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FISCAL IMPACT REPORT

SPONSOR: Lujan DATE TYPED: 03/09/01 HB HM 16
 SHORT TITLE: House Support for NM Virtual College SB _____
 ANALYST: Wilson

APPROPRIATION

| Appropriation Contained | | Estimated Additional Impact | | Recurring or Non-Rec | Fund Affected |
|-------------------------|------|-----------------------------|------|----------------------|---------------|
| FY01 | FY02 | FY01 | FY02 | | |
| | | See Narrative | | | |

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Commission on Higher Education (CHE)

SUMMARY

Synopsis of Bill

House Memorial 16 states the House of Representatives of the State of New Mexico's support for the development of the New Mexico Virtual College.

Significant Issues

During the Fall of 2000 a series of statewide meetings was held by the higher education community to discuss the merits of collaborative efforts to establish a New Mexico Virtual College (NMVC). All institutions were invited to participate in these meetings which were held in Farmington, Albuquerque and Santa Fe. The result was a commitment by representatives of some of the participating institutions to initiate the development of a detailed planning proposal for the establishment of the NMVC.

The New Mexico Commission on Higher Education has heard several presentations about these institutional efforts to develop the NMVC concept. However, a specific proposal has not been submitted to the CHE for review.

Increasing the use of electronic delivery modes for post-secondary instruction and programs has the potential to provide substantial benefits to individual citizens in New Mexico, as well as the state. A coordinated virtual college initiative will facilitate the sharing of resources, promote efficiencies and reduce duplication of effort, as well as reduce the need for new campuses and new construction on existing campuses.

FISCAL IMPLICATIONS

House Memorial 16 relates to Senate Bill 663, that appropriates \$500,000 to the New Mexico Commission on Higher Education (CHE) to continue development of the New Mexico Virtual College at New Mexico Junior College in Hobbs.

ADMINISTRATIVE IMPLICATIONS

The staffs of the various institutions of higher education in New Mexico will have to spend time to implement the virtual college.

COMPANIONSHIP

SB 663, NM Junior College's Virtual College

OTHER SUBSTANTIVE ISSUES

This New Mexico Virtual College initiative is proposed as a multi-institutional collaborative approach using cost-sharing to address the increasing demands on higher education from a market-driven, student/consumer perspective. The CHE has long been supportive of these goals as well as strategies that will position New Mexico's colleges and universities to be active and effective participants in the global economy.

Networked environments continue to transform the means and manner of doing business in all sectors of the economy. Traditional methods and models are being challenged, as well as perspectives on market and mission. New Mexico's economic strength is directly linked to its response to these changes, and, in particular, how the education enterprise meets this challenge. The ability of our universities to generate high quality research that can drive society forward, and the ability of our colleges and universities to train and educate the workforce to utilize these new ideas will have a significant impact on the state.

Nationally, strong growth is predicted in demand for post-secondary education. An increasing percentage of that demand, however, will be from non-traditional segments of the student population. That is, older students with family and work commitments; those with a strong desire and need for flexibility and current work skills. Increased competition is also a growing reality that faces post-secondary education. Providers now include private and non-local institutions delivering instruction via the Internet and the World Wide Web, publishers, and other corporate units. New Mexicans have an increasing number of options for acquiring education and training. The growing use of Web-based instruction by students on- and off-campus has created an environment in which learning is increasingly location-independent.

DW/ar