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FISCAL IMPACT REPORT

SPONSOR Nava **DATE TYPED** 3-3-05 **HB** _____

SHORT TITLE NMSU Manufacturing Technology Center **SB** 301

ANALYST Woods

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$350.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

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

SOURCES OF INFORMATION

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

SUMMARY

Synopsis of Bill

Senate Bill 301 – Making an Appropriation for the Manufacturing Technology and Engineering Center at New Mexico State University – appropriates \$350,000 from the general fund to the Board of Regents of New Mexico State University for expenditure in FY06 to support the Manufacturing Technology and Engineering Center. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

Significant Issues

NMSU indicates that the Manufacturing Technology and Engineering Center (M-TEC) is housed in NMSU’s College of Engineering. M-TEC directly supports economic development in two key areas: technical workforce development through educational partnerships with high schools and community colleges, and providing assistance to New Mexico businesses with product development, engineering and manufacturing services that would otherwise not be available. M-TEC’s base funding is as a Research and Public Service Project (RPSP). The Center leverages facilities, expertise and other resources of the university.

NMSU adds that the demand for M-TEC's technical services has more than doubled every year for the past four years. There are requests to expand educational programs across the state. This growth in demand for services and budget cuts in RPSP programs have created both a significant challenge and opportunity for M-TEC. A major barrier to economic development in the state is the lack of a technically trained workforce. The proposed expansion of technical education programs within the public schools directly addresses this barrier and will act as a catalyst for economic development. M-TEC designed and is currently implementing a model manufacturing technology program in the Gadsden School District that will serve as a pilot program.

CHE observes that this request was not in the list of priority projects submitted by Eastern New Mexico University to the commission for review. Accordingly, the request was not included in the commission's funding recommendation for FY06. However, CHE notes that the commission has recommended funding in the amount of \$408.0 for this project within the overall general fund recommendations for Research and Public Service Projects.

PERFORMANCE IMPLICATIONS

NMSU suggests that the ability of M-TEC to provide the increased technical and educational outreach activities that are needed is limited without the requested funding. Further that the legislation supports new technical career paths while supporting economic development with new and expanding business opportunities in New Mexico

FISCAL IMPLICATIONS

The appropriation of \$350,000 contained in this bill is a recurring expense to the general fund allocated for expenditure in FY06. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

ADMINISTRATIVE IMPLICATIONS

NMSU proposes that M-TEC will use existing administrative staff operating within the existing university administrative structure and that no additional administrative resources will be required.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

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

OTHER SUBSTANTIVE ISSUES

NMSU advises that M-TEC has a proven base of technical, educational and administrative expertise and experience in the areas of manufacturing technology, engineering, product design and education. Moreover that M-TEC operates six well-equipped manufacturing, product development and measurement laboratories that support the outreach activities; and is recognized as a leader in manufacturing related curriculum development and new product development. The M-TEC designed "Chile Thinning Machine" has been licensed for production by two New Mexico businesses and will be available to farmers in 2005, providing substantial cost savings to chile farmers.

BFW/yr