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FISCAL IMPACT REPORT

ORIGINAL DATE 1/26/10
 LAST UPDATED 02/02/10 **HB** _____

SPONSOR Campos, P

SHORT TITLE Soil & Water District Technical Assistance **SB** 80

ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY10	FY11		
	\$600.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

Energy, Minerals and Natural Resources Department (EMNRD)

SUMMARY

Synopsis of Bill

Senate Bill 80 appropriates \$600.0 from the General Fund to the Board of Regents of New Mexico State University to match federal funds for the soil and water conservation districts to provide water conservation and natural resource restoration technical assistance pursuant to an agreement with the United States department of agriculture's natural resources conservation service.

FISCAL IMPLICATIONS

The appropriation of \$600.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2010 shall revert to the general fund.

SIGNIFICANT ISSUES

The funds provide matching dollars to hire personnel to assist with USDA Farm Bill conservation programs, which are valued at over \$22 million dollars for New Mexico annually. Up to 30 individuals are employed through this program.

This program has been administered through contribution agreement between the USDA, New Mexico Department of Agriculture (NMDA), and New Mexico Soil and Water Conservation Commission since 2003. The New Mexico Association of Conservation Districts (NMACD) was the successful bidder in 2007 on the NMDA's request for proposals to assist with carrying out the mission of Farm Bill conservation programs.

NMDA provides assistance and administrative support to the SWCDs and the soil and water conservation commission. It provides fiscal oversight and maintains responsibility for various elements of program oversight including but not limited to performance measures and outcomes, budget adherence, reporting requirements, etc

The consequence of not enacting SB 80 would be the existing program will cease and matching federal funds will not be used to implement the substantial federal Farm Bill dollars available to New Mexico; New Mexico would lose the benefit of the federal matching funds.

The EMNRD states:

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 and encourage water conservation, as well as conduct forest thinning projects around communities that are at risk from wildland fire in New Mexico.

Since 2001, EMNRD, Forestry Division has provided funds to some of the soil and water conservation districts to improve forest health, conduct community wildfire protection planning and hazardous fuel reduction thinning projects around communities and individual homes to reduce local fire danger. Although the appropriation indicated in this bill is not specifically identified as match for the projects on private property, the districts' capacity to conduct forest health and hazardous fuel reduction work may be enhanced.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The consequence of not enacting SB 80 would be the existing program will cease and matching federal funds will not be used to implement the substantial federal Farm Bill dollars available to New Mexico; New Mexico would lose the benefit of the federal matching funds.

GH/mt