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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/25/2022

SPONSOR Soules LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE NMSU Center for Dryland Resilience SB 72

ANALYST Fischer

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY22	FY23		
	\$14,995.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to SB53, SB 25, and SB73  
 Relates to Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico State University (NMSU)  
 University of New Mexico (UNM)  
 Higher Education Department (HED)

#### No Response Received

New Mexico Institution of Mining and Technology (NMIMT)  
 Eastern New Mexico University (ENMU)

### SUMMARY

#### Synopsis of Bill

Senate Bill 72 appropriates \$14.995 million from the general fund to New Mexico State University (NMSU) through fiscal year 2027 to establish a center for dryland resilience in collaboration with the University of New Mexico, Eastern New Mexico University, and the New Mexico Institute of Mining and Technology. The bill limits expenditures to \$2.999 million per year. There is no effective date of this bill. It is assumed that the effective date is 90 days following adjournment of the Legislature.

## **FISCAL IMPLICATIONS**

The appropriation of \$14.995 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2027 shall revert to the general fund. Although Senate Bill 72 does not specify future appropriations, establishing a new program could create an expectation that the program will continue in future fiscal years, therefore this cost is scored as recurring.

The Center for Dryland Resiliency was initially presented as a project proposal to the New Mexico Established Program to Stimulate Competitive Research (EPSCoR) for funding through the National Science Foundation. Ultimately, the project proposal was not accepted or funded. According to the University of New Mexico, the original EPSCoR proposal was for \$24 million, of which \$4 million was to be used for administrative costs. Those overhead charges are not included in the Senate Bill 72 request and likely represents ongoing operational costs to the collaborative.

## **SIGNIFICANT ISSUES**

According to the Higher Education Department, NMSU's Agricultural Experiment Station presented the idea of establishing a Center for Dryland Resilience in their Research and Public Service Projects (RPSP) presentation to the department. However, NMSU did not submit this specific expansion request for possible incorporation into the department's higher education funding recommendation. As such, the proposal has not been vetted by Higher Education Department or LFC staff.

NMSU's Agricultural Experiment Station is experiencing some significant shortfalls in deferred maintenance to their science centers, according to NMSU.

## **PERFORMANCE IMPLICATIONS**

Senate Bill 72 does not outline specific performance measures. However, if funded, NMSU should develop performance measures in coordination with the Higher Education Department to monitor the outcomes.

## **RELATIONSHIP**

Senate Bill 72 relates to Senate Bill 53, which appropriates \$10 million from the general fund to New Mexico State University to operate and maintain its 12 agricultural experiment station science centers.

Senate Bill 72 relates to Senate Bill 25, which appropriates \$40 million from the general fund to a newly created research grants closing fund at the Higher Education Department to provide the state's public colleges and universities with matching funds for public or private research grants.

The \$14.995 million appropriation in Senate Bill 72 is related to a \$50 million nonrecurring general fund appropriation to the technology enhancement fund contained in the LFC recommendation for the General Appropriation Act.