

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 and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR Harper ORIGINAL DATE 2/5/16
LAST UPDATED _____ HB 268

SHORT TITLE UNM Manufacturing Engineering Program SB _____

ANALYST Dulany

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY16	FY17		
	\$300.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Appropriation in the General Appropriation Act (GAA) Section 4J, University of New Mexico, Research and Public Service Projects.

SOURCES OF INFORMATION

LFC Files

Research and Public Service Project Requests

Responses Received From

Higher Education Department (HED)

University of New Mexico (UNM)

SUMMARY

Synopsis of Bill

House Bill 268 appropriates \$300 thousand from the general fund to UNM for expenditure in FY17 to provide auxiliary faculty, staff, and operations to support a microsystems clean room of the manufacturing engineering program.

FISCAL IMPLICATIONS

The appropriation contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY17 shall revert to the general fund.

House Appropriations and Finance Committee Substitute for HB 2 (GAA) includes \$559.6 thousand for the UNM manufacturing engineering program. If HAFB/HB 2 and HB 268 are enacted, UNM will receive \$859.6 thousand in FY17.

UNM indicates the increase of \$300 thousand contained in HB 268 would provide 1.23 additional FTE for a clean room technician, adjunct instructional staff, and clean room administration, further outlined in the table below:

HB 268 Funding Allocation for UNM Manufacturing Engineering Program		
FTE	Cost	Item
0.04	\$5,329	Cleanroom Administration, Cleanroom Dir.
0.19	\$7,500	Add 1 adjunct for MEP classes
1.00	\$48,000	Add 1 cleanroom Technician
	\$18,716	Fringe Benefits
	\$205,655	Supplies and Ops Expenses (mats, maint, repairs, service, rent)
	\$4,800	Professional development travel (2 trips)
	\$10,000	Minor cleanroom equipment (< \$5k/item)
1.23	\$300,000	TOTAL

Source: UNM

In the institution’s research and public service project request, UNM indicated the university received an \$866 thousand National Science Foundation grant and reported \$200 thousand in clean room user fees in FY16.

SIGNIFICANT ISSUES

According to UNM, the manufacturing engineering program hosts a 57 thousand square foot Manufacturing Training Technology Center that contains a 6,200 square foot clean room designed to support semiconductor and microsystem manufacturing. The university indicates four phases of clean room construction have been funded to date using a mix of federal, state, and UNM funds. Semiconductor processing equipment has been provided by donations from the private sector and the National Science Foundation.

According to UNM, the clean room enables novel, hands-on cross-training between engineering and technician students, working in teams in a factory-like setting, to better prepare them for industry jobs. The clean room also enables nationally competitive research in micro electro-mechanical systems (MEMS), bio-MEMS, and nano technologies that span engineering, science, and medical disciplines. Typically, 150 students, teachers, researchers, and company users benefit from the clean room each year.

TD/al/jo