

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

ORIGINAL DATE 02/13/09

SPONSOR Picraux LAST UPDATED \_\_\_\_\_ HB 224

SHORT TITLE Increase UNM Nurse Admissions SB \_\_\_\_\_

ANALYST Haug

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$775.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Higher Education Department (HED)  
Health Policy Commission (HPC)  
Department of Health (DOH)

#### Responses Not Received From

University of New Mexico (UNM)

### SUMMARY

#### Synopsis of Bill

House Bill 224 appropriates \$775.0 from the general fund to the Board of Regents of the University of New Mexico to increase the number of admissions for the bachelor of science in nursing program.

### FISCAL IMPLICATIONS

The appropriation of \$775.0 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 a request was submitted by UNM in the amount of \$775,000 to the HED for review but was not recommended for any additional funding at this time. The Department would not oppose the appropriation 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 HPC notes that New Mexico is facing a major shortage of medical professionals, especially nurses.

The DOH states that the nursing program expansion proposed under HB224 is supported by the recommendations of several past reports and assessments, including: 1) Senate Joint Memorial 37 of the 2005 Legislature, which requested a study of the impact of nurse staffing and retention issues on workforce development; and 2) House Memorial 17 of the 2007 Legislature, which requested recommendations to increase nurse recruitment and retention in New Mexico hospitals. Both of these memorial studies emphasized the critical nature of the nursing shortage in New Mexico, and recommended expansion of in-state nursing education.

GH/svb