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FISCAL IMPACT REPORT

ORIGINAL DATE 02/14/13

SPONSOR Steinborn/Soules LAST UPDATED _____ HJR 9

SHORT TITLE Board of Regents Qualifications, CA SB _____

ANALYST Hartzler-Toon

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	NFI	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$46.0	\$0.0	\$46.0		

(Parenthesis () Indicate Expenditure Decreases)

Relates to:

HJR 8, Board of Regents Nominating Committees, CA
SJR 7, Northern New Mexico State Student Regent, CA

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

No Response From

Any constitutionally-established college, university, or school

SUMMARY

Synopsis of Bill

House Joint Resolution 9 (HJR 9) amends Section 13, Article 12 of the Constitution pertaining to Board of Regents members. The joint resolution changes the number, qualifications, and terms of Board of Regents members for the University of New Mexico (UNM) and New Mexico State

House Joint Resolution 9 – Page 2

University (NMSU). The most significant changes include the shift from the governor appointing all regents with the consent of the senate to the public election of three regent positions for UNM and NMSU and adding a faculty member to the board. There are no changes proposed for the other institutions listed in Section 11, Article 12 of the Constitution. Changes are summarized below.

Institution	Section 13, Article 12	HJR 9 amendment to Section 13, Article 12
UNM	7 members total: <ul style="list-style-type: none"> • 6 qualified electors (no more than 4 from same political party) • 1 student Term: <ul style="list-style-type: none"> • 6 years, staggered • 2 years, student regent 	7 members total: <ul style="list-style-type: none"> • 3 members elected by qualified electors of each congressional district in a nonpartisan election • 2 members from county of main campus, appointed by governor and with advice and consent of senate • 1 student, appointed by other regents and with advice and consent of senate • 1 faculty member, appointed by other regents and advice and consent of senate Term: 4 years, staggered; 2 years for student
NMSU	5 members total: <ul style="list-style-type: none"> • 4 qualified electors (no more than 3 from same political party) • 1 student Term: <ul style="list-style-type: none"> • 6 years, staggered • 2 years, student regent 	7 members total: <ul style="list-style-type: none"> • 3 members elected by qualified electors of each congressional district in a nonpartisan election • 2 members from county of main campus, appointed by governor and with advice and consent of senate • 1 student, appointed by other regents and with advice and consent of senate • 1 faculty member, appointed by other regents and advice and consent of senate Term: 4 years, staggered; 2 years for student
All other institutions	5 members total: <ul style="list-style-type: none"> • 4 qualified electors • 1 student Term: <ul style="list-style-type: none"> • 6 years, staggered • 2 years, student regent 	No changes
Special schools	5 members total <ul style="list-style-type: none"> • 5 qualified electors Term: 6 years, staggered	No changes

FISCAL IMPLICATIONS

HJR 9 makes no appropriation.

The estimated additional operating budget impact of \$92 thousand reflects the experience of the Secretary of State’s Office for the cost of placing a constitutional amendment on an election ballot.

If the amendment is approved by voters, there would be recurring costs to the Secretary of State’s Office for the elections required by the amendment.

SIGNIFICANT ISSUES

The Higher Education Department observes that

Currently, appointments being made by the Governor require a balance of political party affiliation, which is removed by the resolution. Two regents at each institution would be limited to only coming from a single County, although these two institutions are considered state-wide institutions, with branches and other operating locations around the state.

This resolution would require one faculty member as a regent, which may result in conflicts of interest on many issues faced by regents.

No current non-partisan election is held based upon congressional districts and the Secretary of State would need to develop additions to the Election Code.

Many states elect governing members for college and university systems. HJR 9 models election legislation in other states. Currently, board members for independent community colleges are elected according to Section 21-13-8 NMSA 1978. Branch community colleges, whose parent institutions are constitutionally-created under Section 11, Article 12, may opt to have an elected branch community college board under Section 21-14-2.3 NMSA 1978.

PERFORMANCE IMPLICATIONS

It is unclear whether elected, appointed, or a combination of these selected regents leads to improved institutional governance or student performance. However, the Association of Governing Boards of Colleges and Universities recommends “best practices” for all board members, whether elected or appointed, to adopt to improve governance, public accountability, and student performance.

Further, the Council for the Advancement and Support of Education (CASE) supports the position that governing board members be able to help an institution achieve its financial goals. It is unclear whether an election process that limits the pool of eligible candidates based geography can provide the fundraising leadership demanded of institutions with national reputations.

RELATIONSHIP

HJR 9 relates to SJR 7, the Northern New Mexico State Student Regent constitutional amendment, and HJR 8, proposing a constitutional amendment regarding the creation of nominating committee/s for board of regent appointments.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The criteria for selecting, appointing, and approving regent nominees under Section 13, Article 12 of the Constitution will remain.

THT/svb