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FISCAL IMPACT REPORT

SPONSOR Johnson ORIGINAL DATE 1/21/19
LAST UPDATED _____ HB 233

SHORT TITLE Uranium Mine Cleanup Workforce Study SB _____

ANALYST Valenzuela

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY19	FY20		
	\$250.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
University of New Mexico
State Land Office

SUMMARY

Synopsis of Bill (if bill is amended state "Synopsis of Original Bill")

House Bill 233 appropriates \$250 thousand from the general fund to bureau of business and economic research at the University of New Mexico for the purpose of preparing a study uranium mining in Cibola County. The study would address the economic effects of remediation of the uranium mining site, including the workforce training needs and education programming required to train local workforce.

FISCAL IMPLICATIONS

The appropriation of \$250 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY20 shall revert to the general fund.

Colleges and universities do not revert unexpended balances to the general fund, which is contrary to the language in the bill.

SIGNIFICANT ISSUES

The appropriation contained in HB 233 is a nonrecurring expense to the general fund. Any unencumbered balance remaining at the end of FY20 shall revert to the general fund.

According to UNM, the U.S. Environmental Protection agency (EPA) has recovered almost \$1 billion from lawsuits to conduct environment cleanup at over 200 abandoned uranium mines on tribal lands in New Mexico. According to UNM, the cleanup projects have the potential to create substantial opportunities for employment and business creation, which would generate revenues for state and local governments through gross receipts taxes and corporate and personal income taxes.

UNM provides the following possible breakout for this appropriation.

UNM Proposed Breakout of Costs for HB 233		
Budget Category	FTE	Cost
Principal Investigator	0.40	\$38,087
Staff (Data Collection, Analysis)	0.75	\$49,045
Staff (Data Collection)	0.50	\$26,391
Faculty (Analysis and Reporting)	0.25	\$23,432
Graduate Students (2)		\$38,235
Fringe (Professional)		\$40,868
Fringe (Faculty)		\$5,155
Graduate Student Insurance		\$382
Office Expense		\$4,000
Travel (In-State)		\$7,500
Travel (Out-of-State)		\$5,000
Facilities and Administrative Costs		\$11,905
		\$250,000

Source: UNM

HB 233 specifies expenses charged by UNM to administer the appropriation may not exceed 5 percent of the funds expended. Based on the figures provided by UNM, these administrative costs – \$11.9 thousand – would amount to 4.8 percent of total costs.

OTHER SUBSTANTIVE ISSUES

HED notes this request was not submitted by UNM to HED for review. HED also points out that, while the funds contained in HB 233 revert at the end of FY20, earmarked appropriations to higher education institutions in the General Appropriation Act typically do not revert.

MFV/sec/gb