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FISCAL IMPACT REPORT

SPONSOR	Sen. Pope/Reps. Garratt, Gurrola, and Gonzales	LAST UPDATED	
		ORIGINAL DATE	1/31/25
SHORT TITLE	NMSU STEM Center of Excellence	BILL NUMBER	Senate Bill 107
		ANALYST	Jorgensen

APPROPRIATION* (dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
	\$6,000.0	Nonrecurring	Public Education Reform Fund

Parentheses () indicate expenditure decreases.
*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From
New Mexico State University (NMSU)
Higher Education Department (HED)
Workforce Solutions Department (WSD)

Agency Analysis was Solicited but Not Received From
Public Education Department (PED)

SUMMARY

Synopsis of Senate Bill 107

Senate Bill 107 (SB107) establishes a center of excellence at New Mexico State University (NMSU) for science, technology, engineering, and mathematics (STEM). The bill creates a statewide STEM innovation network, with the NMSU center serving as the principal hub, and up to eight regional hubs and a tribal hub for each of the 23 federally recognized Indian tribes, nations, and pueblos in the state. The STEM network has four purposes under the bill:

1. identify, connect, and strengthen existing educational programs in the fields of science, technology, engineering, and mathematics;
2. support the provision of additional in-school and out-of-school educational opportunities for students;
3. coordinate with employers statewide to expand career opportunities for students and ensure that students are equipped for employment in the fields of science, technology, engineering, and mathematics; and
4. connect educators with professional development opportunities.

SB107 establishes a steering committee staffed by NMSU to approve a regional hub application process and select hubs, and to provide an annual progress report to the Governor and the Legislature.

SB107 appropriates \$6 million dollars from the New Mexico public education reform fund (PERF) to be used from FY26-28 to support the network.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

The appropriation of \$6 million contained in this bill is a nonrecurring expense to the public education reform fund (PERF). Although this bill does not specify future appropriations, multiyear appropriations, particularly if used to fund services and those services perform well, create an expectation the program will continue in future fiscal years; therefore, this cost could become recurring after the funding period.

SIGNIFICANT ISSUES

SB107 is supported by an appropriation from the public education reform fund (PERF). The largest revenue sources to the fund were unspent K-5 Plus extended school year and extended learning time program appropriations between FY19 and FY23. For FY24, the Legislature replaced both programs with a K-12 Plus formula factor, after schools reverted over \$500 million dollars into the reform fund. The Legislature has used balances in the reform fund for PED initiatives since reversions began occurring in FY20. *As such, PERF no longer has a recurring revenue stream and has become depleted.* DFA and LFC staff estimate remaining balances in the reform fund from reversions of prior initiative funding to be about \$15 million for FY26.

SB107 creates a 15-member steering committee including:

1. Secretary of public education or designee,
2. Secretary of higher education or designee,
3. Secretary of workforce solutions or designee,
4. Secretary of early childhood or designee,
5. Secretary of Indian affairs or designee,
6. Representative of mathematics and science advisory council of the Public Education Department (PED),
7. Faculty member of post-secondary institution appointed by the secretary of higher education, and
8. A person with business or professional experience appointed by the secretary of workforce solutions.

In addition to these eight members, the PED secretary shall appoint:

1. A public-school teacher,
2. A person with experience providing out-of-school STEM programming,
3. A charter school administrator or teacher,
4. A representative of the Navajo Nation with experience in education,
5. A representative of the Mescalero Apache Nation with experience in education,
6. A representative of the Jicarilla Apache Nation with experience in education, and
7. A representative of the all pueblo council of governors with experience in education.

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SB107 states that the steering committee shall meet quarterly and that all members of the steering committee are entitled to receive mileage and per diem at the same rate as state employees.

CJ/hj/SR