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FISCAL IMPACT REPORT

SPONSOR Griego DATE TYPED 02/24/05 HB _____

SHORT TITLE Non-Native Phreatophyte Removal SB 696

ANALYST Woods

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$10,000.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to the appropriation for New Mexico State University in the General Appropriations Act.
 Duplicates HB89/a HAGC
 Relates to HB88

SOURCES OF INFORMATION

LFC Files

Responses Received From

- New Mexico Department of Agriculture (NMDA)
- New Mexico Environment Department (NMED)
- New Mexico Interstate Stream Commission (ISC)
- New Mexico Commission on Higher Education (CHE)

SUMMARY

Synopsis of Bill

Senate Bill 696 – Making an Appropriation for a Statewide Nonnative Phreatophyte Removal Program – appropriates \$10,000,000 from the general fund to the Board of Regents of New Mexico State University through the Soil and Water Conservation Districts for expenditure in FY06 to conduct a statewide nonnative phreatophyte removal program, including restoration of riparian vegetation, monitoring and long-term management and maintenance in accordance with established templates and protocols. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

Significant Issues

NMDA indicates the nonnative phreatophyte program was originally initiated in FY02 and continues to be funded with through annual appropriations. In response to language in HB2 (2004 legislative session), an interagency work group (HB2 Work Group) was formed to create a statewide strategic plan to guide future nonnative phreatophyte management and associated restoration activities. While release of the HB2 Work Group strategic plan is pending, NMDA notes that one recommendation calls for creation of sustainable funding for this program for two reasons:

- the severity of watershed conditions in the state; and
- federal funds (which will require state matching funds) will be available to offset program costs (pending federal appropriation).

NMDA suggests that New Mexico has been at the forefront of nonnative phreatophyte management and restoration activities; further that implementation of projects has been accomplished in collaboration with the soil and water conservation districts with support from the soil and water conservation commission and NMDA staff.

However, NMED calls attention to the fact that, if not properly implemented, phreatophyte removal could induce bank destabilization that in turn would increase the risk of erosion leading to water quality impacts, sedimentation and diminished capacity of the state's reservoirs. Further, effective revegetation with native species is necessary to minimize this possibility and should be a funded, mandatory component of every phreatophyte eradication project. This factor is addressed in this legislation.

Also commenting on native species revegetation, the ISC indicates that, while water uptake by phreatophytes can constitute a significant portion of a basin water budget, the latest analyses by the United States Academy of Sciences and the American Council of Civil Engineers indicate that actual water salvage by phreatophyte removal programs are much less than predicted and may even be non-existent unless accompanied by a carefully planned program for reintroduction of low water use native plants.

CHE notes that this request was not in the list of priority projects submitted by the NMSU Board of Regents to the CHE for review. Accordingly, it was not included in the CHE's funding recommendations for FY06.

FISCAL IMPLICATIONS

The appropriation of \$10 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

ADMINISTRATIVE IMPLICATIONS

New Mexico State University would retain oversight of this appropriation.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Duplicates HB89 in that HB89 – as amended by HAGC – also seeks to appropriate \$10 million from the general fund to the Board of Regents of New Mexico State University through the Soil and Water Conservation Districts for expenditure in FY06 to conduct a statewide nonnative phreatophyte removal program, including restoration of riparian vegetation, monitoring and long-term management and maintenance in accordance with established templates and protocols.

Relates to HB88 in that HB88 seeks to appropriate \$1 million from the general fund to the Board of Regents of New Mexico State University for a program that will utilize goats to remove salt cedar and other nonnative phreatophytes to improve water flow within the Rio Grande and to improve the habitat of endangered species.

BFW/lg