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FISCAL IMPACT REPORT

SPONSOR Cisneros **ORIGINAL DATE** 02/10/14
LAST UPDATED _____ **HB** _____

SHORT TITLE Acequia Commission Funding **SB** 276

ANALYST Boerner

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	FY15		
	\$50.0	Recurring	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		\$50.00	\$50.0	\$100.0	Recurring	DFA Special Appropriations

(Parenthesis () Indicate Expenditure Decreases)

Relates to:

HB 257 (SB 224) Acequia and Community Ditch Act Purposes;
 HB 299 Water supply Association and Acequia Project funding;
 HM 68 (SM 57) NM Acequia Association 25th Anniversary;
 SB 254 Acequia and Community Ditch Education Program.

SOURCES OF INFORMATION

LFC Files

Responses Received From

NM Acequia Commission (NMAC)
 Department of Finance and Administration (DFA)

SUMMARY

Synopsis of Bill

Senate Bill 276 appropriates \$50 thousand dollars from the general fund to the Department of Finance and Administration (DFA) to fund operation of the Acequia commission.

FISCAL IMPLICATIONS

The appropriation of \$50 thousand dollars contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2015 shall revert to the general fund.

DFA's Special Appropriations fiscal year 2014 budget contains \$35,400 for the New Mexico Acequia Commission and \$200,000 for the Acequia and Community Ditch Education Program.

HAFC committee substitute for HB 2, 3, and 4 (2014) contains \$49,400 for the New Mexico Acequia Commission and \$375,000 for the Acequia and Community Ditch Education Program.

SIGNIFICANT ISSUES

NMAC, pursuant to 73-2-65 the "acequia commission", is administratively attached to the Local Government Division of the DFA.

NMAC was created in 1987 to advise the governor, the New Mexico Interstate Steam Commission and the U.S. Army Corps of Engineers on what criteria should be used to determine priorities for rehabilitating acequias under a new federal funding program. The Acequia Commission was established by statute by the 1993 New Mexico Legislature as an eleven member commission serving four-year terms.

The Acequia Commission is also charged with the duties of serving as a facilitator for communication between local acequia organizations and the state and federal governments, and for reviewing plans or legislation that affect acequias and presenting their findings to the governor and the New Mexico Interstate Stream Commission of the New Mexico State Engineer's Office. According to the Chairman of the New Mexico Acequia Commission, operational costs would be used for per diem of commission members as well as staff. In addition, the association would like to hire an engineer to work with all issues relating with acequias. The Chairman indicated that more water issues are developing every day relating to acequias and additional funds are required to keep up with demand.

Acequias, or community ditches, are recognized under New Mexico law as political subdivisions of the state. Many of the state's acequia associations have been in existence since the Spanish colonization period of the 17th and 18th centuries. Historically, they have been a principal local government unit for the distribution and use of surface water. The associations have the power of eminent domain and are authorized to borrow money and enter into contracts for maintenance and improvements. Acequia associations do not have the power to tax, so the expenses of maintenance and improvements are borne by the individuals served by the irrigation system.

In the recent past the NMAC has:

- Printed and distributed Michie's Statutes of New Mexico that pertain to acequias;
- Conducted listening sessions throughout the state to hear acequia concerns and reported back to the Office of the State Engineer, Legislature and Governor;
- Attended OSE/ISE meetings concerning acequias;
- Tasked by Legislature to serve as mediator on Middle Rio Grande Conservancy/acequia dispute which was successfully resolved;

- Asked by local acequia groups to assist them on conflict resolution between acequias;
- Testified before the Legislature on legislative issues pertaining to the acequias;
- Served as members of the Acequia and Community Ditch Fund Committee;
- Provided oversight for the Acequia and Community Education Program in cooperation with DFA.

The NMAC notes that its role seems to be growing as it makes a greater effort to participate as mandated by statute and to address the issues brought about by the current drought in New Mexico. Lack of adequate funding has constricted NMAC's ability to participate fully in the past. Only in recent times, has NMAC had funding for contract staff to move forward.

NMAC current contract staff has done an excellent job in that respect; however, more funding would be needed if a staff person were committed (full/part time) to address the administrative needs of the NMAC. While the increase in funding is substantial from previous years, more would be needed to fully address the needs of the commission. A fair amount of money is being put into the Acequia and Community Education Program, which is currently contracted out to the New Mexico Acequia Association to perform this work. The commission feels that if it is adequately funded it can serve a lot of these needs.

NMAC notes DFA has pulled back a substantial amount of administrative support to a number of commissions (such as the Land Grant Council or the Municipal Boundaries Commission) and it may only be a matter of time that the executive will require all boards and commissions to function independently of DFA (DFA did not address this issue in its response to SB 276).

At this time it is not known what financial impact that will have on NMAC, but should the commission be required to provide all of its own administrative support such as per diem/mileage and other responsibilities that have been performed by DFA in the past, more staff time will be needed to accomplish this in fiscal year 2015. Additionally, the commission will continue to travel throughout the state to allow input from the various acequias as to what their priorities are for assistance.

The additional funding requested will allow for per diem expenses be paid to the commissioners and for an increased staff support. Additionally, with the request for an additional two commissioners from the Governors Boards and Commissions, we will have two additional commissioners whose per diem will be paid. The activity of the NMAC for fiscal year 2014 has had been the most active in recent memory, and with the urgency of water planning, commissioners have taken their role as the authority to provide statutory recommendations to an unprecedented level.

ALTERNATIVES

Funding adequate to meet all NMAC personal services and employee benefit, contractual, and other costs could be appropriated directly to the NM Acequia Commission.

CB/ds