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FISCAL IMPACT REPORT

ORIGINAL DATE 02/20/09

SPONSOR Cervantes LAST UPDATED _____ HB 688

SHORT TITLE NMSU International Relations Institute SB _____

ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$200.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

No Responses Received From

New Mexico State University (NMSU)

SUMMARY

Synopsis of Bill

House Bill 688 appropriates \$200 thousand from the general fund to the Board of Regents of New Mexico State University to support the Institute of International Relations to enhance the global career opportunities of undergraduate students by providing international learning experiences in their fields of study.

FISCAL IMPLICATIONS

The appropriation of \$200.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of any Fiscal Year shall not revert to the general fund.

SIGNIFICANT ISSUES

The HED states that this request was not submitted by NMSU to the HED for review and is not included in the Department's funding recommendation for FY10. The HED notes that HB688 appropriates an additional \$200,000 in addition to the existing recurring General Fund appropriation of \$200,000

This appropriation is not included in the LFC appropriation recommendations for Higher Education.

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 February 2009 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$575 million less than the FY09 appropriations before the 2009 solvency reductions. 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 notes that according to the NMSU website, the mission of the International Relations Institute is to become the leader, catalyst, and authoritative source for information, research, and ideas on critical international issues facing the Southwest, the nation, and the world. As an integral part of the NMSU community, the Institute envisions a future where every student and faculty member has an international experience and where all Institute participants are prepared to meet global challenges.

GH/svb