

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

ORIGINAL DATE 1/27/09

SPONSOR Gutierrez LAST UPDATED \_\_\_\_\_ HB 96

SHORT TITLE NMSU Economic Development Doctorate SB \_\_\_\_\_

ANALYST Haug

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$155.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Economic Development Department (EDD)  
 New Mexico State University (NMSU)  
 Higher Education Department (HED)

### SUMMARY

#### Synopsis of Bill

House Bill 96 appropriates \$155.0 from the general fund to the Board of Regents of New Mexico State University for the Doctorate in Economic Development degree program.

### FISCAL IMPLICATIONS

The appropriation of \$155.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2010 shall revert to the general fund.

### SIGNIFICANT ISSUES

The HED states that his request was submitted by NMSU to the HED for review, but not included in the Department's funding recommendation for FY10. HB96 is not a priority on HED's legislative agenda, but is consistent with the Department's strategic priorities and goals.

The LFC Appropriation Recommendations, Volume II, pages 364-365 states:

The committee has concerns about the growth of research and public service projects within the higher education budget, as well as the alignment of these projects with state goals and strategic plans. The committee also continues to have significant concerns about accountability and performance outcomes for these projects.

The committee recommendation reduces funding included in the HED request by varying levels from FY09 funding amounts for research projects, public service projects and P-20 pipeline projects focusing on students.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

The Executive Budget in Brief notes that over the years more than 300 RPSPs have been created, accounting for a large portion of institution budgets. The current RPSPs were reviewed while considering the relevance of the project to the core mission of the institution, the community benefit and the outcomes associated with each project. (Budget in Brief and Policy Highlights, P 9-10.)

NMSU states that this bill provides basic funding so that two NMSU departments, the Department of Agricultural Economics and Agricultural Business and the Department of Economics and International Business, can offer a professional doctorate in economic development. Approximately two-thirds of the \$155,000 of recurring funds will be used to support graduate assistantships. The balance will be used to provide partial salary support for the program director, supplies, faculty development, special summer programs, and travel costs for promotion and flexible delivery of courses. There are no other recurring funds directed to this program.

The EDD notes that this legislation has the potential to enhance the capacity of individuals and ultimately enhance the opportunities for communities and the citizens of New Mexico.

GH/mc