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FISCAL IMPACT REPORT

ORIGINAL DATE 1/30/06

SPONSOR Cervantes LAST UPDATED _____ HB 186

SHORT TITLE NMSU Natural Resources Renewal Program SB _____

ANALYST Earp

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$200.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Senate Bill 109

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

New Mexico State University (NMSU)

Energy, Minerals & Natural Resources Department (EMNRD)

SUMMARY

Synopsis of Bill

House Bill 186 appropriates \$200,000 from the general fund to the Board of Regents of New Mexico State University (NMSU) to establish a collaborative natural resources sustainability and renewal program.

FISCAL IMPLICATIONS

The appropriation of \$200,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

SIGNIFICANT ISSUES

This proposal was submitted to the Higher Education Department (HED) by NMSU as a compo-

ment of the university's "strategic research clusters initiative" which was ranked #5 out of 9 requests for special program expansion. However, this request was not included in HED's fiscal year 2007 funding recommendations to the Legislature.

ADMINISTRATIVE IMPLICATIONS

NMSU would be responsible for providing administrative support for the proposed program.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Senate Bill 109 and House Bill 186 are duplicate measures.

OTHER SUBSTANTIVE ISSUES

Information provided by NMSU states that the purpose of the proposed Natural Resource Sustainability & Renewal Research program is to take a systems approach to research to integrate the utilization of resources across power and water utilities. The Natural Resource Sustainability and Renewal program has over 100 researchers across all colleges that include expertise in energy, water, and land resources. This appropriation will enhance the ability to respond to the specific needs facing the natural resources industries, such as energy and mineral extraction, water resources, forest health, agriculture, and rangeland management.

NMSU states that, traditionally, energy and water utilities in New Mexico have been developed as centralized production centers with very long and inefficient transmission systems. While this approach offers some local economic benefits, economies, energy production, and water sources change, and a new vision for utility development and management is now needed. Energy, water, wastewater, and solid waste utilities that are decentralized, integrated with local land uses, and located near their point of use are more economic, secure, and sustainable than their conventional counterparts. With its widely distributed population, natural resources, and agricultural base, New Mexico offers an ideal incubator for the development and deployment of integrated land, water, and energy systems that will define the new vision for distributed sustainable utilities.

POSSIBLE QUESTIONS

How is NMSU currently supporting this initiative? Could indirect cost revenues be used for this purpose?

DKE/nt