

# The Energy-Education Nexus in New Mexico

David Martin, Cabinet Secretary  
NM Energy, Minerals, and Natural Resources  
Department (EMNRD)

Legislative Education Study Committee  
Hobbs, NM  
September 23, 2014



# Outline

- The Energy and Education Nexus
  - Energy support for education
  - Educational needs for energy development
- Workforce Training for the Energy Sector
- Oil and Gas Education for the General Public
  - Public health, safety, and the environment
- County and Local Government Education
- New Energy Educational Initiatives

# Energy and Education Nexus

- Energy Support for Education
  - Funding for K-12 and Higher Ed (\$922 million in funding attributable to O&G revenues in NM in FY13)
  - Transportation, heating, cooling, and lighting
- Educational Needs for Energy Development
  - Scientific and technical workforce
  - Workforce training
- The Energy-Education Nexus will be part of a new Energy Policy and Implementation Plan for the State that is under development

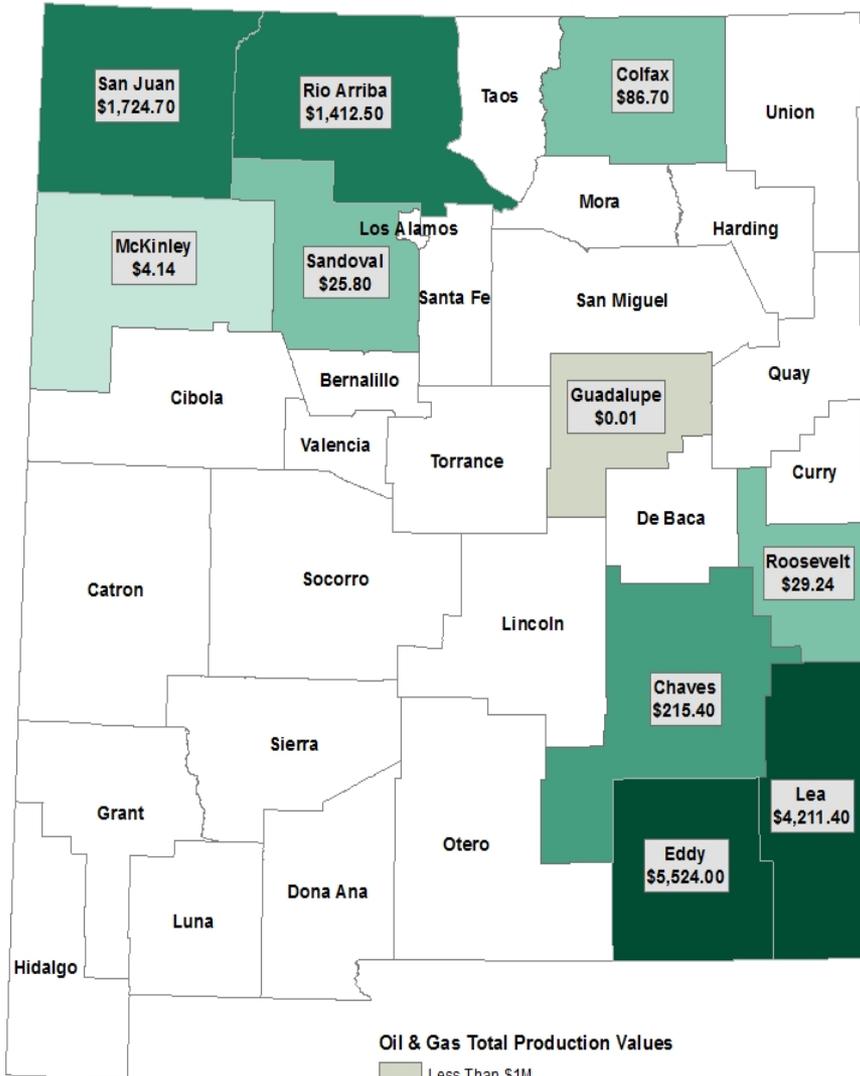
# General Fund Revenue Attributed to Oil & Gas Industry

<b>FY 13 Land Grant Permanent Fund Balance</b>	<b>\$13.28 billion*</b>
<b>FY 13 LGPF interest from oil &amp; gas to general fund</b>	<b>96.6%*</b>
<b>Severance Tax Permanent Fund Balance</b>	<b>\$3.87 billion*</b>
<b>FY 13 STPF interest from oil &amp; gas to general fund</b>	<b>86.0%*</b>
<b>FY 13 Contribution to total general fund revenue</b>	<b>31.5%*</b>
<b>FY 14 Contribution to total general fund revenue</b>	<b>38.0%**</b>

\*New Mexico Tax Research Institute, Fiscal Impacts of Oil and Natural Gas Production in New Mexico, January 2014

