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FISCAL IMPACT REPORT

SPONSOR: Tinnin DATE TYPED: 2/16/03 HB 389

SHORT TITLE: San Juan College Oil & Gas Field Training SB _____

ANALYST: L. Baca

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$300.0			Recurring	GF

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation for San Juan College in the General Appropriation Act

SOURCES OF INFORMATION

Responses Received From

Commission on Higher Education (CHE)
Energy, Minerals & Natural Resources Department (EMNRD)

SUMMARY

Synopsis of Bill

House Bill 389 appropriates \$300.0 from the general fund to the Governing Board of San Juan College (SJC) to expand and operate oil and gas field training, including certification and training for well, pipeline and drilling technicians and for field workers.

Significant Issues

The EMNRD analysis cites the cyclical nature of the oil and gas industry, and states that the need for trained workers is linked to the boom and bust nature of the industry. Workers leave the industry during economic downturns and do not return; this creates a need to provide training for their potential replacements. This bill seeks to supplement the existing pool of certified workers and provide in-service training for those already employed in the industry.

FISCAL IMPLICATIONS

The appropriation of \$300.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2004 shall revert to the general fund.

OTHER SUBSTANTIVE ISSUES

According to the CHE, this proposal was submitted by SJC to the CHE and ranked #4 among the 4 expansion requests submitted. The CHE did not recommend this program for expansion.

The SJC's request for this program was for \$150.0 and partially justified with the budget shown below:

Proposed Budget for San Juan College	
Salaries	\$90,000
Fringe	27,000
Supplies/Expenses	15,000
Equipment	18,000
Total	\$150,000

AMENDMENTS

The CHE suggests adding the following language for all new recurring higher education programs (assuming that funding will continue beyond 2003-2004):

“A plan for a program evaluation, including specific program goals and criteria for assessing program effectiveness, shall be submitted to the Legislative Finance Committee and the Commission on Higher Education by October 1, 2004. An assessment of the program will be completed prior to June 30, 2005, and submitted to the Legislative Finance Committee and the Commission on Higher Education

POSSIBLE QUESTIONS

1. Has any study been conducted to determine the need for more oil field workers in the San Juan County area? In New Mexico?
2. Why is the amount appropriated in this bill twice as much SJC's request to the CHE?
3. Is the oil and gas industry again “on the rise” in San Juan County?

LRB/prr