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## FISCAL IMPACT REPORT

SPONSOR Rawson DATE TYPED 02-16-05 HB \_\_\_\_\_

SHORT TITLE NMSU Aeronautics & Space Program SB 382/aSEC

ANALYST Woods

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
\$475.0				Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to the appropriation for New Mexico State University in the General Appropriations Act.  
Relates to HB557

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico State University (NMSU)  
Commission on Higher Education (CHE) (HB557)

### SUMMARY

#### Synopsis of SEC Amendment

Senate Education Amendment to SB 382 amends the legislation as follows:

- *On page 1, line 12:* The title of the bill is amended to read “Making an Appropriation to the Board of Regents of New Mexico State University for the New Mexico Space Grant Consortium; Declaring an Emergency.”
- *On page 1, lines 18 and 19:* The original appropriation in FY06 is amended to read “2005 and subsequent years;” and the recipient is clarified to be the “New Mexico Space Grant Consortium.”
- *On page 1, line 20:* Amends reversion language to indicate that any unexpended or unencumbered balance remaining “at the end of a fiscal year shall not revert to the general

fund.”

- *On page 1, between lines 20 and 21:* Emergency language is added.

### Original Synopsis of Bill

Senate Bill 382 – Making an Appropriation to the Board of Regents of New Mexico State University for an Aeronautics and Space Program – appropriates \$475,000 from the general fund to the Board of Regents of New Mexico State University for expenditure in FY06 for an aeronautics and space program. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

### Significant Issues

NMSU and CHE indicate that this appropriation will be applied to match a federal grant of \$475,000 that will fund the activities of the New Mexico Space Grant Consortium (NMSGC). NMSGC is a federally funded program administered by NASA. NMSU is the lead institution and NMSGC has been granted a five year extension renewal.

CHE notes that NMSGC was founded in 1989 and is a statewide network of universities, colleges, industry, museums, and federal, state, and local agencies. NMSGC programs provide “hands-on” educational opportunities for students and faculty, Kindergarten through graduate school. NMSGC programs directly fund students to enter science, technology, engineering, and mathematics careers where opportunities are expanding in the space industry in America. CHE suggests that the requested funds will directly benefit students and faculty by allowing NMSGC to expand beyond the three research universities to all universities in the state, and interested community colleges, tribal colleges, public school districts, and museums. Further, that the grant requires 100 percent matching funds annually and that the federal portion of the grant is \$475,000.

NMSU observes that the proposed program is compatible with all partner institutional missions which encourage the inclusion of all students in research and education programs. Moreover, the program’s history of directly funding students and faculty is critical to assuring requested funds reach students in a timely fashion. Additionally, multiple paths are pursued for recruitment and retention of students in the difficult science, technology, engineering, and mathematics (STEM) fields.

Retention of women and minorities in the program throughout the state has led to recognition by NASA and the National Science Foundation as exemplary, as New Mexico’s population is made up of 53 percent underrepresented minorities, while NMSGC scholarship recipients represent 67 percent under-represented minorities.

CHE indicates that request was not in the list of priority projects submitted by NMSU to CHE for review. Accordingly, the request was not included in the commission’s funding recommendation for FY06.

### **FISCAL IMPLICATIONS**

The \$475,000 appropriation contained in this bill would be a recurring expense to the general

fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

CHE notes that higher education institutions receive indirect cost revenues from federal contracts and grants. This money is unrestricted in the sense that the governing board of the institution has the flexibility to choose which projects are supported with these funds. A great deal of this money is used as seed money to develop new research and public services projects at institutions. A portion of the indirect cost revenue, and earned overhead, is used to support items such as the salaries of the accountants responsible for monitoring the contract and grants, or for paying utilities and other expenses required to maintain the space where the contract and grant activities are housed. CHE further observes that the higher education funding formula allows institutions to retain 100 percent of this indirect cost revenue, and that one of the purposes of retaining these funds is to provide seed money and matching funds for projects such as the one proposed in this bill.

### **ADMINISTRATIVE IMPLICATIONS**

New Mexico State University will retain administrative oversight of this project.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Relates to the appropriation for New Mexico State University in the General Appropriations Act.

Relates to HB557 in that HB557 seeks to appropriate \$475,000 from the general fund to the Board of Regents of New Mexico State University to provide matching funds for the New Mexico Space Grant Consortium; however, HB557 contains emergency language.

NMSU and CHE indicate that this bill duplicates HB557 in the sense that both bills seek to provide \$475,000 in funding to the New Mexico Space Grant Consortium.

### **OTHER SUBSTANTIVE ISSUES**

NMSU indicates that over 300,000 New Mexico citizens have participated in a wide variety of NMSGC programs during the years 1997-2003:

- 650 students received scholarships in science, technology, engineering, math, and education, including:
  - 294 female and 356 male students
  - 407 under-represented minority and 243 non-minority students
  - 536 undergraduate and 114 graduate students
- 5,323 students and faculty participated in higher education programs
- 147,481 students and teachers participated in pre-college programs
- 174,718 New Mexicans participated in public outreach programs
- 14 new courses were created through NMSGC support

- 8 reduced gravity flights designed and flown by undergraduate students from state colleges and universities
- 211 research/teaching papers were publications by faculty and students as a result of NMSGC support
- 34 research projects were funded by NMSGC

NMSU further notes that the New Mexico Department of Labor projected an annual need to fill over 1,000 new science, technology, engineering, and mathematics (STEM) jobs as follows:

<b>Employment Prospects for Selected Fields New Mexico Department of Labor 2002-2012</b>		
Occupational Title	Percent Change	Annual Openings
Computer Specialists	37.6%	650
Mathematical Scientists	2.9%	20
Engineers	5.9%	310
Life Scientists	7.7%	40
Physical Scientists	6.8%	130
Total annual entrants into STEM workforce		1150

BFW/yr