

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 1/28/06

SPONSOR Nava LAST UPDATED _____ HB _____

SHORT TITLE NMSU Pre-Freshman Engineering Seminars SB 41

ANALYST Earp

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$250.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates: House Bill 195
Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico State University(NMSU)
Higher Education Department(HED)
Public Education Department(PED)

SUMMARY

Synopsis of Bill

Senate Bill 41 appropriates \$250,000 from the general fund to the Board of Regents of New Mexico State University (NMSU) to pay for pre-freshman engineering preparation seminars.

FISCAL IMPLICATIONS

The appropriation of \$250,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

The sum of \$28,500 was appropriated for this purpose in Chapter 34, Laws of 2005 (Senate Bill 190.) The Legislative Finance Committee funding recommendation for fiscal year 2007 has included this amount as a component of a block-grant appropriation to NMSU for special project

expansion. The Executive also recommends continued funding at the \$28,500 level as a separate line-item appropriation. Therefore, approval of the appropriation in this bill would result in the augmentation of the funding contained in HB 2.

NMSU indicates that the requested funds will serve to match \$250,000 in funding through grants from Intel Corporation, Wolslager Foundation, Western Refining, General Motors, William and Flora Hewlett Foundation, as well as DOE, EPA and others. Additionally, this request will support professional staff and operation of the program.

SIGNIFICANT ISSUES

This proposal was included as an element of a \$3 million K-12 outreach initiative submitted by NMSU to the Higher Education Department (HED) for review. This initiative was ranked #1 among 9 special program expansion proposals submitted by NMSU. However, this proposal has not been included in the HED funding recommendations for fiscal year 2007.

ADMINISTRATIVE IMPLICATIONS

The NMSU College of Engineering currently administers this program. No significant additional impact would result from passage of this legislation.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 195 and Senate Bill 41 are duplicate measures.

OTHER SUBSTANTIVE ISSUES

NMSU emphasizes that New Mexico needs to improve K-12 education and student retention in order to ensure a continuing pipeline for future leaders in the technical and engineering areas. The New Mexico Pre-freshman Engineering Program (PREP) is administratively located within the NMSU College of Engineering. This program seeks to stimulate interest of underrepresented students in the state's middle and high schools in the field of science, engineering and mathematics (SEM). Students may enroll in PREP after 6th grade and participate for up to three summers.

NMSU proposes to increase the number of students served by expanding this outreach and training program state wide. The program has proven successful in accommodating 150 students annually for the last five years. Due to an increase in demand by students who wished to participate in the program, approximately 45% of the first year applicants were placed on a waiting list and could not participate. Additional funds are required to accommodate all the students (approximately 250) that wish to participate in the program. In addition, the requested funds will serve as matching funds to approximately \$250,000 in committed federal and private funding.

The Public Education Department (PED) notes that there is currently a predicted shortage of engineering graduates in the United States. Willard R. Daggett, President of the International Center for Leadership in Education, December 2005, states that with increased globalization, other countries are rapidly increasing their ability to compete economically with the US. He provides the following facts:

- Only five percent of the degrees earned in the U.S. in 2004 were in science and engineering.

Senate Bill 41 – Page 3

- By 2010 it is predicted that 90% of all of the world's scientists and engineers will be in Asia.
- U.S. enrollment in science and engineering has dropped by 12% in the last five years.
- In 1975, the U.S. ranked third in the world in the percentage of its students who received degrees in science and engineering. Today we are 17th in the world.

All of this places the U.S. in a competitive disadvantage.

POSSIBLE QUESTIONS

How has NMSU provided matching funds for this program up to this point, and will those matching funds continue to be available in the event this legislation is not successful?

DKE/mt