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FISCAL IMPACT REPORT

SPONSOR: Varela DATE TYPED: 02/04/03 HB 66

SHORT TITLE: NMIMT Institute Expansion SB _____

ANALYST: Williams

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$500.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Responses Received

LFC Files
 Economic Development Department
 Commission on Higher Education (CHE)

SUMMARY

Synopsis of Bill

House Bill 66 appropriates \$500.0 from the general fund to the Board of Regents of the New Mexico Institute of Mining and Technology (NMIMT) for the purpose of expanding the operations of the Institute for Complex Additive Systems Analysis (ICASA).

FISCAL IMPLICATIONS

The appropriation of \$500.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY 2004 shall revert to the general fund.

The LFC budget recommendation includes an increase of \$200.0 for a total appropriation of \$523.2 in FY04 for the ICASA at NMIMT. According to the LFC budget document, the ICASA program is a research initiative engaged in the study of complex interdependent systems. The expansion funds will allow ICASA to establish a new research center in conjunction with the National Security Agency (NSA). The additional \$200.0 will enable ICASA to leverage an addi-

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tional \$5 million to \$10 million annually from NSA to build, staff and maintain an advanced analysis research center.

According to the CHE analysis, NMIMT submitted to CHE an expansion request of \$500.0; the request was ranked by NMIMT as #3 out of 14 research and public service projects. In its funding recommendation, CHE noted "In addition to its FY2003-04 funding recommendations, the Commission supports the position that, should adequate revenue be available, funding for the following projects be appropriated" and noted \$150.0 for expansion of ICASA.

OTHER SUBSTANTIVE ISSUES

CHE notes the possibility of the use of indirect cost revenue for this project.

This is an Information Technology Oversight Committee-sponsored bill.

POSSIBLE QUESTIONS

1. What performance measures are available to assess the effectiveness of this proposal ?

AW/sb