

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

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR Chasey/Keller ORIGINAL DATE 02/11/11
LAST UPDATED _____ HJM 34
SHORT TITLE Higher Education Interim Committee SB _____
ANALYST Haug

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		Moderate - See Narrative	Moderate - See Narrative			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

None

SUMMARY

Synopsis of Bill

House Joint Memorial 34 requests the creation of an interim Higher Education Committee by the Legislative Council. Its purpose would be to consult with the Higher Education Institutions and the Higher Education Department (HED) to advance the state higher education effort.

The higher education committee would be charged with examining/considering:

Opportunities to coordinate disciplines and degrees across institutional lines to assure adequate coverage of degree or program offerings by multiple institutions, particularly those in high demand and in burgeoning industries.

The impact of regional and national accreditation and professional standards on curriculum and graduation requirements and the relationships between state funding, institutional practices and students' perceptions of why students do not complete courses and programs.

Education outcomes and work force needs by economic and geographic sectors as well as the state's changing demographics and institutional statistics.

Faculty and staff compensation, including salaries and benefits, and academic and research recruitment and retention.

Funding adequacy and equity and resource allocation, including mission-differentiated higher education funding formulae.

Dedication of a revenue stream, similar to that provided for public education, to address the deferred maintenance condition of higher education.

FISCAL IMPLICATIONS

The Legislative Finance Committee budget recommendation for the Legislative Education Study Committee, a parallel interim committee for public school issues, is \$1,156,000 dollars for FY 12. While it is unlikely a new committee devoted to higher education issues would require this level of resources at start up, should the cost for even a minimalist staff to support the proposed committee be 25% of that for a long established committee, the cost would exceed \$250 thousand dollars.

SIGNIFICANT ISSUES

Article 12, Section 11 of the constitution of New Mexico specifies the state educational institutions, including the University of New Mexico, New Mexico Institute of Mining and Technology, New Mexico State University, Western New Mexico University, Eastern New Mexico University and New Mexico Highlands University. In addition to the universities and Northern New Mexico College, there are ten branch community colleges, seven independent community colleges and numerous instructional sites offering post-secondary courses.

The center on education and the workforce has determined that two-thirds of all American jobs will require some level of post-secondary education and one-third of all jobs will require a bachelor's, graduate or professional degree by 2018.

The fastest growing economies of the world sponsor graduate education and invest in university research programs.

The state has made access a priority through factors in the higher education funding formula, financial aid, distance education and learning centers.

Due to budget constraints, the state has reduced higher education funding while shifting a larger portion of the overall cost of higher education to students at high tuition institutions.

The continued expansion of developmental and remedial education consumes limited resources, restricting higher education opportunities.

New Mexico's economic, public safety and health interests are heavily dependent on the well-being of the state's higher education efforts.

The legislative education study committee is prohibited from studying higher education and making recommendations other than with respect to the training of certified teaching personnel.

The legislature recognizes the need to focus on higher education.