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FISCAL IMPACT REPORT

		LAST UPDATED	
SPONSOR Sou	ıles	ORIGINAL DATE	2/7/2023
	University Analysis and Research Gran	nt BILL	
SHORT TITLE	PGM	NUMBER	Senate Bill 237
			_
		ANAIVCT	lorgensen

APPROPRIATION* (dollars in thousands)

Appropri	ation	Recurring	Fund	
FY23	FY24	or Nonrecurring	Affected	
	\$5,000.0	Recurring	General Fund	

Parentheses () indicate expenditure decreases.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*

(dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
HED		Indeterminate but minimal			Recurring	General Fund

Parentheses () indicate expenditure decreases.

Sources of Information

LFC Files

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

SUMMARY

Synopsis of Senate Bill 237

Senate Bill 237 creates a University Analysis and Research Grant Program at the Higher Education Department (HED). Under the proposal, HED will set guidelines and procedures for universities to apply for grants. HED will review applications, make awards, and monitor spending. The grants to universities support universities in providing state agencies with analysis and meeting research needs. SB237 creates the university analysis and research grant fund, which consists of appropriations, gifts, grants and donations, and investment income.

SB237 appropriates \$5 million from the general fund to HED for distribution to higher education institutions to assist in provide state agencies with analysis and research needs. The appropriation shall not revert to the general fund.

^{*}Amounts reflect most recent analysis of this legislation.

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Senate Bill 237 – Page 2

This bill does not contain an effective date and, as a result, would go into effect June 16, 2023, (90 days after the Legislature adjourns) if signed into law.

FISCAL IMPLICATIONS

The appropriation of \$5 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund. Although Senate Bill 237 does not specify future appropriations, establishing a new grant program could create an expectation the program will continue in future fiscal years; therefore, this cost is assumed to be recurring.

HED would be required to administer the new grant program. There is no appropriation contained in SB237 to defray the costs to HED of administering a new grant program so that any additional cost or staff time would be absorbed in the existing operating budget.

SIGNIFICANT ISSUES

New Mexico Universities currently provide research services on behalf of state agencies. For example, the Bureau of Business and Economic Research (BBER) housed at UNM provides technical analysis for agencies, including the Taxation and Revenue Department and the Department of Transportation.

ADMINISTRATIVE IMPLICATIONS

HED would be required to administer the new grant program. There is no appropriation contained in SB237 to defray the costs to HED of administering a new grant program so that any additional cost of staff time would be absorbed in the existing operating budget.

CJ/al/hg