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FISCAL IMPACT REPORT

SPONSOR Hamilton **ORIGINAL DATE** 2/4/09
LAST UPDATED _____ **HB** 450
SHORT TITLE WNMU Early Childhood Program **SB** _____
ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$265.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

SUMMARY

Synopsis of Bill

House Bill 450 appropriates \$265.0, with the emergency clause, from the general fund to the Board of Regents of Western New Mexico University to fund early childhood program needs.

FISCAL IMPLICATIONS

The appropriation of \$265.0 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

A proposal was submitted by WNMU to the HED for review in the amount of \$56,500 for the Child Development Center. The Department would not oppose this project's funding for FY10, as submitted in WNMU's proposal to NMHED, if the State's fiscal picture improves.

The appropriation amount contained in HB450 differs from WNMU's request by adding an additional \$208,500. In FY08 WNMU received \$588,200 in recurring funds for the Child Development Center. Approval of HB450 would increase recurring funding to \$853,200.

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 HED states:

According to Sheri Bays, VP of Business Affairs at WNMU, the bill does not mirror image the Research and Public Service Projects request that was submitted to the New Mexico Higher Education Department because the increase was a result of the projected cuts included in both the Executive and Legislative recommendations going into the session. With the scaling back of operations by the mining industry in the area, the southwest part of the state has experienced significant layoffs. Many of those impacted by the layoff would like to attend the university to further their education and being able to accommodate child care needs is essential.

According to Terry Anderson, Assistant Dean of Early Childhood Programs, the Early Childhood programs have proven extremely beneficial to the students and workforce in our community. Continuation of this program allows for quality child care and provider training. The programs have been successful in serving our diverse population and in focusing on retention of students. Families have achieved post-secondary educational goals as a result.

GH/mc