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## FISCAL IMPACT REPORT



SPONSOR: Varela DATE TYPED: 02/08/02 HB 409

SHORT TITLE: Higher Education Technology Fund SB \_\_\_\_\_

ANALYST: Fernandez

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
	\$500.0			Non-Recurring	General fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to HB248, SB257 and HCOR959

### SOURCES OF INFORMATION

Commission on Higher Education (CHE)

### SUMMARY

#### Synopsis of Bill

House Bill 409 appropriates \$500.0 from the general fund to the higher education technology fund, administered by CHE, to support the development of a New Mexico virtual college. This bill also changes the name of the "Extended Learning Fund" to the Higher Education Technology Fund", removes the requirement to fund extended learning pilot program and expands the purpose of the fund to include information technology projects.

#### Significant Issues

CHE presents the following information:

The Extended Learning Fund was created in 1995 for distance education project funding but never received an appropriation. Since then it has become apparent that it is essential for higher education institutions to invest in technology for many purposes, such as administrative systems, infrastructure upgrades and replacement, and other types of projects. The changes proposed by House Bill 409 will enable the New Mexico Commission on Higher Education (CHE) to use the fund for the

annual information technology project funding recommendations and creates the ability to provide start-up funds for all types of information technology needs at our colleges and universities.

Addressing a specific significant need identified by the CHE, the New Mexico Virtual College (NMVC) will use current and emerging technologies to facilitate access to higher education through collaboration among member institutions. Resource sharing will enable the NMVC to reduce duplication of effort while providing learning opportunities to all New Mexicans regardless of location. The NMVC is not expected to grant degrees; using a "home/provider" model, it will serve instead as a single point of contact for students to enroll in courses from one or more institutions and to receive a degree from the "home" member institution.

This proposal was included in the New Mexico Association of Community College's funding requests for FY 2002-03, submitted for review as part of the New Mexico Commission on Higher Education's Information Technology Projects process. This year the CHE received 21 requests for funding; a total of approximately \$7.3 million. This request, for \$520,000, was ranked as the CHE's second priority of 15 projects. Funding for \$500,000 was recommended, to be awarded through the Commission's statewide Extended Learning Fund - proposed to be renamed as the Higher Education Technology Fund by HB 409.

#### **FISCAL IMPLICATIONS**

The appropriation of \$500.0 contained in this bill is a non-recurring expense to the general fund for expenditure in fiscal year 2003 and subsequent fiscal years. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

#### **CONFLICT/DUPLICATION/COMPANIONSHIP/RELATIONSHIP**

Relates to HB248 and SB257. Both bills appropriate \$500.0 to CHE for the purpose of funding New Mexico Virtual College.

**CTF/njw**