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FISCAL IMPACT REPORT

ORIGINAL DATE 2/3/09

SPONSOR P Griego LAST UPDATED _____ HB _____

SHORT TITLE Luna College Sustainable Agriculture Program SB 371

ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$400.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)
Luna Community College (LCC)
Public Education Department (PED)

SUMMARY

Synopsis of Bill

Senate Bill 371 appropriates \$400.0 from the general fund to the Higher Education Department to establish an alternative and sustainable energy curriculum program to be implemented by Luna Community College. The program would a) establish an educational network of college preparatory courses for seven school districts in northeastern New Mexico and b) establish comprehensive programs for candidates for associate and four year degrees.

FISCAL IMPLICATIONS

The appropriation of \$400.0 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 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 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 LCC states that:

The Alternative and Sustainable Energy Program at LCC is designed to provide students with the knowledge to enter the workforce in alternative energy, or to continue on to a 4-year institution to pursue an advanced degree in Engineering with an emphasis in alternative energy technology. The ASEP will offer a two-year Associate in Science degree and is targeted at the North-Eastern region of New Mexico. Sustainable agriculture with the biodiesel to algae project and the horticulture program are included in this request.

The goal of the funding request is to supply the laboratories for the program with necessary equipment to provide a hands-on learning practicum for students and to install alternative energy systems on the main campus to offset energy use and provide an example to the community and the NE region of the state. Installation of alternative energy systems for the main campus will be part of the lab curriculum in the ASEP. The plan is to install several different types of wind and solar energy systems connected to campus buildings to offset energy costs.

The PED notes that a high school program of studies which focuses on alternative and sustainable energy would fit within New Mexico's Energy and Environmental Technologies Career Cluster. Such a program would support Governor Richardson's initiatives to promote a "green economy" by preparing a workforce trained in environmentally responsible and efficient energy technologies.

Senate Bill 351 specifies a portion of the appropriation would be used to establish an educational network of college preparatory courses for seven school districts in northeastern New Mexico. However the LCC analysis focuses on use of the appropriation at the LCC campus.

GH/mt