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## FISCAL IMPACT REPORT

SPONSOR Rodriguez ORIGINAL DATE 2/25/2015  
LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Community College Board Member Employment SB 462

ANALYST \_\_\_\_\_

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		NFI				

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Higher Education Department (HED)

New Mexico Independent Community Colleges (NMICC)

### SUMMARY

#### Synopsis of Bill

Senate Bill 462 amends Section 21-13-8 NMSA 1978 to prohibit college employees from serving on that college's governing board.

### FISCAL IMPLICATIONS

SB 462 poses no fiscal implication to the state.

### SIGNIFICANT ISSUES

NMICC notes that "multiple conflicts of interest" that arise from employees serving on their employer's governing board, particularly during times requiring board action on employee contracts, compensation matters, and workload allocations. Further, having an institution's executive be accountable to an employee, among others on the governing board, could compromise productivity, fair pay, equal expectations among employees, and other issues.

## **ADMINISTRATIVE IMPLICATIONS**

HED observed that the bill will cause the college to spend more time to research and document whether board members are or are not institutional employees.

## **TECHNICAL ISSUES**

HED noted that the bill may prohibit students participating in work-study programs to serve on governing boards.

In addition, the bill only prohibits employees of community colleges, organized under Section 21-13-8 NMSA 1978, from serving on boards. Other statutes relating to college governance, including Sections 21-14-2.1 (pertaining to branch community college board membership) and 21-16-5.1 (pertaining to board qualifications for career and technical institutions) NMSA 1978, are not affected by this bill. The bill sponsor may want to extend this provision to other public two-year institutions.

## **POSSIBLE QUESTIONS**

- What are the “best practices,” if any, for including an employee, particularly faculty, on institutional governing boards?
- Do institutions have employees participate on governing boards in ways other than being elected members?

TH/aml/bb