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FISCAL IMPACT REPORT

ORIGINAL DATE 2/20/2015
SPONSOR Salazar, T. **LAST UPDATED** _____ **HB** 437

SHORT TITLE UNM Info Tech Training & Software Upgrades **SB** _____

ANALYST Hartzler

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	\$2,000.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$2,000.0	\$0	\$2,000.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

SUMMARY

Synopsis of Bill

House Bill 437 appropriates \$2 million from the general fund to the University of New Mexico to fund the cost of statewide information technology training, consultation services, and software upgrades relating to business management software products used at state higher education institutions. The appropriation could be used in FY16 and future years.

FISCAL IMPLICATIONS

The appropriation of \$2 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

The Council of University Presidents (CUP) presented a \$2 million nonrecurring general fund request at the LFC's December 2014 FY16 budget hearings and also during the House Appropriation and Finance and Senate Finance Committee hearings this session. Funding would be used to (2) support upgrades to the Banner system used at nearly all higher education institutions and Jenzabar system used at two institutions and (2) training for staff on the upgraded software programs. The New Mexico Enterprise Application Consortium, comprised of higher education institution information technology staff and others, presented a budget detailing \$1.38 million for various programming and institution-specific training, \$600 thousand for consulting costs at individual campuses, and travel expenses. The project timeline for the appropriation:

August 2015: meet with stakeholders to determine module and consultation prioritization
September 2015 -- June 2017: sponsor training and develop material for knowledge sharing and complete Enterprise architecture guidance
December 2016 – January 2017: complete consultation and finalize training report

HED summarized the Banner and business management software programming.

Banner is an administrative software application developed specifically for higher education institutions by Systems and Computer Technology Corporation (SCT). Banner maintains student, alumni, financial and personnel data. It consists of six integrated systems: Finance, General, Alumni Development, Student, Financial Aid, and Human Resources.

The systems are highly integrated because they all share a common database. The Banner software acts as an interface to the database. Banner provides the features and processing capabilities needed for student information (admissions, registration, etc.), alumni information (sponsor identification, campaign management, etc.), human resources information (employee benefits, salary/deduction history, etc.), financial aid information (needs analysis, packaging, etc.) and finance information (general ledger, accounts payable, accounts receivable, etc.).

Because of the common database, multiple departments at an institution may use the information entered into Banner. Though information on Banner is shared, many users are allowed only to look up (query) specific information.

SIGNIFICANT ISSUES

With the state's focus on institutional performance and improving student performance, institutions are using data and information systems in more comprehensive ways. A recent report from Columbia Teachers College recommended states using outcomes-based funding models should target state resources by helping institutions (1) improve information technology (IT) capacity by providing funding to institutions to bolster IT resources and (2) improve institutional research capacity and provide training for institutional researchers, faculty, and staff.

PERFORMANCE MEASURES

HB 437 does not include performance measures. The bill could be amended to require UNM to report to the LFC or Science, Technology and Telecommunications Interim Committee on progress implementing the plan and training schedule and resulting benefits.

ADMINISTRATIVE IMPLICATIONS

While the appropriation in HB 437 is for UNM, the university would serve as the fiscal agent for a statewide, coordinated purchasing and training plan.

TH/je/aml