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## FISCAL IMPACT REPORT

SPONSOR Akhil/Sanchez/ ORIGINAL DATE 01/29/20  
Stapleton LAST UPDATED \_\_\_\_\_ HB 119

SHORT TITLE Internship Program for Engineering Students SB \_\_\_\_\_

ANALYST Gelay

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY20	FY21		
	\$320.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to SB 21, Development and Support of Robotics Teams

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

NM Higher Education Department (HED)

### SUMMARY

#### Synopsis of Bill

House Bill 119 appropriates \$160 thousand from the general fund to Board of Regents at the University of New Mexico (UNM) for the purpose of supporting the UNM private sector internship program in the School of Engineering at UNM.

HB119 also appropriates \$160 thousand from the general fund to the Board of Regents at New Mexico State University (NMSU) to support the cooperative education and internship program for engineering students enrolled at NMSU.

There is no effective date of this bill. It is assumed that the effective date is 90 days following adjournment of the Legislature.

### FISCAL IMPLICATIONS

The appropriation of \$320 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY21, from either UNM or NMSU, shall revert to the General Fund.

**SIGNIFICANT ISSUES**

The Higher Education Department (HED) notes: Neither the University of New Mexico nor New Mexico State University submitted this request to the HED for possible incorporation into the HED higher education comprehensive funding recommendation. The HED has a formal process for reviewing earmarked budget requests for higher education institutions when developing the HED funding recommendation. Neither the Executive Recommendation nor the Legislative Finance Committee recommendations include continued funding for FY21.

UNM notes: The funding will support 50 UNM SOE students (sophomore through graduate students) per year to do a paid 12-week internship in a NM company (can include non-profits). The first 8 weeks are paid for the intern by the State of NM (at a cost of \$2,500/intern through this bill) and the last 4 weeks will be paid for the intern by the hosting company (at a cost of \$1,250/intern). The total money received by each intern is thus a \$3,750/internship. Hence, each company matches \$1 for every \$2 spent by the State. The company location can be anywhere in the State of NM and not just in the greater Albuquerque area. This bill or funding will have direct effect on economic development, retention of students in engineering/computer science and graduation of such students. A retention rate of greater than 90 percent is estimated for student participants in this SPSP-I, as well as an estimated 12 students per year will graduate with their degrees.

This program replaces a very successful internship program, called the STEP program, at the UNM SOE that recently expired (in Fall 2019). The STEP program was funded by the National Science Foundation (NSF) from 2012-2019. The UNM STEP program was lauded by NSF as a model for other universities and states to follow. It is important to mention here that the expiring STEP program had the ability to fund 75 interns per year and its expiring represents a big loss to our area as UNM engineering/computer science students will no longer have a program that helps them get in on internships with local companies.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

UNM notes: If the bill is not enacted, a sudden and deep cut to the internships and internship support by UNM SOE faculty and staff is anticipated. This would be detrimental to relationships built from 2012-2019, which many companies in the greater Albuquerque area, and beyond in NM, have gotten used to being able to rely on UNM to support both for finding interns and for fiscal sponsorship. Where UNM had been a leader, it would now be left behind and could lose students and national recognition.

NMSU notes: Most major companies in the United States, recruit from the research universities in New Mexico because of the high percentage of students from underrepresented communities, specifically Hispanic, Native American and women students. Specifically, at NMSU, the student body make up is 74 percent minority, of which 63 percent are Hispanic and 56 percent are women. The most successful recruiting campaigns have co-op and internship programs. The impact these out of state programs have on many of the graduates from the technical programs from the New Mexico research universities is that New Mexico graduates are successfully recruited to move from New Mexico and go work in those companies around the U.S. This bill will fund cooperative education and internship positions in New Mexico.

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Funding Co-op and Internships for positions in New Mexico will level the playing field regarding the ability of New Mexico companies, agencies and institutions to eventually compete for New Mexico graduates.

This resource will fund the Classified Ready Employee Workforce (CREW) for in state internships at the Physical Sciences Laboratory at New Mexico State University. The fund will support 80 students working in national security positions across all the federal classified entities in the state. Most of these internships and eventual permanent positions are currently filled by out of state candidates. These internships will give New Mexico students an additional advantage for some of the best paying positions in the state.

JGG/al