

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the N.M. Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the N.M. Legislative Website ([www.nmlegis.gov](http://www.nmlegis.gov)).

## FISCAL IMPACT REPORT

SPONSOR Ortiz y Pino/Munoz/Hickey/ Cervantes ORIGINAL DATE 1/28/22 LAST UPDATED 2/4/2022 HB \_\_\_\_\_

SHORT TITLE UNM Health Sciences Center SB 119/aSHPAC

ANALYST Fischer

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY22	FY23		
	\$50,000.0	Nonrecurring	General Fund (Appropriation Contingency Fund)
	\$25,000.0	Recurring	General Fund (Appropriation Contingency Fund)

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriations in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Higher Education Department (HED)

University of New Mexico (UNM)

New Mexico State University (NMSU)

### SUMMARY

#### Synopsis of SHPAC Amendment

The Senate Health and Public Affairs amendment changes the appropriations in the bill from nonreverting to instead revert any unexpended or unencumbered balance on December 31, 2024. The amendment also makes technical changes, clarifying that the appropriations to New Mexico State University (NMSU) are for a program of public health at NMSU and not for the school of public health at the University of New Mexico.

Synopsis of Original Bill

Senate Bill 119 appropriates \$75 million from the appropriation contingency fund of the general fund to establish a school of public health at the University of New Mexico (UNM) Health Sciences Center in collaboration with New Mexico State University (NMSU). There is no effective date of this bill. It is assumed that the effective date is 90 days following adjournment of the Legislature.

**FISCAL IMPLICATIONS**

The appropriation of \$50 million contained in this bill to UNM to plan, design, construct, improve, renovate, furnish, and equip facilities for a school of public health is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining on December 31, 2024 shall revert to the appropriation contingency fund of the general fund.

The appropriations of \$20 million to UNM and \$5 million to NMSU contained in this bill for salaries, operational expenses, and program development for a school of public health at UNM are recurring expenses to the general fund. Any unexpended or unencumbered balance remaining on December 31, 2024 shall revert to the appropriations contingency fund of the general fund. Although Senate Bill 119 does not specify future appropriations, establishing a new faculty and programing creates an expectation that the program will continue in future fiscal years, therefore those costs are scored as recurring. UNM reports that it expects to make a \$4 million recurring request for the program beginning FY26.

The appropriations in Senate Bill 119 are from the appropriation contingency fund. Those funds are part of the state's allocation from the American Rescue Plan Act's state fiscal recovery fund. House Bill 2 as passed out of the House of Representatives already appropriates all of the \$1.07 billion state fiscal recovery funds. As such, those appropriations would need to be reduced by \$2.2 million if Senate Bill 119 passes.

**SIGNIFICANT ISSUES**

Senate Bill 119 provides appropriations that would provide initial funding for UNM's current College of Population Health (COPH) expanded and become New Mexico's only accredited school of public health. According to the Higher Education Department, there are currently 68 accredited schools of public health, some of which are located in neighboring states of Arizona, Colorado, Nevada, Oklahoma, and Texas.

Neither UNM nor NMSU submitted these requests to the LFC or the Higher Education Department for possible incorporation into either's higher education funding recommendation. LFC and the Higher Education Department have a formal process for reviewing earmarked budget requests for higher education institutions when developing each's budget recommendations.

The Higher Education Department and Department of Finance and Administration require all higher education institutions in the state to submit their capital project funding requests along with the update to the statewide Infrastructure Capital Improvement Plan by June 1 of each year. All institutions present their top priority projects at the department's capital outlay hearings which are held in late July and early August of each year. The Higher Education Department prioritizes the projects and submits a funding recommendation to DFA by October 15 of each year. This project

was not included in the FY23 statewide Infrastructure Capital Improvement Plan by UNM.

According to the Higher Education Department, UNM's current COPH is located in the Family Medicine Center on the UNM HSC campus. COPH has 25 faculty including adjunct faculty and 10 staff members. COPH offers a bachelor of science in population health, a minor in the same field, a master of public health degree, with a minor for various concentrations. The college graduates about 25 masters in public health annually. COPH conducts research and receives about \$4 million annually in direct research grants for its various research centers and research activities.

UNM has reported that the \$50 million appropriation would cover costs for a new, 98 thousand square foot building at a total cost of \$508 per square foot. While UNM reports that this proposed new building is a part of the university's master facilities plan, UNM enrollment has declined by over 20 percent in the last five years. Accordingly, the Higher Education Department has generally sought to avoid increases in state university footprints.

During the 2020 legislative session, UNM received \$30 million to plan, design, construct, furnish, and equip a nursing and population health building. This new facility was designed to provide efficient shared space to house all programs in one location and was geared for collaboration, shared services, and the creation of combined degrees to meet workforce demands. The FY23 LFC budget recommendation includes \$2.5 million in nonrecurring special appropriations to UNM to furnish further and build out a floor of this building. UNM now reports that after significant appropriations from the 2021 second special session and proposed in the LFC budget recommendation, the College of Nursing will need the entire building, leaving no expansion space for the COPH.

On the operations side, if passed, the appropriations in SB119 will support UNM in growing its COPH from 13 to 24 faculty and NMSU in growing its program from 13 to 21 faculty by FY26. The colleges expect combined undergraduate and graduate enrollment to double at UNM and increase by over 30 percent at NMSU.

**UNM/NMSU School of Public Health Partnership Outputs**

1	Output Description	FY22	FY26
2	<b>UNM</b>	<b>College of Population Health</b>	<b>School of Public Health</b>
3	Faculty (FTE)	13	24
4	Undergraduate Enrollment (Students)	102	320
5	Graduate Enrollment (Students)	78	250
6	Undergraduate Degrees Produced	38	130
7	Masters Degree Produced	31	100
8	Doctoral Degrees Produced	0	0*
9	<b>NMSU - Public Health Program</b>		
10	Faculty (FTE)	13	21
11	Undergraduate Enrollment (Students)	130	180
12	Graduate Enrollment (Students)	161	200
13	Undergraduate Degrees Produced	35	60-65
14	Masters Degree Produced	10-15	45
15	Doctoral Degrees Produced	0	0*

\*UNM: Admission of 5 doctoral students in FY23, increasing to 25 in future years.

NMSU: Admission of 5 to 7 doctoral students starting in FY23.

Source: UNM HSC

UNM also reported that the appropriations in Senate Bill 119 would allow the COPH to double their total research grants from \$4 million to \$8 million.

NMSU's public health department is currently collaborating with UNM on a new PhD public health program. This bill would likely enhance that collaboration through expanded course offerings, training initiatives, and public health research. In addition to serving an academic purpose, UNM reports that the new School of Public Health would serve the state by

- increasing surveillance of new and existing health care problems at a population level, including using clinical research;
- analyzing and understanding the state's diverse demographics and public health and health problems for planning, allocating resources, and implementation;
- improving data analytics on population health and clinical services through system-level evaluation of programs;
- developing state of the art information technology infrastructure for data acquisition, analysis, and evaluation;
- tracking and responding to illness patterns, new infectious disease outbreaks, new illnesses, health behaviors, violence, and disaster responses, etc.;
- addressing health disparities sooner to improve and promote health equity and improve outcomes related to the social determinants of health and social justice;
- increasing statewide public health partnerships with NMSU, all higher education institutions, Sandia/LANL, sovereign nations, counties, and local municipalities;
- training public health professionals to staff public agencies and departments, other state higher education institutions for fieldwork and research, as well as for private industry and not-for-profit organizations; and
- translate research discoveries to new innovations that will enhance our economic development through start-ups and funding from federal and other non-state sources.