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FISCAL IMPACT REPORT

SPONSOR Tsosie DATE TYPED 03-03-05 HB _____

SHORT TITLE ENMU Virtual Education Programs SB 485

ANALYST Woods

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
\$3,000.0				Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to the appropriation to Eastern New Mexico University in the General Appropriations Act.

Relates to HB 487, HB 511

SOURCES OF INFORMATION

- LFC Files
- New Mexico Commission on Higher Education (CHE)
- New Mexico Public Education Department (PED)

SUMMARY

Synopsis of Bill

Senate Bill 485 – Making an Appropriation to Eastern New Mexico University for Development of Virtual Education Programs; Declaring an Emergency – appropriates \$3,000,000 from the general fund to the Board of Regents of Eastern New Mexico University for expenditure in FYs 05 through 07 for the purpose of designing, implementing and delivering web-based and other virtual education and distance learning courses through a consortium of school districts and higher education institutions. Any unexpended or unencumbered balance remaining at the end of FY07 shall revert to the general fund. This bill carries emergency language.

Significant Issues

PED indicates that providing high-quality online education opportunities is a key strategy for addressing the needs of people living outside New Mexico’s major population centers. Access to such programs can level the playing field for communities historically underserved by traditional educational delivery systems. This project hopes to build upon the existing success of the South-east New Mexico Educational Resource Center (SNMERC) experience over the past 12 years.

SNMERC currently serves 12 districts and would expand to include a minimum of five additional districts in the northwestern part of the state. The premise is to build upon the strengths of the SNMERC districts in Advanced Placement and Pre-Advancement courses and support other areas of the state with teacher expertise, technical support, teacher training and service to students through an expansion of course offerings with technical support. These funds will also address infrastructure needs to the expanded areas.

PED adds that current postsecondary partnerships exist with ENMU, College of the Southwest, New Mexico State University, Carlsbad campus, and the ENMU, Roswell campus. Expansion of postsecondary institutions in other parts of the state will also be part of this initiative.

CHE advises that this request was not in the list of priority projects submitted by the University of New Mexico to the commission for review. Accordingly, this request was not included in the commission's funding recommendation for FY06.

FISCAL IMPLICATIONS

The appropriation of \$3,000,000 contained in this bill is a recurring expense to the general fund allocated for expenditure in FYs 05 through 07. Any unexpended or unencumbered balance remaining at the end of FY07 shall revert to the general fund.

ADMINISTRATIVE IMPLICATIONS

Eastern New Mexico University would retain oversight of this project.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to the appropriation to Eastern New Mexico University in the General Appropriations Act.

Relates to HB487 in that HB487 seeks to appropriate \$6,000,000 for a computerized learning system that aligns public school curricula to New Mexico academic content standards and the statewide assessment program.

Relates to HB511 in that HB511 seeks to create the non-reverting Education Technology Deficiency Correction Fund; however, the legislation provides no appropriation and none is found in the General Appropriation Act.

OTHER SUBSTANTIVE ISSUES

CHE suggests that the activities to be funded in this proposal are start up costs for the implementation of virtual education programs and will generate revenue from the Instruction and General (I&G) higher education funding formula within the General Appropriation Act when program is in place and students begin enrolling in the programs. To this end, when student credit hours are generated for the virtual education programs, the program will begin to generate funding through the I&G funding formula and the start up funding of the program should be reduced by the same amount of funding generated by the I&G funding formula.

BFW/yr