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## FISCAL IMPACT REPORT

**SPONSOR** Stansbury      **ORIGINAL DATE** 2/22/19  
**LAST UPDATED** 3/05/19      **HB** 28/ec/aHENRC/aHSEIC  
**SHORT TITLE** Resource Sustainability & Security Act      **SB** \_\_\_\_\_  
**ANALYST** Hawker

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

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		Indeterminate, see fiscal impact				

Parenthesis ( ) indicate expenditure decreases

### SOURCES OF INFORMATION

LFC Files

#### Responses to HENRC Amendment Received From

Commissioner of Public Lands (SLO)  
 Economic Development Department (EDD)  
 Energy Minerals and Natural Resources Department (EMNRD)  
 Homeland Security and Emergency Management Department (DHSEM)  
 New Mexico Department of Agriculture (NMDA)

#### Responses to Original Received From

Commission of Public Lands (SLO)  
 Economic Development Department (EDD)  
 New Mexico Department of Agriculture (NMDA)  
 New Mexico Department of Environment (NMED)  
 Office of the State Engineer (OSE)

### SUMMARY

#### Synopsis of HSEIC Amendment

The House State Government, Elections & Indian Affairs Committee Amendment to House Bill 28 as amended by the House Energy, Environment and Natural Resources Committee strips the general fund appropriation from the bill.

#### Synopsis of HENRC Amendment

The House Energy, Environment and Natural Resources Committee Amendment to House Bill 28 adds overall and agency specific “cost savings” to the government-wide sustainability and resilience strategy.

Synopsis of Original Bill

House Bill 28 appropriates \$500 thousand from the general fund to Energy, Minerals and Natural Resources Department for the purpose of enabling the sustainability and resilience council to employ a chief sustainability and resilience officer and to staff and support the work of the sustainability and resilience council in carrying out the Resource Sustainability and Security Act. Remaining funds shall not revert.

HB28 creates the Resource Sustainability and Security Act, creating a sustainability and resilience council which will be administratively attached to EMNRD. The co-chairs will be the secretaries of EMNRD, NMED, and GSD. Council membership shall be representatives from 12 named agencies and representatives from other state agencies, boards, or commissions as determined by the governor and co-chairs.

The council is to develop a government-wide plan to prepare the state for climate change by ensuring long-term sustainability and resilience of New Mexico, including infrastructure and resources. The plan is to reduce the risk to systems, natural resources and communities, promote long-term water and energy resource security, and support economic development and diversity. The council is to provide guidance and technical assistance to state agencies as they carry out their duties under this act and to facilitate stakeholder engagement.

HB28 requires the governor to appoint a chief sustainability and resilience officer to staff and coordinate the activities of the council, advise the governor and legislature and prepare plans and reports.

Agencies are required to submit an “initial sustainability and resilience plan” to the chief sustainability and resilience officer not later than September 15, 2019. In the plan, the agency must identify and assess environmental sustainability impacts and climate related needs and impacts to the agency’s ability to accomplish its mission; ability to serve its stakeholders; and its property, assets and budgetary responsibilities.

Agencies are to provide an agency special plan, performance metrics and budgetary needs to plan for a more sustainable and resilient future, as well as targets and concrete actions an agency could undertake to improve water use and energy efficiency; reduce emissions of greenhouse gasses; promote pollution prevention and eliminate waste; optimize building performance; advance acquisition of energy efficient, sustainable products; ensure climate risks are integrated into infrastructure and resource management; and support New Mexico based businesses.

The council will provide a strategy to the Governor and Legislature by September 15, 2020, identifying concrete targets, strategies to achieve them, performance measures and agency-specific budgets.

The council and agencies are required to provide an annual plan to meet the goals of HB 28 as a part of their budget submissions, beginning in calendar year 2021.

This bill contains an emergency clause and would become effective immediately upon signature by the governor.

**FISCAL IMPLICATIONS**

The appropriation of \$500 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY20 shall not revert to the general fund.

Per OSE the requirements for complying will require significant additional staff time and technical expertise.

SLO notes HB28 may have considerable indirect costs to SLO in the form of resources, time, and personnel.

**SIGNIFICANT ISSUES**

NMDA notes in HB28 given the scope of agency duties that must be addressed in the plan, which includes identifying specific agency-wide targets and concrete actions to meet the objectives of HB28, there may not be enough time to develop the plan to meet the September 15, 2019 date.

Per SLO the goals of HB28 appear to align with the SLO policies in respect to preservation of land trust assets and accountability to stakeholders and beneficiaries.

**ADMINISTRATIVE IMPLICATIONS**

OSE observes, compliance with HB28 will require coordination with all divisions, departments and field offices within OSE. This will take a large amount of staff time and may require the hiring of additional staff members as well as consulting with technical experts.

SLO notes “as a member of the sustainability and resilience council, to submit an initial sustainability and resilience plan, contribute to the government-wide sustainability and resilience strategy, and contribute to the annual sustainability and resilience plan, budget and performance measures will require significant commitment of resources from SLO to research, draft and ensure implementation of required strategies across the entire agency.

**TECHNICAL ISSUES**

Page 3, Section 3B HB28 directs the secretaries of EMNRD, NMED, and GSD shall serve as co-chairs of the Council. However, GSD is not listed as a member of the Council in Section 3C.

VKH/al/sb/gb