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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/20/06  
 SPONSOR Jennings LAST UPDATED 2/9/06 HB \_\_\_\_\_  
 SHORT TITLE Additional Degree Programs at ENMU-Roswell SB 12/aSFC  
 ANALYST Earp

### APPROPRIATION (dollars in thousands)

| Appropriation |  | Recurring<br>or Non-Rec | Fund<br>Affected |
|---------------|--|-------------------------|------------------|
| FY06          | FY07   |                         |                  |
|               | None, but see "additional operating budget impact" section below |                         |                  |

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

|              | FY06 | FY07        | FY08        | 3 Year<br>Total Cost | Recurring<br>or Non-Rec | Fund<br>Affected |
|--------------|------|-------------|-------------|----------------------|-------------------------|------------------|
| <b>Total</b> |      | Substantial | Substantial | Substantial          | Recurring               | General<br>Fund  |

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Higher Education Department (HED)

Health Policy Commission (HPC)

Department of Health (DOH)

### SUMMARY

#### Synopsis of SFC Amendment

The Senate Finance Committee amendment to Senate Bill 12 removes the general fund appropriation. No other changes are noted from the implications of this bill as described in the original FIR.

Synopsis of Original Bill

Senate Bill 12 appropriates \$100,000 from the general fund to Eastern New Mexico University for the purpose of establishing programs at the Roswell branch campus that lead to a bachelor of aviation science degree and a bachelor of science degree in emergency medical services management.

**FISCAL IMPLICATIONS**

The appropriation of \$100,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

In addition to the appropriation contained in this bill, additional general fund resources would be generated for the institution in future years through the higher education funding formula based upon actual student credit hour enrollments in the proposed aviation maintenance and emergency medical services management bachelor's degree programs. No specific estimate of the future formula impact of the proposed programs has been provided as of this date; however, this impact would be substantial if the programs are successful.

**SIGNIFICANT ISSUES**

HED reports that the Emergency Medical Services Management program is a web-based program that is intended to be offered nationally. The Health Policy Commission reports that the seventeen Emergency Medical Services Management programs exist nationwide, and only three advertise distance education programs. If this legislation is enacted, this program would be the first located west of the Mississippi.

According to the Department of Health, the proposed Emergency Medical Services Management program would provide an expanded opportunity through web-based training for New Mexicans, regardless of location, to acquire Emergency Medical Services Management education. Availability of this program would potentially increase the EMS workforce, and may provide improved services and care to the entire State.

HED also reports that part of its role is to review new academic programs according to the following criteria: 1) that the program has gone through an internal review process and has been approved by the institution's board; 2) statement of purpose; 3) program description; 4) program requirements; 5) needs assessment; 6) critical issues in establishing or implementing the program; 7) partnerships/collaborations; 8) enrollment projections, marketing, recruitment; and 9) cost of the program including start-up and recurring funds. This bill would preempt all of the review processes associated with the creation of new bachelor's degree programs in New Mexico.

Additionally, HED indicates that it is committed to the adequate and equitable support of necessary instructional, student services, and academic support initiatives for all students in New Mexico. Activities to be funded in this proposal will be funded through the Instruction and General (I&G) higher education funding formula within the General Appropriation Act. Funding of a specific program without consideration of similar needs at all institutions could weaken the equitability and thus the integrity of the I&G formula.

## ADMINISTRATIVE IMPLICATIONS

Approval of this legislation would have administrative implications for multiple entities, including the ENMU-Roswell campus, the ENMU-Portales administration and Board of Regents, and the Higher Education Department. Given the legal and state policy issues associated with this proposal, these administrative impacts could be significant.

## CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This proposal relates to appropriations to ENMU-Roswell contained in the General Appropriation Act for Instruction and General purposes and the Aviation Maintenance program.

## OTHER SUBSTANTIVE ISSUES

This proposal raises the following significant issues:

1. The Branch Community College Act (Chapter 21, Article 14 NMSA) authorizes institutions such as the Roswell Branch Community College to offer the first two years of college education, and provides that the board of regents of the parent campus is to have full authority and responsibility in relation to all academic matters, as well as the course of study and program offered at the branch campus.
  - a. Is it intended that the parent campus (ENMU-Portales) offer the programs and award the degrees on the Roswell campus, or that the Roswell branch offer the programs and award the degrees? (The Branch Community College Act would need to be amended in order to provide authorization for Roswell to directly offer bachelors degree programs. Further, the regional accrediting body (North Central Association) would need to approve a change in institutional mission.
  - b. Have the proposed programs been requested through or endorsed by the Eastern New Mexico University Board of Regents, which is legally responsible for the academic offerings of the Roswell branch campus?
2. Legislation creating the Higher Education Department (Laws 2005, Chapter 289) provided new authority to the department concerning creation of new academic programs by state post-secondary institutions. The new statutory language in Section 21-1-26B reads as follows:

*“Effective July 1, 2005, all new state-funded baccalaureate, graduate and professional degree programs shall be offered by public four-year educational institutions and all new associate degree programs shall be offered by public post-secondary educational institutions after a timely and thorough consultation with and review by the department.”*

The Higher Education Department (HED) reports that the programs proposed in this legislation have not been submitted for review through the HED process.

## ALTERNATIVES

HED suggests that ENMU submit the two proposed bachelor’s degree programs to HED to undergo the review process for new academic program creation.

If line-item funding is approved for these new programs, it should be provided on a start-up basis

and phased-out within two to three years as resources are generated through the I&G formula. Such funding could better be provided through the Program Development Fund established for this purpose pursuant to Section 21-1-27.4 NMSA 1978.

DE/mt:yr