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FISCAL IMPACT REPORT

ORIGINAL DATE 1/31/2007

SPONSOR Komadina LAST UPDATED _____ HB _____

SHORT TITLE Small University Medical Student Recruitment SB 3

ANALYST McOlash

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$125.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 185.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Health Policy Commission (HPC)

Department of Health (DOH)

Higher Education Department (HED)

SUMMARY

Synopsis of Bill

Senate Bill 3 appropriates \$125,000 from the General Fund to the Board of Regents of NMHU for expenditure in FY 2008 to establish a demonstration and research program that will better prepare undergraduate students from smaller universities for successful entry into medical school or related fields. The programs include focused undergraduate curriculum, summer science academies, remote learning, medical school entrance examination preparation, and mentoring by rural physicians and physicians associated with the New Mexico Hispanic Medical Association.

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 FY 2008 shall revert to the General Fund.

SIGNIFICANT ISSUES

New Mexico Highlands University administration staff has indicated the funding would help develop and grow the small existing pre-med program at the University and meet the need in north-central New Mexico for more medical professionals.

This request was not on the list of priority projects submitted by NMHU to the New Mexico Higher Education Department for review and was not included in the Department's funding recommendation for FY08.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 185 appropriates \$250,000 for the same purpose.

ALTERNATIVES

Higher Education Department Agency 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/csd