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## FISCAL IMPACT REPORT

SPONSOR Salazar DATE TYPED 2/7/05 HB 236/aHAGC

SHORT TITLE Acequia Commission SB \_\_\_\_\_

ANALYST Hadwiger

### APPROPRIATION (in \$000s)

| Appropriation Contained |        | Estimated Additional Impact |      | Recurring or Non-Rec | Fund Affected |
|-------------------------|--------|-----------------------------|------|----------------------|---------------|
| FY05                    | FY06   | FY05                        | FY06 |                      |               |
|                         | \$80.0 |                             |      | Recurring            | General Fund  |
|                         |        |                             |      |                      |               |

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act which contains \$30 thousand annually for the New Mexico Acequia Commission.

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Finance and Administration (DFA)

Office of the State Engineer

### SUMMARY

#### Synopsis of HAGC amendment

The HAGC amendment would require the Department of Finance and Administration (DFA) to submit a plan for program evaluation, including specific program goals and criteria for assessing effectiveness of the Acequia Commission program to the Legislative Finance Committee by October 1, 2005. DFA would also submit a program evaluation to the LFC by June 30, 2008 showing the benefits to the state over the three-year period.

#### Synopsis of Original Bill

House Bill 236 appropriates \$80,000 from the general fund to the DFA in FY06 to support the operation of the Acequia Commission.

Significant Issues

According to DFA, the \$80,000 appropriated in HB236 would supplement the \$30,000 already earmarked by that agency to the New Mexico Acequia Commission, which is used for commissioner travel reimbursement and administrative support. The intended use of the additional \$80,000 is to hire a full-time professional staff to support the commission's work on issues such as water banking, clarification of local acequia water rights, and mapping. No additional administrative funds are intended to go to DFA from the additional funding. The Legislature appropriated \$100,000 in 2004 to DFA to address acequia water rights and water banking issues. The department has contracted with the New Mexico Acequia Association, a non profit group not affiliated with the Acequia Commission, to perform that work, which is to begin early 2005.

DFA also notes that few state commissions have staff devoted to them full-time. The Office of State Engineer does have one FTE assigned to address acequia related issues and serves as a liaison between the State Engineer and the commission.

The HAGC amendment would provide necessary information to the LFC for evaluating the effectiveness of this program.

**FISCAL IMPLICATIONS**

The appropriation of \$80,000 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**

According to the State Engineer, that agency's acequia liaison currently provides some staff support to the Acequia Commission on an informal basis. The Office of the Attorney General provides legal counsel to the Commission pursuant to Section 73-2-67 NMSA 1978. If this appropriation were used to create a staff position for the Acequia Commission, the Commission would not need to depend on the State Engineer's acequia liaison for administrative support.

DFA noted the HAGC amendment to HB236, which asks DFA to evaluate the program's effectiveness and conduct an evaluation of the program's benefits over a three-year period, would require much of the new full-time staff's time.

**DH/njw:lg**