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FISCAL IMPACT REPORT

SPONSOR Papen DATE TYPED 02/07/04 HB _____

SHORT TITLE Water Resources Research Institute SB 290

ANALYST Williams

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	\$200.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
		See Narrative	Recurring	Other State Funds/NMSU

(Parenthesis () Indicate Revenue Decreases)

Relates to HB 45

Relates to research and public service project funding in General Appropriation Act for Water Resources Research Institute at New Mexico State University and LFC budget recommendation funding of \$455.9 thousand in FY05.

SOURCES OF INFORMATION

LFC Files
 Commission on Higher Education
 Office of State Engineer
 Water Resources Research Institute

SUMMARY

Synopsis of Bill

Senate Bill 290 creates the Water Resources Research Institute and the Waste Management Education and Research Institute at New Mexico State University. Further, the bill appropriates \$200 thousand from the general fund to the board of regents of New Mexico State University to increase research in water conservation, planning and management. The bill authorizes the Institute to collect fees.

Significant Issues

The Office of the State Engineer notes “instead of more research, we need programs to actually implement conservation measures that we know work.”

The bill specifies the institutions participating in the Institute: New Mexico State University, University of New Mexico, New Mexico Institute of Mining and Technology, New Mexico Highlands University, Eastern New Mexico University and Western New Mexico University.

The purpose would be: (1) to provide research and training; (2) transfer water information; (3) provide expertise and assistance and (4) cooperate with other local, state and federal government stakeholders.

The Governor’s budget recommendation includes a 15 percent reduction in non-statutory research and public service projects at public, post-secondary institutions. This Institute currently exists as a non-statutory entity, and therefore is subject to proposed fiscal reductions based on this methodology.

WRRRI notes funding would be utilized for research, not administration.

FISCAL IMPLICATIONS

The appropriation of \$200 thousand contained in this bill is a recurring expense to the general fund. Funding in fiscal year 2005 would revert to the general fund.

The bill includes an earmarked revenue source because authorized fees would be retained by New Mexico State University.

ALTERNATIVES

Indirect cost revenues could be used as an alternative funding source. Office of State Engineer suggests funding an expansion of the OSE conservation program to increase school curriculum and public education activities and technical assistance.

ADMINISTRATIVE IMPLICATIONS

Office of State Engineer notes the need for coordination between NMSU and OSE to avoid duplication of effort and ensure productive interface.

OTHER SUBSTANTIVE ISSUES

The appropriation in this bill is not included in the New Mexico State University Board of Regents top nine funding priorities for FY05 as submitted to the Commission on Higher Education.

Office of State Engineer notes technical drafting concerns relating to the interaction between the Institute and the consortium.

Note that tribal and international government agencies are not specified in the cooperation clause of the bill.

POSSIBLE QUESTIONS

1. How would the incremental appropriation contained in the bill be utilized?
2. What measures would be used to address performance outcomes of the institute?

AW/dm:lg