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FISCAL IMPACT REPORT

SPONSOR: Tripp DATE TYPED: 02/23/03 HB 721

SHORT TITLE: NMIMT Energetic Materials Research & Testing SB _____

ANALYST: Williams

APPROPRIATION

| Appropriation Contained | | Estimated Additional Impact | | Recurring or Non-Rec | Fund Affected |
|-------------------------|------|-----------------------------|------|----------------------|---------------|
| FY03 | FY04 | FY03 | FY04 | | |
| | NFI | | | | |
| | | | | | |

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB 490: New Mexico Tech Geophysical Research Center
 SB 177/HB 251: Waste Management Education and Research

SOURCES OF INFORMATION

LFC Files
 Commission on Higher Education (CHE)

SUMMARY

Synopsis of Bill

Senate Bill 721 establishes the Energetic Materials Research and Testing Center at the New Mexico Institute of Mining and Technology. Functions of the center are specified in the bill and include research, development, testing and evaluation of ordnance, explosives and energetic materials along with associated research, training and scholarly activities.

Significant Issues

CHE notes House Bill 721 would authorize in statute the existing Energetic Materials Research and Testing Center, and further notes the potential for an additional fifty to sixty non-existing, non-statutory programs to be authorized in separate statute.

FISCAL IMPLICATIONS

No fiscal impact. The bill does not include an appropriation.

Potential fiscal implications include avoidance of funding reductions due to the recent practice of reducing appropriations for non-statutory research and public service projects at higher education institutions. In the 2002 General Appropriation Act, General Fund appropriations for non-statutory research and public service projects were reduced by either 7.5 percent or 15 percent compared to the prior year. For FY 04, the LFC budget document recommends an additional five percent reduction for these projects.

OTHER SUBSTANTIVE ISSUES

CHE notes the existing program submits annual funding requests to CHE along with five performance measures. In 2002, the program was rated as “meeting expectations-high”, Tier IIa, the second highest rating in the CHE process of Research and Public Service Project (RPSP) Evaluation.

AW/yr