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FISCAL IMPACT REPORT

ORIGINAL DATE 2/18/2020

SPONSOR SCORC LAST UPDATED _____ HB _____

SHORT TITLE Programs Retraining Certain Workers SB 310/SCORCS

ANALYST Hawker

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY20	FY21		
	\$1,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

Senate Corporations and Transportation Committee Substitute Senate Bill 310 appropriates \$500 thousand to New Mexico Institute of Mining and Technology and \$500 thousand to New Mexico State University, both appropriations are to retrain workers currently or formerly employed by an operating coal-fueled electric generating facility that is owned by a non-investor-owned electric utility or a coal-fueled electric generating facility that is owned by a non-investor-owned electric utility and has been or is in the process of being retired.

FISCAL IMPLICATIONS

The appropriation of \$1 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2021 shall revert to the general fund.

SIGNIFICANT ISSUES

The Escalante Generating Station, located near Prewitt, will close by the end of calendar year 2020, years earlier than its original scheduled closure. The Escalante Generating Station is operated by the Tri-State Generation and Transmission Authority, a not-for-profit cooperative power supplier. In 2017 Tri-State retired its ownership in Unit 3 of the San Juan Generating Station.

In 2018 the Escalante Generating Station had 119 employees with an annual payroll, including benefits, of \$14.2 million. The average salary was \$76 thousand. The appropriations contained in this bill would be utilities for job retraining.

Between 2013 and 2018 in northwest New Mexico:

- Coal production decreased approximately 43 percent, with a loss of 580 jobs and \$69 million in labor income.
- Coal fired power plants decreased energy generation by approximately 34 percent, with a loss of 350 jobs and \$52 million in labor income.

VKH/rl/al