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FISCAL IMPACT REPORT

ORIGINAL DATE 1/23/2007

SPONSOR Nunez LAST UPDATED _____ HB 54

SHORT TITLE NMSU Space Consortium & Outreach Program SB _____

ANALYST McOlash

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$525.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Senate Bill 40.

SOURCES OF INFORMATION

LFC Files

Responses Received From

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

SUMMARY

Synopsis of Bill

House Bill 54 appropriates \$525,000 from the General Fund to the Board of Regents of NMSU for expenditure in FY 2008 to pay for the Space Consortium Outreach Program.

FISCAL IMPLICATIONS

The appropriation of \$525,000 contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY 2008 shall revert to the General Fund.

SIGNIFICANT ISSUES

Higher Education Department Analysis

The New Mexico Space Grant Consortium (NMSGC) was founded in 1989. Headquartered at New Mexico State University, NMSGC has partners across the state including New Mexico Institute of Mining and Technology and University of New Mexico. The additional educational outreach programs involved are: Southern N.M. Science, Engineering, Mathematics, and Aerospace Academy (SEMAA) and New Mexico State University Apache Point Observatory and Space History Museum. The consortium supports aerospace related research and education, including scholarships, outreach programs, fellowships, and summer internships for students and faculty in New Mexico. 330,000+ New Mexico citizens participated in related programs from 1997-2005 (<http://spacegrant.nmsu.edu>).

The broad goal is to improve minority and woman student education and career opportunities, with a focus on suborbital science and engineering opportunities. The mission involves promoting science and engineering education and outreach, with the objective of increasing the number of college graduates who have an interest in suborbital programs as a career choice.

The appropriation would supplement the existing operating budget and is intended to support the continuation and expansion of outreach programs. The proposal of \$525,000 was submitted to the New Mexico Higher Education Department by New Mexico State University and was included in the Department's funding recommendations for FY08 in the amount of \$50,000.

PERFORMANCE IMPLICATIONS

House Bill 54 does not indicate specific performance measures. The Higher Education Department indicated that past criteria to evaluate the programs have included the retention of academic partners and the addition of new partners, diversity objectives, student and faculty recruitment and retention objectives, and competitively awarded scholarships and fellowships.

CONFLICT, DUPLICATION, COMPANIONSHIP OR RELATIONSHIP

House Bill 54 duplicates Senate Bill 40.

ALTERNATIVES

Higher Education Department Analysis

Seek alternative funding or additional federal funding.

Higher education institutions receive indirect cost revenues from federal contracts and grants. This money is unrestricted in the sense that the governing board of the institution has the flexibility to choose which projects are supported with these funds. A great deal of this money is used as seed money to develop new research

and public services projects at institutions. A portion of the indirect cost revenue, or earned overhead, is used to support items such as the salaries of the accountants responsible for monitoring the contracts and grants, or for paying utilities and other expenses required to maintain the space where the contract and grant activities are housed.

The higher education funding formula allows institutions to retain 100% of this indirect cost revenue. One of the purposes of retaining these funds is to provide seed money and matching funds for projects such as the one proposed in this bill.

BM/csd