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## FISCAL IMPACT REPORT

SPONSOR: Maes DATE TYPED: 03/04/01 HB \_\_\_\_\_  
 SHORT TITLE: Water Budget Estimate for Tularosa Basin SB 599  
 ANALYST: Gilbert

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	\$ 150.0			Non-Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files  
 CHE Files - Special Funding Requests Submitted by NMIMT  
 Office of the State Engineer (OSE)

### SUMMARY

#### Synopsis of Bill

House Bill 599 appropriates \$150.0 to the New Mexico Institute of Mining and Technology (NMIMT) for development of a water budget estimate for the Tularosa basin. Water budget studies provide estimates of recharge and discharge from hydrologic systems.

### FISCAL IMPLICATIONS

The appropriation of \$150.0 contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY02 shall revert to the general fund.

### ADMINISTRATIVE IMPLICATIONS

According to the Office of the State Engineer (OSE), results from this water budget analysis may be used to justify a groundwater storage and recovery project, thereby affecting the workload of the OSE. The OSE estimates that an additional FTE will be required to complete this project if the survey indeed results in a groundwater storage and recovery request.

## **OTHER SUBSTANTIVE ISSUES**

Several studies that provide water budget information currently exist for the Tularosa Basin. The OSE also states that the US Geological Survey is developing a new model for the Tularosa Basin. Models are typically based upon a water budget that has been formulated using a variety of procedures. Additionally, the Tularosa Basin Regional Water Plan will be finalized soon and will contain water budget information. Water budgets are often prone to a large degree of uncertainty. A well-designed investigation may reduce these uncertainties. Improved estimates of inflows may be useful to assess the potential for aquifer storage and recovery projects.

The following is provided for information only. It is not intended as a commentary on the merits of the program/project:

This program was not included in NMIMT's budget request to the NMIMT Board of Regents, and thus was not submitted by NMIMT to the Commission on Higher Education (CHE) for review. The CHE did not recommend funding this program expansion.

According to the CHE, higher education institutions receive indirect cost revenues from federal contracts and grants. A great deal of this money is used as seed money to develop new research and public service projects at institutions. This money is unrestricted in the sense that the governing board of the institution has the flexibility to choose which projects are supported with these funds.

The state higher education funding formula allows institutions to retain 100% of this indirect cost revenue. One of the purposes of retaining these funds is to provide seed money and matching funds for projects such as the one proposed in this bill.

LG/njw:ar