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FISCAL IMPACT REPORT

SPONSOR Martinez, R. ORIGINAL DATE 2/12/2020
LAST UPDATED _____ HB 339
SHORT TITLE WNMU Athletic Programs SB _____
ANALYST Chilton

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY20	FY21		
	\$600.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Related to and partially conflicts with Senate Bill 8

SOURCES OF INFORMATION

LFC Files

Responses Received From

Western New Mexico University (WNMU)

Higher Education Department (HED)

SUMMARY

Synopsis of Bill

House Bill 339 appropriates \$600 thousand from the general fund to the board of regents of Western New Mexico University for the purpose of funding men's baseball and women's soccer programs.

FISCAL IMPLICATIONS

The appropriation of \$600 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of each fiscal year shall revert to the general fund.

Western New Mexico University indicates the following costs relative to reinstating men's baseball and initiating women's soccer:

Baseball and Women's Soccer Cost Summary

	Baseball	Women's Soccer
Coaches' Salaries (2 FT)	\$ 125,000.00	\$ 125,000.00
Staffing	\$ 29,995.00	\$ 29,995.00
Operations Budget	\$ 133,000.00	\$ 90,200.00
Marketing and Promotion	\$ 2,730.00	\$ 2,730.00
Scholarships	\$ 100,642.00	\$ 110,706.00
Totals	\$ 391,367.00	\$ 358,631.00
Grand Total		\$ 749,998.00

WNMU estimates the programs would draw 70 new students, generating \$17.85 thousand a year per student for the university, for a total of \$1.2 million a year and would generate a “positive economic impact” in the community.

WNMU operating budget for athletics for FY20 is \$2.1 million. The LFC recommendation maintains that figure for FY21. Although the university submitted a request for the additional athletics funding to the Higher Education Department (HED), the department did not include it in its request and sought no increase for the WNMU athletic program.

The supplemental appropriation bill adopted during the 2019 session, Senate Bill 536 or “House Bill 2 Jr.,” included \$375 thousand for men’s baseball and women’s soccer programs at WNMU, but the appropriation was vetoed out of the bill.

SIGNIFICANT ISSUES

Of the state’s four-year comprehensive universities, WNMU and the significantly smaller Northern New Mexico College have no men’s baseball or women’s soccer programs. Eastern New Mexico University, with total enrollment over 6,000, offers both men and women’s soccer and men’s baseball. Similarly sized Highlands University – Highlands’ enrollment is about 3,800 and WNMU’s enrollment is about 3,500 – also offers men’s baseball and women’s soccer, although it does not have a men’s soccer team. Both New Mexico State University and the University of New Mexico, classified as research universities, have men’s baseball and women’s soccer teams.

WNMU’s athletics director has been quoted in regional newspaper stories as arguing the programs would give area high school students a reason to enroll in the university. Enrollment at WNMU, and public colleges statewide, is declining, despite an increase in the number of New Mexico high school graduates.

The WNMU athletic director, Scott Noble, is reported as saying a men's baseball team would have to play off campus, although a women's soccer team could use the school's Ben Altamirano Field. He also reportedly said off-campus housing might be necessary because campus housing is near capacity.

Silver City Daily Press articles on the proposal are online at the following links:

<http://www.scdailypress.com/site/2020/01/21/commission-supports-sports-at-wnmu-school-legislation/>

<http://www.scdailypress.com/site/2019/12/10/ramos-boosts-bill-for-wnmu-baseball-soccer/>

HED points out that “the athletic department at WNMU provides activities which integrate athletics with the total educational program of WNMU and the community. WNMU strives to promote physical, emotional and social welfare of student athletes as well as drive enrollment and heighten college profiles. The objective of the athletic department is to develop and maintain outstanding programs that produce championship results in the classroom and on the playing field. In HB339, WNMU seeks to offer men's baseball and women's soccer programs.”

PERFORMANCE IMPLICATIONS

HED analysis suggests WNMU develop performance measures in coordination with the department if funding is approved.

CONFLICT

Senate Bill 8, which appropriates \$750 thousand for the same sports programs, but is otherwise similar.

ALTERNATIVES

WNMU could fund the men's baseball and women's soccer programs from the increased revenue the additional 70 students would bring to the school.

LAC/sb