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FISCAL IMPACT REPORT

ORIGINAL DATE 2/2/06

SPONSOR Moore LAST UPDATED _____ HB 562

SHORT TITLE Soil & Water Conservation Districts SB _____

ANALYST Hoffmann

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$550.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Senate Bill 30
 Duplicates Senate Bill 33.
 Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)
 New Mexico Department of Agriculture (NMDA)
 Energy, Minerals and Natural Resources Department (ENMRD)
 Office of the State Engineer Interstate Stream Commission (OSE/ISC)

SUMMARY

Synopsis of Bill

House Bill 562 appropriates \$550,000 to the Board of Regents of New Mexico State University to be distributed by the Soil and Water Conservation Commission for management of soil and water conservation districts and operation of district programs and projects pursuant to Section 73-20-25 through 48, NMSA 1978.

FISCAL IMPLICATIONS

The appropriation of \$550,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

SIGNIFICANT ISSUES

This proposal was not submitted to the Higher Education Department by the Board of Regents of NMSU as a priority request for fiscal year 2007 funding. Therefore, it was not reviewed for possible inclusion in the HED funding recommendation.

ADMINISTRATIVE IMPLICATIONS

Although not specifically mentioned in the bill, the New Mexico Department of Agriculture (NMDA) provides support to the state's soil and water conservation districts and would likely administer this appropriation to the Board of Regents of NMSU.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill is related to Senate Bill 30 which appropriates \$500,000 for soil and water conservation districts to match federal water conservation funds.

This bill is a duplicate of House Bill 562.

OTHER SUBSTANTIVE ISSUES

The Soil and Water Conservation Commission is a seven member commission appointed by the Governor, but currently has no dedicated staff and no mechanism for receiving or distributing funds. Staffing for the commission is provided by New Mexico Department of Agriculture (NMDA). Fiscal management, oversight and accountability functions are conducted by NMDA and New Mexico State University. The Soil and Water Conservation District Act (73-20-25 through 73-20-48 NMSA 1978) states that the Soil and Water Conservation Commission may advise NMDA and the NMSU Board of Regents on any matter affecting soil and water conservation.

The state's 47 soil and water conservation districts control and prevent erosion, prevent sediment damage after floods, encourage water conservation, as well as conduct forest health and fuel reduction thinning projects around communities that are at risk from wildland fire in New Mexico.

NMDA reports that the Soil and Water Conservation District Act (Sections 73-20-25 through 48 NMSA 1978) was amended in 2003. New provisions related to district elections require the districts to incur additional costs in order to provide greater access to voters, but no provision was made to increase funding. Soil and water conservation district budgets have been static for several years.

The Energy, Minerals and Natural Resources Department notes that since 2001, it 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.