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FISCAL IMPACT REPORT

ORIGINAL DATE 1/30/2007

SPONSOR Moore LAST UPDATED _____ HB 196

SHORT TITLE Mesalands College Wind Training Center SB _____

ANALYST McOlash

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$379.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB 463, SB 418, SB 309, HB 433, HB 430, and HB 188
 Relates to capital outlay request for \$12,600,000.

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Higher Education Department (HED)
 Energy, Minerals, and Natural Resources Department (EMNRD)

SUMMARY

Synopsis of Bill

House Bill 196 appropriates \$379,000 from the General Fund to the HED for expenditure in FY08 to support the Wind Training Center at Mesalands Community College.

FISCAL IMPLICATIONS

The appropriation of \$379,000 contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY 2008 shall revert to the general Fund.

SIGNIFICANT ISSUES

Mesalands Community College, in collaboration with Tucumcari Economic Development Corporation, New Mexico Economic Development Department, New Mexico Energy, Minerals, and Natural Resources Department, Sandia National Laboratories, Coalition for Clean Affordable Energy, Regional Development Corporation, and New Mexico State University is developing the North American Wind Research and Training Center (NAWRTC) designed to train wind energy technicians and wind farm managers and to highlight the potential for wind power as a source of renewable, non-polluting energy, and provide a location for applied research. The Mesalands area, and Quay County in particular, is centered in a Class 4-5 wind resource potential area with current growth in both wind farm expansion and new installations at several nearby locations.

According to the HED analysis, the HB 196 funds will be expended for start up costs including personnel and other operational costs:

- \$217 Personnel: director, part-time faculty, and administrative secretary
- \$72 Benefits at 33%
- \$46 Turbine operational costs
- \$30 Tools and supplies
- \$14 travel, recruitment, marketing

Mesalands CC received a \$2.0 million grant from the U.S. Department of Labor in December 2006 to establish training for wind energy technicians and the purchase of a wind turbine (\$750,000).

This is a new program and this request was not submitted by Mesalands Community College HED for review and is not included in the Department’s funding recommendation for FY08.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to:

- SB 463 – energy tax credits.
- SB 418 – electric utilities and renewable energy.
- SB 309 – funding of clean energy projects.
- HB 430 – energy tax credits.
- HB 188 – relating to electric power.

Relates to Capital Outlay Request for \$12.8 million to develop the site for and plan, design, construct, equip, and furnish the North American Wind Research and Training Center at Mesalands Community College.

ALTERNATIVES

The General Fund appropriation to the Policy Development and Institutional Financial Oversight Program of the Higher Education Department includes one million five hundred thousand dollars (\$1,500,000) to the Program Development Enhancement Fund for academic program start-up at New Mexico public, postsecondary institutions.