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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/12/09

SPONSOR Alcon LAST UPDATED \_\_\_\_\_ HB 665

SHORT TITLE Cibola Allied Health Care Opportunities SB \_\_\_\_\_

ANALYST Haug

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$50.0	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 State University (NMSU)  
 Department of Finance and Administration (DFA)  
 Department of Health (DOH)

### SUMMARY

#### Synopsis of Bill

House Bill 665 appropriates \$50.0 from the general fund to the Board of Regents of New Mexico State University for the Grants campus to start and expand opportunities in rural health care through emergency medical technology or paramedic programs as well as building pathways for dual-enrollment students into health care programs. The associate degree in the allied health emergency management technician program from the Grants campus will prepare students to be technologists in health care organizations and for baccalaureate degree programs at four-year colleges and will prepare them for employment in rural health care systems.

### FISCAL IMPLICATIONS

The appropriation of \$50.0 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.

The DFA comments that the \$50.0 appropriation would further strain the already limited General Fund resources available in FY10.

## **SIGNIFICANT ISSUES**

The HED states that this request was submitted by NMSU to the HED for review. The Department would not oppose funding for this project for FY10, if the State's fiscal outlook 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.)

NMSU states that NMSU-Grants Fall 2007 to Fall 2008 enrollment experienced a 45% increase in student enrollment; a significant percentage increase. NMSU-Grants lead the NMSU campuses (NMSU/Dona Ana/NMSU-Alamogordo and NMSU-Carlsbad) in enrollment percentage growth. Our current 'academic program' of highest student enrollment is the Associate of Science (AS) degree; overtaking Teacher Education for the first time. We believe this is primarily due to the interest in the Bachelor of Science in Nursing Program delivery on our Grants campus. Students must obtain an AS degree to meet the pre-requisite academic requirements to be admitted to the BSN Program. Our significant enrollment growth in 2008 shows that the Allied Health professions are 'flagship' programs to enrollment growth, even in a rural community college setting. Nursing Programs across the state also have waiting lists; as such there is great local interest in our ability to provide BSN program via a combination of distance education/on-site clinical experiences.

The HED notes that No other sources of funds are currently available for startup funding of new academic programs for NMSU-Grants. The higher education formula in New Mexico is based on students in the pipeline and does not provide startup support for the development of new academic programs that have yet to develop a student following. The request in HB665 is for startup funding which will enable an Allied Health faculty hire to build student enrollment. Once students are enrolled in the program ensuing funding from the higher education funding formula based on student enrollment allows for institutionalization of the program expenses.

The DOH comments that the NMSU Grants campus serves the population of Cibola County, a large, rural county with a population of about 26,000. Residences are spread out and personal transportation is limited for some families. The ambulance service from Grants and the county's volunteer fire department rescue services serve as a critical safety net for both residents and tourists. Many of the EMS services are located in frontier and rural portions of Cibola County, and many have a difficult time finding adequately educated personnel to staff their service. Similarly, individuals with a desire to serve their rural communities have difficulty finding educational opportunities that are close to their home and affordably priced. This program has the potential of addressing both issues, providing educational opportunities in an underserved area for those who can then serve their community as Emergency Medical Technicians.

The PED notes that if passed, HB 665 has the potential to address performance outcomes related to high school graduates who take remedial courses in higher education at two-year and four-year colleges; future cohort graduation rates using a four-year cumulative method; and the PED's goal to *Ensure students graduate from high school better prepared to succeed in postsecondary education and the world of work* and the state goal to *Increase academic excellence and student achievement*.

GH/svb