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FISCAL IMPACT REPORT

ORIGINAL DATE 2/25/07

SPONSOR Gutierrez LAST UPDATED _____ HB 690

SHORT TITLE NMSU Economic Development Doctorate SB _____

ANALYST Fernandez

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$145.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico State University (NMSU)

SUMMARY

House Bill 690 appropriates \$145.0 from the general fund to the board of regents of New Mexico State University for a doctoral program in economic development.

FISCAL IMPLICATIONS

The appropriation of \$145.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2008 shall revert to the general fund.

Funding for this program will be generated through the workload component of the higher education funding formula in the future.

According to New Mexico State University, the \$145.0 appropriation in the first year will be used to implement the Doctor of Economic Development program. Specifically, funds will be dedicated to curriculum development, some assistantships and library and travel expenses. Later, NMSU plans to use the funds for assistantships, library costs and faculty travel.

SIGNIFICANT ISSUES

In its November 17, 2006 Application For New Graduate Programs, submitted to the Higher Education Department, NMSU indicates that “because of the distinctly professional nature of the proposed Doctor of Economic Development, it is anticipated that the many students will have outside funding and only few additional assistantships will be needed.” NMSU indicated that no more than four new graduate assistantships will be needed and funding for these assistantships will likely come through the Arrowhead Center.

In terms of library and other academic support, in its application NMSU indicated that “additional library resources in the amount of \$10,000 will be required for program initiation and an additional \$10,000 will be required on an annual basis. Additional funds to maintain routine updates should be provided through normal NMSU funding mechanisms.”

Also noted in the Application For New Graduate Programs, state support for the Doctor of Economic Development will flow to NMSU based on student credit hours generated through the current formula.

CTF/csd