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FISCAL IMPACT REPORT

ORIGINAL DATE 1/29/09

SPONSOR Vigil LAST UPDATED _____ HB 214

SHORT TITLE NMHU Ben Lujan Leadership Institute SB _____

ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$500.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

Public Education Department (PED)

New Mexico Highlands University (NMHU)

SUMMARY

Synopsis of Bill

House Bill 214 appropriates \$500.0 from the general fund to the Board of Regents of New Mexico Highlands University for the Ben Lujan Leadership And Public Policy Institute to continue collaborative programs, to explore New Mexico policy issues and to develop a curriculum for use by New Mexico schools dealing with youth entrepreneurship.

FISCAL IMPLICATIONS

The appropriation of \$500.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2010 shall revert to the general fund.

SIGNIFICANT ISSUES

The HED states that this request was submitted by NMHU to the HED for review. HB214 represents an increase of \$249,800 to the existing recurring General Fund appropriation of \$250,200. The Department would have a neutral recommendation for this project for FY10, if the State's fiscal picture improves.

The LFC Appropriation Recommendations, Volume II, pages 364-365 states:

The committee has concerns about the growth of research and public service projects within the higher education budget, as well as the alignment of these projects with state goals and strategic plans. The committee also continues to have significant concerns about accountability and performance outcomes for these projects.

The committee recommendation reduces funding included in the HED request by varying levels from FY09 funding amounts for research projects, public service projects and P-20 pipeline projects focusing on students.

With respect to special projects, higher education institutions advanced 114 proposals for new projects and expansions at a total general fund cost of \$54 million during the HED budget request process in fall 2008.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

The Executive Budget in Brief notes that over the years more than 300 RPSPs have been created, accounting for a large portion of institution budgets. The current RPSPs were reviewed while considering the relevance of the project to the core mission of the institution, the community benefit and the outcomes associated with each project. (Budget in Brief and Policy Highlights, P 9-10.)

The NMHU states that the Ben Lujan Leadership and Public Policy Institute (BLLPPI) was created to assist in shaping public policy throughout New Mexico at many levels. Among those areas targeted are: health care, nutrition, parent and community engagement, substance abuse, and PreK-20 education. The institute bridges the gap between academic scholarship and policy development through its service to public and private sector clients and through its independent research agenda focused on New Mexico's needs. The BLLPPI has also expanded its mission to focus on helping develop a new generation of emerging leaders. All of this is accomplished by creating a series of collaborative opportunities for participation by students and other activities such as seminars, focus groups, research projects, service learning projects, leadership camps, program evaluation, and public outreach.

The PED notes that there are no performance implications to the PED.

GH/svb