

HOUSE BILL 327

**51ST LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2014**

INTRODUCED BY

Jimmie C. Hall

AN ACT

RELATING TO HIGHER EDUCATION; ENACTING THE HIGHER EDUCATION  
FINANCE ACT; PROVIDING FOR A UNIFORM FUNDING FORMULA FOR HIGHER  
EDUCATION INSTRUCTION AND GENERAL BUDGETS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. A new section of Chapter 21 NMSA 1978 is  
enacted to read:

"[NEW MATERIAL] SHORT TITLE.--This act may be cited as the  
"Higher Education Finance Act"."

SECTION 2. A new section of Chapter 21 NMSA 1978 is  
enacted to read:

"[NEW MATERIAL] DEFINITIONS.--As used in the Higher  
Education Finance Act:

A. "branch community college" means a branch  
community college of a state educational institution;

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1           B. "comprehensive institution" means eastern New  
2 Mexico university, western new Mexico university, New Mexico  
3 highlands university or northern New Mexico college;

4           C. "degree" includes a degree or certificate;

5           D. "department" means the higher education  
6 department;

7           E. "independent community college" means a  
8 community college or technical and vocational institute  
9 established pursuant to Chapter 21, Article 13 or 16 NMSA 1978,  
10 respectively;

11           F. "public post-secondary educational institution"  
12 means a branch community college, independent community  
13 college, comprehensive institution, research institution or  
14 state educational institution;

15           G. "research institution" means the university of  
16 New Mexico, New Mexico state university or New Mexico institute  
17 of mining and technology;

18           H. "state educational institution" means an  
19 institution of higher education enumerated in Article 12,  
20 Section 11 of the constitution of New Mexico; and

21           I. "unit" means the quantity chosen as a standard  
22 for uniformly calculating higher education instruction and  
23 general budgets."

24           **SECTION 3.** A new section of Chapter 21 NMSA 1978 is  
25 enacted to read:

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1           "[NEW MATERIAL] PUBLIC POST-SECONDARY EDUCATIONAL  
2 INSTITUTIONS--DATA FOR INSTRUCTION AND GENERAL BUDGETS.--For  
3 calculation of the annual instruction and general budget, each  
4 public post-secondary educational institution shall provide  
5 requisite data pursuant to an institutional finance schedule  
6 issued by the department. The data shall include financial,  
7 enrollment and performance data and any other data required by  
8 the department."

9           SECTION 4. A new section of Chapter 21 NMSA 1978 is  
10 enacted to read:

11           "[NEW MATERIAL] DEPARTMENT--UNITS--FUNDING FORMULA FOR  
12 ANNUAL INSTRUCTION AND GENERAL BUDGETS.--

13           A. Based on the availability of legislative  
14 appropriations and the data provided by each public post-  
15 secondary educational institution pursuant to Section 3 of the  
16 Higher Education Finance Act, the department shall annually  
17 determine a uniform dollar value per unit. The annual  
18 instruction and general budget shall be calculated upon the  
19 department's allocation of units for each public post-secondary  
20 educational institution. The maximum number of units allocable  
21 to a public post-secondary educational institution is one  
22 hundred. The minimum number of units allocable to a public  
23 post-secondary educational institution is twenty-five.

24           B. Units shall be allocated as follows:

25                   (1) a range of twenty to fifty units based on  
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1 the number of credits from courses in which students received a  
2 grade with adjustments within the unit range for the type and  
3 level of courses;

4 (2) a range of one to fifteen units based on  
5 the number and types of degrees awarded with adjustments within  
6 the unit range for:

7 (a) associate's or bachelor's degrees  
8 awarded in science, technology, engineering, mathematics or  
9 health science; and

10 (b) degrees awarded to students from  
11 financially at-risk populations;

12 (3) a range of one to ten units based on the  
13 number of dual credits awarded to a student who completed the  
14 course and received a grade;

15 (4) a range of one to ten units for a branch  
16 community college, independent community college, comprehensive  
17 institution or state educational institution based on the  
18 number of students who completed thirty or sixty course credits  
19 applicable toward a degree;

20 (5) a range of one to ten units for a research  
21 institution based on the amount of research funding attained  
22 from sources other than legislative appropriations; and

23 (6) a range of one to five units as the base  
24 amount to contribute toward the fixed costs of branch community  
25 colleges, independent community colleges, comprehensive

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1 institutions, state educational institutions and research  
2 institutions."

3 SECTION 5. A new section of Chapter 21 NMSA 1978 is  
4 enacted to read:

5 "[NEW MATERIAL] DEPARTMENT--RULES--REPORTING.--

6 A. By November 1, 2014, the department shall  
7 promulgate rules detailing the bases for calculating the annual  
8 instruction and general budget, including the rationales,  
9 policies and considerations for determining:

- 10 (1) the uniform dollar value per unit;
- 11 (2) the unit allocations pursuant to  
12 Subsection B of Section 4 of the Higher Education Finance Act;
- 13 (3) the adjustments to unit allocations  
14 pursuant to Subsection B of Section 4 of the Higher Education  
15 Finance Act; and
- 16 (4) the departures, if any, from adherence to  
17 the prescribed ranges in Subsection B of Section 4 of the  
18 Higher Education Finance Act or department rules.

19 B. By September 1, 2015, and September 1 of each  
20 subsequent year, the department shall provide and present to  
21 the legislative finance committee a report detailing for the  
22 prior academic year the uniform dollar value per unit and for  
23 each public post-secondary educational institution the:

- 24 (1) unit allocations;
- 25 (2) adjustments to unit allocations; and

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(3) departures, if any, from adherence to the prescribed ranges in Subsection B of Section 4 of the Higher Education Finance Act or department rules.

C. By January 15, 2016, and January 15 of each subsequent year, the department shall provide and present to the legislative finance committee a report detailing for the subsequent academic year the projected uniform dollar value per unit and for each public post-secondary educational institution the:

- (1) unit allocations;
- (2) adjustments to unit allocations; and
- (3) departures, if any, from adherence to the

prescribed ranges in Subsection B of Section 4 of the Higher Education Finance Act or department rules."