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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/24/2007

SPONSOR Leavell LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Soil & Water Conservation Districts SB 12

ANALYST McOlash

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$550.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Senate Bill 12

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico State University – Department of Agriculture (NMSU-DA)  
 Environment, Mineral, & Natural Resources Department (EMNRD)  
 Higher Education Department (HED)

### SUMMARY

#### Synopsis of Bill

Senate Bill 12 appropriates \$550,000 from the General fund to the Board of Regents of NMSU for expenditure in FY 2008 for operating expenses of the Soil and Water Conservation Commission (SWCC) and for management of Soil and Water Conservation Districts (SWCD) and operation of district programs and projects pursuant to Section 73-20-25 through 73-20-48 NMSA 1978.

### FISCAL IMPLICATIONS

The appropriation of \$550,000 contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY 2008 shall revert to the General Fund.

## **SIGNIFICANT ISSUES**

Senate Bill 12 supports the operation and management of 47 soil and water conservation districts. The SWCC is a seven member commission appointed by the Governor, but currently has no staff and no mechanism for receiving or distributing funds. Staffing for the commission is provided by the New Mexico Department of Agriculture (NMDA). Fiscal management, oversight and accountability functions are conducted by NMDA and New Mexico State University. The Soil and Water Conservation District Act (73-20-25 through 73-20-48 NMSA 1978) states that the Soil and Water Conservation Commission may advise NMDA and the NMSU Board of Regents on any matter affecting soil and water conservation.

The SWCC does not currently receive or manage a budget of its own; non-employee travel and mileage is reimbursed to SWCC members from the NMDA budget.

### NMSU-DA Analysis

An analysis by the NMSU general counsel indicates that SB 12 expands the authority and powers of the SWCC beyond the statutory provisions which created the SWCC. The SWCC's role is advisory to the NMSU board of regents. The New Mexico department of agriculture (NMDA) works directly with the SWCC on behalf of the board of regents in carrying out SWCD programs and in its work with the SWCC.

The SWCDs received an additional \$550,000 in FY07 for district operations. Until FY07 SWCDs had not received any increases to their district operations budgets in approximately ten years. The fiscal implication of the FY08 appropriation is not clear because the legislation provides for funding to the SWCC and for the management of districts and operation of programs. The legislation does not specify what amount of funding would go to which elements named in SB 12. In FY07 the funding was divided equally among the 47 SWCDs in the state; that would not be the case in FY08.

This request was submitted to HED by New Mexico State University (NMSU) but was not included in the Department's funding recommendation for FY08.

## **ADMINISTRATIVE IMPLICATIONS**

SB 12 creates a potential unintended conflict between the SWCC and the SWCDs because the SWCC acts as an advisory body to NMDA with other clear responsibilities to SWCDs as delineated in the statutory language in Sections 73-20-25 through 73-20-48.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Senate Bill 12 relates to Senate Bill 62 which provides federal matching funds to NMSU for water conservation and resource restoration.

## **AMENDMENTS**

As proposed by the New Mexico Department of Agriculture:

Amend Senate Bill 12 to remove the language naming the SWCC as a recipient

of funding; or create a legal mechanism to allow the SWCC to receive and manage its own budget.

BM/csd