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FISCAL IMPACT REPORT

SPONSOR <u>Padilla</u>	LAST UPDATED _____
	ORIGINAL DATE <u>1/29/2024</u>
SHORT TITLE <u>Science Education Promotion Fund</u>	BILL NUMBER <u>Senate Bill 211</u>
	ANALYST <u>Rodriguez</u>

APPROPRIATION* (dollars in thousands)

FY24	FY25	Recurring or Nonrecurring	Fund Affected
	\$1,000.0	Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
EDD	No fiscal impact	\$100.0 to \$125.0	\$100.0 to \$125.0	\$200.0 to \$150.0	Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From
Economic Development Department (EDD)

Agency Analysis was Solicited but Not Received From
Public Education Department (PED)
Higher Education Department (HED)

SUMMARY

Synopsis of Senate Bill 211

Senate Bill 211 appropriates \$1 million from the general fund to the science education promotion fund. The bill creates the science education promotion fund in the State Treasurer’s Office to be administered by the Economic Development Department (EDD). Educational institutions may apply for grants to develop and implement strategic plans to increase the institution’s education curriculum, degree offering, and graduates in aerospace, bioscience, cybersecurity, renewable energy, intelligent manufacturing, and agriculture. Eligible institutions include public

elementary, middle, junior high, and high schools, and state educational institutions.¹ EDD will be responsible for promulgating rules to approve applications and oversee grant funding.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, or May 15, 2024, if enacted.

FISCAL IMPLICATIONS

The appropriation of \$1 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY25 shall not revert to the general fund. Although Senate Bill 211 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.

The Economic Development Department notes this bill gives the agency additional responsibilities, including setting up a new grant program, evaluating plans submitted by applicants, administering the new program, and developing metrics of success for awardees. This bill did not include additional personnel funding for EDD. However, the agency would require at least one additional FTE to fulfill the duties outlined in this bill. The estimated additional operating budget impact of hiring one FTE could range between \$100 thousand to \$125 thousand per year.

SIGNIFICANT ISSUES

EDD released its 20-years strategic plan in October 2021. The plan focused on six strategies to build a diverse and robust economy. The strategies include modernizing the economic development ecosystem, strengthening community capacity, improving higher education, and aligning workforce, promoting equity through economic development, building capacity for entrepreneurs, and diversifying New Mexico's economy. Specifically for higher education and workforce, the strategic plan noted that secondary and post-secondary levels were misaligned with the needs of employers in the state. As a result, New Mexico could risk losing valuable employers to state with better trained workers and young residents to states with better connected institutions. The plan identified three recommendations for EDD and four for stakeholders to improve the quality of higher education and training programs in New Mexico to meet the needs of industry. The funding appropriated in this bill could help EDD and public education institutions make progress on the recommendations outlined in the strategic plan.

The plan also identified nine key industries for diversifying New Mexico's economy, which are sustainable and green energy, aerospace and defense, sustainable and value-added agriculture, intelligent manufacturing, film and television, biosciences, global trade, outdoor recreation, and cybersecurity. This bill addresses six of the nine key industries.

Agency responsibilities. The Economic Development Department notes the agency does not currently have the staffing or policy expertise to evaluate educational curriculum proposals as

¹ Article 12, Section 11 defines state educational institutions as the University of New Mexico, New Mexico State University, New Mexico Highlands University, Western New Mexico University, Eastern New Mexico University, New Mexico Institute of Mining and Technology, New Mexico Military Institute, New Mexico School for the Blind and Visually Impaired, New Mexico School for the Deaf, and Northern New Mexico State School.

required in this bill.

EDD writes:

[T]he program created by the bill would require interaction with the statewide network of public schools—while EDD does not currently have such connections in place, other state agencies such as the Public Education Department (PED) and the Higher Education Department (HED) may have existing networks that could be beneficial for the enactment of such a program.

Existing funding. As noted by the Legislative Education Study committee, the HAFCS substitute for House Bills 2 and 3 includes funding for STEAM and STEM related initiatives. LESC writes: For FY25, the House Appropriations and Finance Committee Substitute for House Bills 2 and 3 (HB2/HAFCS) includes \$125.2 thousand for science, technology, engineering, art, and mathematics (STEAM) initiatives at Northern New Mexico College, \$10 million for scholarships to students enrolled in a master’s or doctoral program in a science, technology, engineering, or mathematics (STEM) program, and \$20 million in the state equalization guarantee (SEG) for education innovations. This \$20 million may be flexibly used by school districts and charter schools for community schools, career technical education programs, and literacy programs, among other potential uses.

ALTERNATIVES

This bill could require EDD to work with the Higher Education Department (HED) and Public Education Department (PED) to evaluate educational curriculum submitted by public school institutions. PED and HED also have connections with existing networks to help promote the proposed grant program.

JR/al/ne