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FISCAL IMPACT REPORT

SPONSOR: Cisneros DATE TYPED: 03/05/03 HB _____

SHORT TITLE: NM Tech Water Efficiency Technology Study SB 452

ANALYST: Williams

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$50.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 96, HB 97, HB 233, HB 260, HJM 4, SB 8, SB 66, SB 67, SB 385

SOURCES OF INFORMATION

LFC Files
 Commission on Higher Education (CHE)
 Office of the State Engineer

SUMMARY

Synopsis of Bill

Senate Bill 452 appropriates \$50.0 from the General Fund to the Board of Regents at New Mexico Institute of Mining and Technology for the purpose of studying and reporting on least-cost water efficiency technologies, policies and management of drinking water systems. NMIMT is required to report findings and recommendations annually to the Legislature by December 1.

FISCAL IMPLICATIONS

The appropriation of \$50.0 contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY04 shall revert to the General Fund.

The Geophysical Research Center (GRC) at NMIMT was established in 1965 to conduct water research, specifically atmospheric, surface and underground water. The LFC budget recommendation for FY04 for GRC is \$802.1, down five percent from the FY03 level.

TECHNICAL ISSUES

Office of the State Engineer note results of the studies should be provided to water administrators.

OTHER SUBSTANTIVE ISSUES

CHE notes the GRC submitted an expansion request for \$220.8 for FY04, but CHE did not recommend funding for the expansion. The activities identified in Senate Bill 452 were not included in that request.

In 2000, the GRC was evaluated by the CHE and received a rating of Tier I, exceeding expectations. The next evaluation will occur in 2004.

ALTERNATIVES

According to CHE, GRC could use indirect cost revenues from federal contracts and grants for this purpose. The state's higher education funding formula allows institutions to retain all of these revenues, in part to provide seed money and matching funds for this type of project.

AW/njw