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FISCAL IMPACT REPORT

SPONSOR Martinez/Cisneros **ORIGINAL DATE** 2/12/19
LAST UPDATED 2/27/19 **HB** _____
SHORT TITLE Northern NM College Branch College **SB** 431/aSFC
ANALYST Hawker

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		Indeterminate, see fiscal implications				

Parenthesis () indicate expenditure decreases

SOURCES OF INFORMATION

LFC Files

Responses Received From

Northern New Mexico College (NNMC)
 Higher Education Department (HED)
 New Mexico Attorney General (NMAG)
 New Mexico State University – Carlsbad (NMSU C)

Other Responses Received

New Mexico Independent Community Colleges (NMICC)

SUMMARY

Synopsis of SFC Amendment

The Senate Finance Committee amendment to Senate Bill 431 clarifies the vocational technical courses at Northern New Mexico branch community college are a component of NNMC and shall be included in all NNMC reports and higher education funding formula calculations.

- NNMC vocational technical courses will be offered through the branch campus.
- The NNMC branch community college may not receive a separate appropriation through the higher education funding formula.
- A new subsection is added, stating for the NNMC branch community college any courses, students, student credit hours, degrees and certificates awarded are to be reported to HED along with and in the same manner as NNMC data. All NNMC branch

community college courses, students, student credit hours, degrees and certificates awarded shall be included with the NNMC data in all HED reports and higher education funding formula calculations

Synopsis of Original Bill

Senate Bill 431 adopts provisions to allow Northern New Mexico College (NNMC) to establish a branch campus. NNMC branch community college may be ineligible for state appropriations via the higher education funding formula (see Technical Issues).

Section 1: enacts a new section of Chapter 21, Article 14 NMSA 1978, the board of regents at NNMC may partner with one or more area school districts to establish a branch community college to be co-located on either the NNMC main campus in Espanola or on its El Rito campus.

The branch community college shall operate under the administrative structure of NNMC and be under the direction of the president of NNMC.

The board of the branch community college shall have the same powers over financing and financial control as provided for boards of other branch community colleges in Chapter 21, Article 14 NMSA 1978.

The NNMC board of regents and the area school boards or the board of the branch community college may agree to transfer NNMC's technical and vocational courses to the NNMC branch community college. If transferred, the courses shall not be eligible for funding from the land grant permanent fund or be eligible to benefit in any way as a land grant beneficiary.

Section 2: amends Section 21-14-2 NMSA 1978, amending board duties. The board at the branch community college at NNMC is exempted from "the board and the board of regents of the parent institution of the branch community college shall jointly conduct a search for qualified candidates for director."

A new subsection of Section 21-14-2G.5 is established. The NNMC branch community college shall not be eligible for state appropriations through the higher education funding formula.

This section also includes technical language cleanup.

Section 3: amends Section 21-14-9 NMSA 1978, the higher education department shall not recommend an appropriation for the NNMC branch community college.

This section also includes technical language cleanup.

FISCAL IMPLICATIONS

The instructional programs at NNMC branch community college will impact the general fund as they will be included in the higher education funding formula.

SIGNIFICANT ISSUES

SB431 authorizes the NNMC community college, being organized in Chapter 21, Article 14 NMSA 1978 to be eligible under Section 21-2A-2 NMSA 1978 to implement a tax levy. NNMC

community college board can call for an election within its established college district to impose a tax levy to be used for current operations, maintenance and capital improvements in the college district. This levy may be up to five mills. Additionally, the board may call for a capital tax levy. The capital levy may not exceed five mills.

SB431 allows NNMC to seek approval from the voters in participating school districts for a local mill levy to support the NNMC branch community college. NNMC has had discussions with three public school districts: Española Public Schools, Mesa Vista Consolidated Schools, and Pojoaque Valley Public Schools. A two-mill levy from these taxing districts would generate approximately \$1.2 million annually. None of these school districts currently have a higher education mill-levy.

TECHNICAL ISSUES

It is the intent for NNMC to receive state appropriations, including higher education funding formula appropriations for the NNMC branch community college generated student credit hours and awarded certificates and degrees via the NNMC Instruction and General appropriation line in the general appropriations act. However, language on page 5, lines 24 – 25 and page 7, lines 5 – 6 could be interpreted to mean programs offered at NNMC branch community college are ineligible for state funding.

OTHER SUBSTANTIVE ISSUES

According to HED, NNMC discontinued offering vocational courses in 2014. In assessing the needs of the community, NNMC has identified a need for plumbers, carpenters and electrical trades workers. None of these programs are offered by any other institutions in the community. Skilled trades employees are needed by local employers, such as Los Alamos National Labs. By establishing the NNMC branch community college, NNMC would be able to offer these and other vocational or technical courses. The NNMC branch community college would utilize the same administrative structure as NNMC.

The branch structure proposed by NNMC is new in that NNMC is proposing to establish a branch community college but to not ask for state support for branch college administration. The NNMC branch community college will be tied to the NNMC administration structure. The NNMC branch community college will have an advisory board to oversee the mill levy. They will make recommendations to the regents for budget considerations for the branch operation.

VKH/sb