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## FISCAL IMPACT REPORT

SPONSOR Marquardt DATE TYPED 2/19/05 HB 687

SHORT TITLE Aerospace Engineering Bachelor's Degree SB \_\_\_\_\_

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### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$750.0			Recurring	General Fund

Relates to Appropriation for Commission on Higher Education in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

### SUMMARY

#### Synopsis of Bill

House Bill 687 appropriates \$750 thousand from the general fund to the Commission on Higher Education (CHE) in FY06 for a Bachelor of Science degree program in aerospace engineering.

#### Significant Issues

The CHE will seek proposals from the four-year post secondary educational institutions that have engineering programs to develop the Bachelor of Science degree in aerospace engineering.

NMSU indicates that New Mexico is home to a number of public and private aerospace related companies, including:

- NASA White Sands,
- White Sands Missile Range,
- The Air Force Research Laboratory,
- Sandia Laboratories,
- Eclipse Aviation, and
- Many other each having a strong need for trained aerospace engineers.

While New Mexico is quickly moving to the forefront in aerospace initiatives with the advent of

the X-Prize and the investment in the spaceport of the future; it does not currently offer an aerospace engineering program, nor does it possess the capacity to react to current or anticipated industry needs. Further, a 2003 White Sands Research and Developers, LLC poll of New Mexico high school students revealed that aerospace engineering ranked third behind electrical and mechanical engineering in interest among students wishing to pursue an engineering degree.

New Mexico Economic Development Department (EDD) agrees that the state has a growing aeronautic industry and that companies are moving to New Mexico for this very purpose. The bill seeks to address the concern that while aeronautic companies may receive economic incentives to become established in New Mexico, there may be an issue drawn from the state being able to provide viable employee talent pools with which to pursue and expand their business activities.

### **PERFORMANCE IMPLICATIONS**

Citing from the 2003 White Sands Research and Developers survey, "...any new academic program in aerospace engineering should directly benefit the high-tech economy of New Mexico. An aerospace engineering department would provide the focal point for the State's aerospace industry, which it currently lacks. In addition, it could assist in consolidating the State's role in established aerospace areas as well as position it for emerging aerospace markets."

### **FISCAL IMPLICATIONS**

This request was not included in CHE's funding recommendations for FY06.

The appropriation of \$750 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

### **ADMINISTRATIVE IMPLICATIONS**

CHE will seek proposals from the four-year post-secondary educational institutions that have engineering programs to develop the Bachelor of Science degree in aerospace engineering and will select the best proposal.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Relates to SB 43 NMSU Aerospace Engineering Department  
Relates to SB 1048 NMSU Aerospace Engineering Program  
Relates to HB 609 NMSU Aerospace Engineering Department  
Relates to HB 418 NMSU Aerospace Engineering Department

### **TECHNICAL ISSUES**

An aerospace engineering program will require a curriculum and facilities that are at the forefront in aerospace technology.

**OTHER SUBSTANTIVE ISSUES**

An aerospace engineering program will have the ability to attract not only federal research dollars, but other research funds as well, also enhancing the state's status as a leader in the aerospace industry.

**AHO/sb:yr**