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FISCAL IMPACT REPORT

SPONSOR Pinto ORIGINAL DATE 2/18/2015
 LAST UPDATED 2/26/2015 HB _____

SHORT TITLE Well Research in Rural Areas of Tribal Lands SB 590/aSIAC

ANALYST Hartzler

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY16	FY17		
	\$404.5	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY16	FY17	FY18	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$404.5	\$404.5	\$809.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act, Section 4J, Higher Education Department, Policy Development and Institutional Financial Oversight

SOURCES OF INFORMATION

LFC Files

Responses Received From
 Higher Education Department (HED)

SUMMARY

Synopsis of Senate Indian Affairs Committee Amendment

The Committee amendment makes the appropriation in SB 590 to the Indian Affairs Department (IAD) instead of HED.

Synopsis of Bill

Senate Bill 590 appropriates \$404.5 thousand from the general fund to HED for researching the types of well pumping technology used, the depth of wells, and the water levels and quality in wells in rural areas of tribal lands in New Mexico.

FISCAL IMPLICATIONS

The appropriation of \$404.5 thousand contained in this bill is a recurring expense to the general fund. As stated in the bill, any unexpended or unencumbered balance remaining at the end of FY16 shall revert to the general fund. However, should the appropriation be included in Section 4 of the General Appropriation Act as a line-item to HED, the funds would not revert to the general fund.

In FY16, Navajo Technical University (NTU) and Southwestern Indian Polytechnical Institute (SIPI) requested \$404.5 thousand in general fund support for a tribal water project. The institutions proposed a project with faculty and student teams

(1) collecting data from selected tribal ranchers and farmers on wells having windmills as the primary source of pumping,

(2) complete research on green technologies to generate a model that addressed some issues with using existing windmills,

(3) use digital manufacturing technology to make models and parts for windmills or alternative pumping apparatus, and

(4) install retro-fitted windmills or alternative pumping machines to test for effectiveness. HED requested a \$200 general fund appropriation for this project. Neither the executive nor LFC recommendations included funding for this proposal.

SIGNIFICANT ISSUES

NTU and SIPI's proposal is attached. It highlights the importance of conducting groundwater well research in Indian Country, the usefulness of collecting data on groundwater well effectiveness and water quality, and the application of green technologies to address local needs. HED notes that a small percentage of possible wells would be assessed given the resources in SB 590.

PERFORMANCE IMPLICATIONS

NTU and SIPI included performance measures in their FY16 budget request. Should SB 590 be enacted, HED may consider measures and targets for the number of farmers/ranchers whose wells have been reviewed and data collected and the number of farmers/ranchers wells that have been assessed, replacement or other parts machined, and refitted.

ADMINISTRATIVE IMPLICATIONS

HED serves as the fiscal agent for a number of projects and programs benefitting the state, including MESA and ENLACE. If funded, the department would serve as the fiscal agent for this project.

TH/aml/bb/je