

SOURCES OF INFORMATION

LFC Files
NM Land Grant Council
NM Association of Counties
Albuquerque Bernalillo County Water Utility Authority

Responses Received From

Energy, Minerals and Natural Resources Department (EMNRD)
NM Department of Agriculture (NMDA)
New Mexico State University (NMSU)
State Land Office (SLO)

SUMMARY

Synopsis of Senate Floor Amendment:

The Senate floor amendment strikes the Senate Conservation Committee amendments and:

- Provides that the Forest and Watershed Board shall be advisory and that the EMNRD's Forestry Division shall make final determinations to fund recommended projects
- Removes the director of New Mexico Highlands University's Forest and Watershed Institute from the board
- Reduces the number of public board members from five to three, and requires that one shall represent the forest products industry, one member from a soil and water conservation commission, and one representative from a conservation organization with a focus on ecological restoration
- Provides that an eligible project shall be given priority if it leverages other funding contributions, is in or clustered around a priority area or areas, or creates incentives to increase investment to better manage forested headwaters and water sources

Synopsis of SCONC Amendment:

The Senate Conservation Committee attaches the proposed watershed restoration board to the State Land Office (SLO), and enacts a new section that stipulates the eligibility of a project for funding.

Synopsis of Original Bill:

The House Energy, Minerals and Natural Resources substitute for HB 38, the "Watershed Restoration Act", creates a fund for the purposes of forest and watershed restoration, among other projects. The proposed legislation:

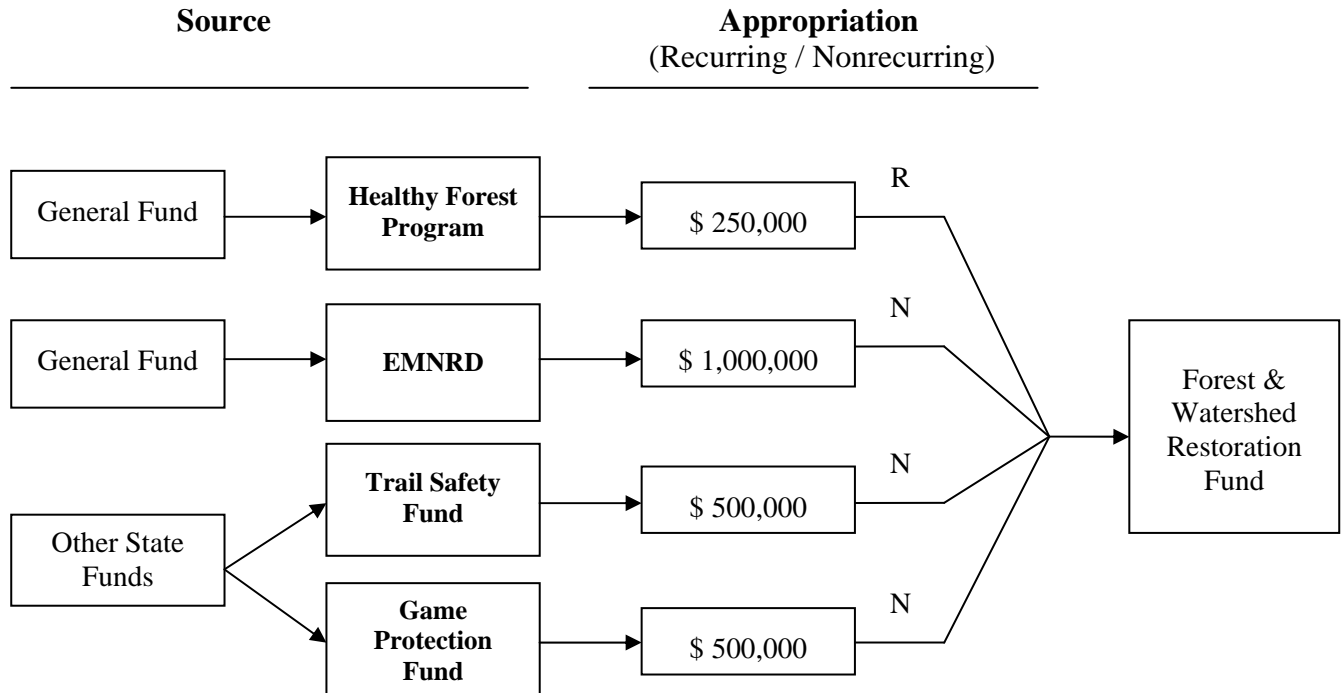
- creates a 15 member forest and watershed restoration board which is administratively attached to the Energy, Mineral and Natural Resources Department (EMNRD). The board adopts protocols and best management practices for forest and watershed preservation projects and prioritizes projects for funding. The board can seek assistance

- and delegate responsibility for the administration and implementation of projects;
- creates the forest and watershed restoration fund.
- establishes the types of projects that can be funded which includes on the ground restoration projects and economic development projects; and
- establishes the application process and the prioritization factors for projects.

