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FISCAL IMPACT REPORT

SPONSOR Cervantes DATE TYPED 2/2/04 HB 104/aHEC

SHORT TITLE NMSU Arrowhead Business Development Center SB _____

ANALYST Baca

APPROPRIATION

| Appropriation Contained | | Estimated Additional Impact | | Recurring or Non-Rec | Fund Affected |
|-------------------------|---------|-----------------------------|------|----------------------|---------------|
| FY04 | FY05 | FY04 | FY05 | | |
| | \$250.0 | | | Recurring | General Fund |

(Parenthesis () Indicate Revenue Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Commission on Higher Education (CHE)

NMSU, College of Business Administration and Economics

SUMMARY

Synopsis of HEC Amendment

The House Education Committee amendment adds an evaluation requirement which reads as follows:

“The institution receiving the appropriation in this bill shall submit a program evaluation to the Legislative Finance Committee and the Commission on Higher Education by August 2007 detailing the benefits to the State of New Mexico from having implemented this program over a three period.”

Synopsis of Original Bill

House Bill 104 appropriates \$250.0 from the general fund to the Board of Regents of NMSU to support the Arrowhead Center for Business in the College of Business Administration and Economics to foster graduate education and economic development outreach.

Significant Issues

This bill provides support to NMSU to expand its efforts to transfer technical information to the business sector. These expanded efforts will be combined with current activities and serve as an “incubator” for the development of business through the Arrowhead Business Development Center as well as through existing “intellectual” and technological vehicles.

FISCAL IMPLICATIONS

The appropriation of \$250 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY05 shall revert to the general fund.

OTHER SUBSTANTIVE ISSUES

This request for funding was not among the priorities submitted to the CHE by the NMSU Board of Regents. Consequently, the Commission did not review the proposal.

AMENDMENTS

The following language is suggested for all new recurring higher education programs and expansion of current programs (assuming that funding will continue beyond FY05):

“The institution receiving the appropriation in this bill shall submit a program evaluation to the Legislative Finance Committee and the Commission on Higher Education by August 2007 detailing the benefits to the State of New Mexico from having implemented this program over a three period.”

POSSIBLE QUESTIONS

1. Was this request presented to the NMSU Board of Regents? Why or Why?
2. How does the Arrowhead Center for Business Development fit in NMSU’s over activities to promote business development?

LB/yr