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FISCAL IMPACT REPORT

SPONSOR Lujan, A. DATE TYPED 2/2/04 HB 73/aHEC

SHORT TITLE Create NMSU Aerospace Engineering Program SB _____

ANALYST Baca

APPROPRIATION

| Appropriation Contained | | Estimated Additional Impact | | Recurring or Non-Rec | Fund Affected |
|-------------------------|---------|-----------------------------|------|----------------------|---------------|
| FY04 | FY05 | FY04 | FY05 | | |
| | \$350.0 | | | Recurring | General Fund |

(Parenthesis () Indicate Revenue Decreases)

Duplicates SB 69

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Commission on Higher Education (CHE) Funding Recommendations for FY05

Responses Received From

Commission on Higher Education

New Mexico State University (NMSU), College of Engineering

SUMMARY

Synopsis of HEC Amendment

The House Education Committee amendment adds an evaluation requirement which reads as follows:

“The institution receiving the appropriation in this bill shall submit a program evaluation to the Legislative Finance Committee and the Commission on Higher Education by August 2007 detailing the benefits to the State of New Mexico from having implemented this program over a three period.”

Synopsis of Original Bill

House Bill 73 appropriates \$350 thousand from the general fund to the Board of Regents of New Mexico State University to create an Aerospace Engineering Department.

Significant Issues

In its analysis, NMSU reports that, while no New Mexico university offers an aerospace engineering program, a survey of high school students revealed that students had a preference for aerospace engineering, ranking this preference near the top among all engineering disciplines. Establishing this program at NMSU is intended to satisfy this preference and help meet an as yet unmet need for trained aerospace engineers in the state and also serve as an economic development tool.

FISCAL IMPLICATIONS

The appropriation of \$350 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY05 shall revert to the general fund.

ADMINISTRATIVE IMPLICATIONS

This program would be housed in the university's College of Engineering and will be administered through the existing NMSU administrative structure.

OTHER SUBSTANTIVE ISSUES

This program request was not included in the FY05 funding recommendations submitted by the Board of Regents to the CHE. Consequently, the Commission did not review nor recommend funding for this program.

The following language is suggested for all new recurring higher education programs and expansion of current programs (assuming that funding will continue beyond FY05):

“The institution receiving the appropriation in this bill shall submit a program evaluation to the Legislative Finance Committee and the Commission on Higher Education by August 2007 detailing the benefits to the State of New Mexico from having implemented this program over a three period.”

POSSIBLE QUESTIONS

1. Was this proposal presented to the NMSU Board of Regents for their consideration?
2. If so, why wasn't it included in the regent's recommendations to the CHE?
3. If it wasn't presented to the NMSU Board of Regents, why not?

LB/yr