F I S C A L I M P A C T R E P O R T

SPONSOR Gonzales **ORIGINAL DATE** 01/16/14 **LAST UPDATED** 01/23/14 **HB** 73

SHORT TITLE Forest Restoration Smartphone App **SB**

ANALYST Clark

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	**FY15**		
	$1,855.0	Nonrecurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY14	FY15	FY16	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		Unknown	Unknown			General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Economic Development Department (EDD)
State Land Office (SLO)
Department of Game and Fish (DGF)
Department of Information Technology (DoIT)
Energy, Minerals and Natural Resources Department (EMNRD)
Office of the State Engineer (OSE)

SUMMARY

Synopsis of Bill

House Bill 73 appropriates $1.855 million from the general fund for expenditure in FY15 and subsequent years to the Economic Development Department (EDD) for the purpose of contracting for services to create a smartphone application and computer software for restoring forests, watersheds, and local economies. The bill does not describe the details of the capabilities the application and software should possess.

FISCAL IMPLICATIONS

The appropriation of $1.855 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

EDD might incur ongoing maintenance or licensing costs for the application and software, but any potential ongoing costs are uncertain at this time. The Department of Information Technology (DoIT) reports the New Mexico Department of Transportation (DOT) application "NM Roads" -- considerably more complex than the application proposed by HB 73 -- costs DOT approximately $200 thousand per year for contractual maintenance.

SIGNIFICANT ISSUES

New Mexico has continuing watershed issues, a slowly recovering economy, and forest health and wildfire problems, and the U.S. Department of Agriculture estimates 21 percent of New Mexico land is forest area. However, EDD states it has no experience or expertise in developing, or managing contractors who develop, smartphone applications and computer software. EDD recommends the Department of Information Technology as a better agency to receive this appropriation as it is more suited to oversee this type of work, and the department also reports federal agencies and the Forestry Division of the Energy, Minerals and Natural Resources Department (EMNRD) already perform the type of work that would be funded through this appropriation.

EMNRD analysis describes the uncertainty regarding the intended use and users of the proposed application and software, and the analysis states public websites exist containing forest data. Without more detail describing the functionality of the software proposed by HB 73, it remains difficult to discern whether the existing data and software would suffice for the envisioned use. The agency reports one such existing data source is the coordinated resource offering protocol (CROP) model, which provides information on woody biomass in forests. In addition, EMNRD's Forestry Division recently concluded a forest inventory analysis (FIA) project that provides forest data across multiple land ownerships around the state. FIA data is collected through a rigorous set of survey protocols at a national level. This information is up-to-date, and forest managers can use this, in conjunction with site visits, to develop detailed forest management plans and projects.

DoIT reports the proposed application and software would substantially duplicate efforts by its Geospatial Program, which coordinates access to a mobile, forest, field collection application commissioned by the U.S. Forest Service. The application is now in its second version and is publicly available. The discussion has included the U.S. Forest Service Albuquerque regional office, EMNRD's Forestry Division, the Earth Data Analysis Center, the New Mexico Department of Homeland Security and Emergency Management, and the vendor commissioned by the U.S. Forest Service to develop the application.

EMNRD also conveys forest products and biomass industries are currently aware of the availability of wood supply in areas for planned projects, so it is unclear how the smartphone application will enhance the performance of entities currently working in the forest management field. Additionally, there is a large amount of site-specific, complex data that would be required

in order to accurately represent forest conditions in a specific location. The agency's opinion is that it is unlikely a smartphone application will have the ability to provide information detailed enough to sufficiently plan forest management projects.

PERFORMANCE IMPLICATIONS

The Department of Game and Fish (DGF) reports this application and software could contribute to the agency's ability to develop habitat restoration projects for wildlife; however, the actual impact to DGF is unknown because the capability of the application is also unknown. The State Land Office (SLO) also reports this application could be useful assuming successful implementation, but it is unclear how it would enhance existing applications used by the agency.

EDD reports it cannot estimate possible job creation resulting from the application but expects the number of jobs created to be low in comparison to the size of the appropriation.

ADMINISTRATIVE IMPLICATIONS

The EMNRD analysis shows development of this type of software or smart phone application that would provide any practical use on the ground would require a significant amount of time by technical specialists from multiple state, federal, and tribal governments as well as professionals from a variety of private industries. The agency anticipates its Forestry Division staff would be requested to provide data and validation of software and application performance.

ALTERNATIVES

SLO reports sophisticated geographical information systems (GIS) and hydrological software is currently available for mapping, visualization, and characterization of watershed health and function.

JC/jl