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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/23/2007

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

SHORT TITLE Water Conservation & Resource Restoration SB 62

ANALYST McOlash

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$595.0	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)  
 Office of the State Engineer (OSE)  
 Higher Education Department (HED)

### SUMMARY

#### Synopsis of Bill

Senate Bill 62 appropriates \$595,000 from the General Fund to the Board of Regents of New Mexico State University for expenditure in FY 2008 for soil and water conservation districts to match federal funds for water conservation and resource technical assistance.

### FISCAL IMPLICATIONS

The appropriation of \$595,000 contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY shall revert to the General Fund.

**SIGNIFICANT ISSUES**

Since 2003, the New Mexico legislature has annually funded the technical assistance program, matching United States Department of Agriculture (USDA) funds and in-kind support. The legislature previously funded the program as follows:

- 2003                \$1,152.0;
- 2004                \$75.0;
- 2005                \$500.0; and
- 2006                \$500.0.

The funds provide matching dollars to hire personnel to assist with USDA Farm Bill conservation programs. Up to 30 individuals are employed through this program.

There is an administrative cost associated with this program. A minimum impact of 5% in administrative costs will be incurred (\$27.5).

The proposal of \$595,000 was not submitted to the New Mexico Higher Education Department by NMSU and not included in the Department’s funding recommendation for FY08.

**ADMINISTRATIVE IMPLICATIONS**

The New Mexico Department of Agriculture is responsible for hiring technical service providers and managing the federal matching funds.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Senate Bill 62 relates to Senate Bill 12, which appropriates \$550,000 to the Board of Regents of New Mexico State University for the management of soil and water conservation districts and operation of district programs and projects.

**OTHER SUBSTANTIVE ISSUES**

The matching funds will enable the districts to qualify for additional federal funds the NRCS has set aside. The state’s 47 soil and water conservation districts control and prevent erosion, prevent sediment damage after floods, encourage water conservation, as well as conduct forest thinning projects around communities that are at risk from wild land fire in New Mexico.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

If this bill is not passed, the New Mexico Department of Agriculture might not have the USDA matching funds. This may result in reduced or lost efficiencies in implementing Farm Bills. Reduced or lost efficiencies may lead to the reduction in federal funds earmarked for the State of New Mexico.