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## FISCAL IMPACT REPORT

SPONSOR: Beam DATE TYPED: 03/15/03 HB 756/aHAFC

SHORT TITLE: Endowed Chairs for Economic Development 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 466

HB 567/SB 455: Faculty Development Fund

HB 391/SB 366: LFC Technology Enhancement Fund

HB 392/SB 370: LFC Higher Education Program Development Enhancement Fund

HB 393/SB 369: LFC Work Force Skills Development Fund

HB 394/SB 368: LFC Work Force Skills Development Fund

HJM 27/SJM 25: LFC Higher Education Performance Fund

HB 160/SB 221: Work Force Skills Development Fund

### SOURCES OF INFORMATION

LFC Files

Commission on Higher Education (CHE)

### SUMMARY

#### Synopsis of HAFC Amendment

The House Appropriations and Finance Committee amendment authorizes up to \$3,000.0 of the faculty endowment fund to be distributed equally to the state's three public post-secondary institutions when each institution receives matching, non-state source funds of 2/3 of the state amount. The amendment also removes the appropriation; however, the Senate Finance Committee Substitute for SB 655 includes a non-recurring general fund appropriation of \$3,000.0 in FY03 to CHE for endowed chairs.

Synopsis of Original Bill

House Bill 756 appropriates \$9,000.0 from the general fund to the faculty endowment fund to be allocated equally by the CHE for the purpose of funding three professorships at the University of New Mexico, New Mexico State University and New Mexico Institute of Mining and Technology. Each institution must provide non-state source matching funds of at least \$2,000.0. Each endowed professorship must directly relate to economic development of New Mexico and must be affiliated with a center of excellence at the university.

**FISCAL IMPLICATIONS**

The appropriation of \$9,000.0 contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY04 shall not revert.

**OTHER SUBSTANTIVE ISSUES**

CHE notes the mechanism authorized in this bill is consistent with the Blue Ribbon Task Force on Higher Education-recommended Base Plus Incentives funding approach.

**TECHNICAL ISSUES**

The HAFC amendment does not remove the words "MAKING AN APPROPRIATION" on page 1, line 13.

**AW/prr/njw:yr**