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FISCAL IMPACT REPORT

ORIGINAL DATE 1/30/07

SPONSOR Papen LAST UPDATED _____ HB _____

SHORT TITLE UNM-NMSU Cooperative Pharmacy Program SB 183

ANALYST Baca

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$516.3	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HB 105
Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico State University, College of Health & Social Services (NMSU-CHSS)
Department of Health (DOH)
Health Policy Commission (HPC)
Higher Education Department (HED)

SUMMARY

Synopsis of Bill

Senate Bill 183 appropriates \$516,300 from the general fund to the board of regents of the University of New Mexico (UNM) for expenditure in fiscal year 2008 to create a cooperative pharmacy program in conjunction with New Mexico State University (NMSU) to enhance accessibility of pharmacy education in southern New Mexico; to reduce the shortage of pharmacists in southern New Mexico; to serve the pharmaceutical care needs of underserved persons in southern New Mexico; and to increase the diversity of the pharmacy profession in southern New Mexico.

FISCAL IMPLICATIONS

The appropriation of \$516,300 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2008 shall revert to the general fund.

NMSU-CHSS reports that the request will provide funds to hire two new pharmacy faculty members, an administrative assistant and provide scholarship support for 10 students per year who would be admitted to a cooperative program where the admitted student would complete pre-pharmacy coursework (64 semester credit hours) at NMSU followed by four years of instruction at the UNM College of Pharmacy. The proposed budget is as follows:

Personnel	
--2 faculty	\$210,000
--1 staff	\$ 40,000
--fringe on these	\$ 66,250
Expenses	
--Materials and travel	\$ 20,000
--Equipment and supplies	\$ 30,000
--Scholarships	\$150,250
TOTAL:	\$516,300

The Dean of NMSU-CHSS writes:” I agree that the above budget is well balanced and am happy to see a significant increase in the scholarships for students (well above the proposal from last year.”

SIGNIFICANT ISSUES

Agency analysis received report that the UNM / NMSU Cooperative Pharmacy Program is designed to increase the number of pharmacy students from southern New Mexico and the number of pharmacists in the area. Southern New Mexico has a severe pharmacist shortage with 43 pharmacists per 100,000, or ½ the national average for the 19 counties south of Bernalillo.

Further, the reporting agencies submit:

Boards of Regents of New Mexico State University and the University of New Mexico have pledged cooperation on the pharmacy program and will work together to seek the funding from the 2007 legislature.

This request was not on the list of priority projects submitted by New Mexico State University to the New Mexico Higher Education Department for review and was not included in the Departmental funding recommendations for FY08.

OTHER SUBSTANTIVE ISSUES

In its analysis, UNM expresses concern over funding that might be generated through student credit production hours, namely:

The Cooperative Pharmacy Program will produce approximately 1,000 Student Credit Hours for the College of Pharmacy will generate approximately \$1,293,000 in new revenue. However, this estimated revenue will materialize *only* if UNM “breaks out of the band” for formula workload funding. The Cooperative Pharmacy Program revenue estimates are based on the 1000 new SCH that the program will produce. However, the funding base for UNM is over 600,000 SCH, requiring an overall gain of some 18,000 SCH to be eligible for new funding. UNM’s enrollment forecasts indicate relatively flat enrollments for the next 3-5 years.

PERFORMANCE IMPLICATIONS

This represents a targeted response to the well documented pharmacy shortage in the southern portion of New Mexico and the growing need for pharmacists with the Pharmacy Degree. This need for additional pharmacists, especially culturally appropriate ones, is particularly critical in the state's rural areas.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The needs of southern New Mexico citizens as perceived and documented by proponents of this bill will not be met.

LRB/csd