

LFC Requester:	Connor Jorgensen
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**AGENCY BILL ANALYSIS
2025 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:
Original **Amendment**
Correction **Substitute**

Date 2/25/25
Bill No: SB 492

Sponsor: Senator George Munoz
Short NM Online Hub
Title: _____

Agency Name and Code Number: New Mexico State University/954
Person Writing Sherry Kollmann
Phone: 505-239-8821 **Email** nmsufir@nmsu.edu

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		FY 28	Recurring or Nonrecurring	Fund Affected
FY26	FY27			
\$11,610,000	\$14,350,000	\$14,040,000	Nonrecurring	GRO

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
			Recurring	

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$0	\$0	\$0	\$0		

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: This bill would allow for participating 4-year institutions to scale their online offerings and to move away from utilizing out of state online program management (OPM) organizations through the development of a statewide online hub. Once this initial phase shows positive results, a second phase would launch.

FISCAL IMPLICATIONS

- Removal of redundant operations to serve online students creates efficiency of state resources.
- Establishing clear metrics and data outputs to foster a self-sustaining service hub for participating universities/colleges minimizes reoccurring financial asks to the legislature.
- Millions of tuition dollars are being spent to out-of-state online program management organizations, where these monies could be kept inside New Mexico.
- Due to the demographic cliff that has already reached our state, enrolling students from around the nation will help offset this continued birth rate decline. In addition, this will provide another revenue stream for participating institutions to help fund operational or capital expenses.
- Given the 24/7 support service of a learning management system in an online operation, institutions will then be able to receive higher point allocation on the US News and World Report, increasing the overall visibility of New Mexico and the enrollment of participating institutions.
- With participating institutions working together, it will not increase the marketing acquisition cost (MAC).
- The use of the same technology across multiple institutions will reduce the overall cost to each participating institution. Additionally, this will save money on implementing new technology as well as ensure full use and operationalization of it.

SIGNIFICANT ISSUES

- As the bill is currently written, NMSU is working to with the bill sponsor to remove the word “shall.” Once that verbiage is changed, institutions who are not interested in scaling their online offerings through this model would not be required to participate.
- If all 4-year public institutions were to participate, the \$40M allocation will not create a self-sustaining model. In this case, in FY27 there would be a clear forecast for the point in time in which the hub would become self-sustaining. As an example, the initiative to

scale online programs at NMSU provided a three-year time period to achieve a self-sustaining operation, which will begin in FY26. The ROI for FY26 is projected to be 15%.

PERFORMANCE IMPLICATIONS

- With agreed upon metrics between the hub and the participating institution, clear outcomes can be achieved. Metrics that would most likely be measured include:
 - Inquiry, Application, and Admissions goals
 - Includes conversion rates for each of these areas
 - Student Persistence
 - Student Retention
 - Turnaround time on student inquiries
 - Implementation of instructional design services
 - Implementation of faculty online training services
 - Implementation of drip campaign through CRM
 - Implement just-in-time Canvas support services.

- The hub will create an intentional focus on data and data reporting back to participating institutions, resulting in the ability to act quickly and efficiently to serve students. This level of actionable data has proven to increase persistence and retention.

ADMINISTRATIVE IMPLICATIONS

- Any academic aspect, including accreditation or NC-Sara is the responsibility of each institution and is not part of the online hub.
- Each participating institution will still follow their own internal processes for hiring faculty, course loads, and scheduling of online programmatic offerings.
- The learning management system (LMS) will reside within each participating institution.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

NMSU will act as the fiscal agent to the NM Online Hub. There will be specific personnel hired to assist with the efforts of each participating institution. The allocation will be used to scale participating institutions and does not include NMSU Global as a recipient. Each participating institution, whether that is just seeking marketing services or another institution who is seeking all services, the institutions will continue to have their own brand.

With the primary focus on recruiting out of state students, the initial focus is on 4-year public institutions. It is important to note that some of the 4-year institutions have branch campuses as part of their system, so collaboration will be necessary.

TECHNICAL ISSUES

- Each participating institution needs to be able to handle an increase in enrollments on their current systems.
- The personnel working in the hub, assigned to each institution, will need access to certain technologies to perform the services requested.

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

- The alternative to the \$40M appropriation would be to fund this initiative year by year

and add participating institutions one at a time.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

- Increased competition for the online market, which will result in higher marketing acquisition costs
- Spending state dollars to out-of-state online program management (OPM) organizations.
- Smaller institutions will have difficulty funding online services to compete in this market at the scale of larger institutions.
- Mega Universities are working tirelessly with exorbitant budgets to create new learning models every day to meet the needs of new generations, working together gives our institutions a chance to compete.

AMENDMENTS

- The word “shall” throughout the bill should be changed to “may.”
- It should be made clear in the title that New Mexico State is the fiscal agent that works in collaboration with the participating 4-year public institutions.
- Section 1 should be removed.