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## FISCAL IMPACT REPORT

SPONSOR Picraux DATE TYPED 2/3/04 HB 134/aHEC

SHORT TITLE Competitive Research Grant Match SB \_\_\_\_\_

ANALYST Baca

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	\$1,500.0			Non-Recurring	General Fund

(Parenthesis ( ) Indicate Revenue Decreases)

Relates to Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Office of State Engineer (OSE)  
 Commission on Higher Education (CHE)  
 Economic Development Department (EDD)

### SUMMARY

#### Synopsis of HEC Amendment

The House Education Committee amendment adds:

“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 134 appropriates \$1.5 million from the general fund to the Board of Regents of New Mexico Institute of Mining and Technology for expenditure in FY05 and FY06 to provide a fifty percent match for a grant from the National Science Foundation for the experimental program to stimulate competitive research known as EPScOR.

Significant Issues

According to NMIMT representatives, the \$1.5 million general fund appropriation will be matched by \$3 million from the National Science Foundation resulting in a total of \$4.5 million available for this effort.

The EDD reports that current technology is not entirely adequate for understanding New Mexico's water needs. This program will be a collaborative effort between the Office of the State Engineer and the state's research universities to conduct research in hydrology and water management systems to support water rights adjudications by the Office of the State Engineer. This bill is an effort to address this weakness through increased research and development by utilizing both state and federal funds.

**FISCAL IMPLICATIONS**

The appropriation of \$1.5 million contained in this bill is a non-recurring expense to the general fund. (See letter attached) Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

**OTHER SUBSTANTIVE ISSUES**

This request was not included in the NMIMT Board of Regents request to the CHE. Consequently, the Commission did not take action on this request.

**AMENDMENTS**

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. Has this collaborative effort been considered by the Board of Regents of NMIMT?
2. Has the National Science Foundation already granted or assured the federal match will be available?

**LB/yr:njw**

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Office of the President

February 3, 2004

Mr. David Abbey, Director  
Legislative Finance Committee  
325 Don Gaspar, Suite 101  
Santa Fe, New Mexico 87501

Dear Mr. Abbey:

HB 134 would appropriate \$1.5 million to New Mexico Tech to match a National Science Foundation (NSF) grant on a 2-to-1 ratio. This \$1.5 million appropriation would generate \$3.0 million in NSF support. The funds would be used to work collaboratively with the State Engineer's Office and the other New Mexico research universities.

With that brief note as background, I would like to call your attention to the FIR on this proposed legislation. The FIR indicates that this request is a recurring appropriation. We certainly do not contemplate asking for a recurring appropriation. Rather, these funds will be used in one year and we do not plan to make a request for ongoing support in future years to conduct research in hydrology and water management systems. Consequently, I would appreciate it if the FIR could be changed to reflect that funding will not include a recurring funding commitment on the part of the State.

Thank you.

Sincerely,

Original letter signed by Dr. Lopez

Daniel H. López  
President

DHL/lc

c: Lou Baca

