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FISCAL IMPACT REPORT

ORIGINAL DATE 01/20/12

SPONSOR Cisneros LAST UPDATED _____ HB _____

SHORT TITLE NMSU Soil & Water Conservation Programs SB 18

ANALYST Hoffmann

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY12	FY13		
	\$270.0	Recurring	

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY12	FY13	FY14	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$270.0	\$270.0	\$540.0	Recurring	

(Parenthesis () Indicate Expenditure Decreases)

Related to Senate Bill 46 but with higher appropriation (\$750,000)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

New Mexico Department of Agriculture (NMDA)

SUMMARY

Synopsis of Bill

Senate Bill 18 would appropriate \$270,000 from the general fund to the Board of Regents of New Mexico State University (NMSU) who would transfer the money to the New Mexico Association of Conservation Districts. The New Mexico Association of Conservation Districts holds the current contract with NMDA to assist the SWCDs with carrying out the mission of the Farm Bill conservation programs. The money would be then used to match federal funds for the soil and water conservation districts (SWCDs) which provide water conservation and natural resource restoration technical assistance pursuant to an agreement with the United States Department of Agriculture's (USDA) Natural Resources Conservation Service. NMDA states that Farm Bill conservation programs are valued at over \$22 million for New Mexico annually with up to 30 individuals employed through this program.

The NMDA provides assistance and administrative support to the SWCDs and the Soil and Water Conservation Commission. It provides fiscal oversight and maintains responsibility for various elements of program oversight including, but not limited to performance measures and outcomes, budget adherence, reporting requirements, etc.

FISCAL IMPLICATIONS

The appropriation of \$270,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2013 shall revert to the general fund.

The NMDA points out that they currently use recurring state general fund for matching federal dollars (at a 1:1 ratio) for the Technical Services Provider Assistance Program (TSP) program. The TSP program assists landowners with technical and contract assistance for the implementation of on-the-ground in the areas of conservation, restoration, and irrigation efficiency projects among others. Fiscal year ear 2012 funding is approximately \$420,000. If passed, SB18 would increase the total funding to approximately \$960,000 for fiscal year 2013.

SIGNIFICANT ISSUES

The New Mexico Higher Education Department notes this request was not submitted by NMSU for review. HED has established a formal process for reviewing budget requests such as this for higher education institutions. This process requires prior approval by the governing body of the university or college. It also provides for analysis of each request by NMHED, the Department of Finance and Administration (DFA) and the Legislative Finance Committee (LFC). NMHED recommends that requests that circumvent the formal review process not receive funding in the annual budget, but be directed to be resubmitted for funding in FY14.

PERFORMANCE IMPLICATIONS

The HED observes that Senate Bill 18 does not stipulate how performance outcomes will be measured. HED recommends that if funded, NMSU and the NMDA should develop performance measures in coordination with HED.

RELATIONSHIP

Senate Bill 46 proposes to appropriate \$750,000 to increase the funding for the operating expenses of SWCDs.

CH/lj