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FISCAL IMPACT REPORT

ORIGINAL DATE 2/10/06

SPONSOR Nava LAST UPDATED _____ HB _____

SHORT TITLE Management of Technology Doctoral Programs SB 486

ANALYST Earp

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Non-Rec | Fund Affected |
|---------------|---------|-------------------------|------------------|
| FY06 | FY07 | | |
| | \$550.0 | Recurring | General Fund |
| | | | |

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)
New Mexico State University (NMSU)

SUMMARY

Synopsis of Bill

Senate Bill 486 appropriates \$550,000 from the general fund to the Higher Education Department (HED) for doctoral programs in the Management of Technology at New Mexico State University (NMSU), New Mexico Institute of Mining and Technology (NMTech) and the University of New Mexico (UNM).

FISCAL IMPLICATIONS

The appropriation of \$550,000 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. In future years, it is likely that the ongoing funding for the program would be appropriated directly to the institutions. Such funding would eventually be generated via the higher education funding formula based on actual program enrollments at each institution.

SIGNIFICANT ISSUES

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.”

HED reports that the program proposed in this legislation has not been submitted for review through the HED process. HED notes that the ongoing infrastructure and maintenance needs required by this program will be costly and the statewide benefits of the program are undetermined. The number of potential students in the programs is unknown as is their employability within the state of New Mexico upon graduation.

Part of the role of HED is to review new programs according to the following criteria: 1) that the program had 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 establishing or implementing the program; 7) partnerships/collaborations; 8) enrollment projections, marketing, recruitment; and 9) the cost of the program including start-up and recurring funds. This bill would preempt all the review processes associated with the creation of a new doctoral program in the State of New Mexico.

ADMINISTRATIVE IMPLICATIONS

HED would be responsible for administering this appropriation. The process of establishing a doctoral program between the three institutions could require significant administrative effort during fiscal year 2007.

OTHER SUBSTANTIVE ISSUES

Information provided by NMSU indicates that the requested appropriation is for the purpose of establishing a consortium to create and maintain a Ph.D. in the Management of Technology (MoT) between the three doctoral-granting institutions in New Mexico. The basis for this consortium is built around the notion that PhD-level research in the MoT is important for development of the technology-business economy in New Mexico. They propose a PhD program that will provide benefits to in-place business-program curricula, and will enhance the quality and quantity of existing MoT-related research output at the three Consortium schools. Benefits to existing curricula at the three schools, particularly at the Masters level, will accrue as research projects and results are accessible to students, who then will be in a position to make value-added contributions to the New Mexico technology workforce.

The NMSU information states that there are three significant issues regarding this bill. These issues are of equal importance and are provided as background to the long-term concerns of the proposed program:

1. The Ph.D. in MoT program will capitalize on unique opportunities facing New Mex-

ico, but to realize them will require lifting the moratorium on new graduate education programs. (The State Board of Finance has informed HED that no new graduate programs will be approved until a state-level inventory and plan for graduate education has been provided to them.)

2. Interest in the program is already building among students, faculty, research associates at the laboratories, and even in industry. To capitalize upon the interest, recruiting must begin now for a successful launch in Fall 2006.

3. The Consortium Schools realize that they must have a “sustainment plan” for the Ph.D. in MoT program, such as funding additional graduate assistantships, and have taken preliminary steps towards this end.

The proposed program will build upon synergies and interests among the community of scholars at NMSU, NMT, and UNM. A Memorandum of Agreement (MOA) has been signed by each party in the Consortium defining roles and responsibilities.

POSSIBLE QUESTIONS

Has HED had an opportunity to review the MOA developed by the institutions or the proposed degree program?

What is the status of HED’s response to the request from the State Board of Finance for a plan relating to graduate program approval?

What is the potential enrollment for the MoT program and what are the job prospects for graduates here in New Mexico?

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