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FISCAL IMPACT REPORT

ORIGINAL DATE 02/08/10

SPONSOR Campos, P. LAST UPDATED _____ HB _____

SHORT TITLE East Torrance Soil & Water Conservation SB 233

ANALYST Escudero

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY10	FY11		
	\$40.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Department of Agriculture (NMDA)
 New Mexico Higher Education Department (NMHED)
 Department of Finance (DFA)

SUMMARY

Synopsis of Bill

Senate Bill 233 (SB233) appropriates forty thousand dollars (\$40,000) from the general fund to the board of regents of New Mexico state university for the New Mexico department of agriculture for expenditure in fiscal year 2011 for the east torrance soil and water conservation district to conduct education and training programs, for general district operations and for a full-time staff position. Any unexpended or unencumbered balance remaining at the end of fiscal year 2011 shall revert to the general fund.

This request was not submitted by NMSU to the New Mexico Higher Education Department for review. Due to the current economic conditions in New Mexico, not all institutions submitted funding requests for review. NMHED recommends flat funding for all existing line items for FY11.

FISCAL IMPLICATIONS

The \$40,000 proposed appropriation is a non-recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2011 will revert to the General Fund.

SIGNIFICANT ISSUES

NMDA indicates as follows:

The East Torrance SWCD is an independent subdivision of state government led by a board of supervisors, the majority of which are locally elected. Local conservation districts are tasked with implementing programs to address local conservation needs.

The East Torrance SWCD reported for FY 2008-2009 that the district had presentations on water harvesting and wind harvesting as part of the annual meeting, held a bee workshop, and had booths at the county fair and pumpkin “chuckin” festival. The district distributed a quarterly newsletter, and made presentations to schools and other groups at various events throughout the year.

The East Torrance SWCD is one of 47 SWCDs in New Mexico. It encompasses approximately 1,142,028 acres in the Estancia area. Land use in the SWCD includes irrigated crop land, range land, forest and urban land.

NMHED indicates as follows:

ETSWCD is one of the 47 Soil and Water Conservation Districts (SWCD) of the New Mexico Department of Agriculture. The district makes up 1,142,028 acres of Estancia, New Mexico. Land use in this district varies, including 25,000 acres of irrigated crop land, 2,000 acres of dry crop land, 1,059,923 acres of range land, 47,405 acres of forest, and 7,700 acres of urban land.

ETSWCD promotes stewardship of natural resources by providing leadership, education, technical and financial assistance to the citizens and landowners of the area. Through cropland assistance, brush management, weed management, conservation programs, native plant sales, and workshops, ETSWCD helps increase conservation awareness and participation in local and regional events, science fairs, educational initiatives, and Future Farmers of America programs.

This appropriation would fund one FTE and continue to fund educational and training activities such as:

- Earth Day
- Educational outreach and activities in grade schools
- Kids and Kows and More Expo
- Workshops on forest restoration, Election School, water resources, acequias
- Public meetings on forest fires and controlled burning
- County Fair

DFA indicates as follows:

East Torrance Soil and Water Conservation District will use SB233 funds to maintain existing training and education programs and help promote their new education and training facility.

The East Torrance Soil and Water Conservation District currently has one full-time employee and a student worker. With the District's small operating budget it would be extremely difficult for them to keep their full-time employee on board, without this position the entire District would suffer. SB233 if enacted would help supplement the District's budget and enable them to maintain their only paid employee on staff.

PERFORMANCE IMPLICATIONS

NMHED states, SB233 does not provide performance measures, however, the ETSWCD does produce an annual report that is published on their website and is distributed to the New Mexico Environment Department and NMSU.

ADMINISTRATIVE IMPLICATIONS

NMDA will be responsible for administering the provisions of SB233 as part of its ongoing responsibilities to SWCDs and the soil and water conservation commission (SWCC) under the soil and water conservation district act 73-20-25 through 73-20-48 NMSA 1978.

NMHED states, NMSU and NMDA would administer this program. The ETSWCD Board of Supervisors is responsible for managing programs and personnel.

OTHER SUBSTANTIVE ISSUES

NMDA indicates as follows:

SB233 appropriates funding for administering an education program in the East Torrance SWCD and for general district operations. SWCDs receive district operations funding annually through NMDA. Each SWCD participates in a point system process to earn points and that process is subject to SWCC approval. SWCDs can receive as much as \$10,000.00 per year for general operations. SWCDs have not received any increase in the overall general operations budget for over 10 years. Costs to run SWCDs have increased while budgets have remained flat or eroded as a result of cost of living increases and economic downturns.

SWCDs will incur additional expenses as a result of changes within the state auditor's office. As part of that increase in expenses, SWCDs will be required to pay for audits out of district operating funds. It is estimated that annual audits will cost anywhere from \$3,000.00 to \$10,000.00 depending on a given SWCD's portfolio of projects. Thus, it can be seen that the ≈\$10,000.00 available for each of the 47 SWCDs could be completely inadequate to meet audit expense demands.

NMDA reports to the New Mexico higher education department through NMSU as part of its performance and budgeting processes regarding the funding that was received by the east torrance SWCD in fiscal years 2008-2010.

ALTERNATIVES

NMHED states, NMSU would need to seek other sources of funding such as federal or private grants or determine if the institution has existing funds available to help support this initiative.