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## FISCAL IMPACT REPORT

**ORIGINAL DATE** 1/25/2015  
**SPONSOR** McSorley **LAST UPDATED** \_\_\_\_\_ **HB** \_\_\_\_\_

**SHORT TITLE** UNM & NMSU Student Global Competitiveness **SB** 64

**ANALYST** Hartzler

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	\$500.0	Recurring	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
<b>Total</b>		\$500.0	\$500.0	\$1,000.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act, Section 4J, Higher Education, University of New Mexico, Research and Public Service Projects; New Mexico State University, Research and Public Service Projects

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Higher Education Department (HED)  
 University of New Mexico (UNM)  
 New Mexico State University (NMSU)

### SUMMARY

#### Synopsis of Bill

Senate Bill 64 (SB 64) appropriates \$250 thousand in general fund appropriations to the University of New Mexico's (UNM's) global education office and \$250 thousand in general fund appropriations to New Mexico State University's (NMSU's) global education office. For both programs, funds are designated to support study abroad opportunities for students attending all of New Mexico's four-year, two-year, and tribal colleges.

## **FISCAL IMPLICATIONS**

The appropriation of \$500 thousand contained in this bill is a recurring expense to the general fund. As stated in the bill, any unexpended or unencumbered balance remaining at the end of FY16 shall revert to the general fund. However, should the appropriation be included in Section 4 of the General Appropriation Act as a line-item to each institution, the funds would not revert to the general fund.

While both institutions support global education offices, the offices would have to expand current programming, negotiate academic and other agreements with state and tribal institutions, and coordinate student records from other institutions, among other administrative tasks. It is unclear whether existing institutional and other revenues could support these additional efforts or some amount of the \$500 thousand general fund appropriation would be used to expand existing study abroad efforts and programming.

During the FY16 budget process, NMSU requested funds for this effort, UNM did not request funding for this effort, and the Higher Education Department (HED) requested funding for a related study abroad effort. For FY16, the HED did not request, nor did the LFC or Executive recommend, general fund support for these initiatives.

## **SIGNIFICANT ISSUES**

Both UNM and NMSU cite studies that students who participate in study abroad programs demonstrate

- increased leadership skills
- improved academic performance and stronger critical thinking skills
- experience higher rates of graduation than traditional students
- are more competitive in the local and global workforce
- apply knowledge and global awareness to transform local communities through research, service, or entrepreneurial activities.

New Mexico ranks 48<sup>th</sup> in the percentage of postsecondary students who participate in study abroad programs, and both UNM and NMSU report that lack of financial support is the leading reason why students do not consider these opportunities.

## **PERFORMANCE IMPLICATIONS**

The institutions did not provide performance measures. If funded, the institutions and program would be required to provide measures and targets as part of HED's regular budget process.

## **ADMINISTRATIVE IMPLICATIONS**

HED notes that the bill lacks distribution guidelines, so it is unclear how and how much each of the state's 25 public institutions and 4 tribal colleges would receive towards student scholarships. The bill does not restrict the use of funds, whether funds can only be used for tuition, fees, books, travel or other purposes. The bill is silent on how students would be selected to participate in the program. Both UNM and NMSU have broad discretion to coordinate and

implement programs consistent with the bill.

NMSU observes that “the administrative implications of SB64 will involve collaboration across New Mexico Institutions of Higher Education (IHE) in the following areas:

- Determining precisely how SB64 funding will be allocated as scholarships to students from across the state that choose to participate in a study abroad program managed by NMSU or UNM.
- Determining the process by which students from NM IHE’s that wish to study abroad are admitted into programs and the sponsoring university.
- Determining the best means to promote study abroad opportunities across the state.
- In collaboration with participating IHE’s, determining the process by which students transfer credit for study abroad back to their home institution.
- Determining the process by which students utilize existing financial aid to assist with the costs of participating in a summer, semester or academic year abroad.
- Coordinating student records across many institutional systems.

It is unclear whether the full \$500 thousand general fund appropriation could be expended in FY16 given the administrative hurdles described above.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Senate Bill 64 relates to the research and public service projects line-items for NMSU and UNM in the General Appropriation Act.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

New Mexico’s college students will not have additional opportunities or state-funded scholarships to study abroad, thus, limiting their competitiveness in the global workforce and marketplace.

TH/aml