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## FISCAL IMPACT REPORT

SPONSOR: Martinez DATE TYPED: 03/03/01 HB \_\_\_\_\_  
 SHORT TITLE: Northern NM State School Programs SB 618  
 ANALYST: Fernandez

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	\$ 250.0			Recurring	G/F

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Relates to Appropriation in The General Appropriation Act Section 4

### SOURCES OF INFORMATION

Commission on Higher Education (CHE)  
LFC Files

### SUMMARY

#### Synopsis of Bill

Senate Bill 618 appropriates \$250.0 from the general fund to Northern New Mexico State School for instructional programs in fiscal year 2002.

#### Significant Issues

According to CHE, all higher education institutions are funding via the Instruction & General (I&G) formula. The formula is designed to ensure that institutions are funded equitably, however, the formula does not guarantee adequacy. The CHE proposes formula revisions to the legislature to improve adequacy of funding while also maintaining equity in funding. The appropriation in this bill would address the adequacy issue Northern New Mexico Community College, but not for other institutions that are also facing similar difficulties.

During the interim, the CHE worked with a task force which included CHE staff, institutional representatives, LFC staff, and DFA staff. The CHE proposed three key formula revisions in FY02 that would help all higher education institutions as follows: updating the Instructional Salary Tables for universities, fully funding the Student Services formula for community colleges and recognizing salaries in Institutional Support.

HB2 currently includes all of the recommended formula revisions except for the Institutional Support revision.

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By fully funding Student Services, Northern will receive an increase of \$92,737 in general fund appropriation for I&G. The Institutional Support formula revision increases Northern's I&G appropriation by \$84,252. These increases in funding are for the same purpose as the appropriation contained in SB618.

### **FISCAL IMPLICATIONS**

The appropriation of \$250.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2002 shall revert to the general fund.

This appropriation would provide Northern with a non-formula adjustment.

### **CONFLICT/DUPLICATION/COMPANIONSHIP/RELATIONSHIP**

Relates to CSHB2. CSHB2 includes funding for Student Services at 100 percent.

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