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FISCAL IMPACT REPORT

ORIGINAL DATE 3/4/19

SPONSOR SEC LAST UPDATED _____ HB _____

SHORT TITLE Higher Education Funding SB 667/SECS

ANALYST Valenzuela/Lobaugh

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY20	FY21		
\$3,681.0		Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB311, HB516.
Relates to Appropriations in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From
Higher Education Department (HED)

SUMMARY

Synopsis of Bill

The Senate Education Committee Substitute for Senate Bill 667 appropriates a total of \$3.7 million from the general fund to the Board of Regents of the University of New Mexico (UNM), the Board of Regents of New Mexico Highlands University (NMHU), and the Board of Regents of New Mexico State University (NMSU) for the purpose of supporting programs for American Indian students and researchers. Any unexpended or unencumbered balance remaining at the end of FY20 would revert to the general fund.

FISCAL IMPLICATIONS

The total appropriation of \$3.7 million contained in the bill is a recurring expense to the general fund. Any unexpended or unencumbered balances remaining at the end of FY20 would revert from UNM, NMHU, and NMSU to the general fund.

The bill earmarks the \$1.44 million appropriation to UNM for the following purposes:

- 1.) \$944 thousand to UNM for American Indian student services; and

- 2.) \$500 thousand to UNM for an American Indian language policy, research and teacher training center.

The bill earmarks the \$1.9 million appropriation to NMSU for the following purposes:

- 1.) \$625 thousand for the Ben Lujan leadership institute;
- 2.) \$775 thousand for the NMHU Center for Studies of Diverse Populations;
- 3.) \$250 thousand for the NMHU Native American Social Workers Institute; and
- 4.) \$250 thousand for American Indian student support services.

The bill earmarks the \$337 thousand appropriation to NMSU for American Indian programs in the NMSU college of education.

SIGNIFICANT ISSUES

On July 20, 2018, the 1st Judicial District Court issued an initial decision and order on the consolidated *Yazzie v. New Mexico* and *Martinez v. New Mexico* education sufficiency lawsuits, which found New Mexico's public education system failed to provide a sufficient education for at-risk, English language learner (ELL), Native American, and special education students. On December 20, 2018, the court issued its final findings and conclusions of law in the consolidated lawsuits. In both the initial decision and final findings, the court cited evidence highlighting areas where funding levels, financing methods, and department oversight were deficient.

The state Higher Education Department (HED) has a formal process for reviewing earmarked budget requests for higher education institutions when developing the department's higher education funding recommendation. Although UNM requested \$1.1 million in its FY20 budget request for minority student services, including \$400 thousand for Native American student recruitment and retention, UNM did not specifically request any additional appropriations.

In its budget request for FY20, NMHU included \$100 thousand for a Native American Social Work Institute and \$731.8 thousand for minority student services including the Ben Lujan Leadership Institute and the Center for Studies of Diverse Populations. The LFC budget recommendation for FY20 includes \$50 thousand for a Native American Social Work Institute and \$520.4 thousand for NMHU minority student services including the Ben Lujan Leadership Institute and the Center for Studies of Diverse Population.

NMSU requested, and the LFC FY20 budget recommendation includes, \$275.9 thousand for Native American student services.

TECHNICAL ISSUES

SB667/SECS would require UNM, NMHU, and NMSU to return any unexpended balances from the appropriations at the end of FY20 to the state general fund. However, HED reports that state appropriations to public higher education institutions do not typically revert back to the general fund.