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FISCAL IMPACT REPORT

SPONSOR Sapien ORIGINAL DATE 1/30/16
 LAST UPDATED _____ HB _____

SHORT TITLE Study Different Higher Ed Governance SJM 11

ANALYST Dulany

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total			NFI			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

Responses Not Received From

Council of University Presidents

New Mexico Association of Community Colleges

New Mexico Independent Community Colleges

SUMMARY

Synopsis of Bill

Senate Joint Memorial 11 requests HED to study the costs and benefits of the current New Mexico higher education governance systems in comparison with other systems, including unitary and their variations. The joint memorial also asks institutional boards of regents and governing boards to assist HED in this study.

FISCAL IMPLICATIONS

HED does not indicate any additional operating budget impact.

SIGNIFICANT ISSUES

The request that HED study the costs and benefits of current state higher education governance systems is consistent with the department's statutory duties. The Post-Secondary Educational Planning Act, for example, requires the department to carry out a continuing program of

statewide planning for postsecondary education, including “the making of recommendations to appropriate state executive agencies and to the legislature regarding the legislation and the administrative actions necessary to implement a coordinated statewide system of post-secondary education”

HED notes New Mexico is the 36th largest state in the country by population with just over 2 million people and fewer than 350 thousand people between the ages of 18 to 30. To serve this population, New Mexico has three research universities, four comprehensive institutions, 10 branch community colleges, and seven independent community colleges. With the exception of the branch community colleges, each institution has its own governing board. Branch community colleges do have a board that serves in an advisory capacity to the board of regents of the parent institution, however.

HED points out other states, such as Florida and Tennessee, have fewer governing boards and larger populations. Specifically, Florida has a population of nearly 20 million but has a single statewide board of education with policy and budgetary authority for both four-year and two-year public institutions. Tennessee, with a population of 6.5 million, has two governance systems, according to HED.

The August 2010 LFC program evaluation found that “[r]elative to other states, New Mexico maintains a decentralized governance structure over its institutions of higher education.” The evaluation further notes:

“While there is no clear trend in how states choose to design their systems of governance, decentralization like other models has benefits and drawbacks. For example, independence of universities makes collaboration more important in order to avoid costly duplication and inefficient use of public funds. Conversely, however, institutional independence also creates challenges to ensure institutions respond to state needs and coordinate to avoid inefficient use of resources.”

TD/jo