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FISCAL IMPACT REPORT

ORIGINAL DATE 02/16/09
LAST UPDATED 02/19/09 **HB** _____

SPONSOR Ortiz y Pino

SHORT TITLE UNM Student Career Advice **SB** 517

ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$1,500.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

Department of Finance and Administration (DFA)

No Responses Received From

University of New Mexico (UNM)

SUMMARY

Synopsis of Bill

Senate Bill 517 appropriates \$1,500,000 from the general fund to the Board of Regents of the University of New Mexico to enhance student success by providing academic and career advising.

FISCAL IMPLICATIONS

The appropriation of \$1,500,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2010 shall revert to the general fund.

SIGNIFICANT ISSUES

The HED states that this request was submitted by UNM to the HED for review, but is not recommended for funding for FY10, regardless of whether the State's fiscal picture improves. The LFC Appropriation Recommendations, Volume II, pages 364-365 states:

The committee has concerns about the growth of research and public service projects within the higher education budget, as well as the alignment of these projects with state goals and strategic plans. The committee also continues to have significant concerns about accountability and performance outcomes for these projects.

The committee recommendation reduces funding included in the HED request by varying levels from FY09 funding amounts for research projects, public service projects and P-20 pipeline projects focusing on students.

With respect to special projects, higher education institutions advanced 114 proposals for new projects and expansions at a total general fund cost of \$54 million during the HED budget request process in fall 2008.

According to the February 2009 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$575 million less than the FY09 appropriations before the 2009 solvency reductions. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

The Executive Budget in Brief notes that over the years more than 300 RPSPs have been created, accounting for a large portion of institution budgets. The current RPSPs were reviewed while considering the relevance of the project to the core mission of the institution, the community benefit and the outcomes associated with each project. (Budget in Brief and Policy Highlights, P 9-10.)

The DFA states that the appropriation would further strain the already limited General Fund resources available in FY10.

According to the HED the appropriation would help to fund the UNM Advising Initiative. The Initiative's main purpose is to enhance student success at UNM by providing a stable, central resource for critical academic and career advising. UNM reports that the Initiative will target 20 additional academic advisors to high demand programs, strengthen career advising resources in every college and school, foster training of student mentors, and increase the university's capacity to extend web-based advising services to all students at all UNM campuses.

GH/svb