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FISCAL IMPACT REPORT

SPONSOR Payne DATE TYPED 2/7/05 HB _____

SHORT TITLE Competitive Research in Universities SB 331

ANALYST Williams

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$5,000.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Senate Bill 169, Senate Bill 184, House Bill 128, House Bill 129, House Bill 184

SOURCES OF INFORMATION

LFC Files

No Response Received From Commission on Higher Education

SUMMARY

Synopsis of Bill

Senate Bill 331 appropriates \$5.0 million from the general fund for research projects at the state's three public, research institutions. The funding is to be made available equally to each institution up to one percent of each institution's total annual awards for competitive research.

PERFORMANCE IMPLICATIONS

The bill does not place an emphasis on linking the initiative to the state's strategic plans for economic development and higher education and does not include performance accountability components, such as requirements for a strategic plan for the initiative and outcomes-oriented performance measures.

FISCAL IMPLICATIONS

The appropriation of \$5.0 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY07 would revert to the general fund.

ALTERNATIVES

In 2003, the legislature established the technology enhancement fund, administered by the commission on higher education, to support innovative, applied research to enhance the state's economic growth pursuant to the recommendations of the blue ribbon task force on the higher education funding formula. House Bill 391 (Chapter 367) identified specific research areas including agriculture, biotechnology, biomedicine, energy, materials science, microelectronics, water resources, aerospace, telecommunications and manufacturing science.

Grants from the technology enhancement fund are to be made available to the state's research universities collaborating with corporate and nonprofit organizations. The commission on higher education is directed to award grant funds on a competitive basis with review by a panel of scientific and business experts. The award process would consider excellence in research design and innovation in cross-disciplinary, multi-campus and higher education-industry research collaboration. The university must have matching funds from non-state sources. To date, monies have not been appropriated to the fund. The legislature may wish to consider this mechanism to address the needs identified in this bill.

POSSIBLE QUESTIONS

1. How is this program related to existing state government and university initiatives?
2. How would specific research areas be identified?
3. Does the proposal incorporate best practices evident for economic development initiatives in other states? What examples can be provided?
4. How would funding be allocated?
5. How would planning and accountability be addressed? How would progress and outcomes be measured?
6. How would the proposed program impact the New Mexico economy? What is the time frame for specific, achievable results?
7. How would rural communities benefit?

AW/yr