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FISCAL IMPACT REPORT

SPONSOR McSorley DATE TYPED 02/12/05 HB _____

SHORT TITLE UNM Law School Library SB 574

ANALYST Woods

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$250.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

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

SOURCES OF INFORMATION

LFC Files

Responses Received From

Commission on Higher Education (CHE)

SUMMARY

Synopsis of Bill

Senate Bill 574 – Making an Appropriation to Increase Funding for the University School of Law Library – appropriates \$250,000 from the general fund to the Board of Regents of the University of New Mexico for expenditure in FY06 to increase funding for the library at the University of New Mexico School of Law. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

Significant Issues

CHE notes that the University of New Mexico requested \$500,000 in non-recurring funds and \$250,000 in recurring funds for FY06. In the course of that request, UNM indicated that when the American Bar Association and the Association of American Law Schools (AALS) conducted

an accreditation visit in 2001, AALS stated that they would not agree to continue the law school as a member if acquisition funds were not increased. The UNM Law School and Law Library are resources for faculty and students and all lawyers and *pro se* litigants in the state and, without some assistance the school will not be able to support the related needs.

CHE further notes that this proposal was ranked fifth – out of six – of the new or expansion research and public service items submitted to CHE by the University of New Mexico; however the project was not recommended for inclusion by the CHE at this time.

FISCAL IMPLICATIONS

The appropriation of \$250,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

ADMINISTRATIVE IMPLICATIONS

The University of New Mexico will retain oversight of this program.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

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

OTHER SUBSTANTIVE ISSUES

CHE indicates 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, or earned overhead, is used to support items such as the salaries of the accountants responsible for monitoring the contracts and grants, or for paying utilities and other expenses required to maintain the space where the contract and grant activities are housed. The higher education funding formula allows institutions to retain 100 percent of this indirect cost revenue and CHE proposes 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.

In the event the appropriation is realized, CHE suggests that the University of New Mexico shall submit a plan for program evaluation, including specific program goals and criteria for assessing program effectiveness to the Legislative Finance Committee and CHE by October 1, 2005. CHE additionally suggests that the institution shall also submit a program evaluation to the Legislative Finance Committee and the Commission on Higher Education by June 30, 2008 detailing the benefits to the State of New Mexico from having this program implemented for a three-year period.

BFW/sb