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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/6/06  
 LAST UPDATED 2/14/06      HB 843/aHEC

SPONSOR Lujan, B

SHORT TITLE Northern NM Center for Graduate Studies      SB \_\_\_\_\_

ANALYST Earp

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
\$100.0		Non-Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to HB 343

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY06	FY07	FY08	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>			Substantial*	Substantial	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

\* See narrative

### SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

### SUMMARY

#### Synopsis of HEC Amendments

The House Education Committee amendments to House Bill 843 provide that the appropriation to conduct a study on the efficacy of creating a center for graduate studies and research in northern New Mexico is to be made to the Higher Education Department rather than the Board of Regents of Northern New Mexico State School. The amendments address concerns raised by HED with respect to its statutory responsibilities for statewide academic program planning.

Synopsis of Original Bill

House Bill 843 appropriates \$100,000 from the general fund to the Board of Regents of Northern New Mexico State School (now Northern New Mexico College - NNMC) to conduct a study on the efficacy of creating a center for graduate studies and research in northern New Mexico, in which universities offer graduate-level courses leading to master's and doctoral degrees. The board is to report its finding and recommendations to an appropriate interim legislative committee by December 15, 2006. The bill contains the Emergency Clause so that funds can be made available to implement the study during fiscal year 2006.

**FISCAL IMPLICATIONS**

The appropriation of \$100,000 contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund. However, it is noted that creation of a new graduate center at NNMC would require substantial additional investments of state resources in future years for both operational support and capital facilities.

**SIGNIFICANT ISSUES**

This proposal was not included among the special program funding requests submitted by NNMC to the Higher Education Department (HED) for review. Consequently, this proposal has not been included in the HED fiscal year 2007 funding recommendations to the Legislature.

Section 21-2-5 of the Post-Secondary Educational Planning Act authorizes HED to identify cases where "establishment of new institutions and programs are needed in order to meet the present and projected needs for post-secondary education on a statewide basis in an effective and efficient manner." The requirement that educational sites receive approval for new programs from the HED prior to their operation is established through a pattern of statutory and regulatory requirements. This legislation appears to shift these state-level planning responsibilities of the HED to an individual institution.

**ADMINISTRATIVE IMPLICATIONS**

NNMC would conduct the requested study and report its findings and recommendations to the appropriate interim legislative committee. Given that HED has a statutory responsibility to perform state-level planning in this area, it is anticipated that the institution would need to consult with and coordinate activities with HED.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

This bill is related to House Bill 343 and Senate Bill 391. These are duplicate measures that would appropriate \$1.5 million to initiate graduate and post-graduate studies at Northern New Mexico College.

**OTHER SUBSTANTIVE ISSUES**

HED reports that the proposal for a study of the efficacy of creating a center for graduate studies and research in northern New Mexico has not been discussed with the department. Furthermore,

it duplicates some of the work that HED is presently engaged in with the Geographic Service Area Task Force. HED is studying all of the degree programs, including graduate degrees to establish need as well as duplication across the state. It is examining workforce needs statewide and comparing those needs against the programs that colleges and universities have to offer. Of special concern in the work of the department is providing educational programs to meet the needs of rural communities and students, including those in northern New Mexico. Any study that examines programs and need should be funded through and done by HED in order to establish a statewide perspective and to advocate for resources as needed.

**ALTERNATIVES**

Consider appropriating the funds for the proposed study to the New Mexico Higher Education Department which has the statutory responsibility to perform this function.

DKE/mt