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FISCAL IMPACT REPORT

ORIGINAL DATE 2/6/2007

SPONSOR Altamirano LAST UPDATED _____ HB _____

SHORT TITLE NM Tech Complex Additive Systems Analysis SB 269

ANALYST Schuss

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$300.0	Recurring	General

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Indian Affairs Department (IAD)

New Mexico Higher Education Department (HED)

SUMMARY

Synopsis of Bill

Senate Bill 269 appropriates \$300,000 from the general fund to the Board of Regents of New Mexico Institute of Mining and Technology (NMIMT) to fund the Institute for Complex Additive Systems Analysis (ICASA) training programs that provide computer security for units of state or local governments, including Indian Nations, Tribes or Pueblos.

FISCAL IMPLICATIONS

The appropriation of \$300,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY08 shall revert to the general fund.

HED has included the following in their analysis:

NMIMT's ICASA program has been receiving recurring general fund appropriations for the past several years. For FY07, ICASA has a general fund budget of \$540,900, which is the

same amount the Executive recommended for FY08. This expansion request was submitted to HED by NMIMT and was not included in the department's funding recommendation for FY08.

SIGNIFICANT ISSUES

HED notes that ICASA, a research division of NMIMT, focuses on protecting the nation's infrastructure. ICASA's three pronged approach is education, research and outreach. In New Mexico, the focus is on education, application process, and outreach services. ICASA provides learning opportunities for graduates and undergraduate students to enhance their critical problem solving skills. The institute offers formal degree programs that integrate components of the computer science, engineering, mathematics and management departments at NMIMT. ICASA requests funding to expand its research base in areas of network security, scalability and vulnerability through the testing center; to expand ICASA's simulation-based expertise and to apply it to problems impacting Homeland Security, the Department of Defense, and the Department of Transportation. ICASA recruits students that will be employable by government agencies.

Currently, ICASA focuses on the study of different types of complex additive systems:

- Electric Power Systems – Electric Power team works to understand and model cascading power failures of Electric Power Systems.
- Computer Networks – Scientists and engineers study computer networks' behaviors, vulnerabilities, and interactions in order to develop innovative methods to better understand computer networks.
- Financial Systems - An interdisciplinary team has developed a three-phase model of the currency market price-formation process to assess the trade behavior on prices and bid-ask spreads. Researchers have also developed a model of the U.S. wholesale power trader market.

ADMINISTRATIVE IMPLICATIONS

NMIMT would be responsible for administering these funds.

BS/nt