\*\*Dr. Tom Clifford, "Oil and Gas Contributions to State and Local Revenues and 2014 State Budget Update," IPANM Annual Meeting, Albuquerque, August 7, 2014

# NM Oil & Gas Production Value by County (FY 2013)



### Oil & Gas Total Production Values

- Less Than \$1M
- \$1M - \$10M
- \$10M - \$100M
- \$100M - \$1B
- \$1B - \$2B
- Over \$4B

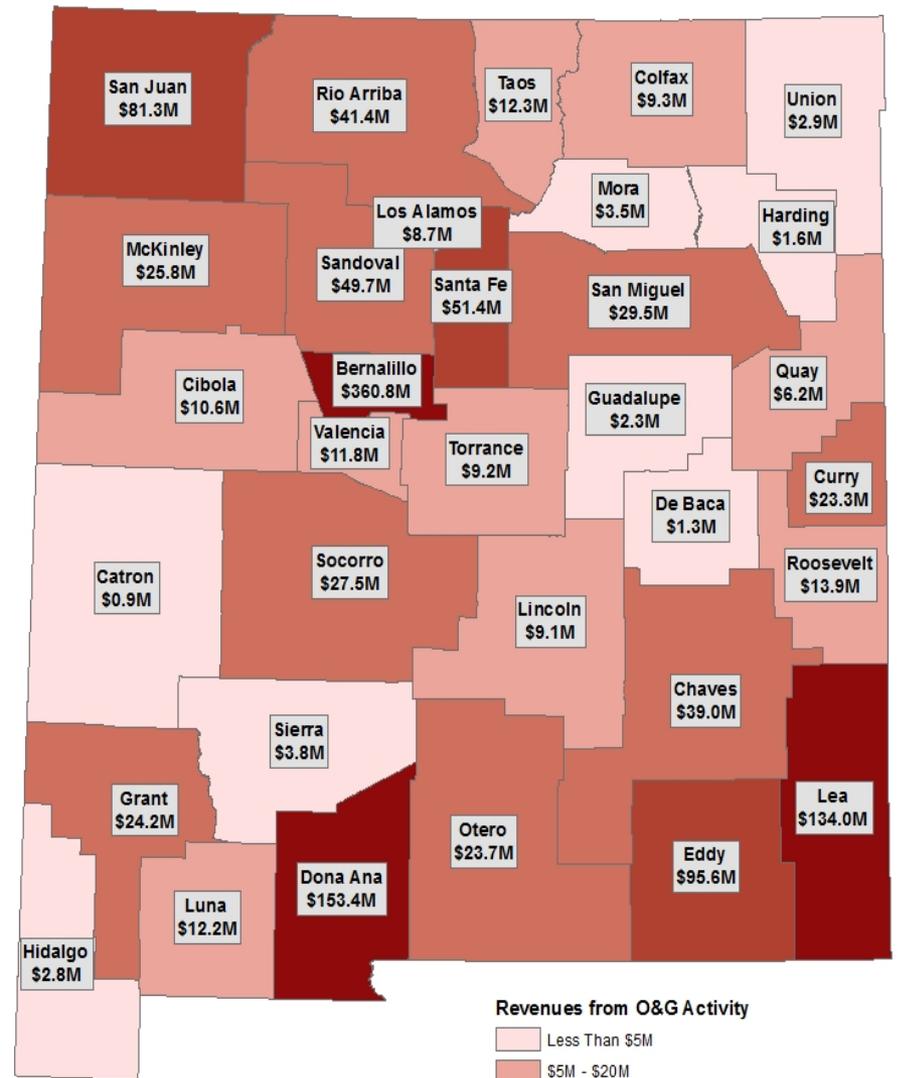
Note: Labels in \$Millions

Source: New Mexico Tax Research Institute, 2013, Fiscal Impacts of Oil and Natural Gas Production in New Mexico, Preliminary Report



Date: 7/3/2014

# County Revenues from Oil & Gas Activity (Fiscal Year 2013)



### Revenues from O&G Activity

- Less Than \$5M
- \$5M - \$20M
- \$20M - \$50M
- \$50M - \$100M
- Over \$100M

Note: Data from NM Tax Research Institute, 2014, Fiscal Impacts of Oil and Natural Gas Production in New Mexico. Revenue derived from state general fund education appropriations attributable to oil and gas (K-12 and higher education), capital allocations and severance tax bonds attributable to oil and gas, gross receipts tax attributable to oil and gas that are returned to the county, and ad valorem production and ad valorem production equipment taxes in producing counties.



