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## FISCAL IMPACT REPORT

<b>SPONSOR</b> <u>Senate Education Committee</u>	<b>LAST UPDATED</b> <u>2/4/2025</u>
	<b>ORIGINAL DATE</b> <u>1/27/2025</u>
	<b>BILL</b> <u>CS/Senate Bill</u>
<b>SHORT TITLE</b> <u>Board of Regents Training Requirements</u>	<b>NUMBER</b> <u>19/SECS</u>
	<b>ANALYST</b> <u>Jorgensen</u>

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>HED</b>	No fiscal impact	Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal	Recurring	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)  
 New Mexico Independent Community Colleges (NMICC)  
 University of New Mexico (UNM)

## SUMMARY

### Synopsis of SEC Substitute for Senate Bill 19

The Senate Education Committee substitute for Senate Bill 19 (SB19) requires the Higher Education Department (HED) to develop and provide 10 hours of training to regents at all New Mexico postsecondary education institutions in the first six months of their term. Regents who have at least one year left in their term as of the effective date of the bill must also take the prescribed training. The training includes:

- Two hours covering the New Mexico Constitution and state statute pertaining to post-secondary education;
- Two hours on financial management, budgeting, and fiduciary duties;
- Two hours on student success and student support services;
- Two hours on institutional governance, innovation, best practices, and available federal, state, and nongovernmental resources to assist the boards of regents; and
- Two hours on ethics and state statutes related to ethics oversight and public accountability to include the procurement code, open meetings act, and the inspection of public records act.

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**

HED states the department “would need to develop a series of eLearning modules in cooperation with subject matter experts and instructional designers or develop in-person training retreats for boards of regents across the state.” There will likely be a one-time cost related to the development of a training curriculum and regular costs of conducting the training. No cost estimate was provided, and the bill contains no appropriation so that any new costs would be absorbed by the HED operating budget. However, HED already offers some training to boards of regents. Therefore, the estimated additional cost is noted as indeterminate but minimal.

## **SIGNIFICANT ISSUES**

HED reports training offered to regents through the department “currently covers fiduciary responsibilities, legal responsibilities—including state and federal law—and oversight of tuition, fees, and programs. Training also includes the role of HED as an executive and oversight agency. Current training is offered periodically or upon request.”

The University of New Mexico notes that current policy provides “highly substantive training and orientation to all new members of the Board of Regents and by making available to all members of the Board of Regents training provided by one of the leading national organizations on good governance practices, the Association of Governing Boards of Universities and Colleges.”

## **ADMINISTRATIVE IMPLICATIONS**

HED will need to reassess current training to incorporate the required time and completion of trainings noted within SB19. Further, individual boards of regents may need to schedule additional meetings to conduct the required training.

## **OTHER SUBSTANTIVE ISSUES**

SB19 appears to build on the requirement for HED to provide orientation programs for regents established under section 21-1-26(A)(3), which requires the department to “develop and maintain programs, on a regular basis, for the orientation and in-service education of members of the boards of regents of the various educational institutions designated in Article 12, Section 11 of the constitution of New Mexico and the governing bodies of other public post-secondary educational institutions in the state.”

CJ/rl/hg