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FISCAL IMPACT REPORT

SPONSOR Kernan DATE TYPED 02/19/05 HB _____

ENMU HOBBS GRADUATE EDUCATION

SHORT TITLE CENTER SB 725

ANALYST Williams

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$85.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB 610 and HB 405 to elevate the Eastern New Mexico University off-campus instruction program in Ruidoso to branch campus status

SOURCES OF INFORMATION

LFC Files

Commission on Higher Education (CHE)

SUMMARY

Synopsis of Bill

Senate Bill 725 appropriates \$85 thousand from the general fund to the board of regents of Eastern New Mexico University (ENMU) for operational costs of the Hobbs center for graduate education.

Significant Issues

CHE notes the program offered at this location is for teachers. Funding would hire 1.75 FTE.

FISCAL IMPLICATIONS

The appropriation of \$85 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 would revert to the general fund.

OTHER SUBSTANTIVE ISSUES

CHE notes this request was not included in the priority projects for ENMU through the commission's funding request cycle.

New degree programs offered by the state's public post-secondary institutions are typically funded through the higher education funding formula. Activities to be funded in this proposal are operational costs for the implementation of a new degree program and will generate revenue from the instruction and general (I&G) higher education funding formula within the General Appropriation Act when students begin enrolling in the program.

ALTERNATIVES

The legislature may wish to consider the following amendment:

As student credit hours are generated for the proposed degree program, the program will begin to generate funding through the higher education instruction and general funding formula. The start up funding of the program should be reduced by the same amount of funding generated by the higher education instruction and general funding formula.

POSSIBLE QUESTIONS

1. Is the program consistent with the institution's strategic plan and mission?
2. How many students are enrolled in the program?
3. Why is formula funding, tuition and other revenues insufficient to address program costs?
4. Are persistence and graduation rates for students enrolled in the program available?
5. What are the potential career implications for students completing the program?

AW/njw