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FISCAL IMPACT REPORT

ORIGINAL DATE 02/15/13

SPONSOR McSorley LAST UPDATED _____ HB _____

SHORT TITLE UNM State-Private Sector Internships SB 488

ANALYST Hartzler-Toon

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	\$50.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act, Higher Education, University of New Mexico

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

University of New Mexico (UNM)

SUMMARY

Synopsis of Bill

Senate Bill 488 appropriates \$50.0 thousand from the general fund to the University of New Mexico's engineering department for a public-private sector internship program.

FISCAL IMPLICATIONS

The appropriation of \$50.0 thousand contained in this bill is a recurring expense to the general fund. Under SB 488, any unexpended or unencumbered balance remaining at the end of FY14 shall revert to the general fund. However, if this appropriation is added to Section 4 of the General Appropriation Act, legislative language will describe the appropriation as not reverting unless explicitly stated otherwise.

The university reports that \$50.0 thousand in state support combined with an estimated \$17.5 thousand in private sector support would provide funding for 14, 3-month long internships. The university would use \$15 thousand for administrative costs.

SIGNIFICANT ISSUES

This bill would create an internship program for junior and senior engineering students at UNM, building on an existing program for freshmen and sophomore students. The university's lower division program, called UNM STEP, is designed to increase the number of students with undergraduate degrees in the science, technology, engineering, and mathematics (STEM) fields. The UNM STEP receives institutional funds and funding from the National Science Foundation (NSF). Additional funding and expanding the internship program to upper division students would help the university secure additional NSF funding.

PERFORMANCE IMPLICATIONS

This would be a new program and performance measures would need to be developed.

ADMINISTRATIVE IMPLICATIONS

The HED reports that the university did not include this program in its FY14 budget request. Since this program was not considered during the Fall 2012 budget process, the HED did not request nor did the LFC or the Executive recommend general fund support for this program for FY14.

ALTERNATIVES

The university hosts the Small Business Innovation Research (SBIR) Resource Center. This program received \$125 thousand in general fund support in FY13, and requested an additional \$1400 thousand to expand student internship opportunities in FY14. The Executive and the LFC recommended \$125 thousand in general fund support for FY14. An alternative to funding a new internship program at the University would be to increase funding for the SBIR.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The University will continue to identify other resources to expand its lower-division internship program.

THT/blm