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FISCAL IMPACT REPORT

SPONSOR Soules **ORIGINAL DATE** 1/24/2022
LAST UPDATED _____ **HB** _____
SHORT TITLE UNM Quantum Materials Technologies **SB** 73
ANALYST Fischer

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY22	FY23		
	\$15,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB53, SB 25, and SB72
 Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)
 University of New Mexico (UNM)
 New Mexico State University (NMSU)

No Response Received

New Mexico Institute of Mining and Technology (NMIMT)

SUMMARY

Synopsis of Bill

Senate Bill 73 appropriates \$15 million from the general fund to the University of New Mexico (UNM) to establish quantum materials and technologies program. 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 \$15 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2027 shall revert to the general fund. Although Senate Bill 73 does not specify future appropriations, establishing a new program could create an expectation that the program will continue in future fiscal years,

therefore this cost is scored as recurring. Senate Bill 73 provides that no more than \$3 million of the appropriation shall be expended in any given year.

The Higher Education Department noted that the appropriation in Senate Bill 73 does not include the additional \$4 million in administrative costs that would be necessary to carry out the program successfully.

SIGNIFICANT ISSUES

The quantum materials program established at UNM by Senate Bill 73 is to be in collaboration with New Mexico State University, the New Mexico Institute of Mining and Technology, and the federal research laboratories within the state. The purview of the new program is to develop curricula, faculty, and technologies for the development and use of quantum materials and to develop workforce training programs in collaboration with the community colleges in the state in the use and maintenance of quantum materials technologies. The bill does not specify which federal research laboratories or community colleges the program would collaborate with.

UNM did not submit this request to the Higher Education Department nor the LFC for possible incorporation into the department's higher education funding recommendation. Both the LFC and the Higher Education Department have a formal process for reviewing earmarked budget requests for higher education institutions when developing their respective funding recommendations.

The Higher Education Department noted that UNM already has an established quantum research center, which is the Center for Quantum Information and Control (CQuIC). Research at CQuIC is focused on Quantum Information Science, including quantum computation, quantum simulation and complexity, quantum control and measurement, quantum metrology, and quantum optics and communication. SB73 may duplicate the efforts of CQuIC.

PERFORMANCE IMPLICATIONS

Senate Bill 73 does not outline specific performance measures. If funded, UNM should develop performance measures in coordination with the Higher Education Department.

RELATIONSHIP

Senate Bill 73 relates to Senate Bill 72, which appropriates \$14.995 million to NMSU for a large-scale multi-university research project for dryland resilience.

Senate Bill 73 relates to Senate Bill 25, which appropriates \$40 million from the general fund to a newly created research grants closing fund at the Higher Education Department to provide the state's public colleges and universities with matching funds for public or private research grants.

The \$15 million appropriation in Senate Bill 73 is related to a \$50 million nonrecurring general fund appropriation to the technology enhancement fund contained in the LFC recommendation for the General Appropriation Act.