

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

FISCAL IMPACT REPORT

SPONSOR Sens. Ramos and Brantley/Reps. Terrazas, Jones, and Dow **LAST UPDATED** _____
ORIGINAL DATE 3/7/2025
BILL House Memorial
SHORT TITLE Responsible Higher Ed Spending **NUMBER** 33
ANALYST Jorgensen

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
HED	No fiscal impact	\$250.0	No fiscal impact	\$250.0	Nonrecurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From
Higher Education Department (HED)

SUMMARY

Synopsis of House Memorial 33

House Memorial 33 (HM33) requests the Higher Education Department to conduct a review of all education expenditures, procurement, and travel policies of all public higher education institutions.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

The review requested would require a significant investment of time and staff resources for the Higher Education Department (HED) and may require use of contractors to complete in a timely manner. There are 27 public higher education institutions and special schools that would be reviewed by the department. The cost of the review is unknown and the estimated cost is based on a contract that would likely require two full-time employees to conduct a year long review of all education spending, procurement, and travel policies.

SIGNIFICANT ISSUES

Review of all educational expenditures, procurement, and travel policies would be resource intensive. While all institutions are currently required to produce an annual audit as well as conform to federal financial reporting requirements, these reports may not satisfy the level of

detail HM33 seems to request.

HM 3 mentions tribally-controlled colleges. HED reports:

HED collaborates with each of these tribal colleges, none of which currently receive state general fund allocations - outside of the Tribal College Dual Credit Program - for fall under HED's governance. For example, Navajo Technical University (NTU) is governed by the Navajo Nation, while both Southwestern Indian Polytechnic Institute (SIPI) and the Institute of American Indian Arts (IAIA) operate under federal oversight through the Bureau of Indian Education (BIE). HED does not manage or monitor these institutions' procurement or travel policies.

CJ/rl/sgs