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FISCAL IMPACT REPORT

ORIGINAL DATE 1/26/07

SPONSOR Nava LAST UPDATED _____ HB _____

SHORT TITLE UNM El Centro de la Raza SB 318

ANALYST McOlash

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$200.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB 128 and HB 66.

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Higher Education Department (HED)

SUMMARY

Synopsis of Bill

Senate Bill 318 appropriates \$200,000 from the General Fund to the Board of Regents of the University of New Mexico for expenditure in FY 2008 to pay operating expenses of El Centro de la Raza.

FISCAL IMPLICATIONS

The appropriation of \$200,000 contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY 2008 shall revert to the General Fund.

SIGNIFICANT ISSUES

The Resource Center for Raza Planning (RCRP), established in 1996, is in the Community and Regional Planning Program within the School of Architecture and Planning at the University of New Mexico. The goal of RCRP is to contribute to the sustainability and survivability of

traditional New Mexico communities. The core membership of Resource Center for Raza Planning is drawn from New Mexico graduate students in the Community and Regional Planning program at the University of New Mexico.

The RCRP has four main objectives:

1. Produce research and policy analysis of planning issues affecting traditional communities.
2. Partner with other organizations to promote effective strategies for community development.
3. Produce, compile, and distribute educational material.
4. Generate and nurture a pipeline of individuals interested in planning and development issues and planning education.

A request was submitted by UNM to the New Mexico Higher Education Department in the amount \$95,000 for additional funding to the base. The Department's recommendation for FY08 is a continuance of recurring funding from FY07 in the amount of \$127,800, no additional funding at this time.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Senate Bill 318 is related to the duplicate bills HB 66 and SB 128 that appropriate \$220,000 for the expansion of the Resource Center for Raza Planning.

ALTERNATIVES

Higher Education Department Analysis for HB 66.

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% of this indirect cost revenue. 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.