FISCAL IMPLICATIONS

Although the funds would be appropriated to the board and administered by EMNRD, HB 38 does not include operating costs for SLO or cooperating entities. EMNRD offered its estimate that \$1.4 million will be needed in start-up and \$650 thousand in recurring costs to operate the program. Employees will need to be hired to assist the board, administer funds and to plan, implement, supervise, coordinate and prepare reports on projects.

HB 38 contains an appropriation of \$2.25 million from various funds to the forest and watershed restoration fund. Refer to Senate Finance Committee (SFC) amendment to HB 2 and HB 4.



This bill creates a new fund and provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds, as earmarking reduces the ability of the legislature to establish spending priorities.

SIGNIFICANT ISSUES

The Albuquerque Bernalillo County Water Utility Authority (ABCWUA) raises its concern that poor conditions in New Mexico’s forested watersheds may threaten the statewide water supply. In similar regards, the NM Land Grant Council and the NM Association of Counties argue that,

Wildfires that burn 40 thousand acres in a day have happened in 2011 and 2012 in both Northern and Southern New Mexico. The forested mountains where most of our snow falls and is stored until spring runoff, may be irreparably damaged...Senate and House Memorials make clear that current efforts are not sufficient given the scope of the problem, the threat of damage to critical water sources, and the cost of each large fire

HB 38 directs the new watershed restoration board to adopt guidelines, protocols and best management practices for forest and watershed preservation projects, and adopt other rules for administering the legislation. The NM Department of Agriculture (NMDA) made its assessment that the significant funding associated with HB 38 would dramatically increase the pace and scale of watershed restoration work in the state. The State Land Office (SLO), also assesses that:

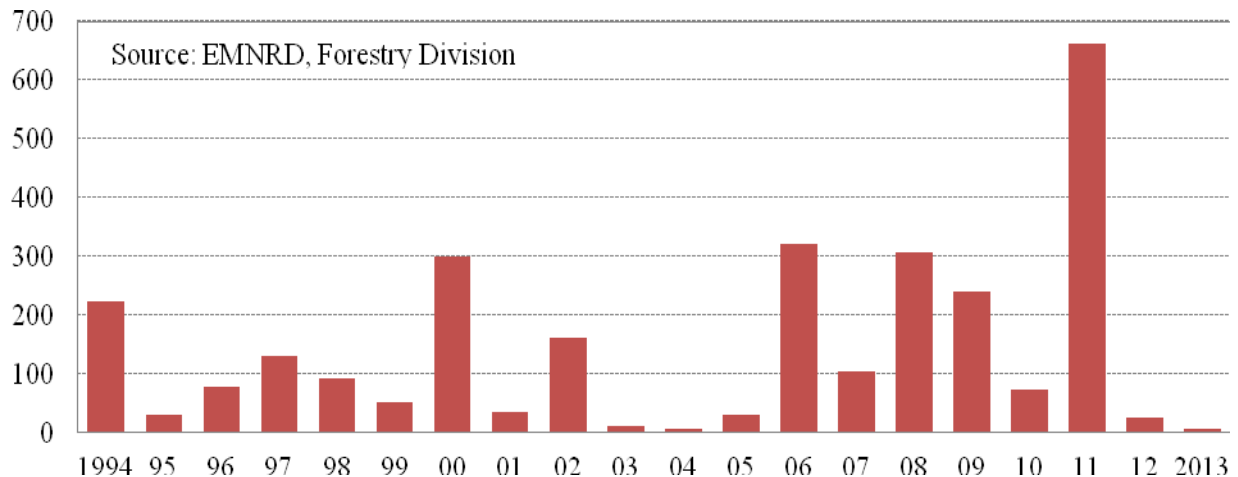
certain forest management projects funded by the bill and overseen by the board could benefit state trust lands administered by SLO, perhaps making those state trust lands more productive and perhaps avoiding or mitigating the risk of harm to those lands from catastrophic fires.

However, EMNRD raised its concerns over duplication, arguing that its forestry division already has long-established, successful processes in place for conducting this work. The agency states that some provisions of HB 38 duplicate the Natural Heritage Conservation Act, Section 75-10 NMSA 1978, which gives EMNRD the authority to receive and disburse funds to solicit, develop, prioritize and manage similar projects

PERFORMANCE IMPLICATIONS

SLO is self-funded from funds required under the Enabling Act to be used solely for trust purposes. The agency has indicated that the diversion of SLO staff to perform work for the board could conflict with the restrictions imposed by the Enabling Act.

Total Acres of NM Forest Burned (1,000s)



AIS/bb/je