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## FISCAL IMPACT REPORT

SPONSOR Cervantes DATE TYPED 2/22/05 HB 297/aHAGC

SHORT TITLE Water Management & Education Programs SB \_\_\_\_\_

ANALYST Woods

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$750.0			Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates SB100

Relates to HB192, HB193, SB117, SB113

Relates to the appropriation for New Mexico State University in the General Appropriations Act.

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico Office of the State Engineer (OSE) (SB100)

New Mexico State University (NMSU), College of Agriculture and Home Economics (CAHE) (SB100)

New Mexico Finance Authority

New Mexico Commission on Higher Education (CHE) (SB100)

### SUMMARY

#### Synopsis of HAGC Amendment

House Agricultural and Water Resources Committee amendment to HB297 amends the legislation as follows:

*On page 2, between lines 3 and 4: insert a new subsection to read:*

C. New Mexico state university shall submit a plan for program evaluation, including specific program goals and criteria for assessing program effectiveness to the legislative finance committee and the legislative interim water and natural resources committee by October 1, 2005. The institution shall also submit a pro-

gram evaluation to the legislative finance committee, the legislative interim water and natural resources committee and the house appropriations and finance committee by June 30, 2008 detailing the benefits to the state of New Mexico from having the program implemented for a three-year period. The report shall be submitted in digital format only and be made available on the appropriate state web page.

This amendment adds no additional appropriation to the legislation.

### Synopsis of Original Bill

House Bill 297 – Making an Appropriation for Water Management Research and Education Programs by the Agricultural Experiment Station and the Cooperative Extension Service – appropriates \$750,000 to the Board of Regent of New Mexico State University to conduct water management research and education programs in FY06. The appropriation is allocated to (1) the agricultural experiment station in the amount of \$375,000 and (2) the cooperative extension service in the amount of \$375,000. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

### Significant Issues

NMSU-CAHE indicates that this is a NMSU Board of Regents funding priority endorsed by CHE. Funds will allow the NMSU Cooperative Extension Service (CES) and Agricultural Experiment Station (AES) to dedicate faculty members who can address water-related needs important to New Mexicans. NMSU-CAHE suggests that a water-focused program will generate the capacity to create knowledge on issues of significant impact. Further, that resulting programs will provide the public with impartial science-based information for decision making on water issues such as policy, municipal and industrial use, regulatory changes, agricultural productivity, environmental management, drought planning and mitigation, and other topics.

OSE notes that although it is not clear which specific projects will be conducted with the funds, they could certainly benefit and relate to the activities and research conducted by the OSE, and therefore they should be closely coordinated with the OSE, and other appropriate agencies.

CHE indicates this request was approved by NMSU Board of Regents in the amount of \$750,000 and submitted to the Commission on Higher Education for review. The Commission has recommended funding in the amount of \$525,000 for this project.

### **PERFORMANCE IMPLICATIONS**

NMSU-CAHE advises that CES and AES will employ a ‘response team’ approach in conjunction with traditional education outreach methods to address water problems facing the public. Advisory groups will help prioritize water research needs. Research findings and technologies will be presented to the public through applications that will help solve or mitigate water problems. Research, educational materials, instruments and tools, and related CES/AES support will become public domain for unrestricted distribution and use by the general public.

## FISCAL IMPLICATIONS

The appropriation of \$750,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

## ADMINISTRATIVE IMPLICATIONS

NMSU would retain oversight of the program.

## CONFLICT, DUPLICATION, COMPANIONSHIP OR RELATIONSHIP

HB297 is a duplicate of SB100.

HB193 and SB117 are related to HB297. These bills create the Water Resources Research Institute as a division of NMSU.

SB113 relates to HB297 in that SB113 appropriates \$200,000 from the general fund to the Board of Regents of New Mexico State University for expenditure in FY06 for the Water Resources Research Institute to increase research in water conservation, planning and management

## OTHER SUBSTANTIVE ISSUES

NMSU-CAHE indicates that current water research and education efforts of CES and AES are entirely grant driven, short-term activities. Research and outreach programs are designed pursuant to the objectives of the granting agencies. These objectives are often not pertinent to critical needs of New Mexico. In-state needs are, therefore, often disregarded due to lack of funding. This initiative will allow continuity of state-oriented water programs by leveraging appropriate grant funding, but not being totally reliant upon it. To this end, NMSU-CAHE proposes an assertive response to what it sees as three critical factors:

- Economic Issues – Continued demands on water resources will ultimately result in increased cost to consumers, both large and small. Perpetual ‘bad press’ about water problems has already driven investment away from New Mexico. Without this funding support, CES efforts such as the help that was given to Santa Fe High School athletic field sub-surface irrigation project and to Twin Warriors golf course at the Santa Ana pueblo in Rio Rancho for their sub-surface irrigation system will continue to operate with only limited means.
- Environmental Issues – Without proper scientific support to environmental policy and decision making, additional water resources may be inappropriately allocated. Without state funding, activities such as the study to identify alternative refuges for the silvery minnow will be occasional, short-term efforts.
- Social Issues – Much of the cultural richness of New Mexico is at risk due to continuing water uncertainty for the future. Many New Mexicans do not have the resources to defend and protect their cultural practices in the face of misdirected policies, population growth, and other social demands. The current NMSU support to various acequias for technical and organizational management is an example of activities which could be lost

without this funding.

OSE notes that in discussions conducted by the work groups of the New Mexico Drought Task Force, representatives from the OSE, the New Mexico Association of Conservation Districts, and the New Mexico Department of Agriculture agreed that an emphasis should be placed on watershed management activities and monitoring work. The proposed research activities might benefit that intent, and therefore they should be coordinated with the OSE and the Governor's Drought Task Force. OSE also advises that duplications could arise in light of the fact that some of the research and educational programs that could be undertaken by the agricultural experiment station and the cooperative extension service might have been already conducted or might be planned by the OSE. As such, the need for close coordination with the OSE is essential.

#### **AMENDMENTS**

CHE suggests the following language for all new recurring higher education programs and expansion of current programs (assuming that funding will continue beyond FY06):

New Mexico State University shall submit a plan for program evaluation, including specific program goals and criteria for assessing program effectiveness to the Legislative Finance Committee and the Commission on Higher Education by October 1, 2005. The institution shall also submit a program evaluation to the Legislative Finance Committee and the Commission on Higher Education by June 30, 2008 detailing the benefits to the State of New Mexico from having this program implemented for a three-year period.

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