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FISCAL IMPACT REPORT

SPONSOR Papen **DATE TYPED** 02/09/04 **HB** _____

SHORT TITLE NMSU US - Mexico Conflict Resolution Center **SB** 466

ANALYST Baca

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	\$100.0			Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Commission on Higher Education Funding Recommendations for FY05 (CHE)

Responses Received From

Interstate Commerce Commission (ICC)

Commission on Higher Education (CHE)

New Mexico State University (NMSU)

Department of Health (DOH)

New Mexico Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

Senate Bill 466 appropriates \$100 thousand from the general fund to the Board of Regents of New Mexico State University, to be expended in FY05, to support work of the US-Mexico conflict resolution center relating to water mediation and cross-border trade.

Significant Issues

The ICC reports that the U.S. government, not individual states, enters into treaties with countries along its borders. Despite treaties from 1906 and 1944 regarding water use, the New Mexico portion of the U.S. border with Mexico is characterized by disagreements about water use, both surface and underground. However, trade between New Mexico and Mexico is growing rapidly, having doubled from \$53 million to \$106 million during the period of January – June 2003. Therefore, resolution of conflict regarding water could be very useful in paving the way for continued economic growth from trade with Mexico, and in ensuring that New Mexico receives its fair share of trade opportunities with Mexico.

BACKGROUND: The U.S. – Mexico Conflict Resolution Center, or El Centro de Resolución de Controversias México - Estados Unidos, is a 10-year old, bilingual center housed at NMSU that espouses creative solutions to end conflict. It was created with support of the U.S. Congress to address education and training, and to provide alternative dispute resolution services when conflicts arise in implementing the North American Free Trade Agreement (NAFTA). Because the CRC uses the technique of seeing human beings as the agent of change, their conflict resolution strategies should be useful in water mediation by training others in conflict resolution, and by providing a forum for resolving conflict.

FISCAL IMPLICATIONS

The appropriation of \$100 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY05 shall revert to the general fund.

According to the ICC, it is doubtful that the amount of funding sought would be adequate for both water mediation and cross-border trade without being matched by funding from other sources. It is unclear whether or not matching funding will supplement this appropriation request, as encouraged in the State Water Plan adopted by the ISC on December 17, 2003 [Policies and implementation strategies at Section C.13].

ADMINISTRATIVE IMPLICATIONS

The DOH states that:

The Secretary of the DOH, as head of the Office of Border Health (OBH), must be kept apprised of any actions taken that require the cooperation of Mexican officials. The OBH has been involved in the US/Mexico border region for the past ten years and has built relationships that allow for cross border initiatives in health. The OBH is also responsible for assisting the US/Mexico Border Health Commission with its mandate of establishing policy for health at the border from the federal level. Close collaboration with the OBH through the Office of the Secretary would be necessary.

TECHNICAL ISSUES

The ICC writes:

Because the proposed funding is for one year, it is not known whether or not this appropriation request is a “bridge” to meet a one-time need, or whether or not additional funding will be needed next year or in successive years. The border is an arid region with increasing development, which generates increased need on limited supplies. The Paso del Norte Task Force is the source of the following graphical information, which shows projected population growth through 2020.

OTHER SUBSTANTIVE ISSUES

This request was not in the list of priority projects submitted to the Commission on Higher Education for review. Consequently, this request was not included in the Commission’s recommendations for FY05.