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FISCAL IMPACT REPORT

SPONSOR Snyder ORIGINAL DATE 01/29/08
LAST UPDATED _____ HB _____
SHORT TITLE Expand UNM Biomedical Engineering SB 384
ANALYST Williams

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$655.8	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From
Higher Education Department (HED)

SUMMARY

Synopsis of Bill

Senate Bill 384 appropriates \$655,780 from the General Fund to the University of New Mexico to establish a graduate program in biomedical engineering.

FISCAL IMPLICATIONS

The appropriation of \$655,780 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY09 shall revert to the general fund.

SIGNIFICANT ISSUES

The University of New Mexico Center for Biomedical Engineering currently exists and researches biomaterials, nanobiotechnology, bioanalytical microsystems and bioenergy technologies. The UNM website shows there are sixteen graduate students enrolled in the program.

These funds would augment funding received by UNM through the Instruction and General (I&G) funding formula for operation of the existing Biomedical Engineering Program. Also, the FY08 operating budget and House Bill 7 (LFC version of the budget recommendation for FY09) include \$200.0 thousand in Section 4, recurring appropriations, to UNM for biomedical engineering.

An expansion proposal was submitted by UNM to the HED for consideration in fall 2007, but was not included in the Department's funding recommendation for FY09. In its November 2007 evaluation of research and public service projects expansion requests and new initiatives, HED rated the UNM expansion request for biomedical engineering as a breach of the higher education funding formula.

The January 2008 LFC report "Higher Education Department Review of Selected Research and Public Service Projects" discusses best practices for funding these types of projects.

OTHER SUBSTANTIVE ISSUES

The UNM Center for Biomedical Engineering received a \$2.5 million grant from the National Science Foundation over five years (2006 through 2011) to fund a research and educational partnership with Harvard University, Albuquerque Public Schools and the Southwestern Indian Polytechnic Institute. Outreach and research activities are conducted under the "Partnership for Research and Education in Biomaterials (PREM) initiative. The purpose of the grant is "to attract girls and minorities to careers in engineering, and to stimulate interest in science and technology." Research activities address smart materials for tissues, DNA sequencing and high performance materials and low-cost diagnostics.

HED notes "at current funding rates, the center is limited in its ability to offer degree programs to graduate students. Additional funding is necessary ...to hire faculty to teach within the program. However, monies must be attained ...to reach a minimal level of activity for courses, research, laboratory and recruiting. Further, funds are required to defray the expenses associated with graduate student qualifying exam committees and dissertation committees." HED continues: "previous funds enabled the center to hire two faculty members, ... not sufficient to run a graduate program."

POSSIBLE QUESTIONS

1. Which activities are supported by the current state appropriation for biomedical engineering ---- academic instruction, research or outreach?
2. How would the additional funding in this bill be used?
3. What is the indirect cost recovery rate and associated revenues received by the university on federal grants received by this center? How are these other sources of funds being used?
4. Does the center have a strategic plan and performance measures and targets? How does this plan align with the university strategic plan? What specific outcomes are resulting or are projected to occur?