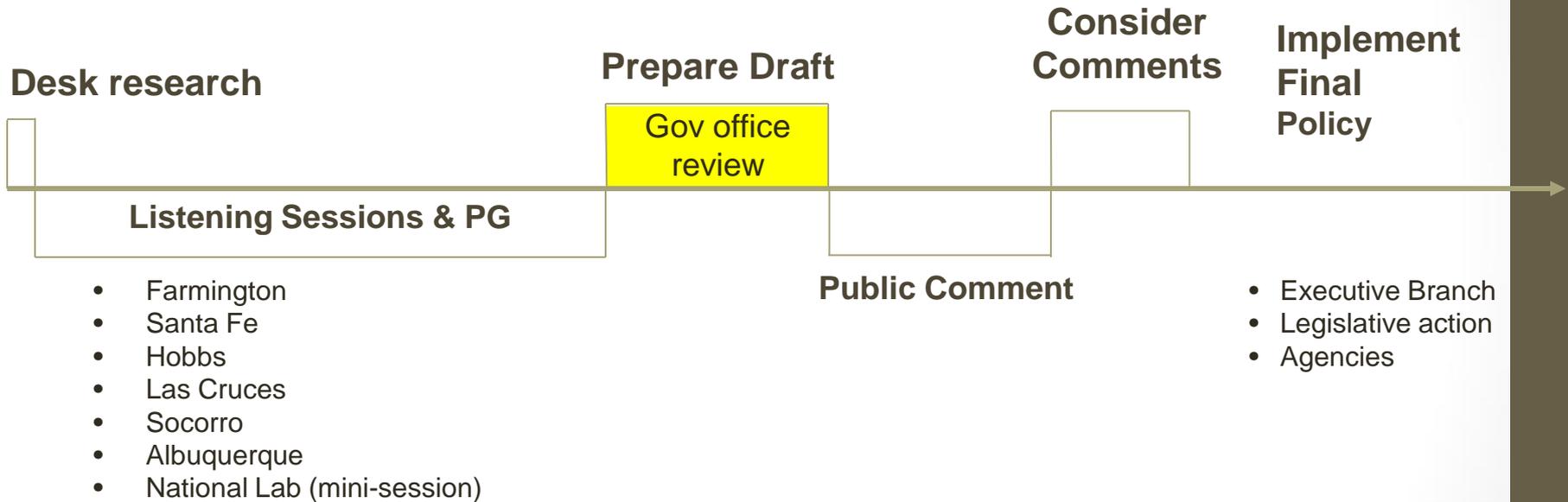
Date: 7/8/2014

# FY 13 Education Funding

<u>County</u>	<u>Percent of Educational Funding from Oil &amp; Gas</u>
Bernalillo	34.4%
Dona Ana	15.2%
San Juan	5.5%
Santa Fe	4.6%
Sandoval	4.6%
Lea	4.4%
Chaves	3.5%

Curry, Eddy, McKinley, Otero, San Miguel, Socorro: 2.3%-2.4%

# Development of a New Energy Policy and Implementation Plan



N E W M E X I C O



Energy, Minerals and Natural Resources Department

# Topics Common to All Sessions

- Responsible energy development, state & local economic growth, private sector jobs
- Infrastructure (e.g., transmission, pipeline, rail)
- Economic development and manufacturing
- Water requirements for energy development
- **Workforce training and education**

# Workforce Training for the Energy Sector

- Prepare high school and college students to choose careers in energy
- Encourage colleges and universities to align their curricula with core energy workforce needs
  - Specialized degree programs to meet industry needs (e.g., O&G law program at the School of Law at UNM)
  - Technical degrees including engineering, geology, hydrology, and other key technical areas
- Support two-year energy training programs in applied energy technologies

# Oil and Gas Education for the General Public

- Implement an education campaign to increase citizen knowledge of oil and gas operations
- Create a repository of facts available on oil and gas development in New Mexico for the public and media to reference
- Ensure that regulators are available to respond to reporters on a timely basis with appropriate information

# County and Local Government Education

- Create a strategic alliance of experts from independent bodies (e.g., state universities) to assist NM's counties and municipalities by providing
  - Science-based education and technical information regarding oil and gas development
  - Information on the economic impact of the industry
  - Rules and regulations that the state has in place to protect groundwater and ensure public safety
  - A clearinghouse of information
- Provide speakers to the New Mexico Association of Counties and the NM Municipal League to address oil and gas issues

# New Energy Education Initiatives

- Support funding of task orders at the NM Junior College and San Juan College to address state and federal agency needs
- Create a state certification program at the San Juan College School of Energy for the training of employees in the oil and gas industry using curriculum designed by the industry, including safety training
- Create a regulatory engineering program at NM Tech that prepares students for careers in energy regulation in federal or state government and industry

# Questions?

N E W M E X I C O



Energy, Minerals and Natural Resources Department