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FISCAL IMPACT REPORT

ORIGINAL DATE 1/25/2007

SPONSOR Campos LAST UPDATED _____ HB _____

SHORT TITLE NM Highlands Forestry Institute SB 57

ANALYST McOlash

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$433.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 278.

Relates to SB 55.

Relates to Appropriation in the General Appropriation Act (HB 7)

Responses Received From

New Mexico Department of Agriculture (NMDA)

Energy, Minerals, & Natural Resources Department (EMNRD)

Office of the State Engineer/Interstate Stream Commission (ISC)

New Mexico Higher Education Department (NMHED)

SUMMARY

Synopsis of Bill

Senate Bill 57 appropriates \$433,000 from the General Fund to the Board of Regents of New Mexico Highlands University for expenditure in FY 2008 to operate the Forestry and Watershed Restoration Institute (FWRI).

FISCAL IMPLICATIONS

The appropriation of \$433,000 contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY 2008 shall revert to the General Fund.

SIGNIFICANT ISSUES

Northern Arizona University, Colorado State University and New Mexico Highlands University are jointly developing forest restoration institutes (Institutes) in each of the three states pursuant to PL 108-317, signed into law in October 2004. The purposes of the non-regulatory Institutes are to bring the unique strengths of the member universities individually, collectively and in partnership with other institutions to help support land managers and their collaborators working to achieve comprehensive ecological restoration treatments on the ground.

New Mexico Highlands University has the only certified forestry program in the state. It is a unique opportunity for NMHU to train technical and professional forest and watershed managers for the increasing number of jobs in this field, both in the state and elsewhere.

New Mexico First held a town hall in Las Vegas called *“Looking to the Future: A Town Hall on New Mexico’s Watersheds and Forests”*, jointly sponsored by the FWRI, EMNRD, and NMDA and attended by 130 residents of the State. The Town Hall included two recommendations to support FWRI as an institute and to provide separate, recurring state budget appropriations.

New Mexico’s two recently adopted statewide strategic plans for watershed management (The Forest and Watershed Health Plan (FWHP) and The Non-native Phreatophyte/Watershed Management Plan (NNPP) both supported the Institute and identified important roles for it in implementation of these plans,

The Higher Education Department analysis of SB 57 did not report if this proposed funding was either submitted to or recommended by HED.

However, analysis for HB 278 states:

This request was submitted by NMHU to the New Mexico Higher Education Department for review, but is not included in the Department’s funding recommendation for FY08. The bill's appropriation amount for additional funding is \$433,000, whereas NMHU's request to the Department was \$25,300. The Department recommends continued funding for this program at the FY07 level of \$249,700.

PERFORMANCE IMPLICATIONS

Federal legislation calls for a preliminary review of the accomplishments of all the Institutes in 2006, followed in 2009 by a substantive evaluation that will determine whether the Institute will continue to receive federal support. The question of state support may enter into this review.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to Appropriation in the General Appropriation Act (HB 7, p. 196):

	<u>General Fund</u>	<u>Federal</u>
Forest and Watershed Institute	\$249.7	\$255.4

House Bill 278 is a conceptual duplicate but differs in format.

Senate Bill 55 appropriates \$430,000 to NMHU “to fund the forest and watershed institute.”

POSSIBLE QUESTIONS

1. Are Senate Bills 55 and 57 duplicates? Is the intent to fund the FWRI at \$863,000 in addition to any General Fund appropriation?

BM/mt:csd