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FISCAL IMPACT REPORT

ORIGINAL DATE 1/29/2007

SPONSOR Powdrell-Culbert LAST UPDATED 2/7/2007 HB 147

SHORT TITLE Minority Pre-College Student Math & Sciences SB _____

ANALYST McOlash

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$200.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

Higher education Department (HED)

SUMMARY

Synopsis of Bill

House Bill 147 appropriates \$200,000 from the General Fund to the Board of Regents of the University of New Mexico for expenditure in FY 2008 to enhance pre-college science and mathematics skills and conduct a Summer Mathematics and Science Camp for minority students through the UNM College of Engineering Special Programs.

FISCAL IMPLICATIONS

The appropriation of \$200,000 contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY shall revert to the General Fund.

SIGNIFICANT ISSUES

The Public Education Department reports this program has been in operation since 1988, serves 200 students with Saturday math, science, college prep testing, tutoring and preparation and a

six-week summer camp. Through expert speakers and teachers, the students compete in math and science competitions nationwide. Students range in age from 9 to 18 and include students who have been or are diagnosed with special needs.

The program was funded for \$170,800 in FY07 and the General Fund Executive Budget does recommend a recurring funding of \$170,800 for FY08.

OTHER SUBSTANTIVE ISSUES

Higher Education Department Analysis

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/mt