

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

ORIGINAL DATE 1/24/2007  
 LAST UPDATED 1/29/2007    **HB** \_\_\_\_\_

**SPONSOR**    Papen

**SHORT TITLE**    Salt Cedar Removal & Forest Health Programs    **SB** 115/aSCONC

**ANALYST**    McOlash

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$10,000.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Energy, Minerals, & Natural Resources Department (EMNRD)  
 New Mexico Department of Agriculture (NMDA)  
 New Mexico Interstate Stream Commission (NMISC)  
 Environment Department (NMED)  
 Higher Education Department (NMHED)

### SUMMARY

#### Synopsis of Amendment

The Senate Conservation Committee amendment changes the Soil and Water Conservation Commission as the recipient, manager, and administrator of the funds to an organization providing “advice.” The appropriation remains with NMSU to manage and administer the program.

#### Synopsis of Original Bill

Senate Bill 115 appropriates \$10,000,000 from the General Fund to the Board of Regents of NMSU for expenditure in FY 2009 and FY 2009 for the Soil and Water Conservation Commission (SWCC) to manage and administer non-native phreatophyte removal and riparian restoration according to the Non-Native Phreatophyte/Watershed Management Plan program.

## **Senate Bill 115/aSCONC**

### **FISCAL IMPLICATIONS**

The appropriation of \$10,000,000 contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY 2009 shall revert to the General Fund.

### **SIGNIFICANT ISSUES**

#### NMDA Analysis

An analysis by the NMSU general counsel indicates that SB 115 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.

Administration and management of the non-native phreatophyte program has been under the purview of the NMSU board of regents through NMDA since FY02. As indicated in the significant issues section above, the SWCC has not, to date, managed and administered funds or programs directly. The language in SB 115 may inadvertently create unintended conflicts among the soil and water conservation partnership parties.

#### EMNRD Analysis

The Non-native Phreatophyte/Watershed Management Plan (NNPP) was developed to guide future treatment and to provide templates and protocols for monitoring, revegetation, rehabilitation and long-term watershed management. This plan is referenced in the bill.

Although not specifically mentioned in the bill, the New Mexico Department of Agriculture (NMDA) provides support to the state's 47 soil and water conservation districts (SWCDs) and has historically administered the salt cedar removal appropriations. NMDA is the lead agency for implementing the NNPP, which recognizes the SWCDs as primary resources for watershed projects, and provides administrative and fiscal support to the Soil and Water Commission. The Soil and Water Conservation Commission itself lacks the capacity without NMDA to manage this appropriation without additional FTEs or contract services.

This request was not submitted by NMSU to the HED for review and was not included in HED's funding recommendation for FY08.

### **TECHNICAL ISSUES**

The appropriation should be to NMDA, through the NMSU Board of Regents instead of the Soil and Water Conservation Commission. Additionally, the Commission does not currently have the technical background to conduct Forest Health Management

## **Senate Bill 115/aSCONC**

Programs, as is indicated in the bill's title. The EMNRD – Forestry Division would be the appropriate entity to conduct Forest Health Management Programs.

### **OTHER SUBSTANTIVE ISSUES**

#### NMISC Analysis

The latest analyses by the United States Academy of Sciences and the American Council of Civil Engineers indicate that the amounts of water salvaged by phreatophyte removal programs are much less than predicted and may even be non-existent unless accompanied by a careful planned program of reintroduction of low water use native plants. Studies show that in most instances, great care must be taken or net water consumption can actually increase, not decrease. Similar assessments are given by scientists from national laboratories and academia.

Any funding for this type of work should be expended pursuant to the FOREST AND WATERSHED HEALTH PLAN and the NEW MEXICO STATEWIDE POLICY AND STRATEGIC PLAN FOR NON-NATIVE PHREATOPHYTE/WATERSHED MANAGEMENT and must meet all the requirements, guidelines, templates and protocols established by those plans.

BM/csd