

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 2/18/19

SPONSOR Cadena/Salazar **LAST UPDATED** _____ **HB** 7

SHORT TITLE Higher Education Centers of Excellence **SB** _____

ANALYST Valenzuela

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY19 | FY20 | FY21 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|------|------|------|----------------------|------------------------------|------------------|
| Total | | | | | Recurring | General Fund |

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

SUMMARY

Synopsis of Bill

House Bill 7 creates four centers of excellence at colleges or universities throughout the state, and provides guidance on the scope of activity and goals for each of the centers.

FISCAL IMPLICATIONS

HB7 does not contain an appropriation. The FY20 executive appropriation recommendation includes \$2 million for centers of excellence, with \$500 thousand dedicated to each center:

- \$500,000 New Mexico Tech, Cybersecurity Industries
- \$500,000 New Mexico State University, Sustainable Agricultural Industries
- \$500,000 San Juan College, Renewable Energy Industries
- \$500,000 UNM Health Sciences Center, Bioscience Industries

The funding, if approved through the appropriations process, would be a recurring expense to the general fund.

A portion of the funding will be used for 1.5 FTE at each location to immediately start coordination and outreach efforts. Additional funds will be used for coordinating events, travel, materials, and other required expenses to rapidly develop the centers. The department will initiate agreements with each institution to begin Center of Excellence activities. On completion

of deliverables specified within the agreements, the department will evaluate project success and, if deemed warranted, recommend future funding be appropriated directly to the institution through the research and public service project process.

SIGNIFICANT ISSUES

Strategically, the bill seeks to develop competencies for in these four industries with an aim at “developing and promoting innovation”. HED reports on each of the focus areas, stating the aim for sustainable agriculture will be focused on industrial hemp production, the aim for cybersecurity will be to develop more businesses and professionals capable of meeting the needs for global cybersecurity the aim of bioscience is to support the current Bioscience Authority at UNM Health Science Center, and the aim of the renewable energy focus is to support existing curriculum at San Juan College in workforce training for solar and wind technicians and installers.

Santa Fe Community College reports:

. . . the bill does not seem to contemplate current existing nationally recognized Centers of Excellence such as the SFCC Biofuel Center of Excellence. What creates a “Center of Excellence” is not defined well enough to exclude or include any one entity as a Center of Excellence.

POSSIBLE QUESTIONS

Are the centers for excellence, contemplated in the bill, intended to augment research or simply to provide additional funding for existing programs at select colleges and universities?

Are other programs excluded from participating in the sustainable agriculture center for excellence, such as the Biofuel Center of Excellence at Santa Fe Community College?

How does the North American Wind Research and Training Center at Mesaland Community College fit into the renewable center of excellence proposed in this bill?

MFV/al/gb