

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 Nunez DATE TYPED 02-28-05 HB 557

SHORT TITLE NMSU Space Grant Consortium SB _____

ANALYST Woods

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
\$475.0				Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to the appropriation for New Mexico State University in the General Appropriations Act.
Relates to SB382

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico State University (NMSU)
Commission on Higher Education (CHE)

SUMMARY

Synopsis of Bill

House Bill 557 – Making an Appropriation to the Board of Regents of New Mexico State University for the New Mexico Space Grant Consortium; Declaring an Emergency – appropriates \$475,000 from the general fund to the Board of Regents of New Mexico State University for expenditure in FY05 and subsequent fiscal years for the New Mexico Space Grant Consortium. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund. This bill carries emergency language.

Significant Issues

NMSU and CHE indicate that this appropriation will be applied to match a federal grant of \$475,000 that will fund the activities of the New Mexico Space Grant Consortium (NMSGC). NMSGC is federally funded program administered by NASA. NMSU is the lead institution and

NMSGC has been granted a five year extension renewal.

CHE notes that NMSGC was founded in 1989 and is a statewide network of universities, colleges, industry, museums, and federal, state, and local agencies. NMSGC programs provide “hands-on” educational opportunities for students and faculty, Kindergarten through graduate school. NMSGC programs directly fund students to enter science, technology, engineering, and mathematics careers where opportunities are expanding in the space industry in America. CHE suggests that the requested funds will directly benefit students and faculty by allowing NMSGC to expand beyond the three research universities to all universities in the state, and interested community colleges, tribal colleges, public school districts, and museums. Further, that the grant requires 100 percent matching funds annually and that the federal portion of the grant is \$475,000.

NMSU observes that the proposed program is compatible with all partner institutional missions which encourage the inclusion of all students in research and education programs. Moreover, the program’s history of directly funding students and faculty is critical to assuring requested funds reach students in a timely fashion. Additionally, multiple paths are pursued for recruitment and retention of students in the difficult science, technology, engineering, and mathematics (STEM) fields.

Retention of women and minorities in the program throughout the state has led to recognition by NASA and the National Science Foundation as exemplary, as New Mexico’s population is made up of 53 percent underrepresented minorities, while NMSGC scholarship recipients represent 67 percent under-represented minorities.

CHE indicates that request was not in the list of priority projects submitted by NMSU to CHE for review. Accordingly, the request was not included in the commission’s funding recommendation for FY06.

FISCAL IMPLICATIONS

The \$475,000 appropriation contained in this bill would be a recurring expense to the general fund. This bill carries emergency language and any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

CHE notes that higher education institutions receive indirect cost revenues from federal contracts and grants. This money is unrestricted in the sense that the governing board of the institution has the flexibility to choose which projects are supported with these funds. A great deal of this money is used as seed money to develop new research and public services projects at institutions. A portion of the indirect cost revenue, and earned overhead, is used to support items such as the salaries of the accountants responsible for monitoring the contract and grants, or for paying utilities and other expenses required to maintain the space where the contract and grant activities are housed. CHE further observes that the higher education funding formula allows institutions to retain 100 percent of this indirect cost revenue, and that one of the purposes of retaining these funds is to provide seed money and matching funds for projects such as the one proposed in this bill.

ADMINISTRATIVE IMPLICATIONS

New Mexico State University will retain administrative oversight of this project.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to the appropriation for New Mexico State University in the General Appropriations Act.

Relates to SB382 in that SB382 also seeks to appropriate \$475,000 from the general fund to the Board of Regents of New Mexico State University for expenditure in FY06 for an aeronautics and space program; however, SB382 contains no emergency language. NMSU and CHE indicate that this bill also relates to SB382 in the sense that both bills seek to provide \$475,000 in funding to the New Mexico Space Grant Consortium.

OTHER SUBSTANTIVE ISSUES

NMSU indicates that over 300,000 New Mexico citizens have participated in a wide variety of NMSGC programs during the years 1997-2003:

- 650 students received scholarships in science, technology, engineering, math, and education, including:
 - 294 female and 356 male students
 - 407 under-represented minority and 243 non-minority students
 - 536 undergraduate and 114 graduate students
- 5,323 students and faculty participated in higher education programs
- 147,481 students and teachers participated in pre-college programs
- 174,718 New Mexicans participated in public outreach programs
- 14 new courses were created through NMSGC support
- 8 reduced gravity flights designed and flown by undergraduate students from state colleges and universities
- 211 research/teaching papers were publications by faculty and students as a result of NMSGC support
- 34 research projects were funded by NMSGC

NMSU further notes that the New Mexico Department of Labor projected an annual need to fill over 1,000 new science, technology, engineering, and mathematics (STEM) jobs as follows:

Employment Prospects for Selected Fields New Mexico Department of Labor 2002-2012		
Occupational Title	Percent Change	Annual Openings
Computer Specialists	37.6%	650
Mathematical Scientists	2.9%	20
Engineers	5.9%	310
Life Scientists	7.7%	40
Physical Scientists	6.8%	130
Total annual entrants into STEM workforce		1150

BFW/yr