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FISCAL IMPACT REPORT

ORIGINAL DATE 2/2/09

SPONSOR R S Martinez LAST UPDATED _____ HB 411

SHORT TITLE WNMU Industrial Quality Control Program SB _____

ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$266.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

SUMMARY

Synopsis of Bill

House Bill 411 appropriates \$266.0 from the general fund to the Board of Regents of Western New Mexico University for an industrial quality control and compliance program.

FISCAL IMPLICATIONS

The appropriation of \$266.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2011 shall revert to the general fund.

SIGNIFICANT ISSUES

The HED states that this request was submitted by WNMU to the HED for review, but is not recommended for funding for FY10.

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.

With respect to special projects, higher education institutions advanced 114 proposals for new projects and expansions at a total general fund cost of \$54 million during the HED budget request process in fall 2008.

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.)

The HED states that:

According to the institutional funding request submitted to NMHED by WNMU, the mission of this program is to provide accessible Career Technical Education with up-to-date technology to rural schools in WNMU's geographic areas of responsibility, including Animas, Lordsburg, Reserve, Cliff, Columbus, Hatch, Truth or Consequences, and Deming. The funding objective is to purchase and use a customized 44-foot industrial training mobile trailer with training modules to deliver up-to-date technology training.

The stated deliverables are as follows:

- Provide a training workforce from rural areas for the upcoming Spaceport initiative and mining industries
- Provide an opportunity for rural areas to have their young adults industry certified
- Provide an opportunity for rural young adults to begin working toward an Associate's Degree in welding, electrical, and drafting
- Provide an equal opportunity to all students in pre-engineering experience

GH/mt