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FISCAL IMPACT REPORT

ORIGINAL DATE 1/21/08

SPONSOR Feldman LAST UPDATED _____ HB _____

SHORT TITLE State Electronics Procurement & Recycling SJM 11

ANALYST Aubel

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY08	FY09	FY10	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total				.01*	Recurring	

(Parenthesis () Indicate Expenditure Decreases)

*Indeterminable

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Environment Department (NMED)
 Administrative Office of the Courts (AOC)
 Higher Education Department (HED)
 General Services Department (GSD)

No Response

Department of Information Technology (DoIT)

SUMMARY

Synopsis of Bill

Senate Joint Memorial 11 requests that the Secretary of the Environment convene a task force to develop guidelines for environmentally preferable electronics procurement and recycling by state agencies. The task force should be composed of representatives of the Environment Department,

Department of Information Technology, General Services Department, Administrative Office of the Courts, Legislative Council Service, New Mexico colleges and universities, recycling coalitions, private computer industry, electronic scrap recyclers and processors, the state's two national laboratories, and other entities deemed necessary.

The task force will review existing state electronic procurement procedures; study programs in other states that may serve as a model; document actual amount of electronics used in state agencies; develop a statewide electronic waste recycling contract template; and present findings and recommendations to the appropriate legislative committee by December 1, 2008.

FISCAL IMPLICATIONS

The New Mexico Environment Department (NMED) notes that it has sufficient resources to perform this task and SJM 11 will have no major fiscal impact. However, no information was provided on the cost to purchase related tools, such as the Electronic Product Environmental Assessment Tool (EPEAT), or any additional cost to the state for purchasing "green" electronics versus traditional models. In addition, the cost savings noted for lower energy use as well as health costs for state employees (due to the reduction of toxic materials) were not quantified and would presumably be part of the analysis performed by the task force.

SIGNIFICANT ISSUES

The technology explosion has created an increase in electronic waste or "e-waste." State agencies represent one of the largest purchasers and disposers of electronic equipment (computers, printers, faxes, copy machines, telephones, etc.) in the state.

Electronic equipment typically contains toxic substances such as lead, mercury, brominated flame retardants, and polyvinyl chlorides that may pose health and environmental risks, especially if not recycled properly.

State agency procurement and recycling guidelines will provide agencies throughout the state information and access to more environmentally friendly or "greener" electronics and proper recycling of e-waste. According to the responding agencies, the systematic replacement and recycling of obsolete electronics with greener electronics promise to reduce energy costs, create less greenhouse gas, reduce worker exposure to toxic constituents, and potentially invigorate the electronic recycling industry in New Mexico.

PERFORMANCE IMPLICATIONS

The task force will present the finding and recommendations to the appropriate legislative committee no later than December 1, 2008.

ADMINISTRATIVE IMPLICATIONS

According to NMED, the Solid Waste Bureau has the resources and expertise to research existing electronic procurement policies in New Mexico, research electronic procurement policies in other states that may serve as a model for New Mexico, convene and participate in the task force meetings, create a record of the task force meetings, correspond with the task force, create an e-waste recycling contract template, and compile and prepare findings and

recommendations for the appropriate legislative committee. GSD notes its Purchasing Division will require staff time to assist the task force in compiling information about state agency use of electronics.

OTHER SUBSTANTIVE ISSUES

There are tools available that could assist the task force in determining which electronics are more environmentally-friendly or “greener.” Electronic Product Environmental Assessment Tool (EPEAT) is a system to help purchasers in the public and private sectors evaluate, compare and select desktop computers, notebooks and monitors based on their environmental attributes. According to a study released by the Green Electronics Council in July 2007, EPEAT promises to save energy, reduce air and water air pollution, reduce both use of toxic materials and disposal of hazardous waste.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

State agencies will not have uniform guidelines for the procurement and recycling of the electronic equipment. Some state agencies may not have a cost effective and environmentally sound method of purchasing and recycling electronic equipment. NMED notes that if e-waste is not managed properly, state agencies may be out of compliance with hazardous waste regulations.

MA/bb