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FISCAL IMPACT REPORT

	ORIGINAL DATE 2-2-06		
SPONSOR	Lundstrom	LAST UPDATED	HB 579/aHENRC
	NORTHWEST NM ENVIRONMENTAL		
SHORT TITLE	PLANNING	SB	
		ANALYST	Hadwiger

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$75.0	Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB32.

SOURCES OF INFORMATION

LFC Files

Responses Received From:

Department of Finance and Administration (DFA)
 New Mexico Department of Environment (NMED)
 Energy, Minerals and Natural Resources Department (EMNRD)

SUMMARY

Synopsis of HENRC Amendment

The House Energy and Natural Resource Committee amendment to House Bill 579 would extend the appropriation period through the end of FY08 and make funds revert at the end of FY09.

Synopsis of Original Bill

House Bill 579 appropriates \$75 thousand from the general fund to the Local Government Division of the Department of Finance and Administration in FY07 for a demonstration program in San Juan, McKinley, and Cibola counties designed to help communities understand and reduce risks due to toxics from all sources. The bill directs this program to encourage communities to form collaborative partnerships, develop a comprehensive understanding of all sources of risk from toxics, set priorities and identify projects to reduce risks through collaborative action at the local level. The program would match state funds with federal funds from the U.S. Environmental Protection Agency's Community Action for a Renewed Environment Program.

FISCAL IMPLICATIONS

The appropriation of \$75 thousand contained in this bill is a non-recurring expense to the general fund. The bill indicates that federal matching funds will be sought. Any unexpended or unencumbered balance remaining at the end of FY07 would revert to the general fund.

SIGNIFICANT ISSUES

DFA commented that lack of awareness and cooperation among local governments, organizations and citizens make it hard to address and reduce land, water and air-borne toxins. Education on these issues by consultants, while an effective approach, can be costly, and resources are often not available locally. Community Action for a Renewed Environment, a program sponsored by Northwest New Mexico CARE, aims to implement a program to help communities reduce environmental toxins. The two year effort seeks to hire consultants who will work with communities to educate community members on toxic risks and devise effective strategies for addressing them. Over \$81,000 has been received from the US EPA for the program; the state funding in this bill would help meet the overall budget of \$231,168.

The Department of Health (DOH) noted in comments on a similar bill that, in the last two years, 29 out of 37 county and tribal health councils in New Mexico have identified and prioritized their environmental health concerns. If enacted, HB579 would develop a model for community collaboration and action on environmental health concerns in New Mexico and provide resources for sustainable, community-based partnerships aimed at improving local environments, reducing environmental health risks to communities, and improving health status.

According to EMNRD, EMNRD and other state agencies encourage community involvement in environmental permitting decisions. The program envisioned in this bill would assist agency efforts in providing information to communities about permitting actions that may impact them. This collaborative partnership program could help agencies create long term partnerships and build trust with community and citizen groups, so that potentially divisive issues can be addressed in a positive manner.

The HENRC amendment allows the funds to be spent in FY07 and FY08; however, there is an inconsistency by having the funds revert after FY09. This would require any funds remaining after FY08 to sit idle for one year.

ADMINISTRATIVE IMPLICATIONS

NMED noted that DFA will be responsible for the fiscal administration, while NMED will monitor and coordinate the program's implementation with local communities in the identified counties. The program is a multi-media program, so several NMED Divisions/Bureaus will be affected by the program's implementation including: Ground Water, Surface Water, Air Quality and the Office of the Secretary.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill is similar to HB32. It is different in that it provides that state funds will be combined with specified federal matching funds (EPA's community action) and it expresses a goal for balanced involvement by stakeholders.

TECHNICAL

It would be reasonable to amend the HENRC amendment to make the reversion and appropriation dates consistent, so any funds remaining at the end of FY08 would not have to sit idle for one year before reverting. Either page 1, line 19 could be amended to replace “2008” with “2009” or page 2, line 9 could be amended to replace “2009” with “2008”.

DH/yr:nt