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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/7/2007

SPONSOR Nuñez LAST UPDATED \_\_\_\_\_ HB 617

SHORT TITLE Salt Cedar Removal & Forest Health Programs SB \_\_\_\_\_

ANALYST McOlash

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$10,000.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates SB 115a/SCONC

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico Department of Agriculture (NMDA)  
 Energy, Minerals, and Natural Resources Department (EMNRD)  
 New Mexico Environment Department (NMED)  
 Office of the State Engineer/Interstate Stream Commission (ISC)  
 Higher Education Department (HED)

### SUMMARY

#### Synopsis of Bill

House Bill 617 appropriates \$10,000,000 from the General Fund to the NMSU Regents for expenditure in FY 2008 and FY 2009 to manage and administer non-native phreatophyte removal and riparian restoration with the advice of the Soil and Water Conservation Commission (SWCC) according to the Non-Native Phreatophyte/Watershed Management Plan (NNPP) program

### FISCAL IMPLICATIONS

The appropriation of \$10,000,000 contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY 2009 shall revert to the General Fund.

## SIGNIFICANT ISSUES

### NMDA Analysis

Administration and management of the non-native phreatophyte program has been under the purview of the NMSU board of regents through the New Mexico department of agriculture (NMDA) since FY02. NMDA works directly with SWCC on behalf of the board of regents in carrying out Soil and Water Conservation Districts (SWCD) programs.

NNPP was developed to guide future treatment and to provide templates and protocols for monitoring, revegetation, rehabilitation and long-term watershed management. This plan is referenced in the bill.

Although not specifically mentioned in the bill, NMDA provides support to the state's 47 soil and water conservation districts (SWCDs) and has historically administered the salt cedar removal appropriations. NMDA is the lead agency for implementing the NNPP, which recognizes the SWCDs as primary resources for watershed projects, and provides administrative and fiscal support to the SWCC.

This request was not submitted by NMSU to HED for review and was not included in Department's funding recommendation for FY 2008.

## OTHER SUBSTANTIVE ISSUES

### NMISC Analysis

Funding for the phreatophyte removal and riparian restoration program would properly and better go to New Mexico Department of Agriculture, which has the staffing and technical expertise to administer such a program. In addition, the NMDA is collaborating on and tasked with the implementation the state's FOREST AND WATERSHED HEALTH PLAN and the NEW MEXICO STATEWIDE POLICY AND STRATEGIC PLAN FOR NON-NATIVE PHREATOPHYTE/WATERSHED MANAGEMENT. That strategic plan was called for by the Legislature in HB2 (2005) and developed by an interagency work group to coordinate and supervise all phreatophyte removal projects in the state. Both state plans call for NMDA to be the lead on watershed projects and that all funding for these projects should go to NMDA.

Funding should be expended pursuant to the FOREST AND WATERSHED HEALTH PLAN and the NEW MEXICO STATEWIDE POLICY AND STRATEGIC PLAN FOR NON-NATIVE PHREATOPHYTE/WATERSHED MANAGEMENT and must meet all the requirements, guidelines, templates and protocols established by those plans.

The New Mexico Environment Department (NMED) is the recipient of the federal Clean Water Act Section 319 watershed restoration grant, of which approximately \$1 million is made available annually to local cooperators for watershed restoration projects. Funds from the 319 grant

have been used for non-native phreatophyte removal and riparian restoration projects in order to improve the chemical, physical and biological health of a watershed. Coordination between the various agencies implementing watershed restoration projects is critical to ensure projects are complimentary and that priority areas are addressed.

According to EMNRD, the NMDA, the SWCDs and the SWCC are the traditional entities to take a lead role in non-native phreatophyte management and riparian restoration. However, these agencies do not currently have the statutory responsibility, experience and technical background to conduct Forest Health Management Programs, as is indicated in the bill's title. The EMNRD – Forestry Division would be the appropriate entity to conduct Forest Health Management Programs.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

If House Bill 617 is not enacted, funding for the non-native phreatophyte program will not be available. Last year's funding was vetoed. This means that both non-native phreatophyte removal and subsequent restoration activities will be interrupted with unknown consequences in light of work completed and awaiting additional funds for completion. The state has invested significantly in this program effort (≈\$11.2 million) and the project proponents have established phased projects which require funding (NMDA).

### **AMENDMENTS**

Line 17, between the words “university” and “for” insert the words “through the Mexico Department of Agriculture”.

Remove the words “AND FOREST HEALTH MANAGEMENT PROGRAMS” from the title of the bill on line 12.

BM/yr