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FISCAL IMPACT REPORT

ORIGINAL DATE 1/18/2008

SPONSOR Nunez LAST UPDATED _____ HB 84

SHORT TITLE NMSU Water Quality Research SB _____

ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$800.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico State University (NMSU)

New Mexico Energy, Minerals & Natural Resources Department (EMNRD)

Higher Education Department (HED)

State Engineer/Interstate Stream (OSE)

SUMMARY

House Bill 84 appropriates \$800.0 from the general fund to the Board of Regents of New Mexico State University to expand research in water quality and availability.

FISCAL IMPLICATIONS

The appropriation of \$800.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2009 shall revert to the general fund.

This request was submitted by New Mexico State University to the New Mexico Higher Education Department for review, but is not included in the Department's funding recommendation for FY09.

The HED's evaluation table of FY09 Research and Public Service Projects provided to the LFC classifies this project as a "Supports State Priorities" project. Reasons for this classification decision are not provided. (LFC Report 07-20, Higher Education Department Review of Selected Research and Public Service Projects, January 12, 2008, Table 4, p74.)

According to NMSU, requested funds will serve to match \$7,000.0 in funding from Federal and private sources including Bureau of Reclamation, Environmental Protection Agency, Department of Energy as well as General Electric, Intel Corporation and others.

SIGNIFICANT ISSUES

According to NMSU, the objective of the appropriation would be managing programmatic efforts associated with the Tularosa Basin National Inland Water Desalination facility and conducting research focused on water quality, availability, affordability and management as well as the Energy-Water nexus issues. NMSU's Institute for Energy and the Environment (IEE) together with the Water Resources Research Institute (WRRI) will also focus to increase water education and outreach as well as training programs.

NMSU states further that the proposed approach has been proven to have a significant impact on development and deployment of innovative affordable technologies and will lead to increase in the number of technology related activities. Community involvement in various education and outreach programs will lead to informative citizens that can meet challenges with which they are faced. These include increased knowledge in regulations on various contaminants and their potential impacts on community health as well as water management and utilization. Specifically this program will:

- Increase in technologies deployed to address brackish water conversion
- Have a direct positive impact on water education statewide
- Increase the number of students, faculty and staff participating in hands-on engineering, technology development and evaluation
- Increase the number of communities involved in outreach and water education and training programs
- Increase affordable water to communities and municipalities

The OSE comments that water quality research is an important aspect of the characterization of water availability and quantification of water supply. A significant amount of research has occurred but more is needed. In particular, research into causes and sources of salinity in groundwater is needed in many areas of the state. The OSE/ISC supports expansion of research into water quality and water availability.

The OSE further state that the type of research, scope of planned studies, and areas of research are not specified in the bill. Similar bills (HB 113 and SB 174) were introduced in the 2007 session but were not passed. Discussions with the Water Resource Research Institute (WRRI) at NMSU indicated that the proposed appropriation is to be used for a wide variety of research at the university, much of which does not relate directly to the OSE/ISC. This would include research in advanced water treatment technologies that will be conducted in cooperation with the private sector. Some funds from this appropriation will go through the WRRI and be used to match federal funding for studies such as those under the Transboundary Aquifer Act (Act) recently passed by congress. The Act has yet to be funded; it calls for up to \$50M through 2016 to perform hydrologic studies. Some state match will be expected. Providing state match money though this appropriation could be key in getting the federal funding for these studies approved. Coordination with the state water resource agency, in this case the OSE/ISC, is written into this

Act. Another area, which may be funded from this appropriation would be creation of a Rio Grande salinity forum, which could begin to address interstate water quality issues on the Rio Grande. OSE/ISC involvement in both of these programs will be absolutely necessary

The EMNRD states that the availability of potable water and protection of groundwater from contamination are increasingly becoming significant concerns for New Mexico residents, and one of the obligations imposed upon the Oil Conservation Division (OCD) is the protection of groundwater. This bill could have a potential positive impact on the OCD's ability to perform its duties under the Oil and Gas Act and Water Quality Act in protecting New Mexico groundwater. The additional appropriation could ultimately result in additional, useful data regarding the water quality and quantity issues affecting New Mexico.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

The ENMRD states that this appropriation is related to SB106 and SB 2 which also provide for funding of research and analysis of water and geology in New Mexico with the potential to yield data that might be helpful to the OCD in performing its duties. The appropriations made by each of the three bills, however, are slightly different and are more complimentary in nature, as opposed to being duplicative. SB2 provides funding for aquifer mapping by NM Tech and SB106 provides funding to NM tech for the expansion of its geophysical research center.

GH/mt