for the state to "support and conduct watershed restoration projects with a high potential to increase the water supply or improve the quality of water." Thus it would be appropriate for watershed projects funded by the state to be required to monitor for both and to be targeted to locations with the highest potential and need for increased water supplies (i.e. watersheds where streams have compact delivery requirements or endangered species river flow targets).

PA/dm:njw