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FISCAL IMPACT REPORT

ORIGINAL DATE 02/20/13

SPONSOR Wirth LAST UPDATED _____ HB _____

SHORT TITLE Water Vulnerabilities List Working Group SB 482

ANALYST Hartzler-Toon

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|---------|------------------------------|------------------|
| FY13 | FY14 | | |
| | \$250.0 | Nonrecurring | General Fund |

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act: Office of State Engineer; New Mexico State University, Water Resources Program; New Mexico Institute for Mining and Technology, Bureau of Geology and Mineral Resources and Aquifer Mapping Program.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)
New Mexico State University (NMSU)

SUMMARY

Synopsis of Bill

Senate Bill 482 appropriates \$250 thousand from the general fund to the University of New Mexico (UNM), New Mexico State University (NMSU), and New Mexico Institute of Mining and Technology (NM Tech) to establish a working group of climatologists, hydrologists, demographers, and economists to conduct a study and complete a report on water supply, water demand, and related issues in New Mexico. This working group shall

- develop a projection of the most likely scenarios for the state of water supply and demand, climate variability, and consequent economic impacts for the next 20 years and
- develop a prioritized list of greatest five to 10 vulnerabilities facing the state in the next 20 years.

The bill requires that the report be delivered during the second session of the fifty-first legislature.

FISCAL IMPLICATIONS

The appropriation of \$250 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY14 shall revert to the general fund.

The bill requires the appropriation be distributed to each institution on a pro rata basis:

- UNM would receive \$150 thousand for representatives from the university's department of earth and planetary sciences, bureau of business and economic research, and department of economics;
- NMSU would receive \$50 thousand for a representative from the department of civil engineering; and
- NM Tech would receive \$50 thousand for a representative from the bureau of geology and mineral resources.

New Mexico State University reports that it would use available funds for faculty salary, graduate student support, travel, supplies or other necessary expenditures related to efforts in support of the working group.

The HED reported that none of the three institutions specifically requested supplemental funding for FY14 to conduct the type of study and report described in SB 482. Both NM Tech and NMSU requested additional FY14 general fund support for the bureau of geology and mineral resources and water resources program. The House Appropriation and Finance Committee Substitute for HB 2 did not include base increases for these programs.

SIGNIFICANT ISSUES

New Mexico State University summarized state water issues.

Water plays a vital role in nearly every aspect of life, possibly more so in western states like New Mexico where supply is very limited and demand continues to grow. Lawsuits over water deliveries and water rights, the connection between the state's energy sector and water, the steady decline in water in the state's reservoirs due to continuing drought, and the economic impact of water on agriculture, energy development, businesses, endangered species, and household are at the forefront of critical issues New Mexico must face.

Policy makers and the general public must become better aware of the scenarios facing the state's water supply and demand. Climate variability and its consequent economic impacts to the state must be studied. A list of vulnerabilities facing the state in the coming decades is necessary to helping direct resources to mitigate those vulnerabilities.

ADMINISTRATIVE IMPLICATIONS

If enacted, the HED would administer the study funds to each institution.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Senate Bill 482 relates to GAA provisions for all three institutions, and the bureau of business

and economic research and bureau of geology and mineral resources specifically. Indirectly, the Office of the State Engineer receives general fund appropriations to support regional water planning and study water demand and supply issues in particular basins, and the state's Aquifer Mapping Program receives general fund support.

THT/blm