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FISCAL IMPACT REPORT

ORIGINAL DATE 2/9/16

SPONSOR Steinborn LAST UPDATED _____ HJR 4

SHORT TITLE School Boards of Regents Nomination, CA SB _____

ANALYST Dulany

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$0.0	\$0.0	<\$207.0	<\$207.0	Recurring	General Fund
Total	\$104.0	\$0.0	\$0.0	\$104.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)
 New Mexico School for the Deaf (NMSD)
 New Mexico Military Institute (NMMI)

SUMMARY

Synopsis of Bill

House Joint Resolution 4 adds language to Article XII, Section 13 of the Constitution of New Mexico to require the Governor to nominate the members of each board of regents for each institution from a list provided by a nominating committee established by law.

The joint resolution specifies the nominating committees are to include members of the faculty and student body of the institution and members of the community where the educational institution resides. The Legislature is to provide by law for the appointment, terms, power, and duties of the nominating committees. No more than 50 percent of the nominating committee shall be members of the same political party.

FISCAL IMPLICATIONS

According to the Secretary of State's office, the estimated cost of placing a constitutional amendment on the ballot is \$104 thousand. This includes all necessary printing and advertising costs. The next general election will be held in FY17.

HED notes the nominating committees specified in HJR 4 would be public officers subject to the Per Diem and Mileage Act. An exact cost of the nominating committees is difficult to calculate at this time. HJR 4 specifies the Legislature is responsible for determining the membership of the nominating committees. Without an exact number of members, per diem and mileage cannot be calculated at this time.

It is important to note, however, that institutions with branch campuses are likely to incur higher costs. Because HJR 4 requires nominating committees include members of the community where the educational institution resides, the University of New Mexico, New Mexico State University, and Eastern New Mexico University may be required to include members from communities in which the institutions' branch campuses are located. This may result in increased travel costs for these members.

HED presumes the fiscal impact would be to education institutions' budgets because they would be responsible for costs associated with convening the nominating committees. If succeeding legislation does not specify who would incur the costs for the nominating committees, these costs may fall on the Governor's office.

Although the exact cost of the nominating committees is unknown at this time, a comparison to an existing nominating organization – the Judicial Nominating Commission (JNC) – may help in understanding potential fiscal impact. Administratively attached to the University of New Mexico (UNM) School of Law, JNC is composed of New Mexico judges, attorneys, and citizens. The commission is chaired by the UNM School of Law dean. JNC receives an annual appropriation of about \$23 thousand. Assuming similar costs would be incurred by the 9 educational institution nominating committees that would need to meet in FY19 (further discussed below), HJR 4 could have a fiscal impact of \$207 thousand in FY19.

If HJR 4 is passed, the Legislature would provide the terms of the nominating committees by law during the 2017 regular legislative session, meaning the first nominating committees would convene in FY18; however, based on a list provided by HED, it appears no board position vacancies are expected in FY18. In FY19, 12 regent terms expire at 9 institutions.

SIGNIFICANT ISSUES

Selection of student members of the boards of regents currently requires the Governor to select the student member from a list provided by the president of the institution. The president of the institution is required to give due consideration to the recommendations of the student body president of the institution. In practice, student body presidents at some institutions have made recommendations for student regent members through a nominating committee composed of students and faculty similar to the nominating committees proposed by HJR 4.

Under HJR 4, the Governor would select a student regent from a list provided by a nominating committee and from a list provided by the president of the institution. In making his or her list, the president of the institution must give due consideration to the recommendations of the student body president. Because HJR 4 requires the Governor to select the student member from a list provided by a nominating committee *and* from a list provided by the president of the institution, it is unclear whether the nominee must appear on both lists or just one of the lists. If HJR 4 is passed, the Legislature may wish to clarify this point in enabling legislation.

NMMI suggests a nominating committee would insert an additional layer of processes, and members which would require significant management and coordination that could create additional delays. NMMI states that the institute “supports the Governor’s current process and authority without any nominating committee law.”

ADMINISTRATIVE IMPLICATIONS

NMSD states the school “is supportive of increased community participation in the selection of board members. However, the proposed amendment would add administrative complexities to a system that currently does not assign board members in a timely fashion.” NMSD further suggests board appointments are “routinely delayed” and “[f]urther delays because of added administrative protocols may leave [NMSD board] positions vacant and impact the ability of NMSD to conduct business.”

ALTERNATIVES

NMSD suggests adding language to require 50 percent of members for that school’s nominating committee to be deaf or hard of hearing.

TD/jle/jo