

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR Anderson ORIGINAL DATE 1/31/06
LAST UPDATED _____ HB 250
SHORT TITLE UNM Aeronautics Program SB _____
ANALYST Earp

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$100.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)
University of New Mexico (UNM)

SUMMARY

Synopsis of Bill

House Bill 250 appropriates \$100,000 from the general fund to Board of Regents of the University of New Mexico (UNM) to establish an aeronautics degree program.

FISCAL IMPLICATIONS

The appropriation of \$100,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

SIGNIFICANT ISSUES

This proposal was not included among the funding requests submitted by UNM to the New Mexico Higher Education Department (NMHED) for review. This request is not included in NMHED's fiscal year 2007 funding recommendation to the Legislature.

ADMINISTRATIVE IMPLICATIONS

Legislation creating the Higher Education Department (Laws 2005, Chapter 289) provided new authority to the department concerning creation of new academic programs by state post-secondary institutions. The new statutory language in Section 21-1-26B reads as follows:

“Effective July 1, 2005, all new state-funded baccalaureate, graduate and professional degree programs shall be offered by public four-year educational institutions and all new associate degree programs shall be offered by public post-secondary educational institutions after a timely and thorough consultation with and review by the department.”

The Higher Education Department (HED) reports that the program proposed in this legislation have not been submitted for review through the HED process. The UNM Provost’s Office reports that such a program is not under active administrative review within the university’s internal process for new academic program approval.

OTHER SUBSTANTIVE ISSUES

The School of Engineering at UNM offers engineering and computer science education to students at the bachelor's, master's, and doctoral levels, awarding more than 400 total degrees annually. UNM's School of Engineering is accredited by the Engineering Accreditation Commission of the Accreditation Board for Engineering and Technology (ABET). UNM is frequently listed among the top 50 engineering schools in the United States.

HED reports that part of its role is to review new academic programs according to the following criteria: 1) that the program has gone through an internal review process and has been approved by the institution’s board; 2) statement of purpose; 3) program description; 4) program requirements; 5) needs assessment; 6) critical issues in establishing or implementing the program; 7) partnerships/collaborations; 8) enrollment projections, marketing, recruitment; and 9) cost of the program including start-up and recurring funds. This bill would preempt all of the review processes associated with the creation of new bachelor’s degree programs in New Mexico.

Additionally, HED indicates that it is committed to the adequate and equitable support of necessary instructional, student services, and academic support initiatives for all students in New Mexico. Activities to be funded in this proposal will be funded through the Instruction and General (I&G) higher education funding formula within the General Appropriation Act. Funding of a specific program without consideration of similar needs at other institutions could weaken the equitability and thus the integrity of the I&G formula.

ALTERNATIVES

HED suggests that UNM submit the proposed bachelor’s degree program to HED to undergo the review process for new academic program creation. Collaboration between UNM and NMSU to develop a strong joint aerospace/aeronautics program in New Mexico should be considered.

If line-item funding is approved for this new program, it should be provided on a start-up basis and phased-out within two to three years as resources are generated through the I&G formula. Such funding could better be provided through the Program Development Fund established for this purpose pursuant to Section 21-1-27.4 NMSA 1978.

POSSIBLE QUESTIONS

Has the proposed aeronautic degree program been requested through or endorsed by the UNM Board of Regents, which is legally responsible for the approval of new academic offerings?

Is the intention of this legislation to conduct a planning study regarding the feasibility of establishing an aeronautical degree program?

Have discussions been held between UNM and NMSU regarding the potential for collaboration in the development of a degree program?

DKE/mt