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## FISCAL IMPACT REPORT

ORIGINAL DATE 01/25/12

SPONSOR Leavell LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Soil & Water Conservation Districts SB 46

ANALYST Hoffmann

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY12	FY13		
	\$750.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY12	FY13	FY14	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		\$750.0	\$750.0	\$1,500.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Related to Senate Bill 18

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Higher Education Department (HED)

New Mexico Department of Agriculture (NMDA)

### SUMMARY

#### Synopsis of Bill

Senate Bill 46 (SB 46) would appropriate seven hundred fifty thousand dollars (\$750.0) to the New Mexico State University (NMSU) Board of Regents to be distributed to Soil and Water Conservation Commission. The commission would then allocate the funds to soil and water conservation districts (SWCDs) for management of and operation of district programs and projects. The commission's allocation of funds to a specific SWCD would be based on a point system approved by the commission.

## **FISCAL IMPLICATIONS**

The appropriation of \$750,000 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.

According to the NMDA, this appropriation would approximately triple the amount of funding available to SWCDs for operations and projects. Currently, SWCDs receive approximately \$8.0 annually.

## **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**

Money that an SWCD might receive from this appropriation is not designated for a specific purpose. The NMDA could develop performance measures in coordination with the commission.

## **ADMINISTRATIVE IMPLICATIONS**

The New Mexico Department of Agriculture (NMDA) has the responsibility of distributing the SWCD operations funding. The NMDA compiles information from a point system in which each SWCD participates to maximize their allocation of operations funding. The New Mexico Soil and Water Conservation Commission approves the point system.

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.

## **RELATIONSHIP**

Senate Bill 18 proposes to appropriate \$270.0 (\$540.0 after federal match) for distribution to the New Mexico Association of Soil and Water Conservation Districts for the purpose of water conservation and natural resource technical assistance.

## **OTHER SUBSTANTIVE ISSUES**

The HED adds that soil and water conservation districts are independent subdivisions of state government governed by boards of supervisors, local landowners and residents elected or appointed to the board for a four year term. A soil and water conservation district (SWCD) is

authorized by the Soil and Water Conservation District Act (73-20-25 through 73-20-48 NMSA 1978 ) to conserve and develop the natural resources of the state, provide for flood control, preserve wildlife, protect the tax base and promote the health, safety and general welfare of the people of New Mexico. SWCDs coordinate assistance from all available sources -- public and private, local, state and federal -- in an effort to develop locally-driven solutions to local natural resource concerns. Forty-seven SWCDs encompass the majority of New Mexico's land area. The New Mexico Association of Conservation Districts (NMACD) was the successful bidder in 2007 on the NMDA's request for proposals to assist with carrying out the mission of Farm Bill conservation programs.

CH/svb