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FISCAL IMPACT REPORT

SPONSOR Small ORIGINAL DATE 01/28/19
LAST UPDATED _____ HB 368

SHORT TITLE Utility Operator Training SB _____

ANALYST Hanika-Ortiz

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY19	FY20		
	\$275.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Environment Department (NMED)

New Mexico Independent Community Colleges (NMICC)

SUMMARY

Synopsis of Bill

House Bill 368 appropriates \$275 thousand from the general fund to NMED to be used in FY20 and subsequent fiscal years to conduct certified utility operator training and technical guidance for low-cost nutrient removal optimization at targeted wastewater treatment plants.

FISCAL IMPLICATIONS

The bill appropriates \$275 thousand from the general fund. Because the funds do not revert and the appropriation can be used across fiscal years, the appropriation is considered recurring.

NMED states no additional operating budget impact other than the time required to procure a contract with an operations consultant and provide ongoing support to utility operators.

SIGNIFICANT ISSUES

NMED states HB 368 helps solve a long-standing issue for communities related to noncompliance and affordability as it pertains to managing and operating wastewater treatment facilities.

NMED reports many New Mexico communities do not have sufficient budgets and highly-trained operational staff at their facilities. New Mexico has 64 wastewater treatment facilities with 25 facilities discharging to “large rivers” (e.g., Rio Grande, San Juan River) and 22 facilities discharging to nutrient-impaired streams. Ruidoso/Ruidoso Downs installed new treatment facilities to achieve low nutrient limitations at a cost of \$36 million and Chama recently completed construction on a new wastewater treatment facility at a cost of \$8 million, but still needs trained certified operators to manage and operate their facilities to realize the benefit of their investment.

Further, NMED notes, the Montana Department of Environmental Quality has shown investment in wastewater operator training and technical support can result in substantial nutrient reductions in effluent. Montana’s four-year training and technical support effort resulted in an average reduction of 59 percent for total nitrogen and an average reduction of 33 percent for total phosphorus. To achieve similar results through conventional improvements, the cost to each community would be several million dollars – as evidenced by Ruidoso/Ruidoso Downs and Chama costs previously noted. However, for Montana, none of the treatment facilities spent more than \$10 thousand on new equipment and the costs incurred were mostly for instrumentation.

PERFORMANCE IMPLICATIONS

NMED’s Surface Water Quality Bureau serves to preserve, protect and improve New Mexico’s surface water quality by controlling pollution from both discrete point sources (i.e., discharge pipes) and dispersed nonpoint sources (i.e., agricultural runoff). NMED believes the ability for wastewater operators to use existing equipment and informed guidance to target and reduce nutrients in their discharge will benefit the state both environmentally and economically (i.e., promote eco-tourism).

ALTERNATIVES

NMICC reported that while this bill has no impact on community colleges in the state, the community colleges do currently offer many workforce certification and development programs. Some of these programs are “for-credit” leading to a degree or certificate. Others are “non-credit” designed to meet the specific needs of an industry or employer. Community colleges are highly skilled in working with industries and employers to rapidly design and deploy programs to meet workforce needs. Further, NMICC offered to be of assistance in helping to provide this training.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

NMED would not receive a separate appropriation to conduct certified utility operator training.

QUESTIONS

Is there alternative funding from NMED’s special revenue funds to implement this program?

AHO/sb